

codex alimentarius commission



FOOD AND AGRICULTURE
ORGANIZATION
OF THE UNITED NATIONS

WORLD
HEALTH
ORGANIZATION



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Agenda Item 3

JOINT FAO/WHO FOOD STANDARDS PROGRAMME

EXECUTIVE COMMITTEE OF THE CODEX ALIMENTARIUS COMMISSION

Fiftieth Session, FAO Headquarters, Rome, 26-28 June 2002

FINANCIAL AND BUDGETARY MATTERS

BACKGROUND

1. In accordance with Rule XI.1 of the Commission's Rules of Procedure, the Secretariat submits an estimate of expenditure based on the proposed programme of work of the Commission and its subsidiary bodies, together with information concerning expenditures for the previous financial period. The estimate of expenditure shall make provisions for the operating expenses of the Commission and the subsidiary bodies of the Commission established under Rule IX.1(a) and IX.1(b)(ii) and for the expenses relating to staff assigned to the Programme and other expenditures incurred in connection with the servicing of the latter. The present report provides information on expenditures in the previous budget period (2000-2001), and the budget for the current period (2002/03).

2. From 1974 until 2001, the budget of the Joint FAO/WHO Food Standards Programme has been administered through two Trust Funds; a Joint Trust Fund shared by FAO and WHO on the basis of FAO contributing 75 percent and WHO contributing 25 percent, and a FAO-only Trust Fund that provides additional resources from the FAO Regular Programme to provide for administrative and additional documentation costs. The FAO-only contribution is also used to provide support to national and regional workshops on the application of Codex standards or the establishment of national Codex structures, and for the costs of three *ad hoc* expert consultations per biennium that may be held at the request of the Commission.

3. Beginning with the biennium 2002-2003, the budgetary and accounting arrangements for the Joint FAO/WHO Food Standards Programme have changed substantially. As was noted in the Secretariat's report to the 24th Session of the Commission¹, country-specific activities and resources for the funding of *ad hoc* expert consultations have been transferred from the Codex FAO-only budget to the respective FAO programme entities on *Quality Control and Consumer Protection* (Entity 221P5) and *Food Safety Assessment* (Entity 221P6), respectively. Because the revised activities to be carried out under the Joint FAO/WHO Food Standards Programme, the Budget for 2002/03 relates exclusively to the work programme of the Commission and its

¹ ALINORM 01/5.

subsidiary bodies, and there is no need to maintain separate budgets for joint FAO/WHO activities and FAO-only activities. The separate budgets have therefore been combined in the FAO Regular Programme as Entity 221P2². The combination of the budgets and its management under the FAO Regular Programme also provides greater transparency in relation to the contributions of the parent Organizations to the Joint FAO/WHO Food Standards Programme and improved reporting.

BUDGET AND EXPENDITURE 2000/2001 (Annex 1)

4. The biennium 2000/2001 was marked by a very heavy meeting schedule, especially with the meetings of the three new Task Forces established in 1999. For the first time the plenary session of the Commission in 2001 met using all five working languages of the Organization and Arabic was used as an official language at the Executive Committee and the Regional Coordinating Committees for Africa and the Near East. The work of publishing Codex standards, guidelines and recommendations in Arabic and Chinese was commenced with the Codex Procedural Manual and four thematic booklets on food hygiene, inspection and certification procedures, food labelling and on organic foods published in all languages during the biennium. Efforts were made to transfer the contents of the Codex Alimentarius standards and guidelines to an internet-based system; this was only partially achieved during the biennium.

5. In the FAO-only budget, four *ad hoc* Expert Consultations on contemporary food standards issues (one more than planned) were held in the biennium; three on microbiological risk assessment and one of the risk/benefit assessment of foods containing probiotic bacteria. Direct support was provided through national workshops and country visits on the strengthening of national Codex structures in Cameroon, Syria and Tanzania in addition to regional activities; this being slightly less than planned due to a shift of human resources to implementing the core work of the Commission's Secretariat in an unusually heavy biennium. As noted above, these activities have been transferred to other entities in the FAO Regular Programme from 1 January 2002 and will no longer be reported under the Joint FAO/WHO Food Standards Programme.

6. At the beginning of 2000, FAO introduced a new accounting system. This system uses a different set of "accounts" or "objects of expenditure" than the reporting system used in previous biennia. The main impact on the presentation of the budget of the Joint FAO/WHO Food Standards Programme is that publications, meeting costs and staff development costs are now combined in one item. These services are provided by other Divisions within FAO and are reported under the name "FAO Services".

7. Resources for the biennium 2000/2001 were obtained from the FAO contribution to the Joint FAO/WHO Food Standards Programme as listed in Sub-Programme 221A1 in the FAO *Director-General's Programme of Work and Budget 2000-2001*³ and the WHO contribution for the same period. These resources and the expenditures for the biennium are shown in Table 1. There was a marked under-expenditure in Staff Costs the biennium (US\$ 441,615) in comparison to the budget. This was due to resources for the unfilled post of the D-1 Chief of the Food Quality and Standards Service of FAO for a period of 17 months; the P-4 Food Standards Officer post for 9 months; and two clerical posts in the documents office for a total of 4 months. Following the appointment of the new Chief of the Food Quality and Standards Service in June 2001, the resources for this post were transferred from the FAO contribution to the Joint Codex Budget to the FAO Regular Programme. In compensation, there was over-expenditure in non-staff costs, in particular in Travel in the FAO-only budget that is attributed to the non-staff travel of experts at the Joint FAO/WHO Expert Consultations on food microbiology.

8. At the end of the 2000/2001 biennium, all unexpended resources were returned to the FAO General Account with the exception of US\$ 80,240 which was credited to WHO.

BUDGET FOR 2002/03 (Annex 2)

9. As indicated in para. 3 above, new budgetary and accounting arrangements entered into effect from 1 January 2002. The Codex budget is now devoted exclusively to the work of the Secretariat of the Commission

² The Director-General's Programme of Work and Budget for 2002-2003, FAO document C 2001/3, FAO, Rome, 2001. The document is also available from the FAO website at <http://www.fao.org/pwb> which also provides a detailed "Planned Outputs Database" for all FAO Programmes including Codex.

³ The Director-General's Programme of Work and Budget for 2000-2001, FAO document C 99/3, FAO, Rome, 1999.

and is managed through the FAO Regular Programme instead of trust funds. Resources previously included in the FAO-only budget for support to national and regional workshops and for the costs of *ad hoc* expert consultations have been transferred to other budget entities in FAO. The funding for the D-1 Chief, Food Quality and Standards Service of FAO, has also been transferred to these other entities. The approved Budget for 2002-2003 is shown in Table 2.1. In addition to the Budget for the Secretariat of the Codex Alimentarius Commission, budget entity 221P2 in FAO's Programme of Work and Budget 2002-03 also provides for a contribution of US\$ 139,000 to the computer pool and US\$ 24,000 in the decentralized offices for a total of US\$ 4,724,000.

10. The new budgetary arrangements will allow improved reporting of expenditures by output. The relative distribution of resources by output is shown in Table 2.2

EVALUATION OF THE FAO/WHO FOOD STANDARDS PROGRAMME

11. The evaluation of the Codex Alimentarius and other FAO and WHO work on food standards to be undertaken in 2002 (See CX/EXEC 02/50/2) will be funded from by FAO and WHO as follows as indicated in Table 3.

ANNEX 1

BUDGET AND EXPENDITURES 2000-2001

Table 1.1: Budget and Expenditure 2000-2001 - Combined Accounts (US\$)

Codex Budget 2000-2001				Expenditures		
Account Description	FAO	WHO	Total	FAO	WHO	Total
Jointly Financed Activities	4,023,900	969,000	4,992,900			
Miscellaneous (from 1998/99)	56,250	18,750	75,000			
Total Revenue	4,080,150	987,750	5,067,900			
Salaries Professional	1,039,900	346,633	1,386,533	842,327	280,776	1,123,103
Salaries General Service	670,000	223,333	893,333	536,362	178,787	715,149
STAFF COSTS	1,709,900	569,967	2,279,867	1,378,689	459,563	1,838,252
Consultants	117,000	39,000	156,000	102,589	25,077	127,666
Contracts	209,000	57,000	266,000	196,355	52,852	249,207
Overtime	24,000	8,000	32,000	38,051	11,327	49,378
Travel	479,150	86,667	565,817	676,544	107,527	784,071
Training	27,000	9,000	36,000	1,480	493	1,973
Expendable Equipment	-	-	-	5,614	411	6,025
Non-expendable Equipment ⁴	14,000	4,000	18,000	(3,703)	3,934	231
Hospitality	-	-	-	3,259	443	3,702
Technical Support Services	-	-	-	-	-	-
General Operating Expenses	13,000	1,000	14,000	7,414	815	8,229
Support Costs	-	-	-	-	-	-
General Overhead Expenses	-	-	-	29,193	6,962	36,155
FAO Services	1,487,100	213,067	1,700,167	1,344,736	238,055	1,582,791
NON-STAFF COSTS	2,370,250	417,733	2,787,983	2,401,532	447,897	2,849,429
Total Expenditure	4,080,150	987,700	5,067,850	3,780,221	907,460	4,687,681

⁴ The negative figure for expenditures under this item corrects an accounting error from the previous biennium. Actual expenditures were US\$ 15,736. An amount of US\$15,505 was deducted from these expenditures and charged against Contracts.

ANNEX 2

APPROVED BUDGET 2002-2003

Table 2.1: Codex Budget 2002-2003 (US\$ '000)

Account Description	FAO	WHO	Total
Jointly Financed Activities	3,592	969	4,561
Total Revenue	3,592	969	4,561
Salaries Professional	944	315	1,258
Salaries General Service	466	155	621
STAFF COSTS	1,409	470	1,879
Consultants	81	19	100
Contracts	81	19	100
Overtime	47	11	58
Travel	511	117	628
Training	-	-	
Expendable Equipment	5	1	6
Non-expendable Equipment	16	4	20
Hospitality	-	-	
Technical Support Services	-	-	
General Operating Expenses	20	4	24
General Overhead Expenses	20	5	25
FAO Services	1,401	320	1,721
NON-STAFF COSTS	2,183	499	2,682
Total Estimated Costs	3,592	969	4,561

Table 2.2: Estimated distribution of expenditures by output 2002-2003

	(%)
Staff Costs	41.2
Non-Staff Costs	58.8
Outputs as percentage of non-staff costs:	
General expenditures	4.5
Commission and Executive Committee	10.8
Regional Committees and coordination	24.5
Policies and procedures (CCGP)	2.0
General standards for food labelling and nutrition	3.3
Food safety standards	14.7
Standards for specific foodstuffs	7.5
Standards for food inspection, testing and certification	3.7
Final texts disseminated	18.2
Coordination with UN Agencies, WTO, other standardizing bodies	1.9
Information on the Codex Alimentarius	8.9

Table 2.3 Resources for the FAO/WHO Evaluation 2002

	(US\$)
FAO contribution	400,000
WHO contribution	150,000
Contribution from the Codex budget	100,000
Total	650,000