

codex alimentarius commission



FOOD AND AGRICULTURE
ORGANIZATION
OF THE UNITED NATIONS

WORLD
HEALTH
ORGANIZATION



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Agenda Item 14

JOINT FAO/WHO FOOD STANDARDS PROGRAMME

CODEX ALIMENTARIUS COMMISSION

Twenty-sixth Session, FAO Headquarters, Rome (Italy), 28 June – 7 July 2003

FINANCIAL AND BUDGETARY MATTERS 2002/2003 and PROPOSED BUDGET 2004/2005

BACKGROUND

1. In accordance with Rule XI.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 IX.1(a) and IX.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 report provides information on expenditures in the previous budget period (2000-2001), the budget for the current period (2002/03), and the proposed budget for the biennium 2004/2005.

2. From 1974 until 2001, the budget of the Joint FAO/WHO Food Standards Programme was administered through two Trust Funds; a Joint Trust Fund shared by FAO and WHO on the basis of FAO contributing 75 percent and WHO contributing 25 percent, and a FAO-only Trust Fund that provided additional resources from the FAO Regular Programme for administrative and additional documentation costs. The FAO-only contribution was also used to provide support to national and regional workshops on the application of Codex standards or the establishment of national Codex structures, and for the costs of three *ad hoc* expert consultations per biennium that may be held at the request of the Commission.

3. Beginning with the biennium 2002-2003, the budgetary and accounting arrangements for the Joint FAO/WHO Food Standards Programme changed substantially. The separate Trust Fund budgets have been

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combined in the FAO Regular Programme as Entity 221P2¹. The FAO contributions in support of national or regional workshops and expert consultations were transferred to other FAO Regular Programme entities. The reorganization of the budget and its management under the FAO Regular Programme provides greater transparency in relation to the contributions of the parent Organizations to the Joint FAO/WHO Food Standards Programme and improved reporting.

BUDGET AND EXPENDITURE 2000/2001 (See Table 1)

4. The biennium 2000/2001 was marked by a very heavy meeting schedule, especially with the meetings of the three new Task Forces established in 1999. For the first time the plenary session of the Commission in 2001 met using all five working languages of the Organization and Arabic was used as an official language at the Executive Committee and the Regional Coordinating Committees for Africa and the Near East. The work of publishing Codex standards, guidelines and recommendations in Arabic and Chinese was commenced with the Codex Procedural Manual and four thematic booklets on food hygiene, inspection and certification procedures, food labelling and on organic foods published in all languages during the biennium. Efforts were made to transfer the contents of the Codex Alimentarius standards and guidelines to an internet-based system; this was partially achieved during the biennium, being completed in 2002.

5. In the FAO-only budget, four *ad hoc* Expert Consultations on contemporary food standards issues (one more than planned) were held in the biennium; three on microbiological risk assessment and one of the risk/benefit assessment of foods containing probiotic bacteria. These Expert Consultations were jointly funded by WHO from non-Codex resources. Direct support was provided through national workshops and country visits on the strengthening of national Codex structures in Cameroon, Syria and Tanzania in addition to regional activities; this being slightly less than planned due to a shift of human resources to implementing the core work of the Commission's Secretariat in an unusually heavy biennium. As noted above, these activities have been transferred to other entities in the FAO Regular Programme from 1 January 2002 and will no longer be reported under the Joint FAO/WHO Food Standards Programme.

6. Resources for the biennium 2000/2001 were obtained from the FAO contribution to the Joint FAO/WHO Food Standards Programme as listed in Sub-Programme 221A1 in the FAO *Director-General's Programme of Work and Budget 2000-2001*² and the WHO contribution for the same period. These resources and the expenditures for the biennium are shown in Table 1. There was a marked under-expenditure in Staff Costs the biennium (US\$ 441,615) in comparison to the budget. This was due to resources for the unfilled post of the D-1 Chief of the Food Quality and Standards Service of FAO for a period of 17 months; the P-4 Food Standards Officer post for 9 months; and two clerical posts in the documents office for a total of 4 months. Following the appointment of the new Chief of the Food Quality and Standards Service in June 2001, the resources for this post were transferred from the FAO contribution to the Joint Codex Budget to the FAO Regular Programme. In compensation, there was over-expenditure in non-staff costs, in particular in Travel in the FAO-only budget that is attributed to the non-staff travel of experts at the Joint FAO/WHO Expert Consultations on food microbiology.

7. At the end of the 2000/2001 biennium, all unexpended resources were returned to the FAO General Account with the exception of the unspent portion of the WHO contribution which was credited to the present biennium.

BUDGET FOR 2002/03 (See Table 2)

8. As indicated above, new budgetary and accounting arrangements entered into effect in 2002. The Codex budget is now devoted exclusively to the work of the Secretariat of the Commission and is managed through the FAO Regular Programme instead of trust funds. In addition to the Budget for the Secretariat of the Codex Alimentarius Commission, budget entity 221P2 in FAO's Programme of Work and Budget 2002-03 also provides for a contribution of US\$ 139,000 to the computer pool and US\$ 24,000 in the decentralized offices for a total of US\$ 4,724,000.

¹ The Director-General's Programme of Work and Budget for 2002-2003, FAO document C 2001/3, FAO, Rome, 2001. The document is also available from the FAO website at <http://www.fao.org/pwb> which also provides a detailed "Planned Outputs Database" for all FAO Programmes including Codex.

² The Director-General's Programme of Work and Budget for 2000-2001, FAO document C 99/3, FAO, Rome, 1999.

JOINT FAO/WHO EVALUATION OF CODEX ALIMENTARIUS

9. The *Joint FAO/WHO Evaluation of Codex Alimentarius and Other FAO and WHO Work on Food Standards (2002)* was funded by the parent Organizations and the Codex budget as shown below.

	(US\$)
FAO contribution	400,000
WHO contribution	182,500
Contribution from the Codex budget	100,000
Total	682,500

BUDGET PROPOSALS FOR 2004/2005 (See Table 3)

10. In preparing budget proposals for submission to the Governing Bodies of the parent Organizations, FAO and WHO have taken into account fully the recommendations of the *Joint FAO/WHO Evaluation of Codex Alimentarius and Other FAO and WHO Work on Food Standards* and the views of the 25th (Extraordinary) Session of the Commission. Moreover, FAO's Programme and Finance Committees, meeting in May 2003, included Codex among FAO's specific priority areas which they expected could be adequately resourced, irrespective of the budget level adopted by FAO Conference³. The World Health Assembly (May 2003) called upon the Director-General of WHO to reallocate resources for WHO's activities related to the setting of food standards based on the Codex Alimentarius with special attention to least developed countries⁴.

11. The proposed budget recommends an increase in the funding of Codex of US\$ 1,071,000 over the current biennium. This is somewhat less than the incremental costs estimated by the Evaluation Team and Panel, the main reductions being due to the elimination expenses associated with the proposed Standards Management Committees and the establishment of the level of the Secretary of the Commission at D-1 instead of D-2. On the other hand, allowances have been made for increased frequency of meetings of both the Commission and the Executive Committee.

³ Report of the Joint Meeting of the Programme and Finance Committees, Rome, 7 May 2003: document CL 124/4.

⁴ World Health Assembly Resolution WHA 56.23.

ANNEX 1

BUDGET AND EXPENDITURES TABLES

Table 1: Budget and Expenditure 2000-2001 - Combined Accounts (US\$'000)

Codex Budget 2000-2001			Expenditures			
Account Description	FAO	WHO	Total	FAO	WHO	Total
Jointly Financed Activities	4,024	969	4,993			
Miscellaneous (from 1998/99)	56	19	75			
Total Revenue	4,080	988	5,067			
Salaries Professional	1,040	347	1,387	842	281	1,123
Salaries General Service	670	223	893	536	179	715
STAFF COSTS	1,710	570	2,280	1,379	460	1,838
Consultants	117	39	156	102	25	127
Contracts	209	57	266	196	53	249
Overtime	24	8	32	38	11	49
Travel	479	87	566	677	108	784
Training	27	9	36	2	-	2
Expendable Equipment	-	-	-	6	-	6
Non-expendable Equipment ⁵	14	4	18	(4)	4	-
Hospitality	-	-	-	4	-	4
Technical Support Services	-	-	-	-	-	-
General Operating Expenses	13	1	14	7	1	8
Support Costs	-	-	-	-	-	-
General Overhead Expenses	-	-	-	29	7	36
FAO Services	1,487	213	1,700	1,345	238	1,583
NON-STAFF COSTS	2,370	418	2,788	2,402	448	2,849
Total Budget/Expenditure	4,080	988	5,068	3,780	907	4,688

⁵ The negative figure for expenditures under this item corrects an accounting error from the previous biennium. Actual expenditures were US\$ 15,736. An amount of US\$15,505 was deducted from these expenditures and charged against Contracts.

Table 2. Codex Budget 2002-2003 (US\$ '000)

Account Description	FAO	WHO	Total
Jointly Financed Activities	3,592	969	4,561
Total Revenue	3,592	969	4,561
Salaries Professional	944	315	1,258
Salaries General Service	466	155	621
STAFF COSTS	1,409	470	1,879
Consultants	81	19	100
Contracts	81	19	100
Overtime	47	11	58
Travel	511	117	628
Expendable Equipment	5	1	6
Non-expendable Equipment	16	4	20
General Operating Expenses	20	4	24
General Overhead Expenses	20	5	25
FAO Services	1,401	320	1,721
NON-STAFF COSTS	2,183	499	2,682
Total Estimated Costs	3,592	969	4,561

Table 3. Budget Proposals for 2004/2005 (US\$'000)

Account Description	Budget Proposal
FAO Contribution	4,256
WHO Contribution ⁶	1,376
TOTAL	5,632
Estimated Expenditures	
Salaries Professional	1,838
Salaries General Service	619
STAFF COSTS	2,457
Other Human Resources	380
General Expenses	79
Non-expendable Equipment	91
FAO Services (Chargeback)	1,884
Travel	741
NON-STAFF COSTS	3,175
TOTAL BUDGET(S)	5,632

⁶ Includes costs of seconded WHO staff to the Codex Secretariat.