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Alimentación

JOINT MEETING

**Joint Meeting of the
Hundred and Fourth Session of the Programme Committee
and the
Hundred and Thirty-fifth Session of the Finance Committee**

Rome, 27 October 2010

**Progress on the Implementation of the
Technical Cooperation Programme**

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EXECUTIVE SUMMARY

➤ As of 31 July 2010, 415 TCP projects have been approved against the 2008-09 net appropriation of USD 103.5 million, for a total value of USD 114 million, representing a 10 percent over-programming in line with standing practice. Expenditures against the 2008-09 appropriation had reached USD 66 million representing 64 percent of the total appropriation. Expenditure is being carefully monitored and the full appropriation is expected to be expended by end-2011.

➤ As of 31 July 2010, a total of 103 projects for a value of USD 22.3 million had been approved against the 2010-11 TCP appropriation, representing 21 percent of the appropriation, and 5 percent of the value of approved budgets had been expended. The overall approval level for the current biennium is lower than in previous biennia, which was expected due to the introduction on 1 January 2010 of the decentralized approval process and the time required for TCP managers to familiarize themselves with the new business model. The Secretariat is closely monitoring the pipeline and is seeking to facilitate the speedy approval of projects, including through: support missions from headquarters to the regional offices to provide training and guidance; fast-tracking of the selection process for TCP professional staff of the regional offices, preparation of project proposals in technical areas identified as high-priority by the Regional Conferences and in which the possibility to leverage additional resources for investment and up-scaling is present; further streamlining of the tasks related to the management of the TCP; clarification of the channels and procedures for technical support to project formulation and for technical clearance; evaluation of the quality and the respect for TCP criteria of projects approved after the implementation of the decentralized model, and design and roll-out of training events to address any weaknesses identified; and revision of the TCP Manual based on lessons learned.

GUIDANCE SOUGHT FROM THE COMMITTEES

➤ The Committees are invited to note the progress on implementation of the TCP against the 2008-09 and 2010-11 appropriation in the context of decentralization.

I. TCP approvals and expenditures against the 2008-09 appropriation

1. As of 31 July 2010, 415 TCP projects have been approved against the 2008-09 net appropriation of USD 103.5 million, for a total value of USD 114 million, representing a 10 percent over-programming. As described to the Finance Committee at its 128th session in July 2009,¹ such over programming is carried out to ensure the full expenditure of the appropriation to take account of the fact that the average expenditure rate of TCP projects is around 85-90 percent of their approved budgets.

2. Expenditures against the 2008-09 appropriation had reached USD 66 million on 31 July 2010 representing 64 percent of the total appropriation (*Table 1*). The average monthly expenditure rate against this appropriation was USD 1.6 million in 2008, USD 2.5 million in 2009 and, from 1 January to 31 July 2010, USD 2.4 million. The expenditure level for development

¹ FC 128/14, para 1

projects is lagging behind (38 percent of budgets expended on 31 July) and in June 2010, budget holders of slow-moving projects were reminded of the need to accelerate implementation. Technical departments and decentralized offices have been requested to accord high priority to the timely provision of their technical support to TCP projects. The rate of expenditure will continue to be monitored and additional follow-up with budget holders and technical officers will be undertaken as required. An average monthly expenditure rate from August 2010 to December 2011 of USD 2.2 million will ensure the full expenditure of the appropriation. As this amount is less than the average level of expenditure during the first seven months of 2010 (USD 2.4 million), there currently appears to be little risk that the appropriation will not be fully expended by the end of 2011.

Table 1: TCP approvals and expenditures against the 2008-09 appropriation as per 31 July 2010

	Approval	Expenditure
	USD (thousands)	USD (thousands)
Development Support	55 869	20 963
Emergency Assistance	7 769	4 811
TCP Facility	22 515	15 054
ISFP (Input supply/technical assistance)	27 971	25 171
Total	114 124	65 999

II. TCP approvals and expenditures against the 2010-11 appropriation

3. As of 31 July 2010, a total of 103 projects for a value of USD 22.3 million had been approved against the 2010-11 TCP appropriation, representing 21 percent of the appropriation. At the same date, 5 percent of the value of approved budgets had been expended (*Table 2*).

Table 2: TCP approvals and expenditures against the 2010-11 appropriation as per 31 July 2010

	Approval	Expenditure
	USD (thousands)	USD (thousands)
Development Support	14 835	465
Emergency Assistance	3 548	105
TCP Facility	3 921	543
Total	22 304	1 113

4. The overall level of approval of 21 percent as of 31 July of the first year of the current biennium should be compared with the approval levels at the same time against the previous biennia appropriations as follows: 2006-07 biennium, 27 percent; 2008-09, 39 percent (24 percent for ISFP projects and 15 percent for all other projects). It can be concluded that the overall approval level for the current biennium is lower than in previous biennia which was expected due to the introduction on 1 January 2010 of the decentralized approval process and the time required for TCP managers to familiarize themselves with the new business model. The approval level is not so low, however, as to give rise to particular concerns, although the Secretariat is closely monitoring the pipeline and is seeking to facilitate the speedy approval of projects as explained in section III below. The 2010-2011 appropriation is expected to be over-programmed by less than

5 percent as an increased level of authority of budget holders over the allocated project resources is expected to lead to a high level of expenditure against approved budgets.

5. The distribution of TCP approvals by region is shown in *Table 3*, along with the percent of regional allocation approved. The lower than average level of approvals in the Latin America and Caribbean region is being addressed through a recent strengthening of the capacity of the concerned Regional Office to provide support and guidance to the countries offices. Given the number of projects in the TCP pipeline for the region, a considerable improvement of the approval level for the region is expected by the end of the year.

Table 3: Distribution of TCP approvals against the 2010-11 regional, interregional and emergency allocations as per 31 July 2010

Region	Approvals	Regional allocation	Percent of allocation approved
	USD (thousands)	USD (thousands)	
Africa	8 211	35 027	23
Asia and Pacific	4 760	21 016	23
Latin America and the Caribbean	1 148	15 763	7
Europe and Central Asia	2 681	8 703	31
Near East and North Africa	1 519	6 962	22
Interregional	436	3 197	14
Emergencies	3 548	15 906	22
Total	22 304	106 574	21

6. Concerning the time lapse between receipt of a request and the approval of projects, it is recalled that the Programme Committee was informed at its 101st session in May 2009² that the average duration of processing of non-TCP Facility development projects (measured as the time between receipt by FAO of the request and the approval of the project) was six months prior to the decentralization of TCP management. The Programme Committee was also informed that it was expected that the decentralization would lead to a reduction of this duration to four months. However, it was stressed that the full effect of the decentralization on the duration could not be expected to occur immediately as all the decentralized offices need to familiarize themselves with the new procedures and their new roles in managing the TCP approval process.

7. Although the confidence of decentralized offices with the new procedures is still to be established through guidance from the regional offices and headquarters, it is noteworthy that the average time required for the processing of requests for TCP development assistance received by the Organization after the decentralization was 3.5 months as of 31 July 2010. No evaluation has yet been made of the quality of the projects approved in this short time frame.

8. As of 31 July 2010, the distribution of approvals by Strategic/Functional Objective was the following:

² PC 101/4, para 46

Table 4: Approvals by Strategic/Functional Objective against the 2010-2011 appropriation as per 31 July 2010

Strategic/ Functional Objective	Topic	Number of projects*	Budget USD (thousand)
A	Crop production	19	3 793
B	Livestock production	8	1 568
C	Fisheries and aquaculture	15	2 667
D	Food safety	4	613
E	Forestry	5	1 832
F	Natural resources	15	2 864
G	Markets	7	509
H	Food security	22	1 993
I	Emergencies	10	3 616
K	Gender	0	0
L	Investment	13	2 181
X	Effective collaboration	11	667
Y	Effective administration	0	0
	Total	129	22 304

*Note that the information includes TCP Facility components and that the total number of projects does not, therefore, match the number indicated in paragraph 3 above.

III. Implementation of the decentralization of the TCP management

9. It may be recalled that a series of training sessions were organized in the second half of 2009 aimed at preparing the staff of regional, subregional and country offices to manage their new responsibilities and authorities of the TCP resources and approval process. New detailed TCP Guidelines (the TCP Manual) were issued and initiatives were taken to streamline some of the processes linked to the TCP project formulation and approval. Professional and general service level posts were created in the Regional Offices to assist the Assistant Directors-General/Regional Representatives with the management of the TCP resources, the monitoring of their use and to provide support to the country offices in the regions. Apart from the Regional Office for Asia and the Pacific which has been supported by a TCP Officer since the beginning of the year, other regional offices increased their human resources to manage the TCP through short-term recruitment, pending the selection of permanent staff dedicated to the TCP.

10. As mentioned in paragraph 4, the aforementioned measures have not been sufficient to prevent a lower level of approvals in the current biennium than at the same time in prior biennia. This was expected and additional measures are being taken to strengthen the capacity of decentralized offices to increase the approval levels, reduce the time lag between request and approval, safeguard the quality of projects, and improve information management. These measures include the following:

- the Deputy Director-General (Operations) was requested to closely follow-up and organize a series of meetings on the TCP implementation and decentralization process;
- progress on TCP implementation and decentralization was made a standing item on the SMM agenda

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- support missions from headquarters to the regional offices to provide training and guidance. So far, missions have been undertaken to the Regional Offices for Europe and Central Asia, Africa and Latin America and the Caribbean;
 - fast-tracking of the selection process for the professional staff of the regional offices, while maintaining the temporary staff to optimize the use of trained human resources;
 - preparation of project proposals in technical areas identified as high-priority by the Regional Conferences and in which the possibility to leverage additional resources for investment and up-scaling is present. Through regional TCP projects, guidance will be provided for formulation, implementation and monitoring of national TCP projects that are in line with the prioritized themes and requested by countries. The aim of this approach is to facilitate the dialogue between FAO country offices and counterparts regarding the development of a strong TCP project pipeline;
 - further streamlining of the tasks related to the management of the TCP using the Organization's Field Programme Management Information System to ensure a coherent approach across all regions and the availability of reliable and easily accessible information on all aspects of the Programme that require monitoring and reporting;
 - clarification of the channels and procedures for technical support to project formulation and for technical clearance;
 - evaluation of the quality and the respect for TCP criteria of projects approved after the implementation of the decentralized model, and design and roll-out of training events to address any weaknesses identified;
 - revision of the TCP Manual based on lessons learned.