

**FAO/WHO COOPERATIVE PROGRAMME**

**Multi-donor Project**

**PROJECT DOCUMENT**

**17 June 2003**

**FAO/WHO PROJECT AND FUND FOR  
ENHANCED PARTICIPATION IN CODEX**

**Project duration: 12 years**

**Estimated Starting Date: 4<sup>th</sup> Quarter 2003**

## **EXECUTIVE SUMMARY**

The FAO/WHO Project and Fund for Enhanced Participation in Codex aims to support broader and more effective participation in the implementation of the Programme of Work of the Codex Alimentarius Commission (CAC), its committees and task forces. The main focus of the Project and Fund will be the low-income and lower-middle-income countries.<sup>1</sup> Funds will be made available to enable these countries to both prepare for and participate in Codex Alimentarius Commission meetings, committee meetings and meetings of task forces. In association with such support, a small proportion of funds will also be used to enable countries to prepare and present scientific/technical positions and data related to the work of Codex.

The number of countries assisted to effectively participate in the work of Codex will be dependent upon the funds made available to the Fund by donors. However, it is hoped that approximately US\$ 4.0 million per year will be available. This amount would cover the costs associated with sending a total of more than 600 participants annually from all eligible countries to Codex meetings, as well as providing some capacity building and training support directly related to such participation.

Clear criteria have been formulated which take into account the varying interests and objectives among donor and recipient countries. The criteria balance the need to assist all eligible countries while focusing on the low-income countries, while also ensuring that the right people are sent to the right meetings. Finally, it is envisaged that the Fund will reinforce collaborative national Codex structures and stakeholder participation in all recipient countries.

### **A. GENERAL BACKGROUND**

The Codex Alimentarius Commission (CAC), created in 1962 by the Food and Agriculture Organization of the United Nations (FAO) and the World Health Organization (WHO), sets food standards to protect the health of consumers and to ensure fair practices in the food trade.

Food safety and food standards are critical global issues – illness due to contaminated food is a widespread problem in the world, and is also an important cause of reduced economic productivity. Codex food standards have significant implications for both health and the food trade, and thus also for social and economic development.

The CAC currently has 169 member countries. However, it is recognized that developing countries (particularly the least developed countries) and countries with economies in transition have not fully participated in the work of the CAC or in the setting of food safety standards in general. It is likely that the primary reason for this has been budgetary constraints at the national level.

### **B. PROJECT RATIONALE AND JUSTIFICATION**

The Codex Alimentarius Commission (CAC) has played an important role in promoting standards and in providing guidance for the development of food control systems for more than four decades. It is recognized that developing countries and countries with economies in transition have not fully participated in the work of the CAC or in the setting of food safety

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<sup>1</sup> World Bank Economic Classification FY2003.

standards in general. Both FAO and WHO have provided capacity building support to facilitate the establishment of national Codex committees in a number of these countries but there is a need for such support to continue and expand. The recently concluded evaluation of Codex Alimentarius also stressed the importance of enhancing participation in Codex.

In order to enhance participation in the work of Codex, an FAO/WHO Project and Fund was established. The proposed US\$ 40 million Fund was launched in Geneva in February 2003. In a videotaped message, Dr Jacques Diouf, Director-General of FAO, said “Developing countries say they often find it difficult to take part in Codex and have their voice heard. Due to limited resources, governments in developing countries cannot always give Codex activities the high priority they deserve. This must change. All countries, especially the developing countries, need to be fully involved in the international debate and in drawing up policy guidance on food safety and trade.” Speaking at the Geneva launch, Dr Gro Harlem Brundtland, Director-General of WHO said, “This [initiative] will enable all Codex Members both to improve the quality and safety of food at home, and to be more effective when trading their food internationally”.

### **C. DEVELOPMENT GOAL, KEY OBJECTIVE AND EXPECTED OUTCOMES**

The goal of the Project and Fund is to further the improvement of global public health and food security by promoting the provision of safer and more nutritious food and contributing to a reduction in foodborne disease. This will be achieved by (a) helping regulators and food experts from all areas of the world to participate in international standard-setting work in the framework of Codex and (b) enhancing their capacity to help establish effective food safety and quality standards and fair practices in the food trade, both in the framework of the Codex Alimentarius and in their own countries.

The key objective is to help developing countries and those with economies in transition to enhance their level of effective participation in the development of global food safety and quality standards by the CAC, and ultimately as a result have the following benefits:

- Strengthen the capacity of developing countries and countries with economies in transition to build strong and compatible food control systems through collegial exchanges, knowledge transfer and professional development through the CAC and its committees and task forces.
- Help all Codex members benefit from the knowledge base and control systems that will emerge as a result of activities of the Project.

Expected development outcomes include:

- Approximately 120 developing countries and transition economies will have increased their ability to participate in the establishment of global food safety standards, as well as have improved their capacity to implement those standards in their own countries;
- Appropriate experts in all countries of the world will understand the current goals and objectives of Codex, and can identify the country-specific data and information necessary to participate effectively in Codex activities;

- Pilot funding will have been provided to enable countries to develop useful information for Codex consideration, as well as prepare papers containing important information from developing countries and transition economies pertaining to the food standards setting process; and
- New national delegations to Codex committees, task forces and governance meetings, will have been identified and will actively participate in the Codex process over the life of the project and beyond.

## **D. IMMEDIATE OBJECTIVES, OUTPUTS AND ACTIVITIES**

### **D.1 Immediate objectives**

#### *Immediate objective 1*

Countries that are members of the CAC, but which are unable to effectively participate in the CAC and its committee/task force process because of the limited availability of government funds to support an ongoing presence in the continuing work of the Commission and its committees, will be assisted to initiate a programme of participation in Commission meetings and in the work of those committees/task forces addressing issues of priority health and economic concern to them.

#### *Immediate objective 2*

Countries that are members of the CAC, that have as yet to routinely develop and put forth national considerations in the Codex standard setting process, will be empowered to effectively prepare for and participate in the work of those committees addressing issues of priority health and economic concern to them.

#### *Immediate objective 3*

Countries that are members of the CAC, that have as yet to participate actively in the provision of scientific/technical data in support of the standard setting process, will be assisted to initiate a programme of scientific/technical participation in committees addressing issues of priority health and economic concern to them.

### **D.2 Outputs**

#### *Output I – Widening participation in Codex*

The number of countries routinely providing delegations to CAC sessions and to its committees/task forces, that address issues of priority health and economic concern for their specific countries, will have increased.

#### *Output II – Strengthening overall participation in Codex*

The number of countries routinely developing and putting forth national considerations in the Codex standard setting process will have increased along with their participation in Codex committees/task forces.

### ***Output III – Enhancing scientific/technical participation in Codex***

The number of countries that are actively providing scientific/technical advice in support of the Codex standard setting process will have increased.

#### **D.3 Activities**

- The Consultative Group for the Trust Fund (see Section G, below) will issue a call for applications for use of the trust funds on an annual basis.
- The Consultative Group for the Trust Fund will review the applications and make such funds available, based upon the identified criteria and the merit of the applications. The disbursement of funds will be in compliance with WHO Financial Rules and Regulations.
- Through provision of funds it will be possible to support the following activities:
  1. Government representatives to receive travel and per diem support to attend and participate in Codex committees and task force meetings. This is important for countries that have (i) never participated in a Codex committee or task force; (ii) have not participated in a number of years due to the limited availability of resources (e.g. financial or human); or (iii) have infrequently developed and put forth national considerations to any Codex committees or task forces.
  2. Government representatives to receive travel and per diem support to attend and participate in sessions of the Codex Alimentarius Commission. This is even more significant where sessions are conducted more frequently than has historically been the case.
  3. In recognition of the difficulty for some countries who have never participated in Codex to even meet the criteria for eligibility, it is proposed to also finance from the Fund, on an ad hoc basis, activities which would help countries to meet the basic criteria for participation, e.g. facilitation of the designation of a Codex contact point, or a consultancy visit by an appropriate expert from a neighbouring country within the framework of technical cooperation between developing countries (TCDC).
  4. Technical support to be provided to countries that have either never participated in a Codex meeting or have not participated in a number of years due to a limited understanding of the CAC and its work. In this situation the technical support would involve basic awareness raising and training in relation to Codex. Again this may include an assignment by an appropriate consultant (as described previously) to enhance awareness and provide basic training.
  5. Technical support to be provided to countries to empower national Codex committees (or their equivalent multisectoral institutions) to develop and put

forth national considerations to the CAC, its committees or task forces. Some countries that have never prepared a position for a Codex meeting/committee may encounter difficulty in doing so. Consequently, funds will be made available to assist such preparation. Again this may include a consultancy visit by an appropriate expert from (i) a suitably located developing country (with well-functioning national Codex structure) within the framework of technical cooperation between developing countries (TCDC) or (ii) a developed country where required.

6. More scientists/technical persons contributing to the work of the CAC through their participation in delegations to Codex committees and task force meetings.

The number of activities undertaken and countries assisted will be subject to the availability of funds provided by donors to the Trust Fund. It is hoped that a minimum of US\$ 4.0 million will be available for the Fund's first year of operation. However, in the event that less funding is available, the indicative distribution shown in Table 1 would be maintained so that World Bank classified low-income countries would continue to receive overall priority. In addition, within each category priority would be further given to those eligible countries requesting funding which have the lowest per capita income.

Notwithstanding the limitations inherent in the ongoing uncertainty regarding the amount of funds available for distribution, the Consultative Group for the Trust Fund will apply the indicative distribution outlined in Table 1 as a guide. In so doing, should there be US\$ 4.0 million available in the Trust fund in the first year of operation, then the following activities may be considered possible in the first year of operation:

- Approximately 135 participants<sup>2</sup> from low-income countries and 67 participants from predominantly lower-middle-income countries will have been assisted to take part in delegations to key committees and task forces;
- Approximately 120 participants from low-income countries and 60 participants from predominantly lower-middle-income countries will have been assisted to take part in delegations to the CAC;
- Technical assistance will have been provided to approximately 3 countries to introduce countries to Codex membership and to assist Codex member countries to meet the basic criteria for longer-term access to the Project and Fund;
- Approximately 6 activities to provide basic awareness raising and training in relation to Codex could be conducted;
- Approximately 14 activities to train national Codex committees (or equivalent multisectoral institutions) and associated persons (from LI and LMI countries) in how to more effectively prepare for and participate in the CAC, or its committees or task forces could be conducted. In conjunction with this training and preparation, an additional approximately 82 participants from low-income countries and an additional

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<sup>2</sup> Calculations are based upon an estimated US\$ 5 000 per participant per meeting. The number of participants will depend upon the actual costs incurred. Where funds are also required to provide basic training in order to help participants prepare adequately to attend the Codex Alimentarius Commission or its committees and task forces, the number of participants would be reduced but funds to support such training would be limited to a yet to be determined percentage of available funds.

82 participants from lower -middleincome countries will have been assisted to take part in delegations to the CAC, or its committees or task forces. In addition, 4 countries (LI and LMI countries) may have been supported to develop and activate their national Codex offices through provision of human resources funding for a defined period; and

- 69 scientists/technical persons will have been included in delegations to Codex committees or task forces (42 from LI and LMI countries in total and approximately 27 from UMI countries).

In circumstances where less funds are available to the Fund than anticipated, the number of participants supported will be adversely affected.

It is important to note that the Consultative Group for the Trust Fund will:

- formulate the Project’s budget and report expenditure according to the output categories identified above and in Table 1;
- review the indicative distribution proportionality as part of its annual evaluative process;
- keep under review the geographical balance between candidate countries selected from the various Codex regions.

**Table 1. Indicative distribution of financial resources according to outputs<sup>a</sup>**

<b>Output groups</b>	<b>LIC</b>	<b>LMIC</b>	<b>UMIC<sup>b</sup></b>	<b>Percentage of total funds</b>
I <sup>c</sup>	40%	20%	-	<b>60%</b>
II	15%	15%	-	<b>30%</b>
III	3%	3%	4%	<b>10%</b>
<b>Totals</b>	<b>58%</b>	<b>38%</b>	<b>4%</b>	<b>100%</b>

<sup>a</sup> LIC = low-income countries; LMIC = lower-middle-income countries; UMIC = upper-middle-income countries.

<sup>b</sup> Some funds may be allocated to outputs I and II of this category, but as a guide it will be less than 1 % of available funds.

<sup>c</sup> Also includes activities designed to help countries to meet the basic criteria for participation (see Section E).

## **E. CRITERIA APPLIED IN SELECTING FUND RECIPIENTS**

The Consultative Group for the Trust Fund, after reviewing the comments made by the Codex Alimentarius Commission and other interested parties, identified a number of basic criteria that would not be too restrictive on developing countries while ensuring that the countries

receiving funding and technical support would use the assistance as part of a planned programme of enhancing their participation in the work of Codex.

The following basic criteria would be used to establish whether a country is eligible for support according to one of the three output categories mentioned under D2 above. The distinction between the three categories would be made on the basis of the workplan mentioned below, which would be expected to differ with respect to the level of previous involvement of countries in Codex matters. Workplans submitted for consideration under outputs II and III, for example, would be expected to provide more details such as a rationale for specific requests and the existence of a consultative process with stakeholders.

The basic criteria for all countries:

1. The country is a Member of the Codex Alimentarius Commission.
2. The country has an identified Codex Contact Point.
3. A workplan is presented, which relates to one of the identified output groups mentioned above.
4. Coordination between governmental entities is demonstrated.
5. An additional criterion would be applied to requests for continued funding (on an annual basis), namely presentation of reports and evaluation of progress towards the objectives described in the workplan described in (3) above.

With respect to funding of activities designed to help countries to meet the basic criteria for participation, the only mandatory criterion would be its written request to FAO or WHO to become a Codex member country (in accordance with the requirements of the CAC) or its actual membership of Codex.

## **F. MATCHING FUNDING REQUIREMENTS**

As recommended in the concept paper presented to the 51<sup>st</sup> Session of the Codex Executive Committee in 2002, and in accordance with paragraph 13 of its Terms of Reference, the Consultative Group puts forth the financial matching requirements for those countries meeting the criteria outlined above. Such a requirement is considered to be of critical importance, especially with regard to ensuring the sustainability of the Fund and of its outputs. Countries would be expected to cover all costs of participation after a set number of years, indicatively as follows:

- |     |                               |         |
|-----|-------------------------------|---------|
| (a) | Low-income countries          | 8 years |
| (b) | Lower middle-income countries | 6 years |
| (c) | Upper middle-income countries | 4 years |

A gradual increase in the financial participation of countries would take place according to a sliding scale established in consultation with the country on acceptance of a request for funding. It is expected that upper-middle-income countries would contribute a percentage of funds as soon as possible and certainly by the second year.

## **G. INPUTS BY FAO AND WHO**

### ***Governance and management***

The project shall be guided by an FAO/WHO Consultative Group for the Trust Fund consisting of senior FAO and WHO staff. Daily management of the Project and Fund shall be implemented by WHO following normal WHO procedures, through its Food Safety Department and in close coordination with FAO, particularly regarding applicant review and identification and capacity building activities. The daily administration of the FAO/WHO Project and Fund for participation in Codex will be conducted by WHO in accordance with WHO's financial regulations. All activities shall be performed in a fully transparent manner, and close communication shall be maintained with all interested parties.

### ***Administrative programme support***

The 13% programme support costs that are applied to extrabudgetary funds under WHO Financial Rules and Regulation are established by WHO to enable the Organization to apply its administrative structures to the support of the programme. The cost for direct management of the Fund and ongoing fundraising activities will be drawn from the Fund. However, in addition to the funded support, WHO and FAO will continue to provide support to the Project and Fund, mainly through the Consultative Group, without drawing further on the Fund.

## **H. RISKS AND ASSUMPTIONS**

Risks and assumptions that need to be recognized in relation to the Project and Fund include:

- The Project and Fund can only achieve its goals and objectives to the extent that donors are willing to financially support it. An ongoing effort in fundraising is required.
- A minimum threshold of US\$ 500,000 is required in order to begin operations for the first year of the project. This is due to the need for equitable distribution of the Fund's resources among all eligible countries, and the importance of avoiding a situation where recipients would have to be selected from a limited number of eligible countries.
- The Project and Fund can only achieve its goals and objectives if Codex member countries are committed to a multisectoral approach to food safety and the setting of food standards.
- Countries committing to a workplan in an application should wherever possible maintain their commitment to the workplan or an agreed variation. A risk remains that countries may withdraw from the collaborative programme when required to match funding either because of a lack of resources or limited political commitment to the sustainability of the programme. Where ongoing evaluation by the Consultative Group together with the applicants suggests the latter is the case, international organizations should initiate action to achieve political commitment.

- Personnel involved in Codex deliberations through support from the Project and Fund may change for a variety of reasons. The key consideration in this issue is the need for countries to enhance competency and sustainability by keeping such variations to a minimum.

## **I. FUNDING RESTRICTIONS**

### ***Funding from the private sector***

At the 25<sup>th</sup> Session of the Commission, concern was expressed on the subject of potential contributions from the private sector, which might constitute a conflict of interest. The WHO Committee on Private Sector Collaboration has made the following recommendation, which was endorsed by WHO Senior Management:

“The Committee agreed that it would not recommend at this stage any company funding for the Trust Fund. It was necessary to determine the extent of government support for the Fund and only then address whether any means could be considered for some relatively minor percentage of total assets to be of company origin.”

It should be understood that “of company origin” would under no circumstances be from companies which would represent a conflict of interest with the objectives of Codex. Hence private sector funding is at this stage neither being sought nor accepted. In order to avoid any potential conflict-of-interest situations, it is hoped that sufficient funding will be forthcoming from multilateral institutions and governmental aid agencies.

## **J. COMPLEMENTARITY WITH OTHER FUNDING MECHANISMS**

The FAO/WHO Consultative Group for the Trust Fund will be responsible for ensuring that the work of the Fund forms part of a coherent international mechanism for fundraising, and that it will be complementary with respect to other funds which focus on capacity building in the area of food safety and standard setting.

## **K. PROJECT REPORTING**

The FAO/WHO Consultative Group for the Trust Fund will evaluate the outcomes achieved and prepare annual reports for the consideration of the Codex Alimentarius Commission and its Executive Committee. In addition, (i) a statement of expenditure will be provided on an annual basis and (ii) a financial report will be provided in accordance with WHO Financial Rules and Regulations.

## L. INDICATIVE BUDGET FOR YEAR 1 OF THE FUND

Description	Year 1
<b>I. Proposed annual income</b>	4 000 000
<b>II. Participants at meetings</b>	
a. From low-income (LI) countries to CAC/committees/task forces	1 685 000
b. From lower-middle-income (LMI) countries to CAC/committees/task forces	1 045 000
c. Scientists/technical persons from LI and LMI	210 000
d. Scientists/technical persons from upper –middle-income (UMI) countries	135 000
e. From upper-middle-income (UMI) countries to CAC/committees/task forces	To be determined based upon available funds
<b>III. Short-term technical support (consultants, local staff, etc.)</b>	
a. Short-term consultants to help countries to become Codex members, meet criteria for receiving funds, increase participation in Codex meetings through awareness raising and training, and assist in preparation of national positions for Codex meetings	150 000
b. Technical support to LI and/or LMI countries to help prepare positions for CAC (through National Codex Officers)	40 000
<b>IV. MANAGEMENT SUPPORT IN-COUNTRY</b>	
a. 13 workshops to support LI countries in becoming Codex members, meet criteria for receiving funds, increase participation in Codex meetings through awareness raising and training, and assist in preparation of national positions for Codex meetings	65 000
b. 10 workshops to support LMI countries (see above section for the activities)	50 000
<b>V. Fundraising and administration of participants' travel<sup>3</sup></b>	100 000
<b>VI. Staff</b>	
a. FAO (Staff cost: preparation and formulation of the Project and Fund; participation in Consultative Group meetings; training for Codex Contact Points. Estimated total contribution: US\$ 45 000 per year)	FAO Regular Budget
b. WHO (Staff cost: preparation and formulation of the Project and Fund; holding and participating in Consultative Group meetings; CGTF secretariat and reporting. Estimated total contribution: US\$ 70 000).	WHO Regular Budget
<b>VII. Office costs</b>	WHO Regular Budget
<b>VIII. Subtotal</b>	3 480 000
<b>IX. Programme support costs (13%)</b>	452 400
<b>X. Total funds to be obligated in year 1</b>	3 932 400
<b>XI. Available balance to be carried forward as operating threshold for 1 January 2005</b>	67 600

<sup>3</sup> Costs related to ongoing fundraising activities required throughout the Project and the administration of travel for participants.