



Agenda Item 3 (b)

CX/EXEC 10/64/3

JOINT FAO/WHO FOOD STANDARDS PROGRAMME

EXECUTIVE COMMITTEE OF THE CODEX ALIMENTARIUS COMMISSION

Sixty-Fourth Session

WHO Headquarters, Geneva, 29 June-2 July 2010

DEVELOPMENT OF A BUSINESS PLAN FOR CODEX

PROPOSED DRAFT BUSINESS PLAN FOR THE CODEX ALIMENTARIUS COMMISSION

(Prepared by Australia and New Zealand with assistance from FAO and WHO)

Background

1. At its 63rd Session, the Committee recalled that following a request from the 31st Session of the Commission, the 62nd Session of the Executive Committee had discussed the first draft business plan for Codex prepared by the Delegations of Australia and New Zealand. The committee noted that a business plan linked to the strategic framework of the parent bodies could be used by members to present a compelling business case to the parent organizations in order to secure funds necessary for the sustainable operation of the Codex Alimentarius Commission.
2. The Member from the South West Pacific (Australia) introduced the working document which had been revised with the assistance of New Zealand, FAO and WHO, taking into account comments made at the 62nd Session. The document had been simplified and aligned with the terminology in the new FAO budgeting process. The member explained that the objectives of the document were to provide a rigorous and systematic framework for estimating the resource requirements for the activities and programmes of the CAC; to set out clearly the linkages between the high level goals of the parent bodies and the Commissions' own strategic plan; to provide greater clarity on resource allocation; to recognize the contribution of host countries to the Codex programme; and to provide information needed by Codex members to enable them to contribute to discussions on funding in the governing bodies of FAO and WHO, i.e. justifying any needs for additional funds.
3. The Representative of FAO said that FAO saw the proposal with interest but that to finalise it, more information was needed as to how FAO would move forward in implementing the results-based budgeting process. The Representative said that the FAO Conference had cited Codex as one of the Joint Programmes of FAO that worked efficiently. The Representative said further that as the budget of Codex was managed as one budget with contributions from both FAO and WHO, it was not possible to separate the contributions of FAO and WHO for individual activities as suggested in the working document. The Representative was of the opinion that more discussion was needed on how to measure the success of scientific advice to Codex, when finalised and given or when used by Codex.
4. Several Members were of the opinion that it should be further clarified how the business plan would be used and what was its primary purpose and audience. It was not clear to some members how the plan could make a compelling business case to ask for more resources. Some members suggested that the plan should focus on increasing efficiency to use the budget and that additional to asking for more resources, the plan could also serve to make savings.

5. The member for South West Pacific (SWP) informed the committee that the purpose and objectives of the Business Plan are to:
 - Provide a rigorous and systematic framework for estimating the resource requirements for the activities and programmes of the CAC;
 - Set out clearly the linkages between the high level goals and objectives of the parent bodies (FAO and WHO) and the CAC's own strategic objectives and priorities;
 - Provide greater clarity on resource allocation across various programmes, principally between food safety and food quality related activities;
 - Recognize the sizable contribution that members make to the fulfilment of the Commission's work programme through host country arrangements; and
 - Provide the necessary information to members of Codex to enable them to contribute to consideration of funding issues at parent body level.
6. Some delegations suggested that the burden of preparing the plan should be evaluated and it should be assessed if it was necessary to prepare the plan at the activity level, or if it could remain at the goal level. The Committee agreed that the information on the costs of hosting or co-hosting Codex committees should be included in the plan. One member was of the opinion that this information could help to know how much the cost depends on the location, and give a better basis to discussions such as the proposal from Brazil to concentrate all Codex meetings in Rome or Geneva.
7. The delegations of Australia and New Zealand (with the assistance of the FAO and WHO) have further developed the proposed draft *Business Plan* (attachment 1) concentrating on activities 1.1 to 1.4 of the Codex Strategic Plan, including actual figures, performance indicators and the contributions from host countries taking into account the comments made at the 63rd session and further developments in the introduction of the new FAO budgeting process. Following advice from FAO and WHO their contributions have been combined to be reported as a single line in the Activity Plans.
8. With regards to the Outputs/Measurable indicators in the Activity Plan, these should be more appropriately aligned with the performance, monitoring and reporting of the results-based systems of the FAO and WHO as the examples provided are the same in all cases. The Codex Secretariat along with the parent bodies may wish to identify more accurate performance indicators.

Explanatory Notes Attachment 1 *Business Plan*

9. The first part of the document provides an outline of the purpose and objectives of the Joint FAO/WHO Food Standards Programme (Codex Alimentarius) and identifies the linkages with the FAO Medium-Term Plan 2010 -2013 and the WHO Medium-Term Strategic Plan 2008 – 2013.
10. The *Activity Plan* (Appendix 1) provides detail on the planned activities (including the estimated cost) as listed in Table 1 of the CAC Strategic Plan for 2008-2013. For the purposes of the first draft of the business plan and in the interests of applying a simplified framework, the estimation of costs, in the first instance, are restricted to activities 1.1 – 1.4 listed under Goal 1 of the CAC Strategic Plan. This does not preclude expansion to other Goals at a future point in time. The estimation of costs under activities 1.1 and 1.2 will be particularly important to demonstrate the strategic shift in the Commission's activities between food safety and non safety related work. Following on from advice from FAO and WHO, their contributions have been combined to be reported as a single line.
11. The *Activity Plan* indicates the responsible parties as well as the linkages between the activity and the unit results/objectives of the parent bodies. The inclusion in the *Activity Plan* of the resources allocated to the specific activity, outputs/measurable indicators will provide important information to enable the members of the Executive committee to carry out more detailed examinations of the overall budget allocations against the planned activities. In carrying out its examinations, the Executive will be better placed to provide informed views to the Secretariat with respect to the allocation of resources across those activities, including where necessary, what activities could be postponed or even discontinued due to lack of funding.

12. The *Programme Expenditure* (Appendix 2) identifies the financial resources that have been allocated to the Codex Alimentarius Commission by the parent bodies as well as external income and the contributions by host governments. The inclusion of the contribution made by host countries to the costs of running the program is an important element to give both the parent bodies along with Codex members a more realistic estimate of the real costs of the Codex Programme.
13. The *Programme Expenditure* as it's currently formatted will provide high level aggregation of expenditure, but could be expanded at a later date when more experience is gained with the format. The one page summary of income and expenditure will be a useful tool that can be used as a forward looking presentation of estimated expenditure, but also as a method for forecasting future expenditure to both the parent bodies and to members. The expansion at a later date to provide a clearer identification of cost breakdowns would provide a transparent method of identifying where significant expenditure occurs and may be useful in future when cost cutting measures are required. For example, in the past when required to identify savings the cancellation of sessions of the Codex Executive Committee has been the only option, with a more detailed estimate of expenditure available to the Executive and members of the Commission, there may be other areas of cost saving that could be identified in the future.

Recommendation

14. The Executive committee is invited to consider the draft Business Plan provided at Attachment 1 and 2 with a view to recommending to the Commission that the Plan be used by the Codex Secretariat to inform members on the actual resources allocated to activities of the Codex Alimentarius Commission. In turn members will be encouraged to draw on the information contained in the Business Plan in their interactions with the parent bodies (FAO/WHO) to ensure continued sustainable funding for the programmes and activities of the Codex Alimentarius Commission and its subsidiary bodies.

Business Plan of the Joint FAO/WHO Food Standards Programme (Codex Alimentarius)

This document sets out a Business plan for the Codex Alimentarius Commission (CAC), aligning with strategic objectives of the parent bodies of FAO and WHO as well as the Commission and incorporates a list of planned activities with clearly defined resource and cost allocations.

Strategic Vision Statement

The Codex Alimentarius Commission envisages a world afforded the highest attainable levels of consumer protection including food safety and quality. To this end, the Commission will develop internationally agreed standards and related texts for use in domestic regulation and international trade in food that are based on scientific principles and fulfil the objectives of consumer health protection and fair practices in food trade.

Alignment to FAO/WHO Medium Term Plans

Under the FAO Strategic Objectives, the more specific Organizational Results represent the outcomes expected to be achieved over a four year period for which FAO will be held accountable through the taking up and use by Member Countries and partners of FAO's products and services. The identification of Organizational Results also applies to Functional Objectives. The Objectives and Results are outlined in Section IV of the Strategic Plan and further elaborated in the Medium Term Plan 2010-2013¹.

The FAO *strategic objective* to which the Codex Secretariat contributes is:

Strategic Objective D1: Improved Quality and Safety of Foods at all stages of the food chain.

Within this strategic objective a number of *organisational results* supporting the strategic objective have been defined. The organisational results to which the Codex Secretariat contributes are:

Organizational Result D1 – New and revised internationally agreed standards and recommendations for food safety and quality that serve as the reference for international harmonization;

Organizational Result D2 –Institutional, policy and legal frameworks for food safety/quality management that support an integrated food chain approach;

Organizational Result D3 – National/regional authorities are effectively designing and implementing programmes of food safety and quality management and control, according to international norms; and

Organizational Result D4 – Countries establish effective programmes to promote improved adherence of food producers/businesses to international recommendations on good practices in food safety and quality at all stages of the food chain, and conformity with market requirements.

There are several outputs (Unit results) which contribute to each Organizational Result. The *Unit Result* for which the Codex Secretariat is solely responsible is *Unit Result D01G106: Work programme of the Codex Alimentarius Commission implemented in accordance with its strategic plan. This is in support of the achievement of Organizational Result D1.*

Other unit results related to the development of Codex standards are the following:

D01G107 –Scientific advice on food safety provided to standard setting bodies and FAO member countries;

D01G108 – Technical specifications for pesticides developed and scientific advice provided on maximum residue limits or pesticides in food;

D01G109 - Scientific advice on nutrition issues of international interest developed and disseminated.

¹ Elements for the draft strategic framework, medium term plan 2010-13, and programme of work and budget 2010-11, FAO Council, CL 136/16

Unit Result D01G112 - Scientific and technical support provided to Codex work related to fish and fishery products.

There are other Unit results that are related to the use of Codex standards at national level and to the development of national capacities to more effectively participate in the work of Codex. These are beyond the scope of this draft Business Plan as it is limited to activities 1.1-1.4 of the Codex Strategic Plan.

The main WHO Strategic Objective² and Organization-Wide Expected Result (OWER) defining the work of the FAO/WHO Food Standards Programme to which Codex work contributes is Strategic Objective 9:

Strategic Objective 9: To improve nutrition, food safety and food security, throughout the life-course, and in support of public health and sustainable development.

Under this strategic objective, the relevant Organization-Wide Expected Result defining Codex work is 9.2:

OWER 9.2 Norms, including references, requirements, research priorities, guidelines, training manuals and standards, produced and disseminated to Member States in order to increase their capacity to assess and respond to all forms of malnutrition, and zoonotic and non-zoonotic foodborne diseases, and to promote healthy dietary practices.

Apart from in this way defining the Codex work from the WHO perspective, WHO Member States have also realized the important additional tasks performed by WHO in support of a good outcome of Codex work. Thus, under this Organization-Wide Expected Result there are a number of proposed specific expected results for 2010-2011 that contribute directly to the work of Codex, and are the responsibility of the Department of Food Safety and Zoonoses:

- Scientific advice, technical guidance, protocols, research priorities, manuals and assessments produced in support of norms and standard setting and to increase Member States' capacities to assess, prevent and respond to all forms of foodborne diseases.
- Strategic health leadership and support provided to the Codex Alimentarius Commission to enhance its work and the participation of its Members.
- Support provided to Member States for their participation in international standard setting activities (Codex).

Another WHO Organization-Wide Expected Results relevant to the work of Codex is 9.6:

OWER 9.6 Capacity built and support provided to Member States, including their participation in international standard-setting in order to increase their ability to assess risk in the areas of zoonotic and non-zoonotic foodborne diseases and food safety, and to develop and implement national food-control systems, with links to international emergency systems.

Governance³

To enable the overall achievement of its strategic vision and the strategic objectives of the parent bodies, the CAC must take action jointly with its parent organizations and its members. The Commission continues to urge FAO and WHO to mobilise sufficient resources to allow the CAC to fulfil its mandate. Their other key roles are to provide scientific advice requested by the CAC and to offer technical assistance to developing members so that they can effectively participate in the standard- setting process and build capacity for the development of sound food control systems. The Commission fully recognises the efforts of the members of the CAC, especially those which provide significant financial and other support to the work of the CAC as host governments of subsidiary bodies or as contributors to extra-budgetary programmes of FAO and WHO including contributing to the FAO/WHO Project and Fund for Enhanced Participation in Codex (Codex Trust Fund). In close cooperation with the partners above, the Commission will focus on the goals and activities of the Strategic Plan 2008-2013 to achieve its strategic vision.

² WHO Medium Term Strategic Plan 2008-2013

³ Adapted from the Codex Alimentarius Commission Strategic Plan 2008-2013 – Strategic Goals and shared responsibilities page 3

Activity Plans

Activity name	Review and develop Codex Standards and related texts for food safety
Activity Identification	1.1
Activity manager/s [responsible parties]	CCFH, CCFA, CCCF, CCPR, CCRVDF, CCNFSDU, relevant Task Forces and Commodity Committees
Activity sponsor	Codex Secretariat/Chair/host governments
CAC Goal⁴	Goal 1 Promoting Sound Regulatory Frameworks
Timeframe	Continuing
FAO Unit Result	D0106 <i>Implementation of the work programme of the Codex Alimentarius Commission in accordance with its strategic plan.</i>
WHO Organization-Wide Expected Result	<i>OWER 9.2 Norms, including references, requirements, research priorities, guidelines, training manuals and standards, produced and disseminated to Member States in order to increase their capacity to assess and respond to all forms of malnutrition, and zoonotic and non-zoonotic foodborne diseases, and to promote healthy dietary practices.</i>

SECTION 1: ACTIVITY OVERVIEW

Review and develop Codex standards and related texts for food safety, taking into account scientific and technological developments, to ensure that they: emphasize a horizontal approach; employ an approach to food safety that is based on risk and that addresses the entire food chain; and reflect global variations so as to avoid being more trade restrictive than necessary, while respecting the basic objectives of the CAC, taking into consideration the technical and economic implications for all members as well as the special needs of developing countries including infrastructure, resources and technical and legal capabilities.

SECTION 2: ACTIVITY RESOURCES [insert relevant biennium]

			% of overall budget allocated to this activity
Revenue	FAO/WHO Contribution	\$	
	Contributions from Host Countries	\$	
	Other contributions ie extra budgetary		
	TOTAL	\$	
Expenses		\$	
Number of Professional and General Service Staff FTEs⁵	Current		

⁴ Goal – This section identifies the linkage with the relevant Goal of the Codex Alimentarius Commission Strategic Plan 2008-2013

⁵ Full time equivalent

Key activities	Outputs/Measurable indicators
Facilitate the review and development of Codex standards and related texts for food safety.	All standards setting activities programmed by the Commission are completed in accordance with the timelines of the Project document.
Preparation, distribution and translation of all meeting documentation and reports.	All Codex documents prepared and distributed no later than one month prior to each meeting. All reports accurately and succinctly reflect the discussion and outcomes. Texts of adopted standards available three months after Commission session.
Liaison with Expert bodies regarding provision of scientific advice to support the work of the subsidiary bodies.	Requests for provision of scientific advice are in accordance with the risk analysis policies of the committee and presented in a timely manner. Use made by Codex Committees/Commission of scientific advice provided in setting standards.
Provision of input to Critical Review of new work and progress with existing work.	Useful information provided to the Critical Review enabling the Executive committee to carry out this function. Input to the Critical Review by all Committee Chairs.

Activity name	Review and develop Codex Standards and related texts for food quality
Activity Identification	1.2
Activity manager/s [responsible parties]	Relevant Task Forces, Commodity Committees and FAO/WHO Coordinating Committees
Activity sponsor	Codex Secretariat/Chair/host governments
CAC Goal⁶	Goal 1 Promoting Sound Regulatory Frameworks
Timeframe	Continuing
FAO Unit Result	D0106 <i>Implementation of the work programme of the Codex Alimentarius Commission in accordance with its strategic plan.</i>
WHO Organization-Wide Expected Result	

SECTION 1: ACTIVITY OVERVIEW

Review and develop Codex standards and related texts for food quality, taking into account scientific and technological developments, to ensure that they are generic in nature and whilst maintaining inclusiveness, reflect global variations and focus on essential characteristics so as to avoid being overly prescriptive and not more trade restrictive than necessary, while respecting the basic objectives of the CAC, taking into consideration the technical and economic implications for all members as well as the special needs of developing countries including infrastructures, resources and technical and legal capabilities.

⁶ Goal – This section identifies the linkage with the relevant Goal of the Codex Alimentarius Commission Strategic Plan 2008-2013

SECTION 2: ACTIVITY RESOURCES [insert relevant biennium]

			% of overall budget allocated to this activity
Revenue	FAO/WHO Contribution	\$	
	Contributions from Host Countries	\$	
	Other contributions i.e. extra budgetary	\$	
	TOTAL	\$	
Expenses		\$	
Number of Professional and General Service Staff FTEs⁷	Current		

Key activities	Outputs/Measurable indicators
Facilitate the review and development of Codex standards and related texts for food quality.	All standards setting activities programmed by the Commission are completed in accordance with the timelines of the Project document.
Preparation, Translation and Distribution of all meeting documentation and reports.	All Codex documents prepared and distributed no later than one month prior to each meeting; All reports accurately and succinctly reflect the discussion and outcomes. Texts of adopted standards available three months after the Commission session.
Liaison with Expert bodies regarding provision of scientific advice to support the work of the subsidiary bodies.	Requests for provision of scientific advice are in accordance with the risk analysis policies of the committee and presented in a timely manner. Use made by Codex Committees/Commission of scientific advice provided in setting standards.
Provision of input to Critical Review of new work and progress with existing work.	Useful information provided to the Critical Review enabling the Executive committee to carry out this function. Input to the Critical Review by all Committee Chairs.

⁷ Full time equivalent

Activity name	Review and develop Codex Standards and related texts for food labelling and nutrition
Activity Identification	1.3
Activity manager/s [responsible parties]	CCFL, CCNFSU
Activity sponsor	Codex Secretariat/Chair/host governments
CAC Goal⁸	Goal 1 Promoting Sound Regulatory Frameworks
Timeframe	Continuing
FAO Unit Result	D0106 <i>Implementation of the work programme of the Codex Alimentarius Commission in accordance with its strategic plan.</i>
WHO Organization-Wide Expected Result	<i>OWER 9.2 Norms, including references, requirements, research priorities, guidelines, training manuals and standards, produced and disseminated to Member States in order to increase their capacity to assess and respond to all forms of malnutrition, and zoonotic and non-zoonotic foodborne diseases, and to promote healthy dietary practices.</i>

SECTION 1: ACTIVITY OVERVIEW

Review and develop Codex standards and related texts for food labelling and nutrition, taking into account scientific and technological developments and the WHO Global Strategy on Diet, Physical Activity and Health, to ensure that they: emphasize a horizontal approach and the need to maintain inclusiveness, and address for labelling and nutrition so as to avoid being overly prescriptive and not more trade restrictive than necessary, while respecting the basic objectives of the CAC, taking into consideration the technical and economic implications for all members as well as the special needs of developing countries including infrastructures, resources and technical and legal capabilities.

SECTION 2: ACTIVITY RESOURCES [insert relevant biennium]

			% of overall budget allocated to this activity
Revenue	FAO/WHO Contribution	\$	
	Contributions from Host Countries	\$	
	Other contributions i.e. extra budgetary	\$	
	TOTAL	\$	
Expenses		\$	
Number of Professional and General Service Staff FTEs⁹	Current		

⁸ Goal – This section identifies the linkage with the relevant Goal of the Codex Alimentarius Commission Strategic Plan 2008-2013

⁹ Full time equivalent

Key activities	Outputs/Measurable indicators
Facilitate the review and development of Codex standards and related texts for food labelling and nutrition.	All standards setting activities programmed by the Commission are completed in accordance with the timelines of the Project document.
Preparation, Translation and Distribution of all meeting documentation and reports.	All Codex documents prepared and distributed no later than one month prior to each meeting. All reports accurately and succinctly reflect the discussion and outcomes. Texts of adopted standards available three months after the Commission session.
Liaison with Expert bodies regarding provision of scientific advice to support the work of the subsidiary bodies.	Requests for provision of scientific advice are in accordance with the risk analysis policies of the committee and presented in a timely manner. Use made by Codex Committees/Commission of scientific advice provided in setting standards.
Provision of input to Critical Review of new work and progress with existing work.	Useful information provided to the Critical Review enabling the Executive committee to carry out this function. Input to the Critical Review by all Committee Chairs.

Activity name	Review and develop Codex Standards and related texts for food inspection and certification, and methods of sampling and analysis
Activity Identification	1.4
Activity manager/s [responsible parties]	CCMAS, CCFICS
Activity sponsor	Codex Secretariat/Chair/host governments
CAC Goal¹⁰	Goal 1 Promoting Sound Regulatory Frameworks
Timeframe	Continuing
FAO Unit Result	D0106 <i>Implementation of the work programme of the Codex Alimentarius Commission in accordance with its strategic plan.</i>
WHO Organization-Wide Expected Result	OWER 9.2 <i>Norms, including references, requirements, research priorities, guidelines, training manuals and standards, produced and disseminated to Member States in order to increase their capacity to assess and respond to all forms of malnutrition, and zoonotic and non-zoonotic foodborne diseases, and to promote healthy dietary practices.</i> OWER 9.6 <i>Capacity built and support provided to Member States, including their participation in international standard-setting in order to increase their ability to assess risk in the areas of zoonotic and non-zoonotic foodborne diseases and food safety, and to develop and implement national food-control systems, with links to international emergency systems.</i>

SECTION 1: ACTIVITY OVERVIEW

Review and develop Codex standards and related texts for food inspection and certification as well as methods of sampling, including guidance on equivalence, mutual recognition and traceability/ product

¹⁰ Goal – This section identifies the linkage with the relevant Goal of the Codex Alimentarius Commission Strategic Plan 2008-2013

tracing, taking into account scientific and technological developments, to ensure that they: emphasize a horizontal approach and the need to maintain inclusiveness, and reflect global variations so as to avoid being overly prescriptive and not more trade restrictive than necessary, while respecting the basic objectives of the CAC, taking into consideration the technical and economic implications for all members as well as the special needs of developing countries including infrastructures, resources and technical and legal capabilities.

SECTION 2: ACTIVITY RESOURCES [insert relevant biennium]

			% of overall budget allocated to this activity
Revenue	FAO/WHO Contribution	\$	
	Contributions from Host Countries	\$	
	Other contributions i.e. extra budgetary	\$	
	TOTAL	\$	
Expenses		\$	
Number of Professional and General Service Staff FTEs¹¹	Current		

Key activities	Outputs/Measurable indicators
Facilitate the review and development of Codex standards and related texts for food inspection and certification, and methods of sampling and analysis.	All standards setting activities programmed by the Commission are completed in accordance with the timelines of the Project document.
Preparation, Translation and Distribution of all meeting documentation and reports.	All Codex documents prepared and distributed no later than one month prior to each meeting; All reports accurately and succinctly reflect the discussion and outcomes. Texts of adopted standards available three months after the Commission session.
Liaison with Expert bodies regarding provision of scientific advice to support the work of the subsidiary bodies.	Requests for provision of scientific advice are in accordance with the risk analysis policies of the committee and presented in a timely manner. Use made by Codex Committees/Commission of scientific advice provided in setting standards.
Provision of input to Critical Review of new work and progress with existing work.	Useful information provided to the Critical Review enabling the Executive committee to carry out this function. Input to the Critical Review by all Committee Chairs.

¹¹ Full time equivalent

Programme Expenditure Template

Programme Entity: Codex
 FAO Unit Result Alimentarius
 Entity: D0106
 WHO Programme Objective 9
 Entity:

Revenue \$

Appropriation FAO
 Appropriation WHO
 Programme Reserve
 (carried from 09-10)
 External income (new
 in 10-11)

Total Income _____

Please state source of
 external income
 Total income should equal
 total cost of programme

\$

Salaries Professional

Salaries General
 Service

Staff Costs¹²

Other Human
 Resources¹³

General Expenses¹⁴

Non Expendable Equipment¹⁵

Chargeback¹⁶

Travel

Non-Staff costs

Non-Staff Costs Sub-total _____

¹² It may be useful to provide additional information regarding the numbers of staff and levels

¹³ Includes consultants, contracts and the overtime of the General Service staff.

¹⁴ Includes expendable equipment, general operating expenses, general overhead expenses and hospitality

¹⁵ Includes data processing equipment and furniture

¹⁶ Includes temporary assistance, translation, interpretation and printing serviced by the relevant units of the FAO headquarters

Total Direct Cost of Programme

Overheads

Total Cost of Programme