

Joint Meeting of CoC-IEE Working Groups I and III

13 June 2008

TCP criteria for resource allocations - Management Proposal

1. At their joint meeting of 16 May 2008, the CoC-IEE Working Groups I and III requested Management to further develop criteria and options for indicative allocation of TCP resources at regional and country level.
2. The model presented in this document follows the IEE recommendation to assign indicative amounts on a regional basis and to set transparent criteria for resource allocations to countries based on their specific needs.

Principles

3. The proposed model is based on the following principles previously defined by the Governing Bodies and confirmed by the IEE:
 - i) the universality of the TCP, taking into consideration that developed and high-income developing countries have access to the TCP on a reimbursable basis, currently leaving 156 member countries eligible for TCP assistance on a grant basis;
 - ii) the need to give special attention to LIFDCs, LDCs, LLDCs, and SIDS, currently 115 countries;
 - iii) the need to earmark an indicative global allocation of 15 percent for emergency assistance; and
 - iv) the demand driven nature of the TCP which implies that allocations are essentially indicative and reprogrammable according to needs.
4. In addition, the IEE suggested that criteria for the TCP allocation should take account of such factors as the absolute number of people suffering from hunger and poverty and the number of persons dependent on the agricultural sector. The CoC-IEE Working Groups I and III at their joint meeting on 16 May 2008 also considered that “*countries’ needs, income status and the extent of rural poverty should feature among the criteria.*” In addition, Management recommends that criteria should be based on widely accepted standard data published by a recognized international institutions.
5. Finally, there will be a need to set aside a minimum amount for interregional projects to ensure flexibility as indicated in the Management Response In-principle.

Proposed model for regional allocations

6. Based on the above principles, regional allocations could be built on the following criteria:
 - i) The number of countries eligible for TCP assistance on a grant basis.
The principle of universality requires that all 156 member countries eligible on a grant basis should have access to a share of the resources that would allow for meaningful technical assistance under the various modalities (TCP Facility, national projects and

(sub)regional projects). A regional allocation should therefore take account of the number of countries in each region with access to TCP on a grant basis.

- ii) The number of countries falling under the “special attention” category **and** having a population depending on agriculture of at least 5 million people.
In addition to the number of countries in each region facing special needs due to their level of income, geographical isolation and resulting status of development, it is proposed to give due consideration to the absolute number of people dependent on agriculture for their livelihoods. A total of 42 countries meet this criterion.
- iii) The number of countries for which the proportion of undernourished people is at least 15 percent of the total population.
In line with the recommendations of the IEE, this criterion would give additional priority in the allocation of resources to those regions with countries that face a particular difficult food security situation. A total of 63 countries meet this criterion.
- iv) The number of countries with at least 10 million undernourished people.
This criterion is proposed in order to recognize the needs of regions with countries that have very large numbers of undernourished. A total of 13 countries meet this criterion.

7. The thresholds related to the undernourished and population dependent on agriculture have been carefully chosen and tested for their impact on the allocations in an effort to ensure fairness and acceptability. It is noted in this regard that the lower a threshold is set, the more resources would be absorbed and leave less for other criteria.

8. The distribution by criteria of member countries under the operational responsibility of each Regional Office is shown in Table 1 below.

Table 1: Regional distribution of member countries by criteria

Criteria	RAF	RAP	REU	RLC	RNE	Total
Countries eligible on a grant basis	46	34	27	34	15	156
“Special attention” countries	43	31	13	21	7	115
“Special attention” countries with an agricultural population \geq 5 million	25	12	1	1	3	42
Countries with a proportion of undernourished people \geq 15 %	35	16	3	8	1	63
Countries with a number of undernourished people \geq 10 million	4	8	0	1	0	13

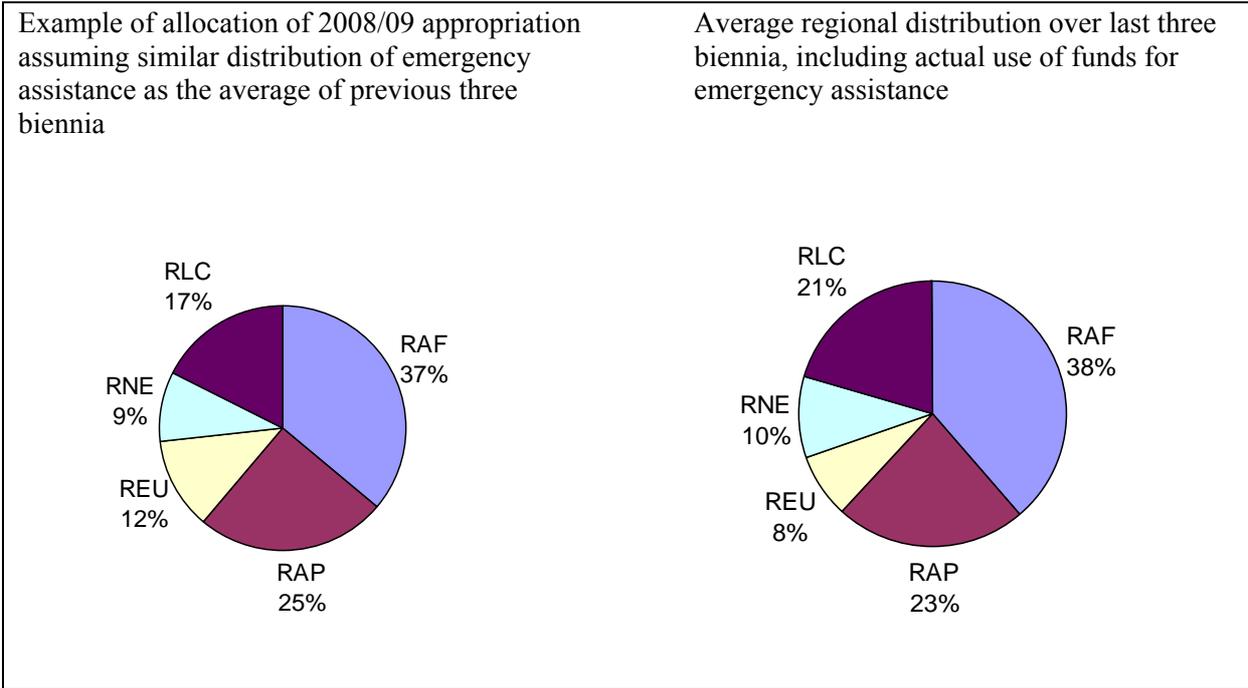
9. In applying the above model to the 2008/09 TCP appropriation of USD 104 million as an example, and after having set aside an amount of USD 18 million for emergency assistance and interregional projects, the distribution would be as shown in Table 2 below.

Table 2: Example of distribution of TCP resources by allocation criteria (excluding funds set aside for emergencies and interregional projects) – in million USD

Criteria	RAF	RAP	REU	RLC	RNE	Total
Countries eligible on a grant basis	18.4	13.6	10.8	13.6	6	62.4
“Special attention” countries with an agricultural population \geq 5 million	5	2.4	0.2	0.2	0.6	8.4
Countries with a proportion of undernourished people \geq 15 %	7	3.2	0.6	1.6	0.2	12.6
Countries with a number of undernourished people \geq 10 million	0.8	1.6	0	0.2	0	2.6
Total	31.2	20.8	11.6	15.6	6.8	86

10. The resulting regional distribution compared with the average distribution in past biennia is illustrated by the graphs in Box 1 below.

Box 1: Regional resources allocation in percentage



11. When comparing the proposed regional allocation in the above example with the average distribution of the last three biennia, it should be borne in mind that the list of countries under the responsibility of each regional office has recently changed, e.g. Central Asian countries have moved under the responsibility of REU, while some countries have been transferred from RNE to RAF.

Management of regional allocations

12. The regional allocation will be further allocated as follows:

13. A share of the regional allocation will be set aside for the approval of regional projects to which all eligible countries in the region will have equal access. Similarly, a share of the regional allocation will be set aside for use by each of the subregional offices for approving subregional projects, to which each of the countries in the subregions will have equal access.

14. The balance of the regional allocation will be allocated indicatively to countries in the region in accordance with the same criteria listed above.

15. However, these regional, subregional and country allocations are only indicative and will not constitute an entitlement. It will be the responsibility of the SRCs and RRs and, as a last resort, of headquarters to re-programme any allocation which is not fully committed to other countries, subregions or regions according to the needs.