

codex alimentarius commission

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FOOD AND AGRICULTURE
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Agenda Item 10

JOINT FAO/WHO FOOD STANDARDS PROGRAMME

CODEX ALIMENTARIUS COMMISSION

Thirty-second Session

FAO Headquarters, Rome (Italy), 29 June - 4 July 2009

FINANCIAL AND BUDGETARY MATTERS

BACKGROUND

1. In accordance with Rule XIII.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 XI.1(a) and XI.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 document provides information on the budget for the current period (2008-09) and the proposed budget for the biennium 2010-11.

2. It should be noted that, as regards the budgetary and accounting arrangements, beginning with the biennium 2002-03, the Joint FAO/WHO Food Standards Programme was managed within the FAO Regular Programme as Entity 221P2, with the WHO contribution to the Programme as external income. Subsequent to Resolution 6/2005 adopted by the 33rd Session of the FAO Conference (November 2005)¹, a new chapter structure was introduced to the FAO's Programme of Work and Budget and Programme Entity 221P2 was renamed to 2DP03.

3. Beginning with the 2010-11 biennium, FAO is moving to a results-based budgeting process; a process that directly connects resource allocations to specific, measurable results selected by broad-based agreement among key internal and external stakeholders. Results-based budgeting is intended to assist in the analysis of strategic funding choices; facilitate informed decisions regarding funding and programming; and strengthen accountability for results achieved and resources employed. Results-based budgeting at FAO is based on:

- the setting of **strategic objectives** that provide a focus for action;
- the definition of expected **results** that contribute to attaining these objectives;
- the alignment of **programmes** and **resources** behind the objectives;
- improved **accountability** based on continuous feedback to improve performance; and

¹ The Report of the Conference of FAO (C 2005/REP) (http://www.fao.org/unfao/bodies/conf/c2005/c2005_en.htm)

- ongoing **monitoring and assessment** of performance with an eye to comparing the results of the programme entity against those planned in the Medium Term Plan.

4. The *strategic objective* to which the Codex Secretariat contributes is “*Strategic objective D: Improved quality and safety of foods at all stages of the food chain.*”

5. Within this strategic objective a number of *organizational results* supporting the strategic objective have been defined. The organizational result to which the Codex Secretariat contributes is “*Organizational result D01: New and revised internationally agreed standards and recommendations for food safety and quality that serve as the reference for international harmonization.* The FAO unit providing scientific advice is also contributing to this *organizational result*. A number of *unit results* have been defined which contribute to the *organizational result*.

6. The *unit result* for the Codex Secretariat for which it is solely responsible is “*Unit result D0106: Implementation of the work programme of the Codex Alimentarius Commission in accordance with its strategic plan*”.

7. Related *unit results* are the following: “*D0107 - Development and dissemination of scientific advice on food safety related issues of international importance with the exception of those related to pesticides and their residues*” and “*D0109 - Development of scientific advice on nutrition related issues of international interest*”.

8. At the time of writing of this document, the further refinement of the FAO budget process continues and will consist of defining projects and work plans to which then resources will be allocated. This process seems compatible with the proposal to create a business plan for the Codex Secretariat that is up for discussion in CCEXEC62.

BUDGET FOR 2008-09

9. Resources for the biennium 2008-09 comprised the FAO contribution (listed in Programme Entity 2DP03 in FAO’s Programme of Work and Budget 2008-09) and the WHO contribution for the same period. The initial planned FAO contribution to the Codex budget 2008-09 was USD 7.195 million. In November 2007, the FAO Conference requested FAO management to achieve further savings and efficiency gains of USD 22.1 million in FAO programmes. The efficiency gains identified for Codex regular programme budget were quantified at USD 206,000. The resulting final approved 2008-09 budget, a total of USD 6.989 million, is shown in Table 1 (Annex).

10. In September 2008, FAO decided to strengthen the Codex Secretariat by allocating additional funds corresponding to the cost of a P-4 post. The result is that the FAO contribution to the Codex budget remained approximately the same i.e. USD 7.195 million. These additional funds do not show in Table 1 as they were attributed during the biennium. The exact amount received and the expenditures will be reported to CAC33.

11. In addition to the contribution from the Regular Budget, FAO has two professional staff members, seconded from Member States, who are assigned to the Codex Secretariat as Food Standards Officers. Similarly, a seconded staff to WHO was assigned to the Codex Secretariat from February 2005 until April 2009.

BUDGET PROPOSALS FOR 2010-11

Assumptions on FAO/WHO contributions

11. At the time of preparation of the present document, FAO’s budget for 2010-11 is still under development and should be reviewed by FAO governing bodies. FAO’s organization-wide budgetary level will be determined by the 36th Session of the FAO Conference (November 2009). As regards WHO, the Organization’s budget proposals have been approved by the 62nd Session of the World Health Assembly (May 2009) (Contribution to the budget of the Codex Secretariat).

12. The overall funding level of the proposed Codex budget for 2010-11, based on the proposed budget level in FAO² and on the expected level of the WHO contribution, is summarised in Table 2. The budget is presented at the 2008-09 rates as at the time of preparation of the present document the cost increases for the 2010-11 budget have not yet been quantified.

13. The respective contributions of FAO and WHO to the Codex Budget in Table 2 are based on the assumption to maintain the contribution ratio in the Codex budget (85.1%:14.9%) in 2010-11.

Assumptions on the Codex activity level

14. A significant portion of the Codex budget supports: the organisation of the sessions of the Commission and its Executive Committee, which are directly managed by the Codex Secretariat; the servicing of the sessions of the subsidiary bodies, for which the Codex Secretariat provides session secretaries and assists host governments in the preparation of meetings; and the convening of the meetings of FAO/WHO Coordinating Committees, of which the Codex Secretariat covers interpretation and translation costs. The budgetary need therefore has a strong link with the biennial session schedule of the Commission. The budget proposals for 2010-11 as presented in Table 2 (Annex) are based on the following session planning scenario:

- The Codex Alimentarius Commission will hold two (i.e. annual) sessions during the 2010-11 biennium;
- The Executive Committee will hold three sessions during the 2010-11 biennium; and
- The other subsidiary bodies, including the FAO/WHO Regional Coordinating Committees, will basically maintain the same meeting intervals as in the 2008-09 biennium.

Efficiency savings

15. The proposed budget assumes that the cost reduction measures taken in the 2006-07 biennium (e.g. replacement of hardcopy distribution of Codex documents by electronic distribution, publication of the Codex Alimentarius in CD-ROM) will be maintained. Further efficiencies in printing and distribution (annual report, special publications, invitations) will be identified to allow the required increase in staff costs (see below).

16. The proposed structure includes one new P4 post (Programme Officer) whose related cost would be absorbed through additional savings and a reduction in the amount reserved for "other human resources". It also includes the upgrading of one P3 post (Food Standards Officer) to the P-4 level recognising that in principle all Codex Food Standards Officers have first officer responsibilities for Codex committees and thus should be at the same grade. One food standards officer post would be maintained at P3 level to allow for recruitment of more junior staff. The costs for this upgrade (70,000 USD/biennium), would be absorbed through efficiency savings in other areas.

17. In the General Service area, an additional 30,000 USD are proposed to allow for re-distribution of tasks and job growth.

18. The new post under para 16 has already been advertised and the selection process will begin soon. The other proposed staffing changes will need to be reviewed with the FAO administration and will depend on the outcome of the discussion of the report on the Evaluation of the Capacity of the Codex Secretariat (see ALINORM 09/32/9B Part II).

Language coverage

Russian in CAC and CCEURO

19. The 34th FAO Conference (November 2007) had adopted Russian as an FAO language. Therefore, the Russian language, being already an official language of WHO, satisfies the condition set out in Paragraph 1, Rule XIV of the Commission's Rules of Procedure.

² A budget at the same purchasing level as the approved 2008-09 budget, adjusted for certain identified incremental requirements such as for the inclusion of Russian as an FAO language.

CAC30 “**requested** FAO and WHO, pending the adoption of Russian by the FAO Conference as an FAO language, to increase the Codex budget to allow the use of Russian in the Commission and in the FAO/WHO Coordinating Committee for Europe;”³

CAC31 noted that “Russian would not be added as a language of the Commission, despite the recommendation made by the 30th Session of the Commission, due to lack of funds;”⁴

If Russian would become a language for the sessions of the Commission and the FAO/WHO Coordinating Committee for Europe (CCEURO) (but not for other subsidiary bodies), the additional costs for 2010-11 are estimated at US\$ 156,000 (US\$ 68,000 for each Commission session and US\$ 20,000 for one CCEURO session) based on 2008-09 costs.

Given the present available information about the Codex budget level for 2010-11 (maintenance of the absolute contribution of WHO and the zero growth for FAO contribution) it will not be possible to meet the necessary cost to add Russian as a language. Therefore, the present proposal does not include Russian as an additional language. Selected material will be made available in Russian (Procedural Manual, Understanding the Codex Alimentarius, advocacy material).

Recent CCEURO sessions have been held also in Russian language through in kind contributions from the coordinator and co-host. It is hoped that this practice will continue.

Portuguese in CCAFRICA

20. At CCAFRICA17 some delegations stated that Portuguese should become a working language of CCAFRICA. Reference was made to the decision of the 33rd Session of the FAO Conference (November 2005), to approve the provision of simultaneous Portuguese interpretation in future FAO Regional Conferences for Africa, having considered the recommendation made by the Twenty-third Session of the FAO Regional Conference for Africa, as well as the estimated cost related thereto. It was stated that Portuguese was one of the working languages of the WHO Regional Committee for Africa. In this regard, the Coordinating Committee was advised that the Rules of Procedure of the Commission required that the languages of the Commission were to be determined by the Commission from among the working languages of both FAO and the Health Assembly of WHO, and in all circumstances, from among the working languages either of FAO or of the Health Assembly of WHO.⁵

CAC30: “Requested FAO and WHO to study the possibility to add Portuguese as a language of interpretation in the FAO/WHO Coordinating Committee for Africa in line with the policy applied at the FAO Regional Conference for Africa and the WHO Regional Committee for Africa.”⁶

CAC31: Noted that “addressing the request made by the Coordinating Committee for Africa, Portuguese would be added as a language of interpretation in the Coordinating Committee for Africa, on an experimental basis, by using efficiency savings to be made in other areas of the Codex programme;”⁷

CCAFRICA18 expressed its appreciation for the opportunity to use Portuguese as a language of interpretation during the current session, in recognition of its usefulness to enable more participation from Portuguese-speaking countries. The Committee agreed to request the Commission to consider the use of Portuguese for interpretation and translation of documents for the next session of the Committee, to allow more participation from Portuguese-speaking countries in the Committee.⁸

Given the positive outcome of the exceptional measure to add Portuguese as a language of interpretation to CCAFRICA, this service could be continued absorbing the additional costs of an estimated at 16,500 USD (for interpretation) based on 2008-09 costs.

Number of sessions of the Executive Committee

21. CAC31: Several delegations expressed serious concern that the strategic and management function of the Executive Committee was negatively affected by the reduced frequency of its sessions. The Secretariat

³ ALINORM 07/30/REP, par 123

⁴ ALINORM 08/31/REP, par 115

⁵ ALINORM 07/30/28 paras 36-37

⁶ ALINORM 07/30/REP, par 123

⁷ ALINORM 08/31/REP, par 115

⁸ ALINORM 09/32/28, paras 14 -15

indicated that one session of the Executive Committee would cost approximately 200,000 USD and it was not possible to schedule a fourth session unless the contributions from the parent organizations were increased to cover the funding gap, including additional staff resources to service the meetings of the Commission and the Executive Committee. The Commission noted that a number of cost saving measures had already been implemented over the past two biennia and therefore margins for additional cost saving were very small.⁹

Given the present available information about the Codex budget level for 2010-11 (maintenance of the absolute contributions of FAO and WHO) it will not be possible at this moment to foresee a fourth session of the Executive Committee in 2010-11.

CONCLUSION

22. The Commission is invited to note the estimate of the expenditure for 2010-11 and make any recommendation to the Directors-General of FAO and WHO in this regard. The final Codex budget for 2010-11 and the corresponding level of Codex activities will be decided by the Directors-General of FAO and WHO, in light of the guidance of the governing bodies of FAO and WHO and the recommendations of the present session of the Codex Alimentarius Commission.

⁹ ALINORM 08/31/REP, para 120

ANNEX

BUDGET TABLES

Table 1: Budget for 2008-09 - Combined Accounts (US\$'000)

Account Description	Initial Budget Proposals at 30 th Session of Codex Commission ¹⁰	Approved PWB 2008-09, with Efficiency Savings
FAO Contribution	5,720 (82.4%)	6,989 (85.1%)
WHO Contribution	1,225 (17.6%)	1,225 (14.9%)
TOTAL CONTRIBUTIONS	6,945 (100%)	8,214 (100%)
Salaries Professional	2,161 [31.1%]	2,676 [32.5%]
Salaries General Service	983 [14.2%]	1,317 [16.0%]
Staff Costs	3,144 (45.3%)	3,993 (48.6%)
Other Human Resources ¹¹	484 [7.0%]	533 [6.5%]
General Expenses ¹²	225 [3.2%]	244 [3.0%]
Non Expendable Equipment ¹³	134 [1.9%]	145 [1.7%]
Chargeback ¹⁴	2,261 [32.6%]	2,572 [31.3%]
Travel	697 [10.0%]	727 [8.9%]
Non-Staff Costs	3,801 (54.7%)	4,221 (51.4%)
TOTAL ESTIMATED COSTS	6,945 (100%)	8,214 (100%)

¹⁰ Programme of Work 2008-09, as presented in ALINORM 07/30/9, Table 1

¹¹ Includes consultants, contracts and the overtime of the General Service staff.

¹² Includes expendable equipment, general operating expenses, general overhead expenses and hospitality.

¹³ Includes data processing equipment and furniture.

¹⁴ Includes temporary assistance, translation, interpretation and printing serviced by the relevant units of the FAO Headquarters.

Table 2 Codex Proposed Budget 2010-11 (at 2008-09 rates) (US\$ '000)

Account Description	Proposal (without cost increase)
FAO Contribution	6,989 [85.1%]
WHO Contribution	1,225 [14.9%]
TOTAL CONTRIBUTIONS	8,214 [100%]
Salaries Professional	3,116 [38.0%]
Salaries General Service	1,312 [16.0%]
Staff Costs	4,428 [53.9%]
Other Human Resources	250 [3.0%]
General Expenses	250 [3.0%]
Non-expendable Equipment	100 [1.2%]
Chargeback	2,386 [29.1%]
Travel	800 [9.8%]
Non-Staff Costs	3,786 [46.1%]
TOTAL ESTIMATED COSTS	8,214 [100%]