



JOINT FAO/WHO FOOD STANDARDS PROGRAMME

CODEX ALIMENTARIUS COMMISSION

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CODEX BUDGET PLANNING (2016-17) AND REPORT ON EXPENDITURE (2014-15)¹

(Prepared by the Codex Secretariat)

1. INTRODUCTION

1. In accordance with Rule XIII.1 of the Commission's Rules of Procedure, the Secretariat reports on the expenditure for the biennium 2014-15 and submits an estimate of expenditure for the biennium 2016-17 which is based on past expenditure and on the proposed programme of work of the Commission and its subsidiary bodies.
2. The FAO Programme of Work and Budget 2014-15 was approved by the 38th Session of the FAO Conference (15-22 June 2013) and adjustments were approved by the FAO Council (2-6 December 2013)². WHO budget proposals were approved by the 66th Session of the World Health Assembly (May 2013).
3. The budget processes of FAO and WHO have been reported in previous documents³ and are not repeated here. It should be noted that the joint FAO and WHO programme budget (i.e. the budget for the Codex Secretariat) has so far remained protected within the FAO Programme of Work and Budget.
4. In addition to the regular programme budget, which is covered by this report, Codex relies on:
 - i. Provision of scientific advice from expert bodies of FAO and WHO;⁴
 - ii. The FAO/WHO Project and Fund for Enhanced Participation in Codex (CTF);
 - iii. FAO and WHO capacity building projects and events related to Codex at national and regional levels;
 - iv. In-kind contributions of host countries to Codex Committee and Task Force sessions and the working group meetings established by them;
 - v. Secondment of staff from member countries to the Codex Secretariat through extra-budgetary contributions;
 - vi. Contributions by FAO and WHO to Codex work and work management, including technical guidance and legal and communication services.
5. The first part of this document provides information on expenditure for the biennium 2014-15 including information on in-kind contributions from Codex members in this period. The second part of the document provides information about the adjusted total contributions from FAO and WHO based on the approved budget for 2016-17 as well as a strategic work plan for the current biennium in Appendix I.
6. A budget proposal for the biennium 2018-19 is provided separately in document CX/EXEC 16/71/7 Add. 1.

¹ This document has been also included in the agenda of EXEC71 as document CX/EXEC16/71/7.

² www.fao.org/pwb

³ CX/CAC 13/36/13 and in Part C of CX/CAC 14/37/12

⁴ The FAO/WHO financial report on scientific support to Codex is contained in CX/EXEC 16/71/9 and a discussion on increasing sustainability for the provision of scientific advice is contained in CX/EXEC 16/71/10.

2. REPORT ON EXPENDITURE (2014-15)

2.1 Evolution of FAO and WHO contributions and expenditure

7. **Table 1** shows the evolution of FAO and WHO contributions to the budget of the Codex Secretariat and expenditures per biennium for a ten year period.

Table 1: 10-year evolution of Codex programme budget and expenditures (US\$'000)

Biennium	Budget			Expenditures			Balance
	FAO	WHO	Total	FAO	WHO	Total	
2006-2007	5,707 82%	1,225 18%	6,932	6,112 83%	1,225 17%	7,337	-405
2008-2009	6,989 85%	1,225 15%	8,214	7,292 86%	1,225 14%	8,517	-303
2010-2011	7,077 85%	1,225 15%	8,302	6,835 85%	1,225 15%	8,060	242
2012-2013	7,031 80%	1,725 20%	8,756	6,366 79%	1,725 21%	8,091	665
2014-2015	7,075 80%	1,725 20%	8,800	6,744 80%	1,725 20%	8,469	331

8. In contrast to the biennium 2012-13 in which around 8 percent of the budget remained unspent, in 2014-15 around 96 percent of the total budget was spent. The underspending in the biennium 2012-13 was partly due to the increase in the contribution from WHO in the course of the biennium (after the budget planning had been made) and partly due to extended staff vacancies in several areas.

2.2 Programme expenditure 2014-15

9. **Table 2** provides a detailed breakdown of the Secretariat's regular programme expenditure by cost type.

Table 2: Regular programme budget and expenditure 2014-15 by cost type (US\$'000)

Cost Type	Approved Budget 2014-15	Expenditure 2014	Expenditure 2015	Balance 2014-2015
Salaries professional	2,928	1,381	1,531	16
Salaries general service	1,371	589	592	190
Staff	4,299	1,970	2,123	206
Other human resources ⁵	1,300	327	829	144
Internal common services ⁶	1,751	722	871	158
Other operating expenses ⁷	550	316	568	-334
Travel	900	358	385	157
Non-staff	4,501	1,723	2,653	125
TOTAL	8,800	3,693	4,776	331

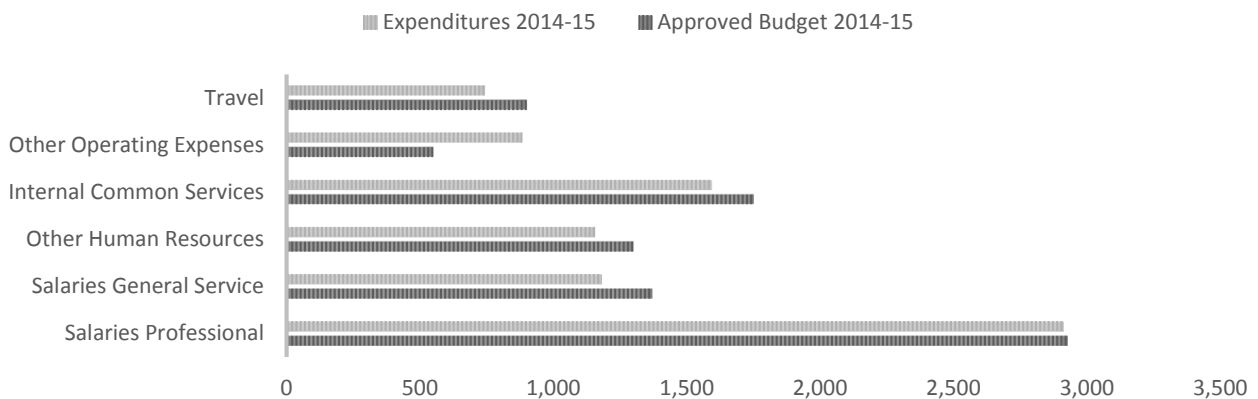
⁵ Includes consultants, interns, contracts with external service providers, and overtime of general service staff.

⁶ Includes temporary assistance, translations, interpretation, and printing serviced by the FAO headquarters.

⁷ Includes data processing equipment, furniture, stationery, costs for rental of external premises, general overhead expenses, and operating costs.

10. **Figure 1** compares biennial expenditures for 2014-15 with the budget as planned and approved per cost type.

Figure 1: Budget versus Expenditure for 2014-15 by cost type



11. Difference between the planned budget and expenditure for the biennium 2014-15 are negligible in the category *salaries professional*.

12. Underspending occurred to a limited extent in the category *salaries general services* (due to three vacancies); *other human resources* (due to a delay in some communication activities); *internal common services* (due to the reduction of print publications and length of documents); and *travel* (due to vacancies and changes in the FAO travel policy).

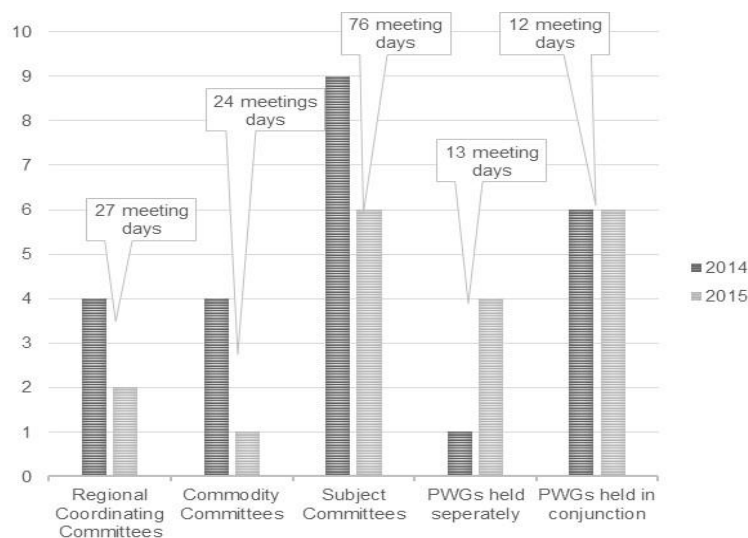
13. Overspending occurred in the category *other operating expenses* (due to the procurement of a software to support the new online commenting system of Codex).

2.3 In-kind contributions from Codex members

14. Next to FAO and WHO regular budget contributions, host country arrangements for Codex sessions and the provision of human resources at Codex Committees constitute essential additions to the Codex budget.

15. In the biennium 2014-15 a total of 26 Committee meetings were held. As shown in **Figure 2** approximately 12 Physical Working Group (PWG) sessions were held in conjunction with Committee meetings while five PWG sessions were held separately.

Figure 2: Number of Committee and Working Group Meetings held in 2014 and 2015



16. In the biennium 2014-15 approximately 26 Committee meetings took place covering 127 work days.

17. Host governments have been asked by the Codex Secretariat to provide information about their resource investments in Codex Committee hosting tasks. According to information received from 14 host governments for the biennium 2014-15 (representing 82 % of all host governments in this period), the total amount spent on Codex Committee sessions, excluding working groups, is approximately USD 6 million. The average annual costs for hosting a Codex Committee is USD 200,000. Depending *inter alia* on the meeting location, duration, translation and interpretation service made available, some meetings can cost up to USD 500,000 per year while others have expenditures as low as USD 50,000.

18. In addition, Member States made extra-budgetary contributions with the secondment of two Food Standards Officers (from Japan and Republic of Korea) to the Codex Secretariat.

3. WORK PLAN FOR 2016-17

19. The FAO Programme of Work and Budget 2016-17 (PWB) was approved by the 39th Session of the FAO Conference (6-13 June 2015). WHO budget proposals were approved by the 67th Session of the World Health Assembly (19-24 May 2015). The adjustments to the PWB as approved by the FAO Council (30 November - 4 December 2015) are reflected in **Table 3**.

Table 3: Contributions 2016-17 (US\$'000)

Contribution	Budget Proposals (CX/CAC 15/38/13)	Adjusted Budget
FAO	7,100 80.4%	7,066 80.4%
WHO	1,725 19.6%	1,725 19.6%
TOTAL	8,825 100%	8,791 100%

20. CAC38 encouraged the Secretariat to adopt a more effective and realistic process when developing the budget.⁸ As a consequence, efforts have been made by the Secretariat to develop a detailed Work Plan and Budget for the biennium 2016-17 (the Work Plan). Estimated expenditure is now broken down by activity and activities are linked to the Strategic Plan of the Codex Alimentarius Commission for 2014-2019, with a view to facilitating a more effective and realistic process when developing the budget for 2018-19.

21. **Table 4** shows the estimated distribution of the budget by cost type and divides costs into two categories: category 1 including such costs that have not been allocated to specific activities in the detailed Work Plan (**Appendix I**) and category 2 including those type of costs that are broken down by activity.

Table 4: Overview of budget distribution by cost type (US\$'000)

CATEGORY	COST TYPES	Budget Biennium 2016-17	
1 unallocated	STAFF COSTS	4,238	48.2%
	CONTINGENCY	307	3.5%
	OTHER OPERATING EXPENSES (activity-unspecific)	590	6.7%
2 allocated	OTHER HUMAN RESOURCES	994	11.3%
	INTERNAL COMMON SERVICES	1,670	19.0%
	OTHER OPERATING EXPENSES (activity-related)	200	2.3%
	TRAVEL	790	9.0%
Part of budget broken down by activity		3,654	41.6%
Total Budget		8,789	100%

⁸ REP15/CAC para.133 b).

22. *Staff costs* (including salaries of professional and general service staff): In 2016 one P5 post (Senior Standards Officer) will be vacant for a maximum of 7 months. In addition to the regular professional posts planned under the PWB, one P4 staff will continue to assist the Secretariat with information systems development in the biennium 2016-17 and one P3 staff is employed for 11 months in 2016 for information management and website maintenance. As regards general service staff, the vacant G4 post (Spanish Proofreader) was filled in April 2016. One G5 and G4 post remain vacant in the biennium 2016-17. The budget reserved for these two vacant posts and the positive balance resulting from the vacant P5 post will be consumed by the above described additional P4 and P3 positions.
23. *Contingency*: A contingency reserve of 3.5 percent of the current programme budget has been planned to cover potential extraordinary committee sessions, *ad hoc* support to host countries, costs for internal review or evaluation, and costs arising from any other unexpected events.
24. *Other operating expenses*: With the exception of a small percentage, other operating expenses are activity-unspecific and cover costs such as data processing equipment, furniture, stationary, general overhead expenses, and operating costs.
25. *Other human resources*: This cost type includes consultancy, contracts with external service providers (e.g. communication and design services) and overtime of general service staff. As shown in the Work Plan roughly half of other human resource costs will be due to the organization of Commission and subsidiary body sessions as well as additional events such as workshops for host countries and committee chairs. The other half is planned for activities under the Codex Communication Strategy and the Strategic Plan objective 4 (implement effective and efficient work management systems and practices).
26. *Internal common services*: Around 80 percent of the costs for temporary assistance, translations, interpretation, and printing serviced by the FAO (or WHO) are planned to cover the Commission, Executive Committee and FAO/WHO Coordinating Committee sessions. The remaining 20 percent will be occasional expenses for printing or translation services related to commodity and general subject Committee sessions as well as workshops, training and communication activities (e.g. translation of surveys, printing of publications).
27. *Other operating expenses (activity-related)*: An estimate of USD 200,000 has been planned for other operating expenses related to the Commission, workshops/training for host countries and committee chairs, the set-up of a platform for information exchange on the codex website and other communication activities (e.g. Codex promotional videos).
28. *Travel*: In 2016 travel to 16 subsidiary-body sessions and a number of additional meetings, workshops, training and other events is foreseen. In 2017, the Commission will take place in Geneva and travel to at least 11 subsidiary body sessions is foreseen along with other events. Due to changes in the FAO travel policy an overall decrease in travel costs is expected.

Appendix I: Codex Work Plan and Budget 2016-17 (US\$'000)

COST TYPES		Biennium 2016-17		OTHER HUMAN RESOURCES		INTERNAL COMMON SERVICES		OTHER OPERATING EXPENSES		TRAVEL		TOTAL (biennium)
STAFF COSTS		4,238	48.2%									
CONTINGENCY (incl. for extraordinary sessions, host country support, evaluation)		307	3.5%									
OTHER OPERATING EXPENSES (activity unspecific)		590	6.7%									
OTHER HUMAN RESOURCES		994	11.3%									
INTERNAL COMMON SERVICES		1,670	19.0%									
OTHER OPERATING EXPENSES (activity related)		200	2.3%									
TRAVEL		790	9.0%									
Total Budget		8,789	100.0%									
Part of budget broken down by activity		3,654	41.6%									
Link to Strategic Plan	Activity	Output 2016	Output 2017	2016	2017	2016	2017	2016	2017	2016	2017	
1.1	Hold CAC session	1 session held (Rome), documents produced	1 session held (Geneva), documents produced	40	40	280	250	50	50	5	55	770
1.1	Hold CCEXEC sessions	1 main session (Rome) and 1 follow-up session (Geneva) held, documents produced	1 main session (Geneva) and 1 follow-up session (Rome) held, documents produced	30	30	190	190			75	75	590
1.1, 1.2	Hold General Subject Committee sessions	10 sessions held (10 committees), documents produced	5 sessions held (10 committees), documents produced	50	25	40	20			100	50	285
1.1, 1.2	Hold Commodity Committee sessions	1 session held (8 committees), documents produced	min. 3 session held (8 committees), documents produced	10	30		10			10	30	90
1.1, 1.2	Hold Regional Coordinating Committee sessions	4 sessions held (6 committees), documents produced	2 sessions held (6 committees), documents produced	50	25	250	125			60	30	540
2.1, 2.2, 2.3	Collaborate with parent organizations (FAO, WHO)	Events co-organized/attended (e.g. expert body meeting), meetings held, contribution to joint publications	Events co-organized/attended (e.g. expert body meeting), meetings held, contribution to joint publications							20	20	40
1.3	Collaborate with OIE and IPPC on relevant issues	OIE/IPPC annual meetings attended	OIE/IPPC annual meetings attended	25	25					15	15	80
1.3	Cooperate with international intergovernmental & non-governmental organizations (incl. ISO, UNECE, WTO)	min. 6 WTO events and min. 5 other events attended	min. 6 WTO events and min. 5 other events attended							40	40	80

Link to Strategic Plan	Activity	Output 2016	Output 2017	OTHER HUMAN RESOURCES		INTERNAL COMMON SERVICES		OTHER OPERATING EXPENSES		TRAVEL		TOTAL (biennium)
				2016	2017	2016	2017	2016	2017	2016	2017	
4.2	Develop and roll-out guidance documents (e.g. Codex Factsheet)	2 documents produced	1 document produced	10	5	20	10					45
3.2, 4.2	Hold information activities & training, preferably on the margins of Codex meetings (e.g. training of CCPs, CCEXEC)	4 events for RCCs and min.1 other event held	2 events for RCCs and min.2 other events held	50	40	50	40			50	30	260
4.1, 4.2	Hold workshops/training for host countries & committee chairs	2 events for host countries and 1 event for chairs held	min. 3 events for host countries and 1 event for chairs held	45	60		15	30	50	10	15	225
1.2, 4.2	Provide introductions/seminars to RCC coordinators	min. 3 introductions held	min. 1 introduction held							10	5	15
4.1	Publish revised and new standards	Publication on website	Publication on website	15	15	10	10					50
4.1	Maintenance/re-design of Codex website	Active and user-friendly website	Active and user-friendly website	40	65	40	40					185
3.1, 4.1	Implement technologies to improve member participation (platform WGs/discussion forum, online commenting software)	discussion forum animated, commenting system rolled-out	discussion forum animated, use of commenting system expanded	60	80							140
1.2, 3.1, 3.2	Provide platform for partnership/network set-up, information exchange on national Codex structures, identification of emerging issues	Online platform embedded in website and populated with data	Online platform enhanced and further populated with data	30	50			5	5			90
crosscutting	Other communication activities (e.g. information to governments & stakeholders, Codex promotion, surveys)	events attended, presentations prepared, social media activities conducted	events attended, presentations prepared, social media activities conducted	25	24	40	40	5	5	15	15	169
				480	514	920	750	90	110	410	380	3,654
				994		1,670		200		790		