



JOINT FAO/WHO FOOD STANDARDS PROGRAMME

CODEX ALIMENTARIUS COMMISSION

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CODEX SECRETARIAT: BUDGETARY AND FINANCIAL MATTERS¹

(Prepared by the Codex Secretariat)

1. INTRODUCTION

1. In 2016, the Secretariat reported on the expenditure for the biennium 2014–15, provided the work plan and budget for the biennium 2016–17 as well as a budget proposal for the biennium 2018–19².

2. The present document contains, in its first part, a report on expenditure for the calendar year 2016 with a highlight on regional FAO/WHO Coordinating Committees (RCCs). The second part provides the estimate of expenditure for 2017 based on the work plan presented in 2016. The third and last part is an outlook to the biennium 2018–19.

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;³
- (ii) FAO and WHO capacity building projects and events related to Codex at national and regional levels;
- (iii) The FAO and WHO Project and Fund for Enhanced Participation in Codex (CTF);
- (iv) Members providing staff secondments to the Codex Secretariat, funding the CAC Chair or Vice Chairs;
- (v) Members acting as hosts for Codex Committees, Task Forces and working groups (providing venues, interpretation, translation, Chair and a local secretariat);
- (vi) Contributions by FAO and WHO to Codex work and work management, including technical guidance and legal and communication services.

4. In 2018, the Secretariat will report on expenditure for the biennium 2016–17, provide the work plan and budget for the biennium 2018–19 and a budget proposal for the biennium 2020–21.

¹ This document has been also included in the agenda of EXEC73 as document CX/EXEC 17/73/9.

² See CX/CAC 16/39/14 and CX/CAC 16/39/14 Add. 1

³ The FAO/WHO financial report on scientific support to Codex is contained in CX/CAC 17/40/15.

2. REPORT ON EXPENDITURE in 2016

2.1 Programme expenditure 2016

5. Overall 46 percent of the biennial 2016-17 budget was spent in 2016. Table 1 shows a detailed breakdown of the adjusted budget for the biennium 2016–17 and the Secretariat's regular programme expenditure in 2016 broken down by cost type.

Table 1: Regular programme budget and expenditure 2016 by cost type (US\$'000)

Cost Type	Budget 2016–17	Expenditure 2016	Budget 2017
(1) STAFF COSTS	4,238	2,172 (51%)	2,066
(2) CONTINGENCY	307	- (0%)	307
(3) OTHER HUMAN RESOURCES ⁴	994	432 (43%)	562
(4) INTERNAL COMMON SERVICES ⁵	1,670	890 (53%)	780
(5) OTHER OPERATING EXPENSES ⁶	790	131 (17%)	659
(6) TRAVEL	790	387 (51%)	403
TOTAL	8,789	4,012 (46%)	4,777

6. The difference between the planned budget and expenditure for the year 2016 is negligible in the categories (1) *Staff*, (4) *Internal common services* and (6) *Travel*.

7. Underspending occurred in the category (5) *Other operating expenses* due to a lower number of meeting days in 2016 compared to the previous biennium and, to a more limited extent, in the category (3) *Other human resources* as consultancy costs for the new Online Commenting System will only be charged for in the beginning of 2017.

8. As no unexpected or unplanned events took place in 2016, the (2) *Contingency* reserve of USD 307,000 was not used.

2.2 Joint FAO/WHO Coordinating Committees

9. In line with the Codex Work Plan and Budget 2016–17⁷, a total of 15 Committee meetings (i.e. 77 meeting days) were held in 2016. In addition, one session of the Commission and two sessions of the Executive Committee (i.e. 12 meeting days) took place. The sessions of four RCCs accounted for 26 percent of the total Committee meeting days in 2016.

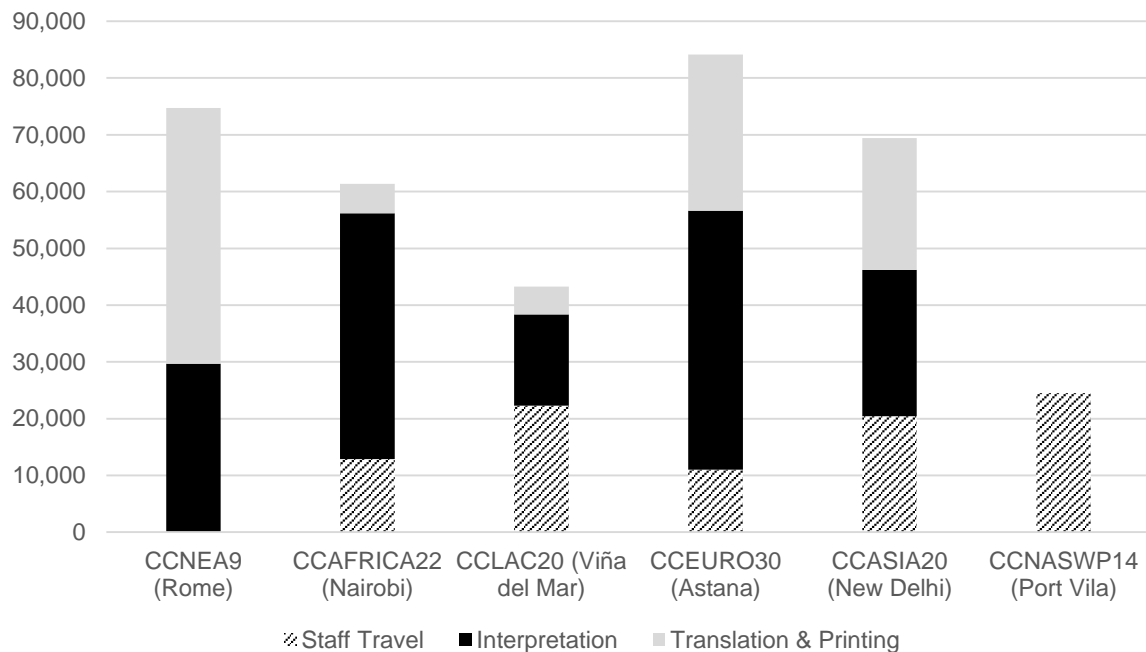
10. The average cost of RCCs borne by the programme in 2016 was USD 60,000 per region. As shown in **Figure 1**, interpretation costs constitute the highest cost account with the exception of CCNASWP which is run in English only.

⁴ Includes consultants, interns, contracts with external service providers, and overtime of general service staff.

⁵ Includes translations, interpretation, and printing serviced by the FAO headquarters.

⁶ Includes data processing equipment, furniture, stationery, costs for rental of external premises, general overhead expenses, and operating costs.

⁷ See Appendix I of CX/CAC 16/39/14

Figure 1: RCC programme costs by cost type (US\$)

11. The regional Committees have different needs with regards to interpretation and translation. For the recent round of RCCs the following languages were used in addition to English:

- CCNASWP14: none
- CCASIA20: Chinese
- CCEURO30: French, Russian, Spanish
- CCLAC20: Spanish
- CCAFRICA22: French, Portuguese (Interpretation only)
- CCNEA9: Arabic, French

12. In the case of CCEURO, the costs for translation and interpretation into Russian were covered by the Committee host (The Netherlands).

13. Different RCCs have followed a practical approach to save or invest into interpretation/translation costs attempting to strike a balance between languages most used in the region to maximize the possibilities of members to participate while also allowing for the organization of workshops and other Codex-related activities around the RCC sessions.

14. For example, CCLAC uses only English and Spanish while there is a French speaking country in the region (Haiti). CCAFRICA uses English, French and Portuguese while there is a Spanish speaking country in the region (Equatorial Guinea). Portuguese, although not being a UN official language, has been added to CCAFRICA for interpretation on an ad-hoc basis depending on budget availability considering that a number of countries in the region use Portuguese and that regional WHO conferences for Africa also follow this approach.

15. Regardless of the above, the reports of RCCs are always available in English, French and Spanish with addition of a language of particular interest to the RCC e.g. Arabic (CCNE) or Chinese (CCASIA).

16. Following the discussions held in CCEURO29 (2014), CAC38 (2015) and CCEURO30 (2016), the Secretariat is of the opinion that Russian language is a relevant language for use in CCEURO both for translation (including the final report) and interpretation services.

17. Provision of Russian translation and interpretation services through the Codex budget is estimated at a cost of USD 23,000. This figure could be accommodated for the biennium 2018–19, but cannot be guaranteed on a regular basis for future sessions of CCEURO.

3. ESTIMATE OF EXPENDITURE IN 2017

18. No changes to the planned activities and outputs mentioned in the Codex Work Plan and Budget 2016/17 are foreseen for the calendar year 2017.

19. (1) *Staff* (including salaries of professional and general service staff): The vacancy of one budgeted P5 post since September 2016 is foreseen to be filled by October 2017 at the latest. The responsibilities of the P5 have been temporarily covered by permanent staff and consultants so that the work plan could be respected. One P4 staff on a fixed term contract will continue to assist the Secretariat with information systems development in 2017. One budgeted G4 post became vacant in November 2016 and duties have been taken up by a temporary consultant (included under *other human resources*). Another two budgeted G5 and G4 posts will remain vacant in 2017 and their budget will be used to fund the abovementioned P4 fixed term post.

20. (2) *Contingency*: So far no events/activities are foreseen to be covered by this reserve.

21. (3) *Other human resources*: This budget line is expected to show a negative balance. As mentioned in para. 19 a temporary consultant has been hired to fill a vacant budgeted G4 post for the period December 2016 – February 2018. In addition, other consultants will assist in short term projects as needed; external services related to the new Online Commenting System will be charged in 2017; and overtime of general service staff will occur for the six day session of the Commission in 2017.

22. (4) *Internal common services*: Slightly lower expenditure than in 2016 is expected as fewer sessions of subsidiary bodies (2016: 17 Committee sessions; 2017: 12 Committee and 1 Task Force session) will take place. However, the six-day Commission session in Geneva will result in higher costs for internal common services compared to 2016.

23. (5) *Other operating expenses*: While slightly higher expenditure than in 2016 is expected due to the planning of one additional event for host countries and work related to the online platform for Codex members, the budget line is expected to show an overall positive balance at the end of 2017.

24. (6) *Travel*: Slightly lower expenditure than in 2016 is expected as fewer sessions of subsidiary bodies will take place.

4. OUTLOOK BIENNIUM 2018–19

25. In accordance with Rule XIII.2 of the Commission's Rules of Procedure, the estimate of expenditure for the biennium 2018–19 makes provisions for the operating expenses of the Commission and its subsidiary bodies as well as for the expenses relating to staff assigned to the programme and other expenditures incurred in connection with the serving of the latter.

26. The proposed budget for the biennium 2018–19 is shown in Table 2 and shows zero nominal growth compared to the biennium 2016–17. It is subject to approval by the FAO and WHO governing bodies meeting in 2017.

27. The proposal with the respective contributions of FAO (80%) and WHO (20%) was already presented in **CX/EXEC 16/71/7 Add. 1**. However the breakdown of costs has been slightly adjusted under the budget lines (1) staff costs and (4) other operating expenses.

Table 2: Budget proposal 2018–19 (US\$'000)

Account Description	Amount	Percentage
FAO Contribution	7,064	80%
WHO Contribution	1,725	20%
(1) STAFF COSTS	4,479	51%
(2) CONTINGENCY	180	2%
(3) OTHER HUMAN RESOURCES	900	10%
(4) INTERNAL COMMON SERVICES	1,700	19%
(5) OTHER OPERATING EXPENSES	780	9%
(6) TRAVEL	750	9%
TOTAL ESTIMATED COSTS	8,789	100%

28. The proposed budget for 2018–19 is based on the 2016–17 work plan presented in document CX/EXEC 16/71/7 Appendix I and includes, amongst others, the following Commission and subsidiary body sessions which will cover at least 210 working days (i.e. 48%) in the biennium 2018–19:

- (i) Annual sessions of the Codex Alimentarius Commission (2018 in Rome and 2019 in Geneva);

- (ii) One regular and one follow-up annual session of the Executive Committee (alternately in Rome and Geneva);
- (iii) Other subsidiary bodies, including Coordinating Committees, are expected to follow a similar schedule as in 2016–17. However, the Committee on Fish and Fishery Products was adjourned *sine die* and a Task Force on Antimicrobial Resistance was created in 2016.

29. To ensure more overall effectiveness, efficiency and stability of the Secretariat, budget allocations to the category (1) *staff* will be increased by approximately USD 240,000 by transferring resources from other categories, mainly category (2) *Contingency* and (3) *Other Human Resources*. This transfer, combined with unutilized portion of vacant budgeted general service posts cost, will provide funds for two professional fixed term positions: a P3 (webmaster) and a P4 (information systems). It is expected that dependence of the Secretariat and Codex members on online information systems will continue to grow.

30. A smaller amount of USD 180,000 has been reserved as (2) *contingency*.

31. As regards the category (3) *other human resources*, the costs for consultancy services are expected to decrease by around USD 100,000 given the proposed increase under staff costs.

32. In the category (4) *internal common services* USD 30,000 more have been allocated to allow coverage of additional translation and interpretation costs (e.g. Russian in CCEURO).

33. No significant changes are foreseen for (5) *other operating expenses*.

34. A slight decrease of USD 40,000 is foreseen under (6) *travel* due to changes in the FAO travel policy which also apply to the Codex Secretariat.