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JOINT MEETING

**Hundred and Twenty-ninth Session of the Programme Committee and
Hundred and Eighty-third Session of the Finance Committee**

9 November 2020

Update on the Technical Cooperation Programme

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GUIDANCE SOUGHT FROM THE JOINT MEETING

- The Joint Meeting is invited to provide guidance on the Technical Cooperation Programme (TCP) implementation status, results reporting and resource allocation.

Draft Advice

The Joint Meeting:

- **welcomed the efforts to report on TCP outputs and outcomes and to ensure full utilization of TCP resources affected by the COVID-19 crisis;**
- **encouraged the Organization to pursue its efforts to reimagine the TCP in the context of the follow-up to the TCP Evaluation and Audit; and**
- **took note of the resource distribution criteria utilized by Regional Offices.**

Update on the Technical Cooperation Programme

1. The Report of the hundred and sixty-fourth session of the Council (6-10 July 2020) requested “updated information on the Technical Cooperation Programme (TCP), including its criteria for resource allocation on the ground, being submitted for review by the Joint Meeting of the Programme and Finance Committees in November 2020” (CL164/REP para 13m).
2. As indicated in CL 163/5 Information Note 1 - Technical Cooperation Programme (TCP), Management is exploring new ways of reporting and sharing information on TCP. These efforts are reflected in a revamped TCP [webpage](#) that we invite Members to explore. Through the webpage we continue our efforts to collect and report on TCP outputs and outcomes initiated through the TCP 2019 Report. The webpage offers access to live data on TCP results and status, as well as searchable completion reports of individual projects. It also features in-focus stories highlighting specific efforts and results in selected areas of work. We will continue to develop this page in response to the recommendations of the TCP Evaluation and Audit.
3. Complementing the Evaluation and Audit of the TCP, the Organization has also started an internal consultative process to identify ways of reimagining the TCP. The consultation is leading to many ideas aligned with the findings and recommendations of the TCP Evaluation and Audit. We started exploring (i) further ways of streamlining and refining the way we operate (policies and procedures), (ii) innovative approaches including modalities of leveraging the TCP as a catalytic fund, and (iii) improvements in communication and engagement with internal and external stakeholders. As such, we stand ready to act immediately upon the recommendations of the TCP Evaluation and Audit and the guidance received from Members.
4. With regard to the current status of TCP we would like to refer to the TCP section in FC183/2 Financial Position of the Organization (Annex 1). While there has been a slight decline in the expenditure rate due to a slow-down of project activities associated with the COVID-19 crisis, the expenditure level against the 2018-19 and 2020-21 appropriations remains within normal ranges. It is also anticipated that adjustments to implementation modalities in response to COVID-19, such as reliance on virtual meetings and remote backstopping, will result in cost savings. We will ensure early re-programming of these savings (in compliance with TCP criteria) to ensure full and timely commitment of the appropriations.
5. The TCP Evaluation has covered in detail the criteria for resource allocation on the ground. Annex 2 provides the findings and analysis conducted by the evaluation on this topic.
6. It is relevant to recall that in 2009, the Governing Bodies approved the decentralization of the TCP from a single office at headquarters to regional, subregional and country offices. The responsibility for TCP allocations were assigned to Regional Representatives and at country level to FAO Representatives (C2008/REP).
7. The distribution of the TCP appropriation for projects as approved by the Governing Bodies is as follows:
 - a) 3 percent for interregional projects;
 - b) 15 percent for emergency projects; and
 - c) 82 percent for development projects.
8. No agreement could be reached by Governing Bodies on the criteria to be used for country allocation. The FAO Conference decided instead that the TCP appropriation for national, subregional and regional non-emergency projects would indicatively be used by the countries of the regions as follows:
 - a) Africa: 40 percent
 - b) Asia and the Pacific: 24 percent
 - c) Europe and Central Asia: 10 percent
 - d) Latin America and the Caribbean: 18 percent
 - e) Near East and North Africa: 8 percent

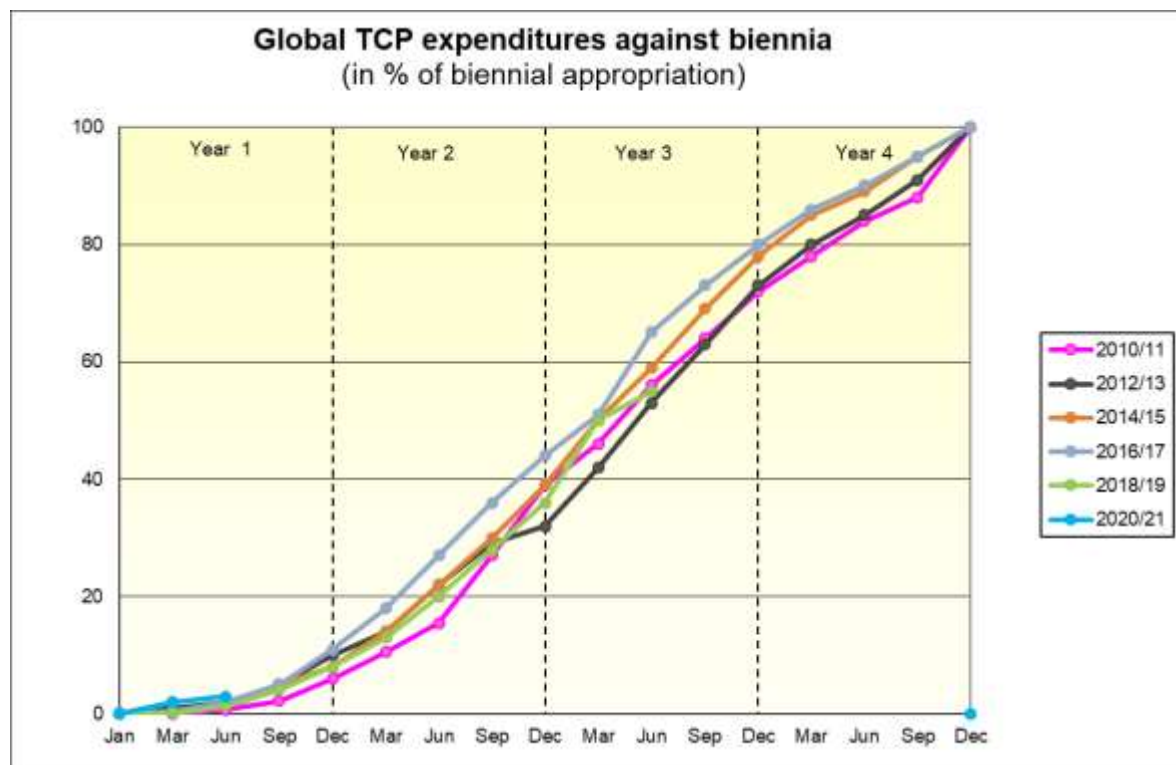
9. The Regional Representatives are advised to manage the TCP regional allocation considering the corporate obligation to:
- a) Commit the entire allocation within the biennium in which it was approved.
 - b) Deliver the entire appropriation by the end of the biennium following the biennium of approval of that appropriation.
 - c) Ensure that, in allocating resources, special attention is given to Low-Income Food Deficit Countries (LIFDCs), Least-Developed Countries (LDCs), Land-Locked Developing Countries (LLDCs) and Small-Island Developing States (SIDS).
 - d) Ensure the involvement of the FAO Representatives in the prioritization and selection process of Regional and Subregional TCP projects.
10. The management of the regional allocations is closely monitored by the TCP unit in FAO Headquarters and has been subject of several External Audits since 2010. While no major shortcomings were noted, recommendations have been acted upon by the Regional Offices.

Annex 1: TCP Section in the document on the Financial Position of the Organization (FC 183/2)

TCP Implementation

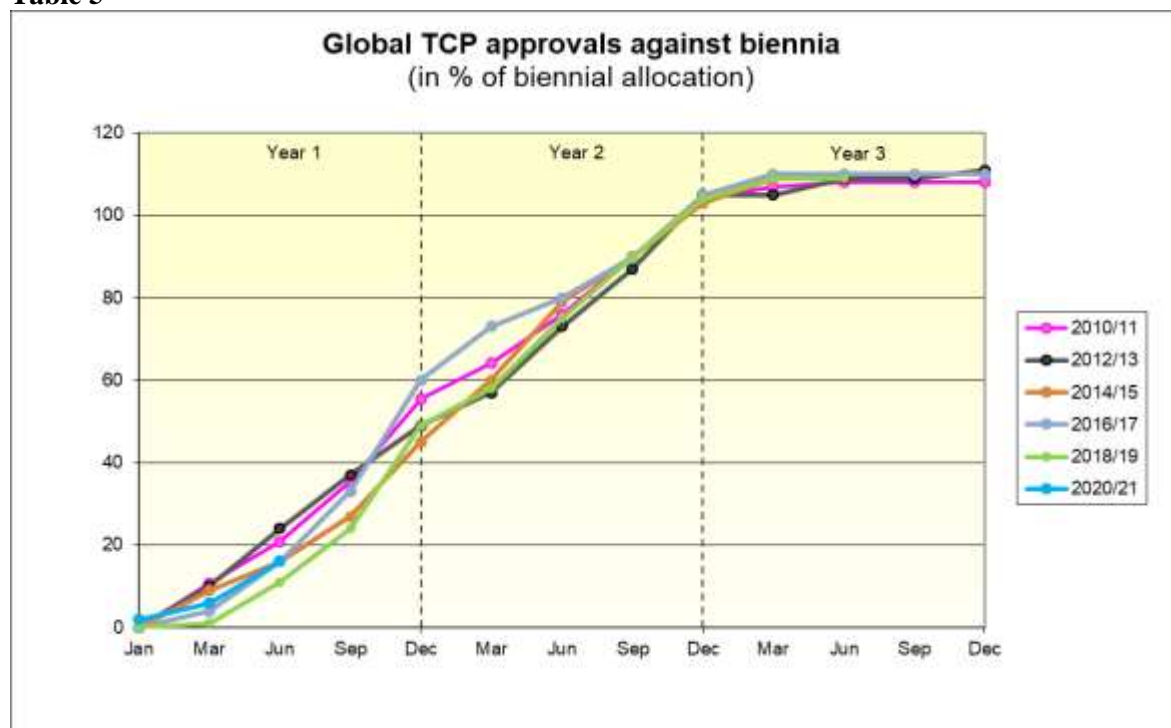
1. The cumulative average monthly TCP expenditure during the six months ended 30 June 2020 was USD 4.8 million. This compares with a cumulative average monthly TCP expenditure for the biennium ended 31 December 2019 of USD 5.1 million.
2. While there has been a slight decline in the expenditure rate due to a slow-down of project activities associated with the COVID-19 crisis, as can be seen from table 4, the expenditure level against the 2018-19 and 2020-21 appropriations remains within normal ranges compared to previous biennia. Expenditures against the 2020-21 appropriation are in fact higher than usual due to a large share of the approvals made against this appropriation in early 2020 being for emergency assistance projects. These projects tend to have large procurement components and are implemented quickly.
3. It is also anticipated that adjustments to implementation modalities in response to COVID-19, such as reliance on virtual meetings and remote backstopping, will result in cost savings. We will ensure early re-programming of these savings (in compliance with TCP criteria) to ensure full and timely commitment of the appropriations.

Table 4



4. As can be seen in table 5, TCP approvals have also remained within normal ranges compared to previous biennia despite the difficulties of operating under lock-down conditions in many countries. The requests for assistance to address the COVID-19 crisis and the locust emergency have been addressed in good time.

Table 5



5. As of 30 June 2020, TCP projects for a total value of USD 149.7 million had been approved against the 2018-19 net appropriation of USD 135.8 million. This 9.2 percent over-programming aims to ensure the full expenditure of the appropriation by 31 December 2021 taking into account that the average expenditure rate of TCP projects is below 100 percent of their approved budgets.

6. As of 30 June 2020, TCP projects for a total value of USD 24.8 million had been approved against the 2020-21 net appropriation of USD 135.8 million. An approval rate of at least 50 percent is forecast to be achieved by the end of 2020 with full programming of the appropriation by the end of 2021.

7. Tables 6 and 7 provide approval data disaggregated by region as of June 2020. While the rate of approval for the African region was low for the first six months, this is being addressed with an approval rate of at least 50 percent forecast by the end of 2020.

Table 6: TCP Approvals against the 2020-21 Appropriation (as of June 2020)

Region	Allocation	Approvals	Appr/Alloc
Development Support			
Africa	44,280,717	2,438,000	5.5%
Asia	27,162,765	4,203,000	15.5%
Europe	11,070,179	2,026,000	18.3%
Interregional	4,050,066	1,000,000	24.7%
Latin America	19,926,323	3,070,000	15.4%
Near East	9,058,611	2,552,000	28.2%
Sub-total	115,548,661	15,289,000	13.2%
Emergency Assistance			
Africa		3,900,000	
Asia		2,900,000	
Europe		250,000	
Interregional		0	
Latin America		1,300,000	
Near East		1,200,000	
Sub-total	20,250,328	9,550,000	47.2%
Grand Total	135,798,989	24,839,000	18.3%

Table 7: TCP Approvals against the 2018-19 Appropriation (as of June 2020)

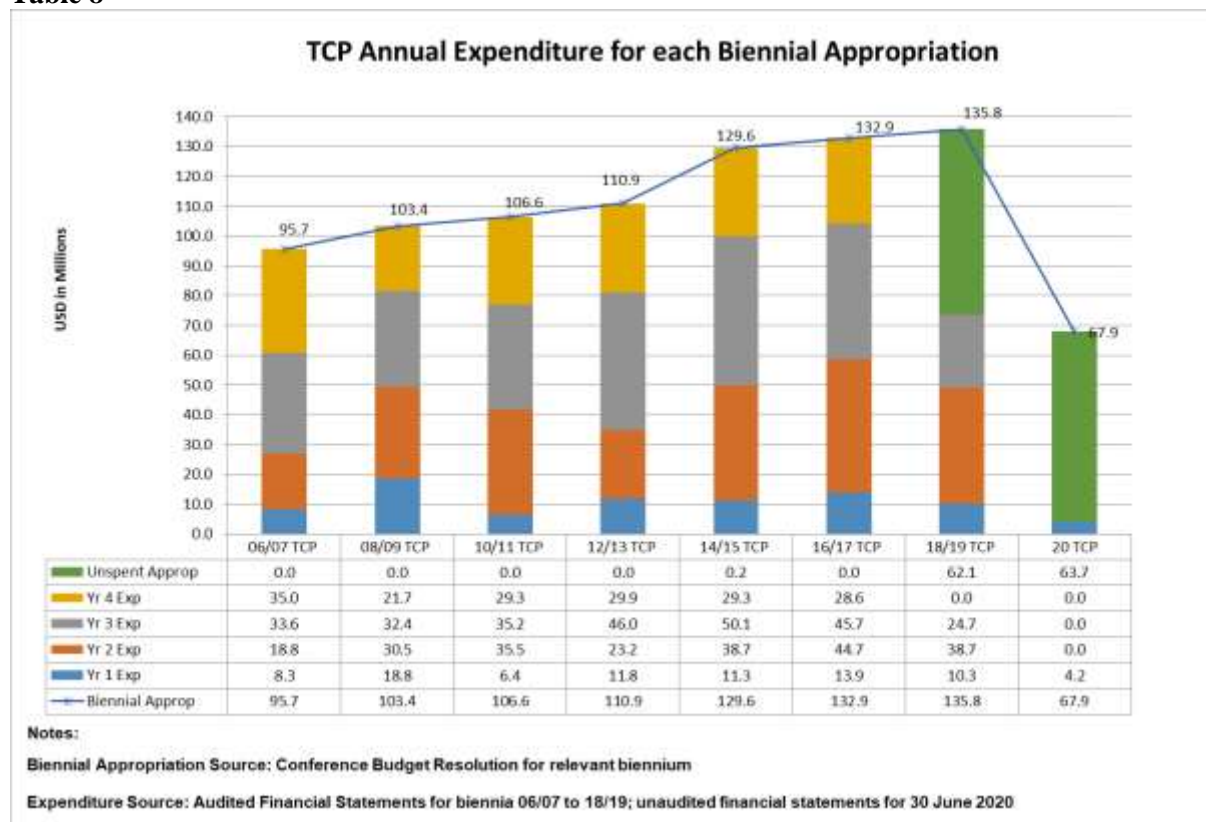
Region	Allocation	Approval	Appr/Alloc
Development Support			
Africa	44,286,228	48,479,014	109.5%
Asia	27,171,737	29,226,813	107.6%
Europe	11,071,557	11,973,886	108.2%
Interregional	3,471,917	3,672,000	105.8%
Latin America	19,928,803	21,951,841	110.2%
Near East	9,057,246	10,289,121	113.6%
Sub-total	114,987,488	125,592,675	109.2%
Emergency Assistance			
Africa		11,145,000	
Asia		4,298,460	
Europe		500,000	
Interregional		0	
Latin America		4,150,000	
Near East		2,650,540	
Sub-total	20,831,501	22,744,000	109.2%
Grand Total	135,818,989	148,336,675	109.2%

8. Financial Regulation 4.3 of the Organization provides *"that the appropriation voted by the Conference for the Technical Cooperation Programme, together with any funds transferred to the Technical Cooperation Programme under Financial Regulation 4.5 (b), shall remain available for obligations during the financial period following that during which the funds were voted or transferred."* This means that the TCP appropriation is available for expenditure on TCP projects during the four year period starting from the first year of the biennium for which the appropriation is approved.

9. As at 30 June 2020, the available unspent appropriation from the 2018-19 biennium and the first year of the 2020-21 appropriation totalled USD 125.8 million (USD 106.1million as at 30 June 2018). Of this amount, USD 62.1 million was related to the 2018-19 appropriation and USD 63.7 million to the 2020 appropriation.

10. Table 8 presents the TCP expenditure and the available appropriation for each appropriation period since 2006-07.

Table 8



Annex 2: TCP Evaluation: Section on resource distribution by Regional Offices

3.2 Evaluation question 2: How effective is the fund allocation and distribution to countries? What are the criteria?

68. TCP approval and management were decentralized in January 2010, except for emergency and inter-regional projects.¹ As per the decision of the Council, 15 percent and 3 percent of the TCP appropriation is indicatively earmarked for approval of emergency and inter-regional projects, respectively, under the authority and responsibility of the ADG of the Technical Cooperation Department. Since 2018, emergency response TCPs have been delegated to the Office for Emergency and Resilience (OER). The remaining 82 percent of the TCP appropriation has been set for allocation under the authority of the ADG/Regional Representative (RR).²
69. As decided by the FAO Conference, the appropriation for the regions is indicatively earmarked for development projects in Africa (40 percent), Asia and the Pacific (24 percent), Latin America and the Caribbean (18 percent), Europe and Central Asia (10 percent) and Near East and North Africa (8 percent) under the responsibility of the RR.³ In managing TCP appropriation, decentralization and subsidiary principles apply.

Finding 7. Since the 2018-19 biennium, all regions have well-defined criteria for TCP fund allocation to countries within their respective regions. The criteria and rationale may vary among regions. Except for Europe, all regions have introduced a special fund to encourage projects leading to catalytic effect/resource mobilization.

70. The ADG/RR allocates regional TCP resources to national, sub-regional and regional projects with inputs from TCP officers and/or senior management in the region. It was noted that the allocation process across all regions in 2012-13 biennium was not as refined and systematic as it is at present. A review of allocation correspondences and tables and discussions with stakeholders, indicated that all regions had well-defined criteria in place for allocation to countries for 2018-19, and this has continued into 2020-21 with some refinements. While RAP, RAF and REU have had criteria since 2012-13, RNE and RLC⁴ have established refined criteria since 2018-19. There are two parts to the process: a) the allocation to various decentralized offices and also for any special purpose or priority; and b) the allocation to the country (refer paragraphs 74 and 75 for additional information). The two are not mutually exclusive; they could be arrived at simultaneously. Table 5 presents the allocations to the decentralized offices for each region in the 2018-19 biennium.

¹ In accordance with Immediate Plan of Action (IPA) 3.22.

² 2008, Conference decision.

³ C 2011/3 – Medium Term Plan 2010-12 (Reviewed) and Programme of Work and Budget 2012-13, p178.

⁴ It was noted prior to 2018-19, RLC used per capita, special attention countries as criteria. Now it is applied more “mathematically.”

Table 1. Allocation of TCP resources in the region

Africa (RAF)	Asia and the Pacific (RAP)	Europe and Central Asia (REU)	Latin America and the Caribbean (RLC)	Near East (RNE)
Countries (79%)	Countries (80%)	Countries (80%)	Countries (37%)	Countries (69%)
Sub-regional (9%)	Sub-regional† (2%)	Sub-regional† (5%)	Country catalytic (40%)	Regional & sub-regional (12%)
Regional (3%)	Regional (12%)	Regional (15%)	Sub-regional (9%)	Transformative/catalytic (12%)
Emerging issues (5%)	Strategic pool (4%)		Regional (5%)	Contingency (8%)
Seed fund for resource mobilization (3%)	Miscellaneous (1%)		Regional catalytic + reserve (9%)	

† See paragraph 72 discussions

Source: Interviews and internal documents

71. About 70 percent to 80 percent of the funds allocated to a region are distributed to countries (Table 5). Except for Europe and Central Asia, all regions had allocated a proportion of the funds for resource mobilization, a strategic pool, or to catalytic/transformational projects. It was noted that this was the first time such an initiative had been taken in the allocation process to encourage more catalytic projects. Except for Africa (3 percent),⁵ all other regions had a 12-15 percent allocation for regional projects.
72. Africa and Latin America and the Caribbean regions have four and three Sub-Regional Offices (SROs), respectively, and 9 percent of funds are allocated for sub-regional projects. While Africa earmarked an equal amount to each of the four SROs (USD 1 million each), in Latin America and the Caribbean, the SRO covering the Caribbean islands received slightly more (USD 0.75 million) than the other two SROs (USD 0.5 million each). In the Near East, there is no fixed allocation made for the sub-regional offices. In Europe, while an indicative distinction is made while planning, it is still part of the regional pot. In Asia and the Pacific, with the FAOR for 14 Pacific countries and the Sub-regional Coordinator (SRC) being the same person, the allocation for those 14 countries and the SRO (23 percent of the RAP TCP appropriation)⁶ is given to the SRC so they could have the flexibility to decide and manage accordingly as a country, multi-country or sub-regional TCPs given the unique context in the Pacific. All of the Pacific island countries are categorized as SIDS.
73. Each region has unique allocation criteria in addition to some similar country allocation criteria. While the TCP Officer uses these to prepare an indicative allocation, the figure is finally adjusted based on discussions with senior management and/or the ADG/RR. Table 6 shows the criteria used by the regions for 2018-19, and allocation spread to the countries.

⁵ As RAF has 4 sub-regional offices a considerable proportion was allocated to the SROs.

⁶ The specific allocation to the Sub-regional Office for the Pacific islands (SAP) is USD 0.6 million, and the countries in the sub-region are allocated either USD 0.3 million or USD 0.4 million, apart from Papua New Guinea which received USD 1.0 million (per allocation details for 2018-19).

Table 2. Allocation criteria to countries

Africa (RAF)	Asia and the Pacific (RAP)	Europe and Central Asia (REU)	Latin America and the Caribbean (RLC)	Near East (RNE)
<p>Historical performance</p> <p>“Special attention” countries</p> <p>Countries with emergency and humanitarian issues</p> <p>Resource mobilization special fund use</p>	<p>An equal minimum allocation to all countries (USD300 000) +</p> <p>“Special attention” or big country</p> <p>Under-nourished percentage</p> <p>Under-nourished number</p> <p>Additional consideration</p> <ul style="list-style-type: none"> - income level - donor funding availability - humanitarian situation - rural population size - lack of requests 	<p>A base amount for TCPFs (USD150 000 to USD 200 000)</p> <p>“Special attention” countries</p> <ul style="list-style-type: none"> - LIFDC - LLDC – low-middle-income - LLDC – upper-middle-income <p>“Intermediate countries.”</p> <ul style="list-style-type: none"> - lower-middle-income - upper-middle income 	<p>A differentiated base allocation for 5 categories of countries</p> <ul style="list-style-type: none"> - low-income - lower-middle-income - upper-middle-income SIDS and upper-middle-income non-SIDS up to per capita income USD 8 186 - high-income SIDS and all other upper-middle-income countries - high-income non-SIDS are not eligible <p>The rest is distributed on a first-come-first-serve basis</p>	<p>A same base allocation to all countries (USD 400 000) +</p> <p>Large country population (> 40 million)</p> <p>Lower-middle-income country</p> <p>Resource scarcity by donors (<USD 5 million for national projects)</p> <p>A fixed amount is reduced for all upper-middle-income countries</p>
<p>Allocation per country ranged from USD 400 000 to USD 986 076</p>	<p>Allocation per country ranged from USD 300 000 to USD 1 200 000</p>	<p>Allocation per country ranged from USD 450 000 to USD 800 000 (with potential to double)</p>	<p>Base allocation per country ranged from USD 100 000 to USD 700 000 (with potential to double)</p>	<p>Allocation per country ranged from USD 400 000 to USD 900 000</p>
<p>Average of USD 748 250</p>	<p>Average of USD 657 576 (the average for Pacific countries was USD 380 000)</p>	<p>Average of USD 585 588</p>	<p>Base average USD 238 710 (potential to double)</p>	<p>Average of USD 553 846</p>

Source: Interviews and internal documents

74. Except for Africa, all other regions had a base amount allocated to all countries and then added further amount based on additional criteria. The average TCP allocation per country in the 2018-19 biennium was higher in RAF than in other regions. In REU, the countries are allocated a base amount for a TCPF plus an amount for one or two TCPs (USD 300 000 to USD 350 000 per TCP) depending on the criteria. Countries can use the amount flexibly for TCPF and TCP projects. In RLC, the countries are encouraged to be competitive and have the potential to double their base amount based on proposals for catalytic projects.⁷ Even with the potential to double the average, allocations to countries in RLC were the lowest among all regions.⁸ On an

⁷ In 2020-21 it was for programmatic projects.

⁸ Largely due to smaller amount to a number of upper-middle-income countries and high-income SIDS.

average, the Pacific countries (mostly upper-middle-income SIDS), receive a relatively low allocation, only marginally higher than the Caribbean countries⁹ (mostly upper-middle-income and high-income SIDS).

75. Although the evaluation team reviewed the communications to countries about the allocation,¹⁰ the FAOR survey indicated that only 55 percent were aware of the process/criteria of TCP allocation to the countries. Awareness was high among countries in RLC (76 percent) and REU (100 percent), but in the other regions, it ranged from 42 percent to 46 percent. Eighty-four percent to 88 percent of those aware of the process in all regions indicated that the allocation process to the country was fairly or highly transparent. Discussions with 43 COs produced similar findings.

Finding 8. Countries are generally satisfied with the post-decentralization allocation process and amounts received. They are also able to access redistributed unused funds.

76. In general, FAORs/AFAORs interviewed indicated satisfaction with the TCP country allocations (although many would like to have a higher amount). While surveys mirrored these findings, they added some flavour to the perspective. In RAP, RNE, and REU, 88 percent to 92 percent of the respondents indicated that they were somewhat satisfied or higher compared to 76 percent in RAF and 70 percent in RLC. The proportion of respondent indicating not satisfied in Africa (24 percent), and in Latin America and the Caribbean (30 percent), was higher than in the other three regions (Figure 10). A higher proportion of respondents from the high-income countries (60 percent) and the upper-middle-income countries (29 percent) were likely to be not satisfied with the TCP biennial allocation compared to lower-middle-income countries (8 percent) and low-income countries (18 percent).

Figure 1. Level of satisfaction on the biennial TCP allocations to the country



Source: FAOR survey – TCP evaluation 2020

77. Overall, FAORs reported that there was more consistency and certainty on the allocation to country every biennium, compared to pre-decentralization, which has facilitated planning and discussions in the country and FAOR's ability to work with the government. In general, FAORs were satisfied with the maximum limit of USD 0.5 million per TCP (see paragraph 97 on the size of TCPs). Some FAO staff even remarked that increasing the limit would deter the use of

⁹ Including Haiti (indicative allocation USD 700 000) which is the only low-income country in the Caribbean.

¹⁰ In some regions, it was not only the criteria but also allocation amounts to other countries in the region.

TCPs in a catalytic manner or for leverage and encourage the implementation of stand-alone projects or the procurement of equipment.

78. Also, many FAORs indicated that they did not have unused funds at the end of the biennium, but were able to tap into additional funds when made available by their respective ROs. This was echoed in the FAOR survey: 74 percent said they did not have unused funds, while 69 percent indicated they were able to get an additional allocation. At the same time, COs suggested that it would be better if the ROs were able to reallocate the unused funds sufficiently earlier in the biennium rather than at the end.¹¹

¹¹ About 8 percent to 10 percent is approved as over-programming.