

# codex alimentarius commission



FOOD AND AGRICULTURE  
ORGANIZATION  
OF THE UNITED NATIONS

WORLD  
HEALTH  
ORGANIZATION



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Agenda Item 5(c)

## JOINT FAO/WHO FOOD STANDARDS PROGRAMME

### EXECUTIVE COMMITTEE OF THE CODEX ALIMENTARIUS COMMISSION

*Sixty-Second Session*

*FAO Headquarters, Rome, 23 – 26 June 2009*

### DISCUSSION PAPER ON THE NEED TO DEVELOP A BUSINESS PLAN FOR THE CODEX ALIMENTARIUS

**(PREPARED BY AUSTRALIA AND NEW ZEALAND)**

#### **Background**

For several years Codex members have continued to express their concern at the lack of increase in the funding provided by the parent bodies, which importantly underpins the work of the Codex Alimentarius and its subsidiary bodies. During the Commission's discussion of the Codex Budget 2006-07 and the estimates of expenditure for 2008-09<sup>1</sup>, the WHO representative stated that any requests for additional resources from WHO should be well justified by a business plan based on the objectives of the Strategic Plan.

At its 31<sup>st</sup> Session in 2008, the Commission<sup>2</sup> again noted the funding situation of the Codex programme in 2008-09 and its implications to Codex work including the decreasing share of the WHO contribution to the Codex budget. In response to the Secretariat's comments on the vulnerability of the Codex programme to cost increases in services, the delegation of Australia suggested that to support the need for increased income from the parent organizations a compelling business case was needed. The delegation reiterated their view expressed at the last session of the Commission that a business plan, linking the strategic plan to activities and providing a breakdown of costs per activity could provide a favourable environment for discussions on future budgets. A business plan framework will not merely help document current activities and expenditures across the range of Codex activities but can

<sup>1</sup> Alinorm 07/30/REP paragraphs 114-123 30<sup>th</sup> Session of the Codex Alimentarius Commission

<sup>2</sup> Alinorm 08/31/REP paragraphs 114- 121 31<sup>st</sup> Session of the Codex Alimentarius Commission

also help document the strategic shift in expenditure and effort in favour of food safety related work.

The Commission invited the delegations of Australia and New Zealand to prepare a short discussion paper explaining further their proposal of a business plan for Codex, including an example.

The delegations of Australia and New Zealand have prepared an example of a *Business or Project Plan* (Appendix 1 - Part 1) and *Programme Expenditure* template to assist in forecasting and estimating the program expenditure (Appendix 2), which in our view can be used to support requests for additional funding for the work of the Codex Alimentarius and its subsidiary bodies.

The overall objectives of the preparation of a Business Plan is to enable the Executive committee to examine the overall budget against the planned activities, thus enabling the Executive committee to take on more of a governance and advisory role as has been envisaged in the reforms of Codex in the past five years. The secondary objective to the development of the Business Plan was to provide a useful document that members can attach to submissions to the parent bodies (and their subsidiary bodies) in calling for increased funding for the Codex programme.

### **Explanatory Notes for Appendix 1: *Business Plan***

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 2006 – 2011 and the WHO Medium-Term Strategic Plan 2008 – 2013.

The second part of the document (*Activity Plans*) provides detailed information on the actual activities which are carried out under the Codex Alimentarius, these activities are already listed in Table 1 of the *Codex Alimentarius Commission Strategic Plan 2008-2013*. It is anticipated that a separate Activity Plan would be completed for each activity listed in the Strategic Plan.

The *Activity Plans* clearly indicates the responsible parties as well as the linkages between the activity and the goals/objectives of the parent bodies. The inclusion in the *Activity Plan* of the resources allocated, milestones and performance indicators (targets) provides the necessary 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 due to lack of funding.

The third part of the document (*Programme Expenditure*) identifies the financial resources that have been allocated to the Codex Alimentarius by the parent bodies as well as external income and the contributions by host governments. In our view 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.

The *Programme Expenditure* is a useful one page summary of income and expenditure 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 clearer identification of cost breakdowns provides 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.

### ***Issues for Discussion***

The Codex Executive is invited to consider the framework and structure of the Business Plan provided at Attachment 1 and 2 and to discuss:

- a. The layout of the examples provided and their amenability to fitting in with the program and budget processes of the parent bodies.
- b. What level of engagement or endorsement members would see as a role for the members of the Executive; for example if there is agreement to proceed with further development of the Examples, in order to align with the FAO and WHO planning and reporting processes, the members of the Executive may be able to assist the Codex Secretariat with this further development.
- c. The opportunities for involving the wider membership of the Commission in the Codex budget process and in the development of the *Codex draft Business Plan and Programme Expenditure Template* prior to the relevant meetings of the parent bodies so that these comments could then be used by the Codex Secretariat in support of input to the parent body budget processes.
- d. How the *Business Plan and Programme Expenditure Template* can be used to more actively engage the members of the Commission in the budget discussions of the parent bodies.

### **Recommendation**

It is recommended that the Codex Executive endorse the further development of the framework and structure of the *Business Plan and Programme Expenditure Templates* with a view to circulation of a final draft for comment and agreement before parent bodies next budgetary cycle commences in order that the Codex Secretariat may utilise the *Business Plan and Programme Expenditure Templates* in support of claims for additional funding for the Joint FAO/WHO Food Standards Programme (Codex Alimentarius).

## Appendix 1 – Part 1

# 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 goals 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

The activities of the Joint FAO/WHO Food Standards Programme (Codex Alimentarius) align with:

### FAO Corporate Strategies<sup>3</sup>

B1 – International instruments concerning food, agriculture, fisheries and forestry, and the production, safe use and fair exchange of agricultural, fisheries and forestry goods:

B2 – National policies, legal instruments and supporting mechanisms that respond to domestic requirements and are consistent with the international policy and regulatory framework; and

C1 – Policy options and institutional measures to improve efficiency and adaptability in production, processing and marketing systems, and meet the changing needs of producers and consumers.

### WHO<sup>4</sup> Strategic Objective 8

To promote a healthier environment, intensify primary prevention and influence public policies in all sectors so as to address the root causes of environmental threats to health

### WHO Strategic Objective 9

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

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<sup>3</sup> FAO Medium Term Plan 2006-2011

<sup>4</sup> WHO Medium Term Strategic Plan 2008-2013

**Governance**<sup>5</sup>

To enable the overall achievement of the strategic vision, 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. 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.

**Activity Plans** can be found in Appendix 1 (Part 2).

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<sup>5</sup> Adapted from the Codex Alimentarius Commission Strategic Plan 2008-2013 – Strategic Goals and shared responsibilities page 3

## Appendix 1 – Part 2

**Activity Plan [Example]**

<b>Activity name</b>	Review and develop Codex Standards and related texts for food safety
<b>Activity Identification</b>	1.1
<b>Activity manager/s [responsible parties]</b>	CCFH, CCFA, CCCF, CCPR, CCRVDF, CCNFSDU, relevant Task Forces and Commodity Committees
<b>Activity sponsor</b>	Codex Secretariat/Chair/host governments
<b>CAC Goal<sup>6</sup></b>	Goal 1 Promoting Sound Regulatory Frameworks
<b>Timeframe</b>	Continuing
<b>FAO Corporate Strategy</b>	B1, B2, C1
<b>WHO Strategic Objective</b>	Objectives 8 and 9

**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
<b>Revenue</b>	FAO Contribution	\$	
	WHO Contribution	\$	
	Contributions from Host Countries	\$	
	TOTAL	\$	
<b>Expenses</b>		\$	
<b>Number of Professional and General Service Staff FTEs<sup>7</sup></b>	Current		

Key activities	Milestone
Provision of Secretariat to the relevant Codex subsidiary bodies including liaison with the host government secretariat(s).	Provision of timely and accurate advice to members regarding policy and procedures.
Facilitate the review and development of	Proposed new work approved by, and

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

<sup>7</sup> Full time equivalent

Key activities	Milestone
Codex standards and related texts for food safety.	standards adopted at respective steps by the Codex Alimentarius Commission.
Distribution of documents for meetings.	Timelines for distribution of documents as outlined in the Codex Procedural Manual are met.
Preparation, distribution and translation of meeting reports.	Provision of final reports at the conclusion of each meeting in a timely manner.
Liaison with Expert bodies regarding provision of scientific advice to support the work of the subsidiary bodies.	Scientific advice provided to subsidiary bodies to facilitate development of standards.
Provision of input to Critical Review regarding progress of work	Critical Review undertaken by the Executive committee demonstrates that all proposed new work is progressing on track with stated timelines.

Activity efficiency performance indicator (targets)
Milestones delivered within agreed timelines.
The texts submitted to the Commission for consideration for adoption meet the requirements of the Critical Review undertaken by the Executive Committee: <ul style="list-style-type: none"> <li>▶ for consistency with the mandate of Codex, the decisions of the Commission, and existing Codex texts,</li> <li>▶ to ensure that the requirements of the endorsement procedure have been fulfilled, where appropriate,</li> <li>▶ for format and presentation, and</li> <li>▶ for linguistic consistency.</li> </ul>

Activity effectiveness performance indicator (targets)
The texts submitted to the Commission for consideration for adoption meet the requirements of the Critical Review: <ul style="list-style-type: none"> <li>▶ are consistent with the mandate of Codex, the decisions of the Commission, and existing Codex texts,</li> <li>▶ endorsement procedure has been fulfilled, where appropriate,</li> <li>▶ format and presentation are consistent with existing Codex texts, and</li> <li>▶ linguistic consistency has been achieved.</li> </ul>
Texts adopted by the Codex Alimentarius meet the needs of all Codex members.

## Appendix 2

### Programme Expenditure Template

<b>Programme Entity:</b>	<b>Codex Alimentarius</b>	
<b>FAO Programme Entity:</b>	<b>221P2</b>	
<b>WHO Programme Entity:</b>		
<b>Revenue</b>		\$
Appropriation FAO		
Appropriation WHO		
Programme Reserve (carried from 09-10)		
External income (new in 10-11)		
<b>Total Income</b>	_____	
	_____	
		Please state source of external income Total income should equal total cost of programme
		\$
	Salaries Professional	
	Salaries General Service	
	Other Human Resources <sup>8</sup>	
	<b>Total Employee Expenses<sup>9</sup></b>	
	<b>General Expenses</b>	
	Consultants	
	Training/Workshop activities	
	Attendance at other UN meetings (OIE, SPS)	
	Executive/Commission meetings	
	Conferences	
	Regional Coordinating Committees	
	Translation of documents	
	Overseas Travel	
	Domestic Travel	
	Official Hospitality	
	Legal Costs	
	Purchase of Publications	
	Public Relations and Marketing	
	Production of Publications	
	Other Administrative i.e. chargeback	
	_____	
	<b>General Expenses Sub-total</b>	_____
		_____
	<b>Total Direct Cost of Programme</b>	_____
		_____
	<b>Overheads</b>	_____
		_____
	<b>Total Cost of Programme</b>	_____

#### Explanatory Notes:

*Other Administrative should include items such as freight, postage and stationary.  
Regional Coordinating Committees this would be used to identify the costs associated with holding these meetings.  
Conferences relate to other food safety, Codex related conferences that the Secretariat attends/contributes to etc.  
Executive and Commission meetings this would help to identify the actual costs associated particularly where the meeting is held in Geneva rather than Rome.*

<sup>8</sup> This would be where temporary and contract staff would be identified

<sup>9</sup> It may be useful to provide additional information regarding the numbers of staff and levels