



JOINT FAO/WHO FOOD STANDARDS PROGRAMME

CODEX ALIMENTARIUS COMMISSION

37th Session, CICG

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FINANCIAL AND BUDGETARY MATTERS

A. 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. This document provides information on the budget for the 2012-2013 biennium and the forecast for 2014-2015. The FAO/WHO reports regarding the budget for scientific advice are contained in Addendum 1 to this document and the Discussion Paper on Sustainable Funding for the Provision of Scientific Advice to Codex and Member States is contained in Addendum 2.

Budget Process in FAO and WHO for the 2012-2013 biennium

2. The budget processes of both organizations have been reported in document CX/CAC 13/36/13 and are not repeated here. The new budget process in FAO and WHO is reflected in Part C of this document.

B. EXPENDITURE FOR 2012-2013

3. The total budget of FAO at the organisational level had been approved by the 37th Session of the FAO Conference (June 2011). The FAO contribution to Codex was set at USD 7,031,000. As regards WHO, the Organization's budget proposals had been approved by the 64th Session of the World Health Assembly (May 2011) (Contribution to the budget of the Codex Secretariat) and the contribution was set at USD 1,225,000. In December 2012, WHO announced that it would increase its contribution to USD 1,725,000 thus significantly increasing the WHO share in the Codex budget. For the exact percentages see Table 1. For the evolution of the Codex budget (expenses and contributions) over the last 8 biennia see **Annex 1**.

4. The Codex budget and expenditures for 2012-13 are summarised in **Table 1**. The total Codex expenditure in 2012-2013 was USD 8,095,492, thus USD 661,000 lower than the approved Codex Budget of USD 8,756,000.

5. The actual expenditures for professional staff salaries were by USD 426,000 lower than in the approved budget, because of the process to fill vacant positions was longer than expected (including recruitment freezes) for one P-4 and one P-3 post (P-3 post filled May 2013; P-4 post filled April 2014).

6. The actual expenditure for "other human resources" was USD 519,000 lower than in the approved budget because less work was done using outside consultants than in previous biennia and the use of overtime was strictly limited.

7. The actual expenditures for travel were USD 213,000 lower than expected mainly due to FAO organization wide travel restrictions and vacancies which meant less meetings outside the regular Codex meeting calendar could be attended by Codex staff.

8. The expenditures for chargeback were by USD 505,000 higher than budgeted, mainly because more internal services and temporary assistance were used and two sessions of the Commission in a row were held in Rome where the cost is higher than in Geneva.

9. The detailed expenses for 2012 - 2013 are presented in **Annex 2**.

Table 1. Budget and Expenditure 2012-2013 - Combined Accounts (US\$'000)

Account Description	Budget Proposals at the 34 th CAC	Approved PWB 2012-13, with Efficiency Savings	Approved PWB 2012-13, with Efficiency Savings and increased WHO contribution	Expenditure 2012-2013
FAO Contribution	7,075 (85.2%)	7,031 (85.2%)	7,031 (80.3%)	6,366 (78.6%)
WHO Contribution	1,225 (14.8%)	1,225 (14.8%)	1,725 (19.7%)	1,725 (21.3%)
Misc. Income				4 (0.1%)
TOTAL REVENUE	8,300 (100%)	8,256 (100%)	8,756 (100%)	8,095 (100%)
Salaries Professional	2,860 [34.4%]	2,887 [35.0%]	2,887 [32.9%]	2,461 (30.4%)
Salaries General Service	1,416 [17.1%]	1,444 [17.5%]	1,444 [16.5%]	1,410 (17.4%)
Staff Costs	4,276 (51.5%)	4,331 (52.5%)	4,331 (49.5%)	3,871 (47.8%)
Other Human Resources ¹	1,200 [14.5%]	1,200 [14.5%]	1,350 [15.4%]	831 (10.3%)
General Expenses ²	300 [3.6%]	300 [3.6%]	350 [4.0%]	411 (5.0%)
Non Expendable Equipment ³	100 [1.2%]	100 [1.2%]	125 [1.4%]	90 (1.1%)
Chargeback ⁴	1,683 [20.3%]	1,600 [19.4%]	1,750 [20.0%]	2,255 (27.9%)
Travel	741 [8.9%]	725 [8.8%]	850 [9.7%]	637 (7.9%)
Non-Staff Costs	4,024 (48.5%)	3,925 (47.5%)	4,425 (50.5%)	4,224 (52.2)
TOTAL ESTIMATED COSTS/ EXPENDITURE	8,300 (100%)	8,256 (100%)	8,756 (100%)	8,095 (100%)

Contributions from member countries

10. In addition to the contribution from the Regular Budget, two food standards officers were seconded to the Codex Secretariat from Member States (Japan and Republic of Korea).

11. An important contribution to the Codex activity results from the host country arrangements for convening Codex sessions. The Codex Secretariat asked all host countries of technical committees and task forces for an estimate of their expenditures for the hosting of sessions. Of the 24 sessions held in the biennium, replies were received from 23 host governments showing an average cost of USD 300,000 per session, which could be extrapolated to a total contribution of USD 7,200,000.

¹ Includes consultants, contracts and overtime.

² Includes expendable equipment, general operating expenses, general overhead expenses and hospitality.

³ Includes data processing equipment and furniture.

⁴ Includes temporary assistance, translation, interpretation and printing serviced by other units of the FAO Headquarters.

12. The Codex Secretariat also asked the Coordinators for an estimate of their contribution to the hosting of the FAO/WHO Coordinating Committees. It should be noted that translation and interpretation for these meetings is covered by the Codex budget. Of the 6 sessions held, replies were received from four Coordinators showing an average cost of USD 125,000, which may be too high as the cost for one of the sessions was significantly higher than those for the three others; thus an estimate of USD 100,000 for the two remaining committees might be more appropriate bringing the total contribution from Coordinators to USD 700,000.

C. BUDGET PROCESS IN FAO AND WHO FOR 2014-15

13. Since 2014, FAO operates under a new results framework which includes five Strategic Objectives:

Strategic Objective 1	Contribute to the eradication of hunger, food insecurity and malnutrition
Strategic Objective 2	Increase and improve provision of goods and services from agriculture, forestry and fisheries in a sustainable manner
Strategic Objective 3	Reduce rural poverty
Strategic Objective 4	Enable more inclusive and efficient agricultural and food systems at local, national and international levels
Strategic Objective 5	Increase the resilience of livelihoods to threats and crises

14. The FAO results-based budgeting process, foresees that Strategic Objectives Coordinators allocate resources to Strategic Objectives, in consultation with heads of technical departments. Resources for conventions and treaty bodies, such as the Codex Alimentarius Commission, remain under the management of the head of the relevant department in conjunction with the concerned Secretariat. In the new strategic framework the Codex Programme contributes to Strategic Objective 4, with the output indicator measuring the "Number of new or revised international standards in food safety, quality and plant health". The resources for Codex are broken down into Outcome, output and products/services.

Outcome 401 International agreements, mechanisms and standards that promote more efficient and inclusive trade and markets are formulated and implemented by countries.	
Output 40101 New and revised international standards for food safety and quality and plant health are formulated and agreed by countries and serve as references for international harmonization.	
Products/Services	
4010104	Secretariat provided to the Codex Alimentarius Commission and its subsidiary bodies
4010105	Communication and information on Codex standards and related texts and Codex work to governments and stakeholders
4010106	Coordination with FAO, WHO, UN agencies, intergovernmental organisations and standard setting bodies ensured

WHO

15. Since 2014, WHO operates under the 12th General Programme of Work (GPW) 2014-2019, which covers six Categories of Work, which in turn are broken down into Programme Areas.

GPW Category 1	Communicable Diseases
GPW Category 2	Noncommunicable Diseases
GPW Category 3	Promoting Health through the Life-Course
GPW Category 4	Health Systems
GPW Category 5	Preparedness, Surveillance and Response
GPW Category 6	Corporate Services/ Enabling Functions

16. The resources for Codex are budgeted under Programme Area 5.4 “Food Safety” under Category 5.

D. BUDGET FOR 2014-15

17. The total budget of FAO at the organisational level was approved by the 38th Session of the FAO Conference (15-22 June 2013). As regards WHO, the Organization’s budget proposals were approved by the 66th Session of the World Health Assembly (May 2013) (Contribution to the budget of the Codex Secretariat).

18. WHO confirmed that its contribution to the Codex budget in 2014-2015 will remain at the same level as in 2012-2013 – USD 1,725,000. FAO is contributing USD 7,075,000.

19. The Codex budget for 2014-2015 is presented in **Table 2**. The budget is based on the following session planning during the 2014-2015 biennium:

- Annual sessions of the Codex Alimentarius Commission (2014 and 2015)
- Two sessions of the CCEXEC prior to the Commission sessions, following the decision of the CCEXEC that no additional session was needed (REP 11/EXEC, para. 60)
- Other subsidiary bodies, including Coordinating Committees, maintaining the same meeting schedule as in 2012-2013 with the creation of one new Committee (Spices and Culinary Herbs) and dissolving the Task Force on Animal Feeding.

20. In Table 2 the professional salaries show a slight increase in the approved PWB due to a change in the standard rates for professional posts.

21. The actual expenditure for professional salaries will decrease due to a number of known vacancies by at least USD 240,500 (D-1 for at least 5 months: USD 111,000; P-4 for 2 months USD 33,600; P-3 for at least 7 months: USD 95,900).

23. In Table 2 the general service salaries show a slight decrease in the approved PWB due to a change in the standard rates for general service posts.

24. The actual expenditure for general service salaries will decrease due to a known vacancy of one of the editors (G-4 for at least 7 months: USD 56,000) which are likely to be reflected in a higher cost for internal common services i.e. temporary assistance.

24. The expenses for other human resources are expected to be higher in 2014-15 than in 2012-13 due to development of a communication strategy and contracts for website upgrading and translation and publication into Arabic, Russian and Chinese.

25. The cost for internal common services is expected to return to the level that was planned for 2012-13 as two Commissions in a row will be held in Geneva and one CCEXEC less will be held.

26. The cost for travel is expected to be higher than in 2012-13 due to cost increases and the expectation that the Secretariat will be fully staffed from autumn 2014.

Table 2. Budget for 2014-15 - Combined Accounts (US\$'000)

Account Description	Budget Proposals at the 36 th CAC	Approved PWB 2014-15
FAO Contribution	7,031 (80.3%)	7,075 (80.4%)
WHO Contribution	1,725 (19.7%)	1,725 (19.6%)
TOTAL CONTRIBUTIONS	8,756 (100%)	8,800 (100%)
Salaries Professional	2,887 [32.9%]	2,928 [33.2%]
Salaries General Service	1,444 [16.5%]	1,371 [15.6%]
Staff Costs	4,331 (49.5%)	4,299 (48.8%)
Other Human Resources ⁵	1,350 [15.4%]	1,300 [14.8%]
General Expenses ⁶	350 [4.0%]	400 [4.6%]
Non Expendable Equipment ⁷	125 [1.4%]	150 [1.7%]
Internal Common Services ⁸	1,750 [20.0%]	1,751 [19.9%]
Travel	850 [9.7%]	900 [10.2%]
Non-Staff Costs	4,425 (50.5%)	4,501 (51.2%)
TOTAL ESTIMATED COSTS	8,756 (100%)	8,800 (100%)

⁵ Includes consultants, contracts and the overtime of the General Service staff.

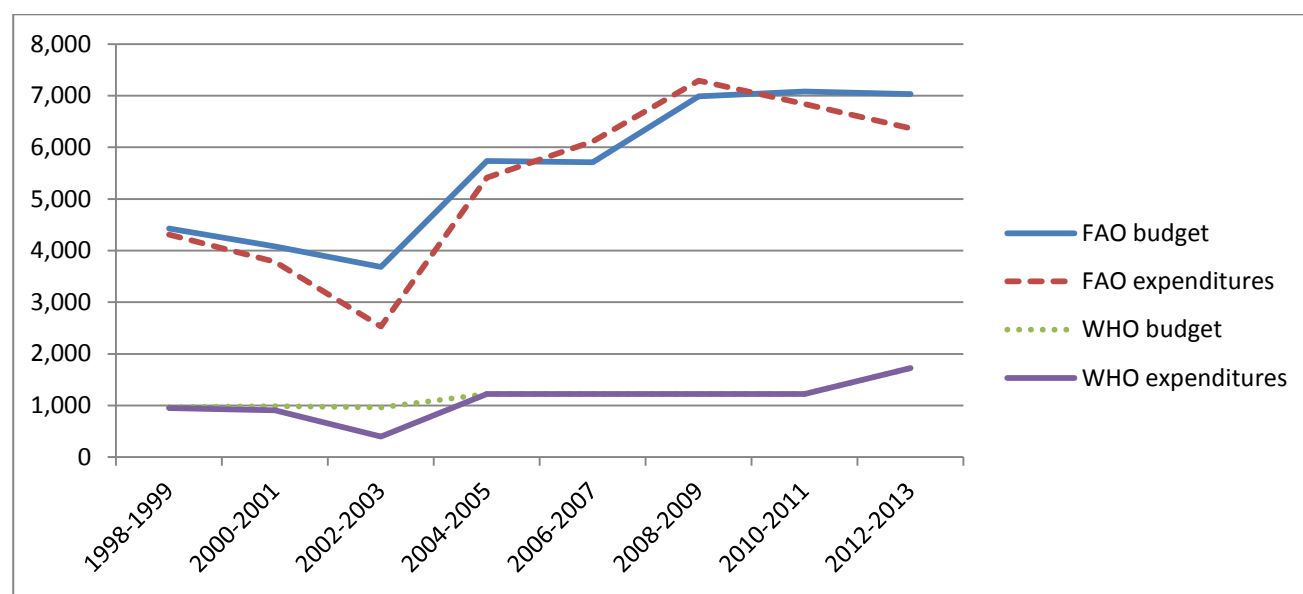
⁶ Includes expendable equipment, general operating expenses, general overhead expenses and hospitality.

⁷ Includes data processing equipment and furniture.

⁸ Includes temporary assistance, translation, interpretation and printing serviced by the relevant units of the FAO Headquarters.

Annex 1**Evolution of Codex budget (expenses and contributions)**

Biennium	Budget (USD '000)			Expenditures (USD '000)			Source
	FAO	WHO	Total	FAO	WHO	Total	
1998-1999	4,428 (82.05%)	969 (17.95%)	5,397	4,311 (81.93%)	951 (18.07%)	5,262	ALINORM 01/5
2000-2001	4,080 (80.51%)	988 (19.49%)	5,068	3,780 (80.65%)	907 (19.35%)	4,687	ALINORM 03/26/15
2002-2003	3,680 (79.31%)	960 (20.69%)	4,640	2,533 (86.51%)	395 (13.49%)	2,928	ALINORM 04/27/10
2004-2005	5,734 (82.40%)	1,225 (17.60%)	6,959	5,412 (81.54%)	1,225 (18.46%)	6,637	ALINORM 06/29/9
2006-2007	5,707 (82.33%)	1,225 (17.67%)	6,932	6,112 (83.30%)	1,225 (16.70%)	7,337	ALINORM 08/31/9A
2008-2009	6,989 (85.09%)	1,225 (14.91%)	8,214	7,292 (85.62%)	1,225 (14.38%)	8,517	ALINORM 10/33/9
2010-2011	7,077 (85.24%)	1,225 (14.76%)	8,302	6,835 (84.80%)	1,225 (15.20%)	8,060	CX/CAC 12/35/15
2012-2013	7,031 (80.30%)	1,725 (19.70%)	8,756	6,366 (78.68%)	1,725 (21.32%)	8,091	CX/CAC 14/37/12



Annex 2**Codex Detailed Expenditures 2012**

	Salaries Professional	Salaries General Service	Other Human Resources	Travel	GOE/ Equipment	General Operating Expenses (external common services)	General Operating Expenses (internal common services)	Total
Work programme of the CAC implemented in accordance with its strategic plan	1,097,135	714,113	29,122	0	333	6	0	1,840,709
Providing the Secretariat to the Codex Alimentarius Commission and its subsidiary bodies	0	0	334	3,250	4,974	2,280	2,601	13,439
Providing the Secretariat to the CAC, CCEXEC and CCGP	0	0	77,280	64,491	31,553	115,254	697,384	985,962
Providing the Secretariat to the FAO/WHO Coordinating Committees	0	0	0	62,603	0	4,675	173,613	240,891
Providing the Secretariat to the Food Safety Committees (CCFA, CCCF, CCFH, CCPR, CCRVDF)	0	0	0	113,618	3,945	11,925	9,739	139,227
Providing the Secretariat to the Commodity Committees (CCFFV, CCPFV, CCFO, CCFFP)	0	0	0	37,062	0	1,367	8,769	47,198
Providing the Secretariat to the General Committees (CCFICS, CCMAS)	0	0	0	6,230	0	1,870	22,465	30,565
Providing the Secretariat to the Labelling and Nutrition Committees (CCFL, CCNFSDU)	0	0	0	20,504	0	745	1,904	23,153
Publication of Codex standards and related texts	0	0	41,816	0	3,127	4,377	150,091	199,411
Communication and information on Codex standards and related texts	56,828	0	37,049	0	13,825	17,812	14,548	140,062
Coordination with FAO, WHO, UN agencies, intergovernmental organizations and standard-setting bodies	0	0	0	21,389	0	1	0	21,390
Cooperation with other organisations	0	0	0	17,489	0	0	0	17,489
Participation of Codex Secretariat in capacity development activities	0	0	298	0	0	0	650	948
GRAND TOTAL	1,153,963	714,113	185,899	346,636	57,758	160,311	1,081,764	3,700,444

Codex Detailed Expenditures 2013

	Salaries Professional	Salaries General Service	Other Human Resources	Travel	GOE/ Equipment	General Operating Expenses (external common services)	General Operating Expenses (internal common services)	Total
Work programme of the CAC implemented in accordance with its strategic plan	1,165,493	695,704	0	0	0	1,069	164	1,862,430
Providing the Secretariat to the Codex Alimentarius Commission and its subsidiary bodies	0	0	20,504	4,860	22,653	(163)	4,369	52,223
Providing the Secretariat to the CAC, CCEXEC and CCGP	0	0	269,801	33,643	134,289	29,163	688,644	1,155,540
Providing the Secretariat to the FAO/WHO Coordinating Committees	0	0	11,773	40,749	861	1,847	104,752	159,982
Providing the Secretariat to the Food Safety Committees (CCFA, CCCF, CCFH, CCPR, CCRVDF)	0	0	5,856	120,558	19,562	4,322	26,894	177,192
Providing the Secretariat to the Commodity Committees (CCFFV, CCPFV, CCFO, CCFFP)	0	0	0	1,352	0	1,279	50,632	53,263
Providing the Secretariat to the General Committees (CCFICS, CCMAS)	0	0	0	16,288	0	58	25,263	41,609
Providing the Secretariat to the Labelling and Nutrition Committees (CCFL, CCFNSDU)	0	0	0	18,621	0	425	2,785	21,831
Publication of Codex standards and related texts	0	0	6	0	257,647	4,717	14,103	276,473
Communication and information on Codex standards and related texts	141,900	0	145,653	0	8,392	4,721	41,020	341,686
Coordination with FAO, WHO, UN agencies, intergovernmental organizations and standard-setting bodies	0	0	150,000	34,581	0	0	6,795	191,376
Cooperation with other organisations	0	0	30,000	19,673	0	0	0	49,673
Participation in capacity building activities	0	0	12,000	0	0	0	(230)	11,770
GRAND TOTAL	1,307,393	713,560	627,737	290,325	450,199	47,208	958,626	4,395,048

Codex Detailed Expenditures 2012-13

	Salaries Professional	Salaries General Service	Other Human Resources	Travel	Equipment	General Operating Expenses (external common services)	General Operating Expenses (internal common services)	Total
Work programme of the CAC implemented in accordance with its strategic plan	2,262,628	1,409,817	29,122	0	333	1,075	164	3,703,139
Providing the Secretariat to the Codex Alimentarius Commission and its subsidiary bodies	0	0	20,838	8,110	27,627	2,117	6,970	65,662
Providing the Secretariat to the CAC, CCEXEC and CCGP	0	0	347,081	98,134	165,842	144,417	1,386,028	2,141,502
Providing the Secretariat to the FAO/WHO Coordinating Committees	0	0	11,773	103,352	861	6,522	278,365	400,873
Providing the Secretariat to the Food Safety Committees (CCFA, CCCF, CCFH, CCPR, CCRVDF)	0	0	5,856	234,176	23,507	16,247	36,633	316,419
Providing the Secretariat to the Commodity Committees (CCFFV, CCPFV, CCFO, CCFFP)	0	0	0	38,414	0	2,646	59,401	100,461
Providing the Secretariat to the General Committees (CCFICS, CCMAS)	0	0	0	22,518	0	1,928	47,728	72,174
Providing the Secretariat to the Labelling and Nutrition Committees (CCFL, CCFNSDU)	0	0	0	39,125	0	1,170	4,689	44,984
Publication of Codex standards and related texts	0	0	41,822	0	260,774	9,094	164,194	475,884
Communication and information on Codex standards and related texts	198,728	0	182,702	0	22,217	22,533	55,568	481,748
Coordination with FAO, WHO, UN agencies, intergovernmental organizations and standard-setting bodies	0	0	150,000	55,970	0	1	6,795	212,766
Cooperation with other organisations	0	0	30,000	37,162	0	0	0	67,162
Participation in capacity building activities	0	0	12,298	0	0	0	420	12,718
GRAND TOTAL	2,461,356	1,409,817	831,492	636,961	501,161	207,750	2,046,955	8,095,492