

July 2011



منظمة الأغذية
والزراعة للأمم
المتحدة

联合国
粮农组织
农业组织

Food and
Agriculture
Organization
of the
United Nations

Organisation des
Nations Unies
pour
l'alimentation
et l'agriculture

Продовольственная и
сельскохозяйственная
организация
Объединенных
Наций

Organización
de las
Naciones Unidas
para la
Agricultura y la
Alimentación

PROGRAMME COMMITTEE

Hundred and Eighth Session

Rome, 10 - 14 October 2011

**ACCESS TO THE TECHNICAL COOPERATION PROGRAMME
(TCP) ON A GRANT BASIS: ELIGIBILITY CRITERION**

Queries on this document may be addressed to:

Mr Luc Guyau

Independent Chairperson of the Council

Tel. +3906 5705 7045

Mr Richard China

Director, Policy and Programme Development Support Division

Tel. +3906 5705 5242

This document is printed in limited numbers to minimize the environmental impact of FAO's processes and contribute to climate neutrality. Delegates and observers are kindly requested to bring their copies to meetings and to avoid asking for additional copies. Most FAO meeting documents are available on the Internet at www.fao.org

E

Background and guidance sought from the Programme Committee

- At its 140th session in November 2010, the Council “requested that the Independent Chairperson of the Council convene a meeting of the Regional Group Chairpersons to be informed of the outcome of the regional consultations on the eligibility criterion for access to TCP on a grant basis for national development projects, and that he facilitate a consensus on the preferred option”.
- At its 141st session in April 2011, the Council “requested that the Regional Groups continue their consultations regarding the eligibility criteria for access to TCP on a grant basis, with the assistance of the Independent Chairperson of the Council”.
- In this regard, the Programme Committee should receive an oral report by the Independent Chairperson of the Council on the result of the consultations undertaken in September 2011 and would be invited to provide guidance on the way forward.
- The background documents on this matter presented to the 104th and 106th sessions of the Programme Committee in October 2010 (PC 104/8) and March 2011 (PC 106/8), respectively, are attached for information.

July 2010



منظمة الأغذية
والزراعة
للأمم المتحدة

联合国
粮食及
农业组织

Food
and
Agriculture
Organization
of
the
United
Nations

Organisation
des
Nations
Unies
pour
l'alimentation
et
l'agriculture

Продовольственная и
сельскохозяйственная
организация
Объединенных
Наций

Organización
de las
Naciones
Unidas
para la
Agricultura
y la
Alimentación

E

PROGRAMME COMMITTEE

Hundred and Fourth Session

Rome, 25 – 29 October 2010

Access to the Technical Cooperation Programme (TCP), eligibility criterion on grant basis

1. This paper has been prepared at the request of the Programme Committee at its 103rd Session in April 2010 to allow it to examine options for resolving an inconsistency in the TCP criteria as they relate to country eligibility.¹

A. Background

2. To address the challenges to the TCP in a changing environment, the Programme Committee recommended at its 90th Session in September 2003 that a review of the TCP be carried out.² This recommendation was endorsed by the Council at its 125th Session in November 2003.³ At its 91st Session in May 2004, the Programme Committee particularly emphasized the importance of examining the criteria for determining country eligibility in the context of the review.⁴

3. The conclusions of the review were presented to the Programme Committee at its 93rd Session in May 2005.⁵ The Programme Committee, however, requested further information on a number of issues, of which country eligibility, including an analysis of the eligibility criteria used by other organizations.

¹ CL 139/4 para 51

² CL 125/3 para 45

³ CL 125/REP para 27

⁴ CL 127/11, para 27

⁵ PC 93/6 a), PC 93/INF/4 and PC 93/INF/5

This document is printed in limited numbers to minimize the environmental impact of FAO's processes and contribute to climate neutrality. Delegates and observers are kindly requested to bring their copies to meetings and to avoid asking for additional copies. Most FAO meeting documents are available on the Internet at www.fao.org

4. At the 94th Session of the Programme Committee in September 2005, the Secretariat presented a paper⁶ outlining the four main principles that determined the distribution of TCP resources:

- a) **Demand-driven.** The TCP was established in 1976 in response to Article 1.3 (a) of the FAO Constitution, which states that the Organization shall “furnish such technical assistance as the governments may request”. The Council therefore agreed that the TCP be established to make funds available “in response to requests” submitted by Member Governments, thereby determining the demand-driven character of the Programme.⁷
- b) **Universality.** In 1976, it was determined that only “developing countries” should be eligible for TCP assistance. In 1991, however, the Conference determined that the Programme should be “for the benefit of all Member Nations”.⁸
- c) **Prioritization.** In 1976, the Council highlighted the importance of “paying particular attention to the needs of LDC and MSA Countries”.⁹
- d) **Equity.** In 1976, the Council instructed that “appropriate weight should be given in the use of funds to avoiding undue concentration in any particular country or countries”,¹⁰ which established a general principle of equity and non-concentration in terms of the allocation of resources.

5. The paper also informed the Programme Committee of the results of the Secretariat’s analysis of the eligibility criteria applied by other UN agencies, international financing institutions and members of the Development Assistance Committee (DAC) and the European Commission, particularly in relation to clarity and transparency, universality, prioritization, equity and terms of access.¹¹

6. However, the information referred to overall institutional or corporate policies regarding the allocation of resources between countries and programmes, rather than to specific small grant instruments such as the TCP. Indeed, the overall conclusion of the analysis was that no other agency or institution had a demand-driven technical assistance grant instrument similar to the TCP for providing expertise on a rapid-response basis.

7. On the basis of the analysis and on the guidance provided by the Programme Committee at its previous sessions, the Secretariat submitted options for modification to the eligibility criterion for consideration by the Programme Committee in September 2005.¹²

8. The Programme Committee had a lengthy debate on the options. The debate centred on: 1) the methods for maintaining universality of access while ensuring that most of the TCP resources would be allocated to the neediest countries; and 2) the possibility of earmarking the TCP appropriation to particular country categories or for particular project types. The Programme Committee concluded,¹³ and the Council at its 129th Session¹⁴ in November 2005 subsequently endorsed, that:

“Members agreed that universality remained a basic principle of the Programme and therefore supported the proposal that all FAO Members be eligible for access to TCP

⁶ PC 94/4

⁷ CL 69/2 para 4.10.

⁸ FAO Conference Resolution 4/91. See also C/1991/REP, para 187.

⁹ CL 69/2, para 4.12.3 - “LDC” refers to Least Developed Countries and “MSA” refers to Most Severely Affected countries.

¹⁰ CL 69/2, para 4.12.3.

¹¹ PC 94/4, para 7 to 9 and annex 1

¹² PC 94/4, para 10

¹³ CL 129/3, para 42

¹⁴ CL 129/REP, para 33 and 34

assistance. In line with FAO's strategic focus on reaching the World Food Summit (WFS) target and the Millennium Development Goals (MDGs), the Committee recommended that special attention in the allocation of TCP resources be given to the neediest countries, especially the Least Developed Countries (LDCs), Land-Locked Developing Countries (LLDCs), Small-Island Developing States (SIDS) and Low-Income Food Deficit Countries (LIFDCs). The Committee also recommended that 15 percent of the TCP appropriation be earmarked for emergency projects, accessible to all Members. Given the grant character of the TCP, the Committee indicated that access by high-income developing countries and developed countries to FAO technical assistance through the TCP modality should only be on a full cost-recovery basis."

B. Responsibility and methods for maintaining country groupings

9. The eligibility of countries for non-emergency TCP assistance has been assessed since 1 January 2006 based on the above-mentioned decision of the Programme Committee and the Council in 2005 and taking account of any changes to the classification of countries as LIFDC, LDC, LLDC, SIDS and high-income.

10. The list of LIFDC is maintained by FAO based on three criteria: per capita income, the net (i.e. gross imports less gross exports) food trade position and a self-exclusion criterion (when countries that meet the two above-mentioned criteria specifically request FAO to be excluded from the LIFDC category).¹⁵

11. The classification of LDC, LLDC and SIDS is maintained by the UN Office of the High Representative for LDCs, LLDCs and SIDS (UN/OHRLLS). The criteria for inclusion in these categories are based on combinations of per capita income levels, human capital indicators (such as nutrition, health, etc.) and economic vulnerability indicators (narrow resources base, share of agriculture, fisheries and forestry in gross domestic production, etc.).¹⁶ For the LLDC and SIDS groups, remoteness and the cost of transport for goods are also significant criteria.

12. High-income developing and developed countries are defined as those contained on the list of high-income economies as maintained by the World Bank. This list is composed of countries whose Gross National Income (GNI) per capita exceeds a given threshold (in 2009 equivalent to USD 12,196).¹⁷ As per the endorsement of the Programme Committee at its 101st Session in May 2009¹⁸, all Members of the European Union are also considered part of the list of high-income developing and developed countries for the purpose of eligibility for TCP assistance, irrespective of their inclusion on the World Bank list of high-income economies.

13. The above-mentioned lists are not static. In particular, the continued compliance of countries with the criteria governing the LIFDC, LDC and income classification lists is reviewed regularly by FAO, the UN/OHRLLS and the World Bank, respectively. Based on the analysis undertaken, countries graduate out of these lists, usually after three years of systematic deviation from the criteria.

C. Inconsistency in the interpretation of the TCP eligibility criterion

14. As mentioned above, the guidance provided by the Programme Committee in September 2005 and endorsed by Council in November 2005 on determining country eligibility for non-emergency TCP assistance has been applied by the Secretariat since January 2006. The eligibility criterion reads as follows:

"All FAO Members are eligible for access to TCP-supported technical assistance. However, TCP gives special attention to assisting the neediest countries, especially the

¹⁵ <http://www.fao.org/countryprofiles/lifdc.asp>

¹⁶ <http://www.unohrlls.org/>

¹⁷ <http://data.worldbank.org/about/country-classifications>

¹⁸ CL 136/9, para 24, and CL 136/REP, para 37

Low-Income Food-Deficit Countries (LIFDCs), Least Developed Countries (LDCs), Landlocked Developing Countries (LLDCs), and/or Small Island Developing States (SIDS). Access by high-income economies and by members of the European Union to technical assistance through the TCP modality should only be on a full cost-recovery basis."¹⁹

15. The "special attention" countries composed of the LIFDCs, LDCs, LLDCs and SIDS (Annex 1) are given priority attention in the distribution of TCP resources on a grant basis. Countries included on the list of high-income developing and developed countries (Annex 2) can receive TCP assistance on a full cost-recovery basis only. All countries are eligible for emergency assistance.

16. Any country that is not part of the "special attention" category for TCP eligibility, but which is also not part of the list of high-income developing and developed countries is considered by the Secretariat as an "intermediate" country. These countries are eligible for TCP assistance on a full grant basis, but are encouraged to limit the number of requests for assistance and to focus this assistance on technical rather than material inputs (expertise rather than procurement). The current list is contained in Annex 3.

17. However, as reported to the Programme Committee at its 101st Session in May 2009,²⁰ it has become apparent that an inconsistency has been created as some "special attention" countries are also included on the list of high-income developing and developed countries.

18. In January 2006, there were 37 high-income FAO Members, of which only one was also part of the "special attention" countries (SIDS list). However, the number of countries in this situation fluctuates: at the time of the 101st Session of the Programme Committee in May 2009, the number was six (five from the SIDS list and one country included on the LDC and LIFDC lists). As of 1 July 2010, there were 51 FAO Members on the list of high-income developing and developed countries, of which five Members were both high-income and "special attention"²¹.

19. Concerning the impact of applying the country eligibility criterion as described above, the share of TCP resources allocated from January 2006 to December 2009, in percentage of the total value of approved projects, including emergency projects, for these two biennia, is as follows²²:

- 82.8 percent for all "special attention" countries;
- 17.2 percent for all "intermediate" countries;
- 1.4 percent specifically for the six "special attention" countries that were also high income as of 31 December 2009.

20. Thus far in the 2010-11 biennium, one non-emergency project (TCP Facility) for a value of USD 87,817 has been approved for one of the "special attention" countries that are also high income.

21. As the inconsistency created by "special attention" countries that are also high-income is expected to continue, the Secretariat seeks the guidance of the Programme Committee on the eligibility of such countries to non-emergency TCP assistance on a grant basis.

22. At its 101st Session in May 2009, the Programme Committee discussed this matter but was unable to reach a conclusion. It requested that the Secretariat write to the six countries concerned to explain the difficulty having arisen with the interpretation of the TCP eligibility criterion and to officially enquire whether they wished to continue being considered for

¹⁹ The reference to the European Union member was inserted in 2009 and has been applied since 1 January 2010.

²⁰ PC 101/4, para 9 to 14

²¹ One SIDS has been transferred from the high-income list to the list of upper-middle-income economies by the World Bank as of 1 July 2010. The list of high-income developing and developed countries in Annex 2 does not include the five countries on the "special attention" list.

²² National projects only, regional and interregional projects not included.

development TCP assistance on a grant basis.²³ As reported to the Programme Committee at its 103rd Session in July 2010, a reply was received from five countries confirming that they wished to continue to benefit from this assistance on a grant basis, while one country did not reply.

23. On this basis, the Programme Committee requested the Secretariat to provide a paper explaining the inconsistency arising from the current TCP eligibility criterion (paragraphs 2-18 above), provide an update on the impact of that inconsistency (paragraphs 19-20 above), and propose options for addressing the inconsistency, indicating their respective advantages and disadvantages (section D below) and clarifying the process for submitting any recommendations of the Programme Committee to the next level of the governing bodies for endorsement (section E below).²⁴

D. Options for solutions and their impact

24. The Secretariat presents the following four options for consideration. It is noted that Options 1 and 2 consist of clarifying the interpretation of the existing TCP eligibility criterion. Options 3 and 4 consist of revising the wording of the criterion. It should also be noted that all countries, irrespective of the option chosen, would continue to have access to emergency TCP support on a full grant basis.

Option 1:

Any country that falls into the “special attention” category may receive TCP assistance on a full grant basis, even if the same country is also included on the list of high-income developing and developed countries

25. According to this option, the inclusion of a country on the “special attention” list is considered more important than belonging to the high-income category. This option would reflect the view that some countries, although with high per capita GNI, may have significant pockets of poverty that could be alleviated through FAO technical cooperation.

26. This option reflects the current practice by the Secretariat as endorsed by the Programme Committee in May 2009 in considering the implications of the inconsistency²⁵ created by the decision of the Council in 2005²⁶ that high-income developing and developed countries are required to reimburse any TCP assistance provided to them, while giving “special attention” to LIFDCs, LDCs, LLDCs and/or SIDS.

27. The impact on the distribution of the TCP appropriation of this option is limited as indicated in paragraph 19. The number of additional “special attention” countries being classified as high-income is expected to increase in the coming years. At the same time, however, it would be expected that the developing countries classified by the World Bank as high-income economies would eventually graduate out of the LIFDC, LDC, LLDC and SIDS categories. This would reduce the inconsistency created with regard to the TCP eligibility criterion and reduce the impact on the appropriation. However, it must be recognized that the graduation from the latter two may be slow as a significant criterion for inclusion on these lists is geographical (land-locked and small-island).

²³ CL 136/9, para 21

²⁴ CL 139/4, para 51

²⁵ CL 136/9, para 21

²⁶ CL 129/REP, para 34

Option 2:

Any country that falls in the high-income category can receive national non-emergency TCP assistance on a full cost-recovery basis only, even if it is also included on the list of “special attention” countries

28. Under this option, a country belonging to the high-income category will be ineligible for development TCP assistance on a grant basis even if it is classified as an LIFDC, LDC, LLDC or SIDS.
29. The option reflects the principle that high-income countries have the ability to pay for technical cooperation provided to them by the Organization.
30. This option, if endorsed by the Programme Committee, would marginally increase the availability of TCP resources for other countries.

Option 3

The SIDS and LLDCs are removed as a criterion for inclusion on the list of “special attention” countries for TCP

31. This option reflects that the SIDS and LLDC categories appear more static than the LDC and LIFDC categories as the former are characterized strongly by an unchangeable geographical situation while the latter are strongly influenced by per capita income indicators.
32. If implemented, this option would entail that the four SIDS for which the inconsistency currently applies would, in future, be considered high-income only and be eligible for TCP on a full cost recovery basis only.
33. Of the remaining SIDS, 12 would continue to be part of the “special attention” category given that they are also included in the LDC or LIFDC lists. A total of 21 SIDS would be part of the “intermediate” list and would continue to benefit from the development TCP assistance on a full grant basis.
34. The impact of this option on the 31 countries on the LLDC list would be the following: 26 countries would remain on the “special attention” list for TCP support as they are included on the LDC or the LIFDC lists, while 5 countries would be moved to the “intermediate” list.
35. The 26 SIDS and LLDC moved from the “special attention” to the “intermediate” list benefited from a total of 71 non-emergency projects worth USD 13 million from the 2006-07 and 2008-09 appropriations. This level of support could be sustained for countries on the “intermediate” list and the 26 countries concerned would not be expected to notice any impact of this option in terms of the value of the assistance provided.
36. This option would not resolve the inconsistency for the fifth country currently affected by the inconsistency as it is included on the LDC and LIFDC lists. However, as indicated above, it could be expected that this country would graduate out of the LDC and LIFDC lists and thus out of the “special attention” category.

Option 4:

Countries affected by the inconsistency are eligible for support under the TCP Facility only

37. It is recalled that a country that is eligible for TCP on a grant basis may benefit from one TCP Facility project per biennium for a maximum of USD 200,000 (which can be increased to USD 300 000 on certain conditions). The TCP Facility is used exclusively for the provision of expertise and cannot be used for material inputs.
38. This option would reflect that countries that are both “special attention” and high-income are developing countries in a transition phase: on the one hand, they have significant financial resources while, on the other hand, the provision of very specific technical expertise under the TCP may be justified until these countries fully transit out of the “special attention” category.

E. Guidance sought

39. The Programme Committee is requested to decide on the principle to be applied in addressing the inconsistency in the interpretation of the TCP eligibility criterion for national non-emergency projects. The recommendation of the Programme Committee would be reflected in its report to the 140th Session of the Council for endorsement.

Annex 1

| List of “Special Attention” countries (as of 28 July 2010) | | | | | | | |
|---|--|----|-------------------------------------|----|-------------------------------------|-----|--|
| (FAO Members only) | | | | | | | |
| 1 | Afghanistan | 30 | Djibouti | 59 | Malawi | 88 | Senegal |
| 2 | Angola | 31 | Dominica | 60 | Maldives | 89 | Seychelles |
| 3 | Antigua and Barbuda | 32 | Dominican Republic | 61 | Mali | 90 | Sierra Leone |
| 4 | Armenia | 33 | Egypt | 62 | Marshall Islands | 91 | Solomon Islands |
| 5 | Azerbaijan | 34 | Equatorial Guinea | 63 | Mauritania | 92 | Somalia |
| 6 | Bahamas | 35 | Eritrea | 64 | Mauritius | 93 | Sri Lanka |
| 7 | Bahrain | 36 | Ethiopia | 65 | Micronesia, Federated States of | 94 | Sudan |
| 8 | Bangladesh | 37 | Fiji | 66 | Mongolia | 95 | Suriname |
| 9 | Barbados | 38 | Gambia | 67 | Morocco | 96 | Swaziland |
| 10 | Belize | 39 | Georgia | 68 | Mozambique | 97 | Syrian Arab Republic |
| 11 | Benin | 40 | Ghana | 69 | Myanmar | 98 | Tajikistan |
| 12 | Bhutan | 41 | Grenada | 70 | Nauru | 99 | The Former Yugoslav Republic of Macedonia |
| 13 | Bolivia | 42 | Guinea | 71 | Nepal | 100 | Timor-Leste |
| 14 | Botswana | 43 | Guinea-Bissau | 72 | Nicaragua | 101 | Togo |
| 15 | Burkina Faso | 44 | Guyana | 73 | Niger | 102 | Tonga |
| 16 | Burundi | 45 | Haiti | 74 | Nigeria | 103 | Trinidad and Tobago |
| 17 | Cambodia | 46 | Honduras | 75 | Niue | 104 | Turkmenistan |
| 18 | Cameroon | 47 | India | 76 | Pakistan | 105 | Tuvalu |
| 19 | Cape Verde | 48 | Indonesia | 77 | Palau | 106 | Uganda |
| 20 | Central African Republic | 49 | Iraq | 78 | Papua New Guinea | 107 | United Republic of Tanzania |
| 21 | Chad | 50 | Jamaica | 79 | Paraguay | 108 | Uzbekistan |
| 22 | China | 51 | Kazakhstan | 80 | Philippines | 109 | Vanuatu |
| 23 | Comoros | 52 | Kenya | 81 | Republic of Moldova | 110 | Yemen |
| 24 | Congo | 53 | Kiribati | 82 | Rwanda | 111 | Zambia |
| 25 | Cook Islands | 54 | Kyrgyzstan | 83 | Saint Kitts and Nevis | 112 | Zimbabwe |
| 26 | Côte d'Ivoire | 55 | Lao People's Democratic Republic | 84 | Saint Lucia | | |
| 27 | Cuba | 56 | Lesotho | 85 | Saint Vincent and the Grenadines | | |
| 28 | Democratic People's Republic of Korea | 57 | Liberia | 86 | Samoa | | |
| 29 | Democratic Republic of the Congo | 58 | Madagascar | 87 | Sao Tome and Principe | | |

Countries in **bold** are high-income economies as of 1 July 2010

Annex 2

**List of high-income developing and Developed Countries (as of 28 July 2010)
(FAO members only, excluding countries on the “special attention” list, including all
members of the European Union)**

| | | | | | |
|----|----------------|----|-------------|----|----------------------|
| 1 | Andorra | 17 | Iceland | 32 | Oman |
| 2 | Australia | 18 | Ireland | 33 | Poland |
| 3 | Austria | 19 | Israel | 34 | Portugal |
| 4 | Bulgaria | 20 | Italy | 35 | Qatar |
| 5 | Belgium | 21 | Japan | 36 | Romania |
| 6 | Canada | 22 | Korea, Rep. | 37 | San Marino |
| 7 | Croatia | 23 | Kuwait | 38 | Saudi Arabia |
| 8 | Cyprus | 24 | Latvia | 39 | Slovak Republic |
| 9 | Czech Republic | 25 | Lithuania | 40 | Slovenia |
| 10 | Denmark | 26 | Luxembourg | 41 | Spain |
| 11 | Estonia | 27 | Malta | 42 | Sweden |
| 12 | Finland | 28 | Monaco | 43 | Switzerland |
| 13 | France | 29 | Netherlands | 44 | United Arab Emirates |
| 14 | Germany | 30 | New Zealand | 45 | United Kingdom |
| 15 | Greece | 31 | Norway | 46 | United States |
| 16 | Hungary | | | | |

Annex 3

**List of “Intermediate” countries (AS OF 28 JULY 2010)
(FAO MEMBERS ONLY)**

| | | | | | |
|----|------------------------|----|------------------------|----|--------------------|
| 1 | Albania | 12 | Gabon | 23 | Peru |
| 2 | Algeria | 13 | Guatemala | 24 | Russian Federation |
| 3 | Argentina | 14 | Iran | 25 | Serbia |
| 4 | Belarus | 15 | Jordan | 26 | South Africa |
| 5 | Bosnia and Herzegovina | 16 | Lebanon | 27 | Thailand |
| 6 | Brazil | 17 | Libyan Arab Jamahiriya | 28 | Tunisia |
| 7 | Chile | 18 | Malaysia | 29 | Turkey |
| 8 | Colombia | 19 | Mexico | 30 | Ukraine |
| 9 | Costa Rica | 20 | Montenegro | 31 | Uruguay |
| 10 | Ecuador | 21 | Namibia | 33 | Venezuela |
| 11 | El Salvador | 22 | Panama | 33 | Viet Nam |

List of acronyms

| | |
|------------------|---|
| DAC | Development Assistance Committee |
| GNI | Gross National Income |
| LDC | Least Developed Country |
| LIFDC | Low-Income Food-Deficit Country |
| LLDC | Land-Locked Developing Country |
| MSA | Most Severely Affected (Countries) |
| SIDS | Small Island Developing State |
| TCP | Technical Cooperation Programme |
| UN/OHRLLS | UN Office of the High Representative for LDCs, LLDCs and SIDS |
| USD | United States Dollars |

February 2011



منظمة الأغذية
والزراعة للأمم
المتحدة

联合国
粮食及
农业组织

Food and
Agriculture
Organization
of the
United Nations

Organisation des
Nations Unies
pour
l'alimentation
et l'agriculture

Продовольствен
ная и
сельскохозяйств
енная
организация
Объединенных
Наций

Organización
de las
Naciones Unidas
para la
Agricultura y la
Alimentación

PROGRAMME COMMITTEE

Hundred and Sixth Session

Rome, 21 - 25 March 2011

**ACCESS TO THE TECHNICAL COOPERATION PROGRAMME (TCP)
ON A GRANT BASIS: ELIGIBILITY CRITERION**

Queries on this document may be addressed to:

Mr Luc Guyau

Independent Chairperson of the Council

Tel. +3906 5705 7045

Mr Richard China

Director, Policy and Programme Development Support Division

Tel. +3906 5705 5242

Guidance sought from the Programme Committee

The Programme Committee is requested to take note of the information contained in this document and to provide any guidance on the way forward.

This document is printed in limited numbers to minimize the environmental impact of FAO's processes and contribute to climate neutrality. Delegates and observers are kindly requested to bring their copies to meetings and to avoid asking for additional copies. Most FAO meeting documents are available on the Internet at www.fao.org

Introduction

1. The Programme Committee at its 104th Session October 2010 considered the matter of Access to the Technical Cooperation Programme (TCP) on a Grant Basis: Eligibility Criterion.
2. The Committee recommended that regional consultations be carried out in order to have regional views and refinements (such as progressive reimbursement solutions) for the next regular session of the Committee, concerning two possible options:
 - Option 1: any country that falls into the "special attention" category may receive TCP assistance on a full grant basis, even if the same country is also included on the list of high-income developing and developed countries; and
 - Option 2: any country that falls in the high-income category can receive national non-emergency TCP assistance on a full cost-recovery basis only, even if it is also included on the list of "special attention" countries.
3. In considering the report of the Programme Committee, the 140th Session of the Council:
10.d) requested that the Independent Chairperson of the Council convene a meeting of the Regional Group Chairpersons to be informed of the outcome of the regional consultations on eligibility criterion for access to TCP on a grant basis for national development projects, and that he facilitate a consensus on the preferred option.

Report on Progress by the Independent Chairperson of the Council

4. The Independent Chairperson of the Council (ICC) convened an informal meeting of the Chairpersons of the Regional Groups on 7 February 2011 concerning access to TCP on a grant basis: eligibility criterion.
5. The topic was introduced by the ICC and the Director, Policy and Programme Development Support Division (TCS).
6. The Chairpersons of the Near East, North America, South West Pacific, and Europe Regional Groups considered that countries that are categorized both as special attention (and thus eligible for TCP assistance on a grant basis) and high-income (and thus eligible for TCP assistance on a full cost-recovery basis only) should be considered as high-income. The Chairperson of the Asia Group indicated that his Group has no strong views and would join any consensus, while the Chairpersons of the Africa and Latin America and the Caribbean Groups informed the meeting that the matter was still under review within their Groups.
7. The ICC recommended that:
 - the Africa and Latin America and the Caribbean Groups seek to reach agreement on their respective positions;
 - the Programme Committee revisit the eligibility criterion to seek to eliminate the inconsistency;
 - the Secretariat monitor the development in the classification of countries undertaken by other UN bodies;
 - consideration be given to the Programme Committee or the ICC communicating formally with the countries affected by the inconsistency, encouraging them to refrain from requesting TCP assistance.