



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
Alimentación y la Agricultura

منظمة
الغذية والزراعة
للأمم المتحدة

E

JOINT MEETING

**Hundred and Thirty-second Session of the Programme Committee and
Hundred and Eighty-eight Session of the Finance Committee**

8 November 2021

**Update on the Technical Cooperation Programme (TCP) Review and
Strategic Exercise**

Queries on the substantive content of this document may be addressed to:

Beth Bechdol
Deputy Director-General
Tel: +39 06570 51800
Email: DDG-Bechdol@fao.org

EXECUTIVE SUMMARY

A Roadmap to conduct a strategic exercise to refine the criteria of resource allocation and re-imagine the Technical Cooperation Programme (TCP) in close consultation with Members was requested by Members and endorsed by the Joint Meeting of the 130th Session of the Programme Committee and the 185th Session of the Finance Committee (22-26 March 2021).

The document provides an overview of the progress since the Joint Meeting referenced above: it starts with a synopsis of the two informal consultations held with Members in July and September 2021, to refine the criteria for establishing regional TCP resource shares. It then provides an update on efforts to streamline operational guidance for more effective and efficient TCP implementation, and concludes by proposing next steps for the strategic exercise.

GUIDANCE SOUGHT FROM THE JOINT MEETING

- The Joint Meeting is invited to provide guidance on the review of criteria for establishing regional TCP resource shares, and next steps for the strategic exercise, as deemed appropriate.

Draft Advice

The Joint Meeting:

- **welcomed the inclusive and transparent process of refining the approach for regional Technical Cooperation Programme (TCP) resource shares based on the criteria recommended by FAO Members;**
- **commended the efforts that went into developing an approach based on the criteria recommended by Members and possible weights for the calculation of scenarios for regional TCP resource shares;**
- **noted that established current shares would continue to guide the regional TCP resource shares for the 2022-23 biennium, until the strategic exercise on the review of regional shares is completed;**
- **welcomed the progress in enhancing the effectiveness and efficiency of TCP operations, including alignment of TCP funded activities with FAO's Strategic Framework 2022-31;**
- **looked forward to continuing engaging in 2022 to ensure Members' participation in the strategic exercise to refine the criteria of regional TCP resource shares; and**
- **looked forward to engaging in consultations on refining the criteria for TCP resource allocation within regions, considering ways to ensure greater uniformity while keeping the required flexibility to respond to regional specificities.**

I. Background

1. At its 127th Session, the Programme Committee requested the Office of Evaluation (OED) to conduct a comprehensive assessment of FAO's Technical Cooperation Programme (TCP) to evaluate its relevance, effectiveness and efficiency, fund allocation and distribution, governance and management, in addition to strategic and programmatic aspects. OED undertook the evaluation between March and September 2020.

2. The "Evaluation of the Technical Cooperation Programme" was presented in November 2020, and the Joint Meeting of the 129th Session of the Programme Committee and the 183rd Session of the Finance Committee (20 November - 4 December 2020), in its report (CL 165/10, para 17, i):

"requested FAO to begin a strategic exercise, in consultation with Members, with the aim to refine, and possibly unify, the criteria of resource allocation, beyond the traditional criteria of per capita income, and taking into account the specific needs of each region;"

3. The update on TCP (JM 2021.1/2) presented to the Joint Meeting of the 130th Session of the Programme Committee and the 185th Session of the Finance Committee (22-26 March 2021) proposed objectives for a Roadmap to refine the criteria of resource allocation and re-imagine the TCP:

"21. The progress of the strategic exercise to refine the criteria and re-imagine the TCP would be presented at the next session of the Joint Meeting, specifically focusing on:

- a) adjusting the TCP criteria to fully align with the new Strategic Framework;*
- b) ensuring internal operational guidance is brought up to date, streamlined and made more effective as part of the re-imagining the TCP exercise; and*
- c) refining with a view to possibly unifying the criteria for resource allocation within regions. Management would engage with Regional Offices to explore possible improvements in the unification of the criteria within region allocations, without prejudice to regional specificities."*

4. In its Report (CL 166/8, para 12, e), the Joint Meeting of the 130th Session of the Programme Committee and the 185th Session of the Finance Committee (22-26 March 2021):

"welcomed the objectives of the proposed Roadmap for the strategic exercise to refine the criteria of resource allocation and re-imagine the TCP in close consultation with Members; requested this exercise to include the review of the criteria for indicative allocations to regions in line with the 35th (Special) Session of FAO Conference;"

5. In its Report (CL 166/REP, para 23, c), the 166th Session of the Council (26 April - 1 May 2021):

"underlined the recommendation on the TCP for Management to complete a strategic exercise, in consultation with Members, with the aim to refine, and possibly unify, the criteria of resource allocation, beyond the traditional one of per capita income, and taking into account the specific needs of each region, such as rural poverty and inequality, vulnerability to climate change and biodiversity degradation; and to enhance performance management to be submitted for approval by the 43rd Session of the Conference."

6. In line with the agreed Roadmap, two informal consultations were held with Members focused on the review of the regional TCP resource shares. The first informal consultation, held on 16 July 2021, reviewed the process and criteria applied in 2008, and the data available for the new criteria suggested by the 166th Session of the Council (CL 166/REP, para 23, c). The second consultation, held on 10 September 2021, explored the development of hypothetical scenarios for regional TCP resource shares based on the criteria suggested by Members.

7. This document continues with three Sections: Section II provides a brief recall of how current regional shares were determined and the changes in country eligibility and regions' operational

coverage since 2008, followed by a visualization of the criteria proposed and related data, and ends with the presentation of possible elements for TCP regional share calculations. Section III provides an update on the implementation progress of other aspects of the Roadmap. Section IV provides anticipated next steps.

II. Regional TCP resource shares

A. Review of 2008 criteria and changes since 2008 – a recall

8. The Independent External Evaluation of FAO (IEE) completed in 2007, was the basis for the decision taken on TCP resource distribution. Conference Resolution 5/2007 established a Conference Committee (CoC-IEE) to develop the Immediate Plan of Action (IPA) in response to the IEE. Based on the IEE findings, three working groups (WG) were established under the CoC-IEE: WG I - FAO vision and programme priorities; WG II - governance reform; and WG III - reform of systems, culture change and organizational restructuring.

9. The CoC-IEE Working Groups I and III respectively on “FAO vision and programme priorities” and “reform of systems, culture change and organizational restructuring”, comprising 38 Members from all regions, explored different regional TCP resource share models using the criterion of universality, the number of “Special Attention Countries” in a region, the number or share of population affected by undernourishment, and the population dependent on agriculture (for details see JM 2021.1/2¹).

10. As reflected in the report of the 35th (Special) Session of the Conference in 2008 (C 2008/REP, Appendix E, para 35), consensus was reached around an approach that, even if not directly derived from a model calculating regional shares, foresaw access to a minimum amount of resources for all non-high-income countries (universality) and emphasized the needs of Least Developed Countries (LDCs).

11. In the two informal consultations held in July and September 2021, the information presented at the Joint Meeting the 130th Session of the Programme Committee and the 185th Session of the Finance Committee (22 March 2021) (document JM 2021.1/2) regarding how the situation of countries and regions² has changed over time was recalled. Since 2008, three countries graduated out of the LDC category - one in RAF and two in RAP. Four countries graduated to the high-income category - three in RLC and one in RNE - which, as established by Members, are no longer eligible to receive TCP assistance on a grant basis (unless for emergency situations, as participants of a regional project, or if, at the same time, the country is in the Small Island Developing States category). Finally, there were also two countries that shifted Regional Offices providing operational coverage (one country moved from RAF to RNE, and the other one from RNE to RAP).

B. Criteria proposed to review the regional TCP resource shares

12. In 2008, consensus was reached around the principle of universality (all non-high-income countries should have access to TCP assistance) and priority to LDCs in establishing regional TCP resource shares. Agreement was not reached on other criteria explored in 2008 (number and proportions of undernourished, population dependent on agriculture), given the resulting shifts in regional shares compared with historical levels.

13. Following Members’ request to refine the criteria for establishing regional TCP resource shares, beyond the traditional one of per capita income, and taking into account the specific needs of each region, such as rural poverty and inequality, vulnerability to climate change and biodiversity degradation, and prevalence of undernourishment, FAO has presented a set of maps to assist in the visualization of the criteria during the informal consultations in July and September 2021.

¹ <http://www.fao.org/3/ne873en/ne873en.pdf>

² RAF: Regional Office for Africa

RAP: Regional Office for Asia and the Pacific

REU: Regional Office for Europe and Central Asia

RLC: Regional Office for Latin America and the Caribbean

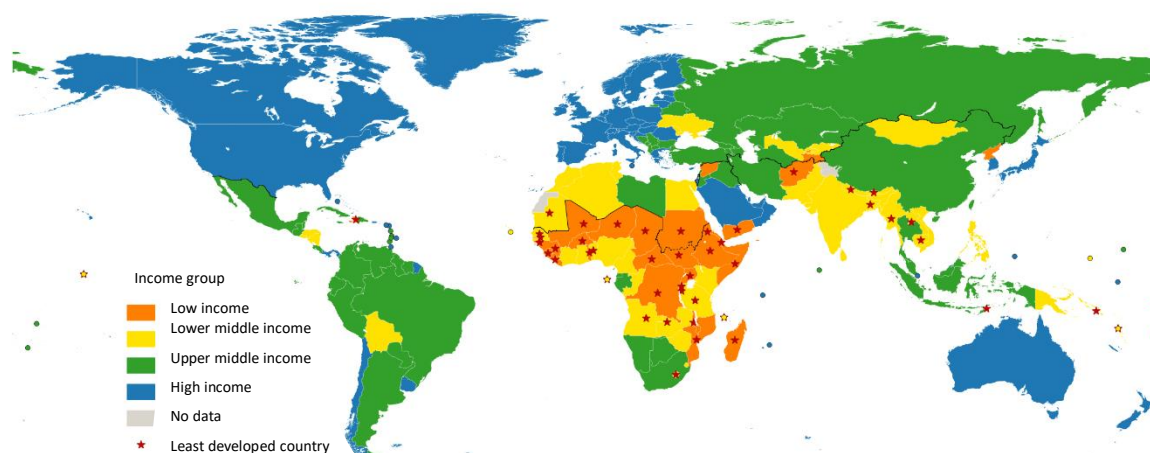
RNE: Regional Office for the Near East and North Africa

14. A first set of maps of possible criteria suggested by Members to review the regional TCP resource shares was presented at the informal consultation of 16 July 2021, and showed the evolution in time of the criteria used to arrive at the 2008 consensus together with those recommended by Members. Since 2008, progress has been achieved in all regions - with some countries moving into higher income groups and some countries moving out of the LDC or into the high-income category.

15. The maps, presented in this document one by one³, are those that were presented during the second informal consultation of 10 September 2021. They illustrate the data of the following variables to be used as criteria in arriving at possible scenarios for shares calculation: LDCs and Income Group; Prevalence of Undernourishment (SDG target 2.1); Poverty (SDG target 1.1); the Gini Index as inequality measure; the number of deaths, missing persons and directly affected persons attributed to disasters per 100 000 population as a measure of vulnerability to climate change (SDG target 13.1); and finally, for biodiversity degradation of natural habitats the Red List Index (SDG target 15.5).

16. Criterion 1: LDCs and Income Group 2019

This map presents the latest income group classification based on data for 2019. Africa shows the greatest share of low-income and lower middle-income countries, and the highest number of LDCs.

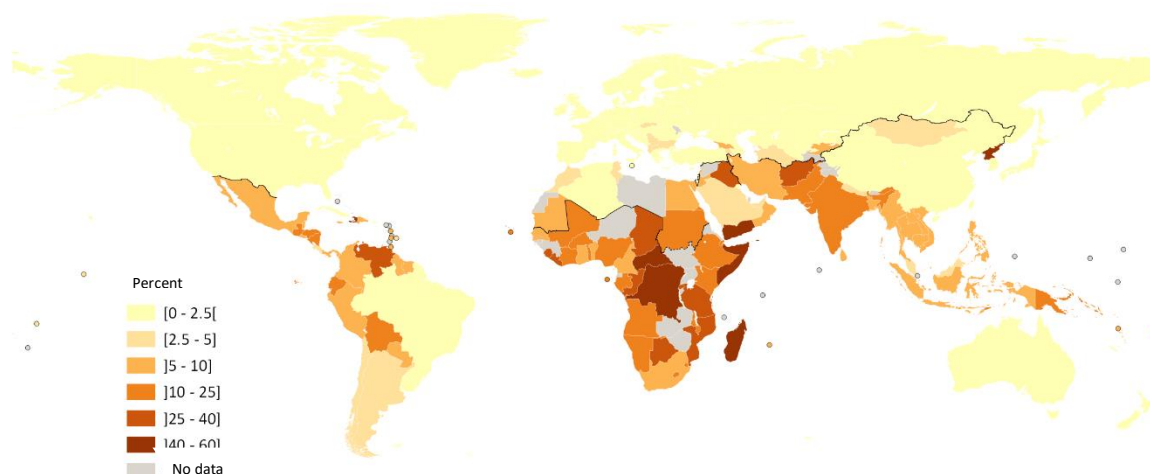


Source: Income groups –World Bank; LDC list -UN Economic and Social Council (ECOSOC)

³ The boundaries and names shown and the designation used on all the maps in this document (Maps related to Criterion 1 to 6, paragraphs 16-21) do not imply the expression of any opinion whatsoever on the part of FAO concerning the legal status of any country, territory, city or area or of its authority, or concerning the delimitation of its frontiers and boundaries. Dashed lines on maps represent approximate border lines for which there may not yet be full agreement. Dotted line represents approximately the Line of Control in Jammu and Kashmir agreed upon by India and Pakistan. The final status of Jammu and Kashmir has not yet been agreed upon by the parties. Final boundary between the Republic of Sudan and the Republic of South Sudan has not yet been determined.

17. Criterion 2: Prevalence of undernourishment (2018 to 2020)

This map presents the most recent figures for prevalence of undernourishment (PoU). The map follows the long-established practice of showing only three-year averages for countries. There are data gaps in all regions, but the incidence of undernourishment is greatest in Africa.

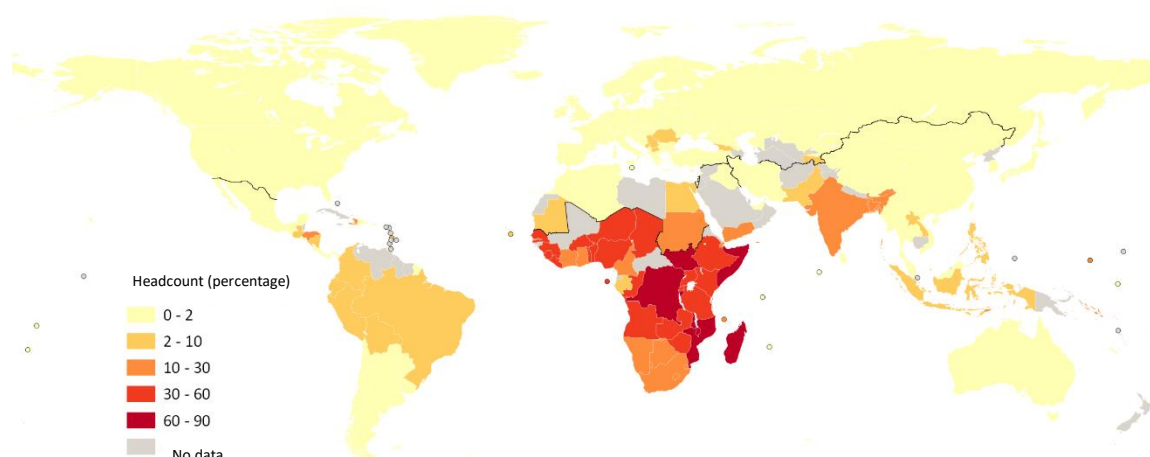


Source: SOFI 2021

18. Criterion 3: Poverty (2011 to 2019)

Initially, data on rural poverty were considered in this analysis. Following concerns raised by Members during the informal consultation of 16 July 2021, poverty was considered, in general, to avoid the risk of missing the dimension of urban poverty. Overall poverty is also more relevant in the context of the rural-urban continuum of the supply chain and need for a transformative approach to agri-food systems.

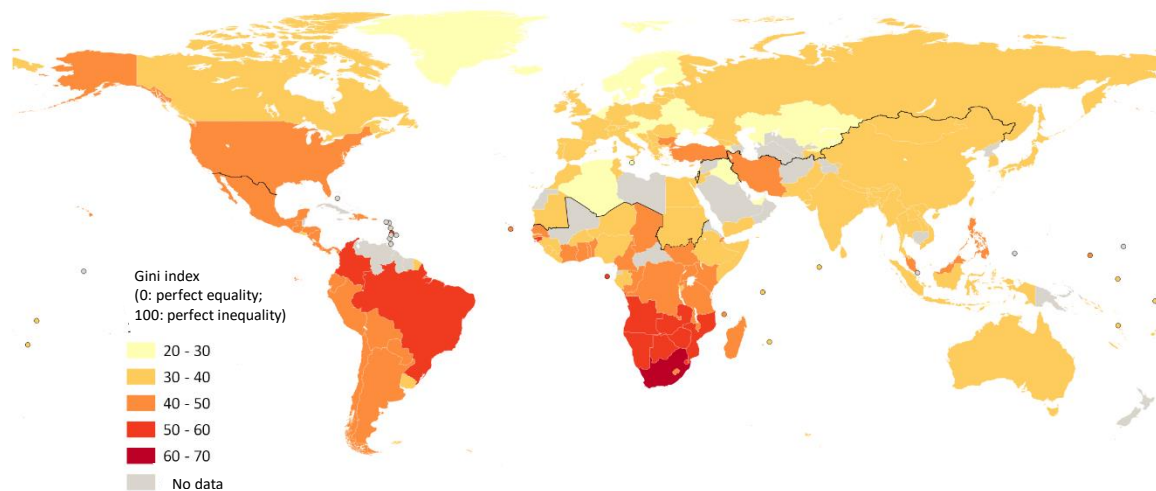
The data are obtained from government statistical agencies, which have different timelines depending on the countries. To provide a meaningful picture of the situation with data points for most countries, the latest reported year between 2011 and 2019 had to be considered. Even though the data points are not aligned for all countries, and still show data gaps in all regions, some patterns emerge clearly, with the highest levels of poverty observed in Africa.



Source: World Bank

19. Criterion 4: Inequality (2011 to 2019)

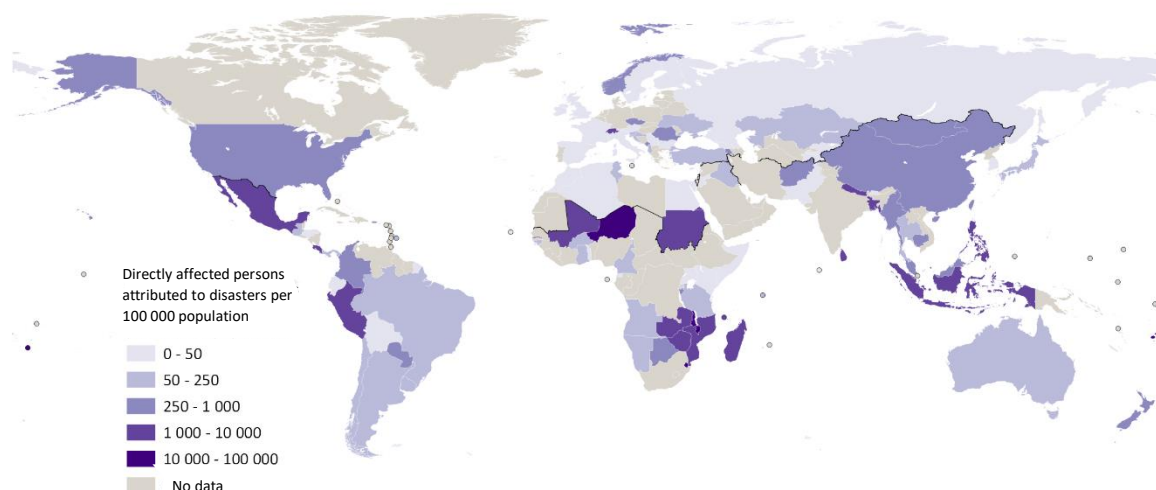
To map inequalities, the Gini index⁴ was used with the same source as the poverty map. Therefore, these also present similar issues in terms of data being few and far between, and for consistency, the latest data points between 2011 and 2019 were used. The countries with the higher degree of inequality are in Africa (especially Southern Africa) and Latin America. The other regions tend to have more similar levels of inequality.



Source: World Bank

20. Criterion 5: Climate Change - vulnerability to disasters (2017 to 2019)

To illustrate vulnerability to climate change, SDG target 13.1 was identified as representative of the criterion suggested by the Council. Under this target, data show the number of deaths, missing persons and directly affected persons attributed to disasters per 100 000 population. In order to smooth the effect of extreme events, the average for 2017-19 was calculated. While there are important data gaps, it can be observed that all regions face vulnerabilities.

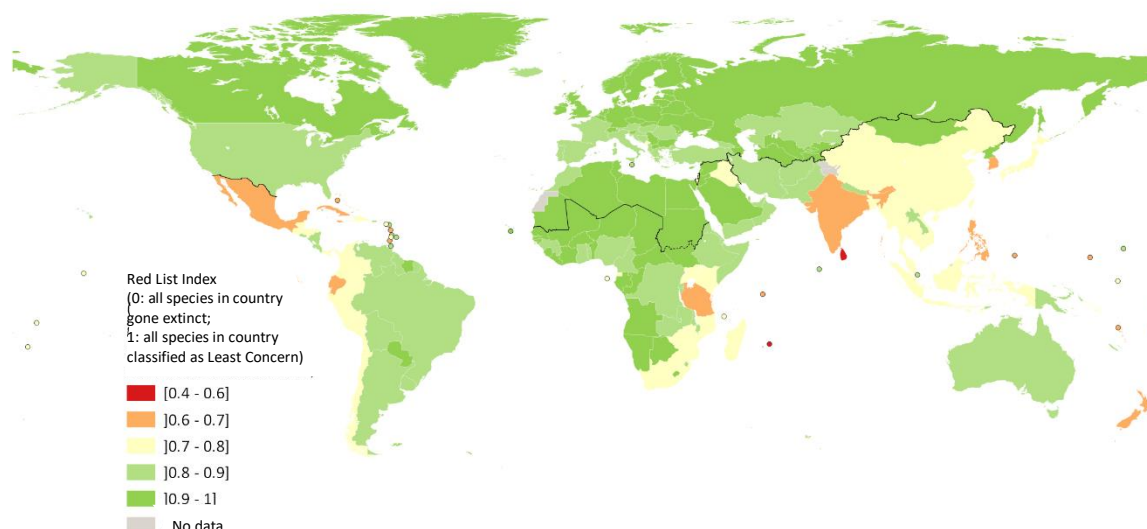


Source: SDG Indicator Database, Target 13.1

⁴ The Gini index is a measure of statistical dispersion intended to represent the income inequality or the wealth inequality within a nation or a social group.

21. Criterion 6: Biodiversity - degradation of natural habitats (2021)

For biodiversity degradation, SDG target 15.5 is identified as representative of the criterion suggested by the Council. Under this target, data show the aggregate extinction risk for species within the country relative to its potential contribution to global species extinction risk. RAP, RAF and RLC all have countries with higher risk levels.



Source: SDG Indicator Database, Target 15.5

22. Members identified the above set of criteria with the intent to consider the economic, social and environment-related dimensions of development and also the multifaceted challenges faced by countries in their efforts to achieve the SDGs.

23. In Table 1 below, the country-level data used for the maps have been summarized at regional level (based on FAO's operational coverage of the five Regional Offices) by using the maximum, minimum and median value for each indicator.⁵

Table 1: Overview of data by FAO Regional Office coverage

Indicator	Unit		RAF	RAP	RLC	REU	RNE
PoU 2018-20	%	Min	5.3	2.5	<2.5	<2.5	2.5
		Max	59.5	42.4	46.8	8.7	45.4
		Median	25.0	10.9	8.0	<2.5	24.9
Poverty	% at less than \$1.90PPP a day	Min	0.2	0.1	0.6	0.1	0.2
		Max	78.8	24.7	24.5	5.4	18.3
		Median	43.3	12.6	3.3	2.3	7.0
Inequality	Gini index	Min	32.1	28.7	38.8	25.3	27.6
		Max	63	42.3	53.4	41.9	39.5
		Median	42.8	37.3	45.7	33	32.7
Vulnerability	Directly affected persons affected by disasters per 100 000 population	Min	0.3	3.2	0.3	3.6	0.0
		Max	15 473.8	81 954.8	5 897.6	782.4	2 588.7
		Median	1 404.8	967.8	1 316.0	136.3	1 357.6
Biodiversity	Red list index	Min	0.40	0.57	0.66	0.80	0.75
		Max	0.99	0.96	0.99	0.99	0.98
		Median	0.89	0.77	0.76	0.94	0.92

⁵ To arrive at regional level values, population-weighted medians were used for PoU, poverty and vulnerability. This was considered to be the most robust methodology within the given data limitations. As inequality and biodiversity are indexes, the median was used without applying a population weight.

24. The criteria explored and presented visually in the maps above suggest the following at regional level:

- a. PoU is highest in RAF, followed by RNE and RAP.
- b. Poverty shows higher medians and max values in RAF, followed by RAP.
- c. Inequalities show higher medians in RLC, followed by RAF.
- d. Vulnerability to disasters seems to be high in RAF, RLC, RNE and RAP, and is comparably low in REU. However, there are important data gaps in all regions.
- e. With regards to degradation of biodiversity, RAP and RLC seem to face the greatest challenge, followed by RAF, RNE and REU.

C. Possible elements for TCP regional shares calculations

25. Based on the criteria presented above, an approach to calculate scenarios for regional TCP resource shares was developed. As can be seen in Table 2, data for each criterion have been converted into values that can be used to create different scenarios for the shares through the steps highlighted below (see Annex 1 for methodology details):

- a. In the calculation, universality entails assigning 1 to each region. This ensures equal importance to each country, as the calculation takes into account the number of countries in each region.
- b. LDCs are considered in terms of percentage in each region.
- c. For the other criteria, an additional step is required to transform medians into a comparable set of numbers varying between 0 and 1.
- d. Once this is done, weights would need to be assigned to each criterion variable, to derive different share calculation scenarios, based on the different relative importance provided to one or a set of the criteria. Assigning a zero weight to one or more criteria is equivalent to eliminating the criteria from the calculation of the shares.

Table 2: Possible elements for regional share calculations

Criteria	Weight	RAF	RAP	RLC	REU	RNE
Universality	< value >	1	1	1	1	1
LDC	< value >	0.66	0.31	0.03	0	0.23
PoU	< value >	0.73	0.46	0.37	0	0.73
Poverty	< value >	0.91	0.73	0.52	0.47	0.64
Inequality	< value >	0.58	0.42	0.65	0.29	0.28
Vulnerability	< value >	0.72	0.69	0.71	0.56	0.72
Biodiversity	< value >	0.12	0.28	0.29	0.05	0.08

26. To illustrate the calculation, two hypothetical scenarios are presented. It is important to note that these two hypothetical scenarios are only meant as examples of the approach used, and in no way are intended to be representative or limit options. These two examples follow.

27. Table 3: Example 1 for calculated regional shares

Table 3 below provides the result of one example for calculated share based on the 2020-21 TCP appropriation.⁶ This example closely follows the elements of the 2008 consensus of giving particular importance to the principle of universality and number of LDCs in a region. The universality and LDC criteria have therefore been given a weight of 25 each, while the other five criteria receive an equal weight of 10 each, with the total of the weights summing to 100.

Criteria	Weight
Universality	25
LDC	25
PoU	10
Poverty	10
Inequality	10
Vulnerability	10
Biodiversity	10

Example 1 (following 2008 approach)	RAF	RAP	RLC	REU	RNE
Calculated share	40.30%	24.50%	18.30%	8.30%	8.60%
Current share	40.00%	24.00%	18.00%	10.00%	8.00%
Difference between current and calculated share	0.30%	0.50%	0.30%	-1.70%	0.60%
Calculated allocation (USD million)	45.2	27.5	20.5	9.3	9.6
Current allocation (USD million)	44.8	26.9	20.2	11.2	9
Difference between current and calculated allocation (USD million)	0.4	0.5	0.4	-1.9	0.6

28. Table 4: Example 2 for calculated regional shares

Table 4 provides a second example, in this case by applying the same weight to all criteria in use in the calculation of the shares, that is, a weight of 14.3 for each criterion, considering a total sum of weights of 100.

Criteria	Weight
Universality	14.3
LDC	14.3
PoU	14.3
Poverty	14.3
Inequality	14.3
Vulnerability	14.3
Biodiversity	14.3

⁶ Excluding the share for emergency and inter-regional TCP held at FAO headquarters.

Example 2 (equal weights)	RAF	RAP	RLC	REU	RNE
Calculated share	39.80%	24.60%	19.30%	7.70%	8.60%
Current share	40.00%	24.00%	18.00%	10.00%	8.00%
Difference between current and calculated share	-0.20%	0.60%	1.30%	-2.30%	0.60%
Calculated allocation (USD million)	44.7	27.5	21.7	8.6	9.6
Current allocation (USD million)	44.8	26.9	20.2	11.2	9
Difference between current and calculated allocation (USD million)	-0.2	0.6	1.5	-2.6	0.7

29. FAO shared access to this calculation spreadsheet through the Members Gateway to ensure a thorough understanding of the calculations and multiple possibilities of scenarios. Members have the possibility to apply different sets of weights to individual criteria or groupings of those, and thus explore the resulting changes to the regional shares.

III. Update on the implementation of other aspects of the TCP Roadmap

D. Streamlined operational guidance

30. Far reaching simplifications to operational procedures have been introduced to TCP since 2019 and continued in 2020 and to date. This has included reducing significantly the length of the requests (e.g. project documents have been reduced from an average of 35 pages to a maximum of 15 pages) and simplifying formulation and approval procedures.

31. As a result, TCP approvals have been considerably accelerated, with June 2021 seeing the highest approval level against the ongoing biennium compared with the previous five biennia at the same point in time despite the challenges related to the COVID-19 pandemic.

32. A consultation to seek further streamlining has been completed with all decentralized TCP personnel and Senior Field Programme Officers. Streamlining efforts have included a strengthened results focus in project design and reporting, underlining linkages to Country Programming Frameworks, the repositioned UN system and the Strategic Framework 2022-31, as well as an emphasis on quality assurance and monitoring support through the TCP team.

33. Operational procedures and manuals are still being reviewed. Some operational adjustments already addressed the need to ensure the alignment of TCP projects that will be formulated in the 2022-23 biennium with the Strategic Framework 2022-31, and the application of the updated gender markers in line with the FAO Policy on Gender Equality 2020-2030. Internal consultations will continue, also in the context of the modernization of the Project Cycle that has recently started following the extensive Audits of 2019. This will be a continuing exercise that will seek to integrate proactively the Organization's wide enhancements towards a more programmatic approach, improved results monitoring, reporting and evaluation, and catalytic impacts.

IV. Proposed next steps for the strategic exercise

34. It is recalled that current regional TCP resource shares would continue to be applied in the 2022-23 biennium, while the strategic exercise on the review of regional shares is completed.

35. Based on the feedback received from Members, the consultations on regional shares could continue through both informal consultations, as deemed appropriate, and formal sessions of the Joint Meeting of the Programme and Finance Committees. The details of how to proceed will be finalized, based on Members' guidance.

36. An update on the review of the possibility of unifying criteria for resource allocation within regions, taking into account the findings of the TCP Evaluation, could be next undertaken.

Annex 1: Aggregation of country data for use in scenarios for regional TCP shares

Given that TCP appropriation is divided first between regions, the data illustrating the criteria suggested by the Council, which are at the country level, need to be aggregated at the regional level, based on the number of eligible countries in each region. However, the availability and nature of the data constrain the way they can be aggregated.

A simple average cannot be used for indices (used for inequality and biodiversity) or for data with incomplete coverage across time and countries (used for poverty, inequality and vulnerability). Using the median solves this issue, as it can be used on a variety of datasets. It also has the advantage of being a robust method of central tendency since it is not unduly affected by extreme values or outliers. In addition, for variables expressed as a share of the population (prevalence of undernourishment, poverty headcount and vulnerability), the median is weighted by population for each region in order to have it more representative. This is reflected in the table below:

		RAF	RAP	RLC	REU	RNE
PoU 2019	Min	5.3	2.5	2.5	2.5	2.5
	Max	59.5	42.4	46.8	8.7	45.4
	Median	25.0	10.9	8.0	2.5	24.9
Poverty	Min	0.2	0.1	0.6	0.1	0.2
	Max	78.8	24.7	24.5	5.4	18.3
	Median	43.3	12.6	3.3	2.3	7.0
Inequality	Min	32.1	28.7	38.8	25.3	27.6
	Max	63	42.3	53.4	41.9	39.5
	Median	42.8	37.3	45.7	33	32.7
Vulnerability	Min	0.3	3.2	0.3	3.6	0.0
	Max	15 473.8	81 954.8	5 897.6	782.4	2 588.7
	Median	1 404.8	967.8	1 316.0	136.3	1 357.6
Biodiversity	Min	0.40	0.57	0.66	0.80	0.75
	Max	0.99	0.96	0.99	0.99	0.98
	Median	0.89	0.77	0.76	0.94	0.92

As the values for the medians have very different orders of magnitude, they need to be further transformed into a comparable set of numbers, so that the weights associated with them are meaningful. This is done through log-standardization, expressed as for each variable i and region r as:

$$\frac{\ln \text{median}_{i,r} - \ln \min_{global} i}{\ln \max_{global} i - \ln \min_{global} i}$$

As the values for biodiversity are expressed on the opposite scale as the other criteria (1 being the best result and 0 the worst), the formula used in this case is instead:

$$1 - \frac{\ln \text{median}_{i,r} - \ln \min_{global} i}{\ln \max_{global} i - \ln \min_{global} i}$$

This results in the table below, where all transformed values are between 0 and 1.

	RAF	RAP	RLC	REU	RNE
PoU 2019	0.73	0.46	0.37	0.00	0.73
Poverty	0.91	0.73	0.52	0.47	0.64
Inequality	0.58	0.42	0.65	0.29	0.28
Vulnerability	0.72	0.69	0.71	0.56	0.72
Biodiversity	0.12	0.28	0.29	0.05	0.08