



JOINT FAO/WHO FOOD STANDARDS PROGRAMME
EXECUTIVE COMMITTEE OF THE CODEx ALIMENTARIUS COMMISSION
Seventy-ninth Session

CODEx BUDGETARY AND FINANCIAL MATTERS: REPORT 2018–2019 AND PROGRESS 2020–2021

(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 2018–2019 and submits an estimate of expenditure for the biennium 2020–2021, 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 2018–2019 was approved by the 40th Session of the FAO Conference (3-8 July 2017) and adjustments were approved by the FAO Council (4-8 December 2017). The WHO budget proposals were approved by the 70th Session of the World Health Assembly (22-31 May 2017).

3. This report is focused on the regular budget for the Codex Alimentarius Commission (in charge of implementing the Joint FAO/WHO Food Standards Programme). However, the Codex system additionally relies on:

- i. The provision of scientific advice from expert bodies of FAO and WHO;
- ii. FAO and WHO capacity building projects and events related to Codex at national and regional levels;
- iii. The FAO/WHO Fund for Enhanced Participation in Codex (CTF);
- iv. Members providing staff secondments to the Codex Secretariat;
- v. Members acting as hosts for Codex Committees, Task Forces and working groups (providing venues, interpretation, translation, the Chairperson and a local secretariat);
- vi. Members operating their national Codex structure (Codex Contact Points and National Codex Committees) and bearing the cost of the participation of their delegates, and where relevant the cost of elected officials (Chairperson and vice-chairperson of the CAC and CCEXEC, members of the CCEXEC and designated regional coordinators) in Codex meetings; and
- vii. Contributions by FAO and WHO to Codex work and work management, including technical guidance and legal and communication services.

4. The first part of this document provides information on expenditure for the biennium 2018-2019, 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 2020-2021, the progress made during the first quarter of the biennium as well as an update of the work plan for the current biennium in Appendix I.

2. REPORT ON EXPENDITURE (2018-2019)

2.1 *Evolution of FAO and WHO contributions and expenditure*

5. **Table 1** shows the evolution of FAO and WHO contributions to the budget of the Codex Secretariat and expenditures per biennium for the period 2006-2019.

Table 1: Evolution of Codex programme budget and expenditures (USD thousands), 2006-2019

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
2016-2017	7 064 80%	1 725 20%	8 789	7 018 80%	1 725 20%	8 743	46
2018-2019	7106 80.5%	1725 19.5%	8831	7081 80.4%	1725 19.6%	8806	25

6. The monitoring mechanisms set in place at the beginning of 2016 allowed for a more accurate quarterly forecasting and financial management which resulted in a positive balance of only USD 25 174 at the end of the biennium 2018-2019.

2.2 Programme expenditure 2018-2019

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

Table 2: Regular programme budget and expenditure 2018-2019 by cost type (USD thousands)

Cost Type	Approved Budget 2018-2019	Expenditure 2018	Expenditure 2019	Balance 2018-2019
(1) STAFF	4 280	2 007	2082	191
(2) CONTINGENCY	180	0	155	25
(3) OTHER HUMAN RESOURCES ¹	1 141	953	408	-220
(4) INTERNAL COMMON SERVICES ²	1 700	729	795	176
(5) OTHER OPERATING EXPENSES ³	780	504	324	-48
(6) TRAVEL	750	376	483	-109
(7) INCOME FROM PROJECTS ⁴		-4	-6	10
TOTAL	8 831	4 565	4 241	25

¹ Includes consultants, interns, contracts with external service providers, and overtime of general service staff.

² Includes translations, interpretation, and printing serviced by the FAO Headquarters.

³ Includes data processing equipment, furniture, stationery, costs for rental of external premises, general overhead expenses, and operating costs.

⁴ Reimbursement of staff input to projects with a component on Codex.

8. (1) *Staff* (including salaries of professional and general service staff): The positive balance is due to a period of vacancy for one of the Professional posts (4 months), and four of the General Service posts (for 24, 24, 8 and 4 months). The responsibilities of the vacant posts have been temporarily covered by other permanent staff and consultants while some of the unspent funds have been used for a professional staff member on a fixed term contract to assist the Secretariat with information systems development and maintenance (15 months up to March 2019) and cost sharing of an Associate Professional Officer.

9. (2) *Contingency*: The contingency reserve was used to further support additional consultants and external service providers to complete a series of workshops on Codex web tools in three regions which were initiated in 2016-2017 but could not be completed due to time constraints. These workshops were financed by the contingency reserve to ensure wide geographical coverage.

10. (3) *Other human resources*: This budget line shows a negative balance as temporary consultants have been hired to cover some of the duties of the vacant professional and general service staff posts or assist in short term projects mainly related to ICT services. In addition, as mentioned in the report on 2018 expenditure (CX/CAC 19/42/13) regional workshops on Codex webtools were convened for CCASIA, CCEURO and CCNE in order to complete a cycle of such workshops initiated in 2017. Part of the costs of these workshops (i.e. consultants and contracts with external service providers) are accounted for under this budget line. Several additional publications were also issued in ongoing efforts to raise the profile of Codex work and maintain/enhance engagement (e.g. Codex Strategic Plan 2020-2025, publications to mark CCFH50 and ten years of CCFO being hosted by Malaysia).

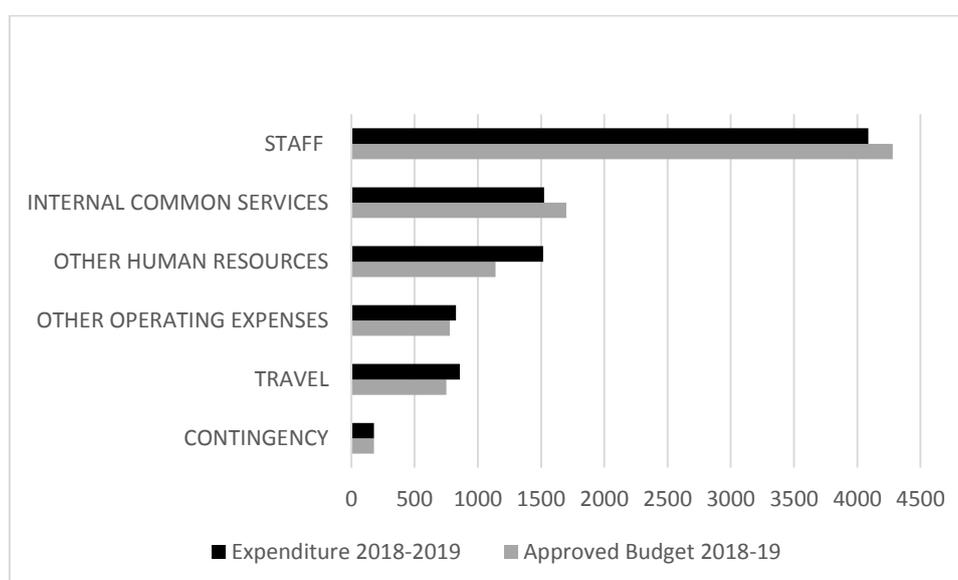
11. (4) *Internal common services*: some savings were made in relation to interpretation and translation services as only three sessions of CCEXEC were convened in the biennium and of those three, one session was only a one day session, compared to the four full sessions which was included in the budget planning.

12. (5) *Other operating expenses*: The differences between the planned budget and the expenses for the biennium are negligible.

13. (6) *Travel*: The negative balance mainly derives from travel costs to the high number of physical meetings convened in 2019 (20 in total). All six of the FAO/WHO Coordinating Committees were convened in 2019. In addition, it includes travel costs of eligible CCEXEC members to a physical meeting of the CCEXEC Sub-committee on the Codex strategic Plan to facilitate progression of the Codex Strategic Plan 2020-2025 in December 2018.

14. **Figure 1** compares biennial expenditures for 2018-2019 with the budget as planned and approved per cost type.

Figure 1: Budget versus Expenditure for 2018-2019 by cost type

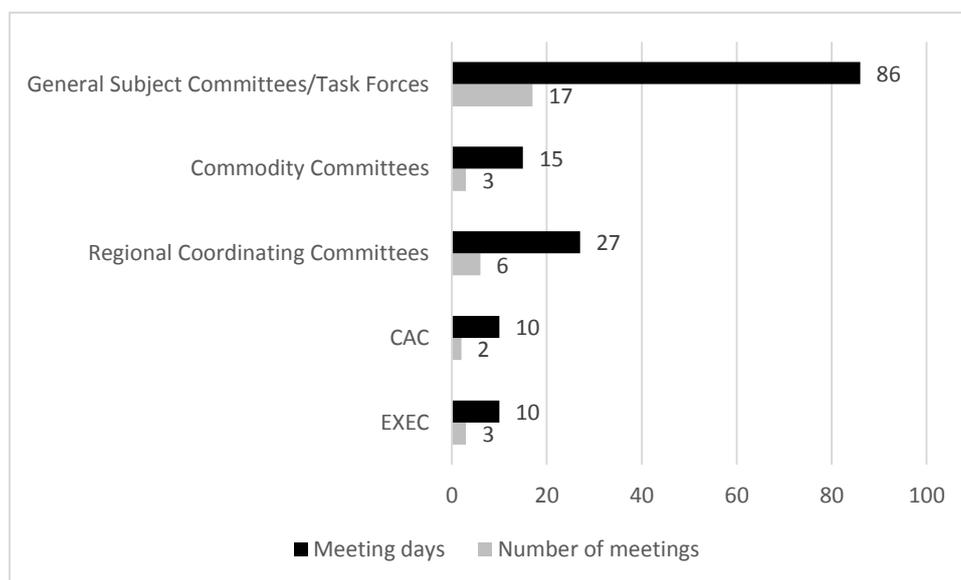


2.3 Codex sessions and in-kind contributions from Codex members

15. In the biennium 2018-2019 a total of two CAC, three EXEC and 27 CAC subsidiary body sessions were held. One of these subsidiary bodies met by correspondence (CCPFV), completing one meeting by correspondence and initiating another within the biennium. As shown in **Figure 2** Codex physical meetings in the biennium covered a total of 148 working days (around one third of working days in the biennium), excluding preparatory meetings, side events and physical working group meetings held prior to some sessions. In the biennium one physical session (CCLAC21) had to be suspended and only met for two days rather than scheduled five days and completed its work by correspondence in 2020.

16. 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 regular programme budget.

Figure 2: Number and days of Codex physical meetings held in 2018 and 2019



17. In addition to the budget presented here it is estimated that host governments for Codex Committees spend up to USD 6 million on these Committees in the course of a biennium. 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) and support towards one Associate Professional Officer (from Germany) to the Codex Secretariat.

3. PROGRESS AND WORK PLAN FOR 2020-2021

19. The FAO Programme of Work and Budget (PWB) 2020-2021 was approved by the 41st Session of the FAO Conference (22-29 June 2019). WHO budget proposals were approved by the 72nd Session of the World Health Assembly (20-28 May 2019). The adjustments to the PWB as approved by the FAO Council (2-6 December 2019) are reflected in **Table 3**.

Table 3: Contributions 2020-2021 (USD thousands)

Contribution	Budget Proposals (CX/CAC 18/41/15)	Adjusted Budget
FAO	7 106 80%	7077 80%
WHO	1 725 20%	1 725 20%
TOTAL	8 831 100%	8 802 100%

20. CAC38 encouraged the Secretariat to adopt a more effective and realistic process when developing the budget.⁵ As a consequence, efforts have been made to develop a detailed Work Plan and Budget for the biennium 2020-2021, with detailed expenditure by activity, linked to the Strategic Plan of the Codex Alimentarius Commission for 2020-2025. However, the global impact of the COVID19 pandemic has meant that in recent months it was necessary to make substantial changes to the Codex work plan. Key changes to the work plan for 2020 include:

- Cancellation/postponement of all physical meetings of Codex subsidiary bodies; Convening of CCEXEC79 and possibly CAC43 as virtual meetings;
- Increase in the number of informal virtual meetings with the Members to ensure transparency and maintain communication during the ongoing crises;
- Increase in the number of training webinars to Member countries to support use of Codex online tools; and
- Additional secretariat support to Chairpersons and working groups to facilitate work continuity.

21. The above changes have meant that while travel expenditure will be lower for this year expenditure in other areas such as interpretation and ICT support to facilitate virtual meetings will increase.

22. As uncertainty related to the pandemic continues, not only in relation the feasibility of convening physical meetings in 2020, but in the ability to host and/or participate due to, for example, economic challenges and national priorities in the wake of the pandemic, this work plan should be viewed as preliminary in nature and will likely require further revisions in order to adapt to the ongoing situation while maintaining work continuity.

23. **Table 4** shows the estimated distribution of the budget by cost type. The detailed Work Plan and Budget can be found in Appendix I.

Table 4: Overview of budget distribution by cost type (USD thousands)

COST TYPES	Budget	
	Biennium 2020-2021	
(1) STAFF	4 508	51.2%
(2) CONTINGENCY	60	0.7%
(3) OTHER OPERATING EXPENSES (activity unspecific)	580	6.6%
Sub-total activity un-specific budget	5 148	
(4) OTHER HUMAN RESOURCES ¹	1 141	13%
(5) INTERNAL COMMON SERVICES ²	1 733	19.7%
(6) OTHER OPERATING EXPENSES (activity related) ³	150	1.7%
(7) TRAVEL	630	7.2%
Sub-total activity specific budget	3 654	48.8%
Total Budget	8 802	100%

¹ Includes consultants, interns, contracts with external service providers, and overtime of general service staff.

² Includes translations, interpretation, and printing serviced by the FAO Headquarters.

³ Includes data processing equipment, furniture, stationery, costs for rental of external premises, general overhead expenses, and operating costs.

24. Following adjustment of the budget by the FAO Council in December 2019, and the need to adjust to the current global situation, changes compared to those proposed to CAC41 (CX/CAC 18/41/15) have been made to the categories as reported below:

⁵ REP15/CAC para.133 b).

- (1) *Staff* (including salaries of professional and general service staff): The budget line has been adjusted based on staff posts allocated to the Codex Secretariat for 2018-2019 and the respective rates. One additional staff post has now been included in the regular funded professional posts for 2020-2021 following abolition of a vacant General Service post.
- (2) *Contingency*: This has been reduced since the adjustments under line (1) has meant that there is a reduction in resources to cover costs other than staff and the current situation has warranted a maintenance or increase in other areas as described below.
- (3) *Other human resources*: This has been maintained even though staff costs have increased as in effect that increase in staff resources formalizes a post and related activities which was already being covered by unspent funds in past biennia (see para 9). In particular, the need to adapt to the current situation caused by the global COVID-19 pandemic, where ICT has become increasingly important and various mechanisms of support are needed to ensure this as well as provide regular virtual training for members in the use of online tools.
- (4) *Internal common services*: The need for interpretation services in particular has increased in the recent month as specific efforts are required to communicate with the Membership and support work continuity in the current period. For example, there has been a number of informal virtual meetings with the membership with interpretation to ensure ongoing engagement of the Members in the absence of physical meetings and to develop contingency plans for each committee and each region.
- (5) *Other Operating Expenses*: Due to the current situation which has meant that a physical session of the CAC cannot be convened in 2020 and the lockdown which had led to staff working from home, savings in this area were anticipated.
- (6) *Travel*: Due to the current situation with the global COVID-19 pandemic only one physical meeting (CCEXEC78) and one workshop (electronic working groups) could be convened in 2020. Therefore, the travel budget has been reduced to reflect this situation.

Appendix I: Codex Work Plan and Budget 2020-2021 (USD thousands)

COST TYPES		Biennium 2020-2021		OTHER HUMAN RESOURCES		INTERNAL COMMON SERVICES		OTHER OPERATING EXPENSES		TRAVEL		TOTAL (biennium)								
STAFF COSTS	4,508	51.2%																		
OTHER OPERATING EXPENCES (activity unspecific)	580	6.6%																		
CONTINGENCY (incl. for extraordinary sessions, host country support, evaluation)	60	0.7%																		
OTHER HUMAN RESOURCES	1,141	13.0%																		
INTERNAL COMMON SERVICES	1,733	19.7%																		
OTHER OPERATING EXPENSES (activity related)	150	1.7%																		
TRAVEL	630	7.2%																		
Total Budget	8,802	100.0%																		
Part of budget broken down by activity		3,654	41.5%																	
Link to Strategic Plan	Activity	Output 2020	Output 2021	2020	2021	2020	2021	2020	2021	2020	2021									
1, 2	Hold CAC session	1 session held (virtual), documents produced	1 session held (Geneva), documents produced	40	40	150	250	10	50	20	55	615								
1, 2	Hold CCEXEC sessions	1 main session (virtual) and 1 follow-up session (Geneva) held, documents produced	1 main session (Geneva) and 1 follow-up session (Rome) held, documents produced	25	25	100	180			50	75	455								
1, 2	Hold General Subject Committee sessions	None (due to COVID-19 pandemic)	11 sessions held (10 committees and 1 task force), documents produced		75		20				110	205								
1, 2	Hold Commodity Committee sessions	1 session held (CCPFV by correspondence), documents produced	3 sessions held physically and 1 by correspondence (4 committees), documents produced	10	30	5	10				30	85								

1, 2	Hold Regional Coordinating Committee sessions	1 session completed (by correspondence), documents produced	6 sessions held (6 committees), documents produced	10	75	8	420				90	603
1, 2, 3, 4	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		5		5				20	30
1, 4	Support intersession communications between all members (e.g. informal virtual meetings, support to working groups)	Informal virtual meeting with each of the Codex regions, (up to 2 per year) and up to 4 informal meetings with the CCEXEC and one virtual meeting with all members with interpretation and document translation on a priority basis and support translation for Working groups if needed	Informal virtual meeting with each of the Codex regions, (up to 2 per year) and up to 2 informal meetings with the CCEXEC	30	30	200	100					360
3	Cooperate with international intergovernmental and non-governmental organizations (incl. ISO, UNECE, WTO)	WTO and other events attended virtually	Min. 6 WTO events and min. 5 other events attended								50	50
5	Develop, revise and roll-out guidance documents (e.g. Delegates Handbook, host secretariat guidance, EWG handbook, Online training modules updated)	1 meeting (EWG workshop) and 2 documents produced	2 documents produced	10	10	20	20			65		125
3,4,5	Hold information activities & trainings, in the margins of Codex meetings (e.g. training of CCPs, CCEXEC), or through virtual means (webinars, online training)	Webinars for member countries on Codex in 2020, risk basis of Codex, key Codex texts (e.g. GSFA)	Webinars for Members/CCPs and min 1 CCP Training (regional)	30	40	40	35	10	10		20	185

5	Hold workshops/training for host countries & committee chairs and further develop communication forums	Virtual meetings for chairpersons and host secretariats (2-3)	Event for chairpersons/host countries and 1-2 virtual meetings	10	55			10	50		10	135
5	Provide introductions/seminars to RCs and facilitate RC transition	One face- to- face event with RCs and one virtual meeting	Meeting in the margins of CCEXEC or CAC + min 5 virtual briefing events	20	20	10					20	70
3	Publish revised and new standards	Publication on website, format of standards	Publication on website, format of standards	40	40	30	30					140
3	Maintenance/re-design of Codex website and digitalization of Codex archive	Active and user-friendly website	Active and user-friendly website	30	30	30	30					120
3	Case studies on the use and impact of Codex standards and assessment mechanism	1 case study	1 case study and requirements and provider defined for a mechanism to measure impact of Codex standards	10	30							40
4, 5	Maintain/ Implement technologies to improve member participation (platform WGs/discussion forum, Pleasereview system, and facilitate multilingual engagement through electronic means)	Discussion forum support, commenting system support provided	Discussion forum support, commenting system support provided	70	70							140
1,2,3,4,5	Monitoring and evaluation framework for the Codex Strategic Plan and support to plan implementation at regional level	Framework developed	Collation of data of first 2 years	30	40							70
1, 2, 3, 4,	Communication activities (e.g. information to governments & stakeholders, Codex promotion, surveys, CAC Magazine and other publications highlighting Codex work, podcasts, support to WFSD)	Events attended, presentations prepared, social media activities conducted	Events attended, presentations prepared, social media activities conducted	80	81	20	20	5	5		15	226
				445	696	613	1,120	35	115	135	495	3,654
				1,141		1,733		150		630		