



**JOINT FAO/WHO FOOD STANDARDS PROGRAMME
CODEX ALIMENTARIUS COMMISSION
36th Session, FAO Headquarters,
Rome, Italy, 1-5 July 2013**

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.

Budget Process in FAO

2. Beginning with the 2010-11 biennium, FAO moved to a results-based budgeting process that directly connects resource allocations to results and is based on the setting of strategic objectives. The *Strategic Objective* to which the Codex programme contributes is “*Strategic objective D: Improved quality and safety of foods at all stages of the food chain.*”, within which a number of *organizational results* supporting the strategic objective are defined. The FAO unit providing scientific advice contributes to this *organizational result* through Organizational Output D01G202 “*Scientific advice on food safety and nutrition provided to standard setting bodies and FAO member countries*”.

3. The Organizational Output for the Joint FAO/WHO Food Standards Programme is “ *D01G201: Implementation of the work programme of the Codex Alimentarius Commission in accordance with its strategic plan*”. The Codex Strategic Plan 2008-2013 was taken into account to ensure that the grouping of activities should follow the same logical order in the structure of the budget, as presented below.

Organisational result D01. New and revised internationally agreed standards and recommendations for food safety and quality that serve as the reference for international harmonisation		
Organizational Output D01G201 / Work Programme of the CAC implemented in accordance to the Strategic Plan		
Products/Service		
D01G20101	Providing the Secretariat to the Codex Alimentarius and its subsidiary bodies	
	Activity	
	D01G2010101	Implementation of the Korean and Japanese Trust Fund in Headquarters*
	D01G2010102	Providing the Secretariat to the CAC, CCEXEC and CCGP
	D01G2010103	Providing the Secretariat to the FAO/WHO Coordinating

		Committees
	D01G2010104	Providing the Secretariat to the food safety committees
	D01G2010105	Providing the Secretariat to the commodity committees
	D01G2010106	Providing the Secretariat to the general committees (CCFICS and CCMAS)
	D01G2010107	Providing the Secretariat to the labelling and nutrition committees (CCFL and CCNFSU)
D01G20102	Publication of Codex standards and related texts	
D01G20103	Communication and information on Codex standards and related texts	
D01G20104	Coordination with FAO, WHO, UN agencies, intergovernmental organisations and standard setting bodies	
	D01G2010401	Cooperation with other organisations
	D01G2010402	Participation in capacity building activities

* Funding of seconded officers by the governments of Japan and the Republic of Korea.

FAO's results framework 2014-2015

4. New Strategic Objectives have been defined in the Programme of Work and Budget 2014-2015. The revised results framework provides for a significantly reduced number of Organizational Outcomes, measured by targets and indicators, that will help to achieve the five Strategic Objectives (SOs) through interventions by FAO and partners: contribute to eradication of hunger, food insecurity and malnutrition (SO1); increase and improve the provision of goods and services from agriculture, forestry and fisheries in a sustainable manner (SO2); reduce rural poverty (SO3); enable more inclusive and efficient agricultural and food systems at local, national and international levels (SO4); and increase the resilience of livelihoods to threats and crises (SO5).

5. The management of the Strategic Objective programmes will be led by the Strategic Objective Coordinators. Technical departments and divisions headed by Assistant Directors-General and Directors will ensure technical quality and knowledge and will develop specific areas of normative and standard-setting work. Decentralized offices will focus their work under the Organizational Outcomes on priorities identified in Country Programming Frameworks.

6. The standard setting work of the Joint FAO/WHO Food Standards Programme is included in Strategic Objective 4: *Enable more inclusive and efficient agricultural and food systems at local, national and international levels; through Organisational Outcome OO1: International agreements, mechanisms and standards that promote more efficient and inclusive trade and markets are formulated and implemented by countries; and Output 1.1: New and revised international standards for food safety and quality and plant health are formulated and agreed by countries and serve as reference for international harmonization. The indicators for these strategic objectives are in the process of elaboration.*

Budget Process in WHO

7. Within WHO's Medium-term Strategic Plan 2008 - 2013, scientific advice and Codex work falls under Strategic Objective 9:

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

8. Within this strategic objective the relevant organization-wide expected result is 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.

9. From 2014 onwards, in the framework of the Twelfth General Programme of Work (GPW) 2014-2019, food safety work of WHO including activities regarding Codex will come under Category 5. Medium-term strategic plans will be discontinued and integrated into the GPW, whose duration is being reduced from 10 years to 6 years.

B. BUDGET FOR 2012-2013

10. The total budget of FAO at the organisational level was approved by the 37th Session of the FAO Conference (July 2011). As regards WHO, the Organization's budget proposals were approved by the 64th Session of the World Health Assembly (May 2011) (Contribution to the budget of the Codex Secretariat).

11. The approved Programme of Work and Budget shows a total contribution of USD 8,756,000: FAO contribution USD 7,031,000 and WHO contribution USD 1,725,000 (the initial WHO budget of USD 1,225,000 was increased by USD 500,000 in an attempt to redress the balance between FAO and WHO contributions). As a result, the share of the WHO contribution in the total Codex budget has increased from 14.8 % to 19.7% in 2012-2013. The overall funding level of the Codex budget and expenditures for 2012-13 are summarised in **Table 1**.

12. The detailed expenses for 2012 are presented in **Annex 2**. The detailed expenses for 2012 are presented in **Annex 2**. Following the recommendation of the Executive Committee to use a business plan according to the format presented in CX/EXEC 10/64/3, the plan was prepared for 2012 and is presented in **Annex 1**.

13. A significant portion of the Codex budget supports: the organisation of the sessions of the Commission and the Executive Committee; the servicing of the sessions of the subsidiary bodies; the coordination with FAO, WHO, UN agencies, intergovernmental organizations and standard-setting bodies; and the meetings of FAO/WHO Coordinating Committees, for which the Codex budget covers interpretation and translation costs.

Table 1. Budget and Expenditure 2012-2013 - Combined Accounts (USD'000)

Account Description	Budget Proposals at the 34th CAC	Approved PWB 2012-13, with Efficiency Savings	Approved PWB 2012-13, with Efficiency Savings and increased WHO contribution
FAO Contribution	7,075 (85.2%)	7,031 (85.2%)	7,031 (80.3%)
WHO Contribution	1,225 (14.8%)	1,225 (14.8%)	1,725 (19.7%)
TOTAL CONTRIBUTIONS	8,300 (100%)	8,256 (100%)	8,756 (100%)
Salaries Professional	2,860 [34.4%]	2,887 [35.0%]	2,887 [32.9%]
Salaries General Service	1,416 [17.1%]	1,444 [17.5%]	1,444 [16.5%]
Staff Costs	4,276 (51.5%)	4,331 (52.5%)	4,331 (49.5%)
Other Human Resources ¹	1,200 [14.5%]	1,200 [14.5%]	1,350 [15.4%]
General Expenses ²	300 [3.6%]	300 [3.6%]	350 [4.0%]
Non Expendable Equipment ³	100 [1.2%]	100 [1.2%]	125 [1.4%]
Internal Common Services ⁴	1,683 [20.3%]	1,600 [19.4%]	1,750 [20.0%]
Travel	741 [8.9%]	725 [8.8%]	850 [9.7%]
Non-Staff Costs	4,024 (48.5%)	3,925 (47.5%)	4,425 (50.5%)
TOTAL ESTIMATED COSTS	8,300 (100%)	8,256 (100%)	8,756 (100%)

¹ Includes consultants, contracts and the overtime of the General Service staff.

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 the relevant units of the FAO Headquarters.

The budget was based on the following session planning during the 2012-2013 biennium:

- Annual sessions of the Codex Alimentarius Commission
- Two sessions of the CCEXEC prior to the 35th and 36th Commission sessions and an additional session held in February 2012
- Other subsidiary bodies, including Coordinating Committees, according to the approved meeting schedule 2012-2013

Contributions from member countries

14. In addition to the contribution from the Regular Budget, two food standards officers are seconded to FAO from Member States (Japan and Republic of Korea).

15. Another important contribution to the Codex budget results from the host country arrangements for convening Codex sessions. The figures provided by host countries were presented in 2010 and are now regularly included in the budget document.

16. The costs borne by host countries for holding Codex sessions (except Coordinating Committees) in 2012 amount to **USD 4,031,390**. This is an overall figure as not all host countries provided a comparable breakdown of expenses such as translation and interpretation or cost of venue. This figure shows the essential importance of the contribution of host countries in support of the Codex programme.

Language coverage

Russian

17. At the 32nd Session of the Commission (2009), the Delegation of the Russian Federation expressed the wish that Russian, which is an FAO and WHO official language, would be used in future sessions of the Commission and indicated that the Russian Federation had made a contribution to the FAO budget to support the use of Russian in different programmes.

18. Currently many publications and individual standards are available in Russian and recent CCEURO sessions have been held in Russian through funding from the coordinator (Poland). The Secretariat provided interpretation into Russian for the first time at the 34th Session of the Commission (2011).

19. Additional funding was provided by FAO to the Codex budget 2012-2013 for the purpose of language coverage in Russian - USD 250,000 as per the following breakdown: USD 177,000 for Russian language coverage for Codex documents and USD 73,000 for Russian language coverage for the Executive Committee. These funds were used for the translation of documents for the Executive Committee and the Commission in 2012 and 2013.

Portuguese in CCAFRICA

20. Portuguese was used in the 18th and 19th Sessions of the Coordinating Committee for Africa (2009 and 2011), and was used in the 20th Session (2013) as an interpretation language in view of its importance to facilitate the participation of Portuguese-speaking countries. The additional cost is estimated at USD 16,500. However, it is not possible to provide translation of documents into Portuguese in view of current resources.

C. BUDGET PROPOSALS FOR 2014-15

21. Pending final review by FAO and WHO, the budget proposals will be presented to the Commission.

D. FAO/WHO Scientific Support to Codex

22. As agreed at the 27th Session of the Codex Alimentarius Commission, FAO and WHO are providing information regarding the budget allocated to Codex-related activities, especially those related to the provision of scientific advice requested by Codex and by member countries.

23. The present document provides an update of the information presented to the 34th Session of the Commission and an estimation of the budget for the period 2012-2013. This includes both Organizations' Regular Programme financial contribution, as well as extra-budgetary resources used to implement, in a

timely and sound way, the expert meetings and consultations that provide scientific advice to Codex (i.e. JECFA, JMPR, JEMRA, and *ad hoc* expert consultations) and prepare technical documents and reports.

FAO budget

24. For the 2012-2013 biennium, the activities related to provision of scientific advice to Codex are carried out under FAO's Strategic Objectives D "Improved quality and safety of foods at all stages of the food chain", and A, "Sustainable intensification of crop production". The provision of scientific advice is supported by a number of units within the organization including the Food Safety and Codex Unit, the Plant Production and Protection Division, the Fisheries and Aquaculture Policy and Economics Division, the Nutrition Division and the Animal Production and Health Division.

25. FAO regular programme budget for scientific advice to Codex for the 2012-2013 biennium is USD 3,347,282 of which staff costs are USD 1,965,694 and non-staff/activity costs are USD 1,381,588. These costs do not reflect the budget required to fully meet the requests for the provision of scientific advice to Codex and the funding shortfall to support activities in the current biennium is approximately 20%. Thus, FAO continues to advocate for extra-budgetary resources to support scientific advice and related activities through the Global Initiative for Food-related Scientific Advice (GIFSA) and other mechanisms in place in FAO. In the current biennium, the funding gap has been substantially addressed by financial contributions received from the United States of America and Australia.

26. From 2014, FAO will operate under a new strategic framework which includes five Strategic Objectives. Scientific advice to Codex will fall under Strategic Objective 4. The detailed work planning and associated allocation of resources under the new strategic framework is still under development and it is therefore not possible to indicate the level of FAO Regular Programme funding that will be available for scientific advice in the next biennium.

WHO budget

27. In WHO, the majority of the funding (approximately 80%) for the activities and salaries related to the provision of scientific advice on food safety and nutrition is provided by voluntary contributions from member countries rather than regular programme budget (assessed contributions).

28. For the current biennium 2012-13, the proposed budget on the provision of scientific advice in food safety was USD 2,640,000 (staff cost), and the activity cost for food safety was estimated at USD 1,450,000. The proposed budgets on the provision of scientific advice in nutrition for biennium 2012-13 were USD 2,380,000 (staff cost) and USD 1,347,000 (activities)⁵.

29. By April 2013, WHO received contributions from Australia, China, Japan, Luxemburg, the Republic of Korea and the United States of America for the implementation of the scientific advice activities for 2012-13. In addition, two professional officers are currently seconded to WHO from Member States (Japan and Republic of Korea) to support activities related to JEMRA and JECFA.

CONCLUSION

30. The Commission is invited to note the expenditures for 2012 and the budget for 2012-13, and make any recommendation to the Directors-General of FAO and WHO in this regard. The final Codex budget for 2014-15 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.

⁵ These cover overall cost for scientific advice on nutrition, including, but not limited to, the work directly related to Codex.

Annex 1 – Business Plan

1. Following the recommendation of the Executive Committee to use a business plan according to the format presented in CX/EXEC 10/64/3, the plan was prepared for 2012.
2. The format proposed in document CX/EXEC 10/64/3 was used as a basis for the tables with some adjustments. It is not possible to provide figures for “revenue” as the budget is allocated as a whole, and detailed figures are available only for expenses under “budget”. These tables should be considered in conjunction with the budget figures presented in Annex 2.
3. Staff costs are presented as a global figure in the biennium and cannot be calculated according to the Activity and this entry was therefore deleted. As regards Activity Plans, in terms of budget and funding, “activity sponsor” corresponds to FAO/WHO and host governments.
4. The CCEXEC and Commission may wish to discuss further how the business plan should be presented in view of the availability of relevant information.
5. The Secretariat would also suggest adding another table for Coordinating Committees as these committees provide inputs to several activities, and there is also a significant contribution of host countries, in addition to FAO and WHO, and this could be presented to the next session of the Commission, following the 2012-13 sessions of coordinating committees. At this stage the information is not complete for all Coordinating Committees and will be provided at the next session of the Commission in 2014.

Activity Plans

Activity	1.1 Review and develop Codex Standards and related texts for food safety
Responsible parties	CCFH, CCFA, CCCF, CCPR, CCRVDF, CCNFSDU, relevant Task Forces and Commodity Committees
Activity sponsor	FAO/WHO, host governments
CAC Goal	Goal 1 Promoting Sound Regulatory Frameworks
Timeframe	Continuing
FAO Organizational Output	<i>D01G201 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>

Activity resources

			% of overall budget allocated to this activity
Budget	FAO/WHO Contribution	\$ 139,227	3.7 %
	Contributions from Host Countries	\$ 1,716,000*	
	Other contributions i.e. extra budgetary	None	
	TOTAL	\$ 1,855,227	

* CCFH, CCFA, CCCF, CCPR, CCRVDF

Activity Plans

Activity name	1.2 Review and develop Codex Standards and related texts for food quality
Responsible parties	Relevant Task Forces, Commodity Committees and FAO/WHO Coordinating Committees
Activity sponsor	FAO/WHO, host governments
CAC Goal	Goal 1 Promoting Sound Regulatory Frameworks
Timeframe	Continuing
FAO Organizational Output	D01G201 <i>Implementation of the work programme of the Codex Alimentarius Commission in accordance with its strategic plan.</i>
WHO Organization-Wide Expected Result	

Activity Resources

			% of overall budget allocated to this activity
Budget	FAO/WHO Contribution	\$ 47,198	1.2 %
	Contributions from Host Countries	\$ 1,152,667	
	Other contributions i.e. extra budgetary	None	
	TOTAL	\$ 1,199,865	

Activity Plans

Activity	1.3 Review and develop Codex Standards and related texts for food labelling and nutrition
Responsible parties	CCFL, CCNFSDU
Activity sponsor	FAO/WHO, host governments
CAC Goal	Goal 1 Promoting Sound Regulatory Frameworks
Timeframe	Continuing
FAO Organizational Output	D01G201 <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>

Activity Resources

			% of overall budget allocated to this activity
Budget	FAO/WHO Contribution	\$ 30,656	0.8 %
	Contributions from Host Countries	\$ 508,000	
	Other contributions i.e. extra budgetary	None	
	TOTAL	\$ 538,656	

Activity Plans

Activity	1.4 Review and develop Codex Standards and related texts for food inspection and certification, and methods of sampling and analysis
Responsible parties	CCMAS, CCFICS
Activity sponsor	FAO/WHO, host governments
CAC Goal	Goal 1 Promoting Sound Regulatory Frameworks
Timeframe	Continuing
FAO Organizational Output	D01G201 <i>Implementation of the work programme of the Codex Alimentarius Commission in accordance with its strategic plan.</i>
WHO Organization-Wide Expected Result	<p>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></p> <p>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></p>

Activity Resources

			% of overall budget allocated to this activity
Budget	FAO/WHO Contribution	\$ 23,153	0.6 %
	Contributions from Host Countries	\$ 620,400	
	Other contributions i.e. extra budgetary	None	
	TOTAL	\$ 643,553	

Annex 2

Codex Detailed Expenditures 2012

	Salaries Professional	Salaries General Service	Other Human Resources	Travel	Equipm ent	General Operatin g 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	0	339	0	1,840,709
Providing the Secretariat to the Codex Alimentarius Commission and its subsidiary bodies	0	0	334	3,250	1,434	5,820	2,601	13,439
Providing the Secretariat to the CAC, CCEXEC and CCGP	0	0	77,279	64,491	10,850	135,957	697,385	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	2,951	12,919	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	0	7,504	150,091	199,411
Communication and information on Codex standards and related texts	56,828	0	37,049	0	12,647	18,990	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	185,898	346,636	27,882	190,187	1,081,765	3,700,444

Codex Detailed Expenditures 2010-2011 (for reference only)

	Salaries Professional	Salaries General Service	Other Human Resources	Travel	Equipment	General Operating Expenses (external common services)	General Operating Expenses (internal common services)	Total
GRAND TOTAL 2010	1,397,629	711,844	264,859	400,796	7,068	240,513	752,328	3,775,037
GRAND TOTAL 2011	1,166,341	634,371	1,115,967	405,172 (320,172)*	53,876	262,026	649,469	4,287,222
GRAND TOTAL 2010-2011	2,563,970	1,346,215	1,380,826	805,968	60,944	502,539	1,401,797	8,062,259

* Without JECFA related costs (travel of experts)