

# codex alimentarius commission



FOOD AND AGRICULTURE  
ORGANIZATION  
OF THE UNITED NATIONS

WORLD  
HEALTH  
ORGANIZATION



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Agenda Item 9

## JOINT FAO/WHO FOOD STANDARDS PROGRAMME

### CODEX ALIMENTARIUS COMMISSION

#### *Twenty-eighth Session*

*FAO Headquarters, Rome (Italy), 4 – 9 July 2005*

### FINANCIAL AND BUDGETARY MATTERS

## BUDGET SITUATION 2004/2005 AND PROPOSED BUDGET 2006/2007

### BACKGROUND

1. In accordance with Rule XII.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 X.1(a) and X.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 (2004/2005) and the proposed budget for the biennium 2006/2007. The information on expenditures in the previous budget period (2002/2003) was presented to the 27<sup>th</sup> Session of the Commission (see ALINORM 04/27/10 Rev).

2. It should be noted that as regards the budgetary and accounting arrangements, since the biennium 2002/2003, the Joint FAO/WHO Food Standards Programme is managed within the FAO Regular Programme as Entity 221P2<sup>1</sup>, with the WHO contribution to the Programme as external income.

<sup>1</sup> The Director-General's Programme of Work and Budget for 2004-2005, FAO document C 2003/3, FAO, Rome, 2003, and the Adjustments to the Programme of Work and Budget for 2004-2005, FAO document PC 91/3 – FC 107/14 – JM 04.1/2, FAO, Rome, 2004. These documents are available from the FAO website at <http://www.fao.org/pwb>.

3. At the 27<sup>th</sup> Session of the Commission, the Representative of FAO, referring to the discussion at the 54<sup>th</sup> Session of the Executive Committee<sup>2</sup>, indicated that information would be provided, in the future, regarding the FAO and WHO budget allocated to Codex-related activities, especially scientific advice requested by Codex as well as that requested by member countries. Such report will be presented to the Commission separately as an information document.

### **BUDGET FOR 2004/2005**

4. The 27<sup>th</sup> Session of the Commission noted the budgetary situation of the Codex programme for 2004/2005 and requested the parent organizations to continue to assign a high priority to the Joint FAO/WHO Food Standards Programme.<sup>3</sup>

5. Subsequent to the 27<sup>th</sup> Session of the Commission, the WHO Secretariat confirmed its biennial contribution to Codex as amounting at US\$ 1,225,000.

6. The Adjusted Programme of Work and Budget (PWB) 2004/2005, as approved, is shown in the second column of Table 1.

7. In addition to the contribution from the Regular Budget, WHO is contributing the costs of a WHO staff member assigned to the Codex Secretariat since February 2005. Furthermore, FAO has received the secondment of two professional officers and two associate professional officers assigned to the Codex Secretariat.

### **BUDGET PROPOSALS FOR 2006/2007**

8. At the time of preparation of the present document, several budgetary scenarios are being studied by the parent organizations. As regards FAO, its organization-wide budgetary level will be determined by the 33<sup>rd</sup> Session of the FAO Conference in November 2005. As regards WHO, the Organization's budget proposals have been approved by the 58<sup>th</sup> Session of the World Health Assembly (May 2005). The regular budget for the food safety area of work at Headquarters has decreased by 14%, while the overall budget has increased by 5 %. This makes the relative share of voluntary contributions more prominent. In spite of these changes in the source of funding, WHO management is committed to maintaining the WHO contribution to Codex at the 2004/2005 level.

9. The proposed budget based on the Zero Real Growth (ZRG) scenario in FAO and on the expected level of WHO contribution is summarised in third column of Table 1. The final Codex budget for 2006/2007 and the corresponding level of Codex activities will be dependent on the decisions and guidance of the governing bodies. Updates on the budgetary situation for 2006/2007 will be provided to 57<sup>th</sup> Session of the Executive Committee.

10. In addition to the Regular Budget estimates, WHO is expecting to continue to contribute the service of a WHO staff member assigned to the Codex Secretariat throughout the biennium. Similarly, the FAO is expecting to continue to further support the Codex Secretariat through the secondment of two professional officers.

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<sup>2</sup> ALINORM 04/27/4, para.44

<sup>3</sup> ALINORM 04/27/41, paras 111-119

**Table 1. Codex Budget 2004/2005 and Budget Proposal 2006/2007 (US\$ '000)**

Account Description	Adjusted Programme of Work 2004/2005 Approved <sup>4</sup>	Programme of Work 2006/2007 ZRG Proposal
FAO Contribution	5,734 (82.4%)	5,722 (82.4%)
WHO Contribution	1,225 <sup>5</sup> (17.6%)	1,225 (17.6%)
<b>TOTAL REVENUE</b>	<b>6,959</b> <b>(100%)</b>	<b>6,947</b> <b>(100%)</b>
Salaries Professional	2,033 [29.2%]	2,129 [30.6%]
Salaries General Service	950 [13.7%]	988 [14.2%]
<b>Staff Costs</b>	<b>2,983</b> <b>(42.9%)</b>	<b>3,117</b> <b>(44.9%)</b>
Other Human Resources <sup>6</sup>	685 [9.8%]	531 [7.6%]
General Expenses <sup>7</sup>	86 [1.2%]	270 [3.9%]
Non Expendable Equipment <sup>8</sup>	101 [1.5%]	111 [1.6%]
Chargeback <sup>9</sup>	2,433 [35.0%]	2,227 [32.1%]
Travel	671 [9.6%]	691 [9.9%]
<b>Non-Staff Costs</b>	<b>3,976</b> <b>(57.1%)</b>	<b>3,830</b> <b>(55.1%)</b>
<b>TOTAL ESTIMATED COSTS</b>	<b>6,959</b> <b>(100%)</b>	<b>6,947</b> <b>(100%)</b>

<sup>4</sup> As presented in ALINORM 04/27/10, Table 2.

<sup>5</sup> The WHO contribution is \$102,000 higher than shown in the 2004/2005 Adjustments to the Programme of Work and Budget (FAO Documents PC91/3 - FC107/14 - JM 04.1/2, page 53) based on a revised estimate of the WHO contribution.

<sup>6</sup> Includes consultants, contracts and overtime.

<sup>7</sup> Includes expendable equipment, general operating expenses, general overhead expenses and hospitality.

<sup>8</sup> Includes data processing equipment and furniture.

<sup>9</sup> Includes temporary assistance, translation, interpretation and printing serviced by the relevant units of the FAO Headquarters.