JOINT MEETING

Hundred and Thirty-fourth Session of the Programme Committee and
Hundred and Ninety-fourth Session of the Finance Committee

7 November 2022

Update on the Strategic Exercise of the Technical Cooperation Programme
(TCP)

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

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NK107/e
EXECUTIVE SUMMARY

In line with the Strategic Exercise agreed with Members to refine the criteria of resource allocation and to review the operational aspects of the Technical Cooperation Programme (TCP), the document provides elements for a decision on the regional TCP resource shares. It further provides information on the new set of harmonized principles and approach to guide within-region allocation of TCP resources and the implementation of other operational aspects, including the full realignment to the FAO Strategic Framework 2022-31.

GUIDANCE SOUGHT FROM THE JOINT MEETING

- The Joint Meeting is invited to recommend to the Council regional TCP resource shares applicable as of the 2024-25 biennium. Management would also welcome feedback on the new harmonized set of principles and approach for the within-region distribution of resources while ensuring flexibility to respond to regional specificities, and the updates to the TCP operational guidelines regarding the implementation of the other operational aspects of the TCP Strategic Exercise.

**Draft Advice**

The Joint Meeting:

- recommended that the Council endorses for approval by the 43rd Session of the FAO Conference the following regional TCP resource shares to be applied starting with the 2024-25 biennium: Africa XX.X%; Asia and the Pacific XX.X%; Europe XX.X%; Latin America and the Caribbean XX.X%; Near East XX.X%.
- noted that FAO Governing Bodies can review regional TCP resource shares every four years in line with the Medium Term Planning cycle;
- welcomed the harmonized principles for TCP resource allocation within regions, noting they ensure greater uniformity while keeping the required flexibility to respond to regional specificities;
- appreciated the updates and progress on the implementation of other operational aspects of the TCP; and
- appreciated that the consultation process on the TCP Strategic Exercise has been completed in a transparent and inclusive manner, and looked forward to its full implementation starting in the 2024-25 biennium.
I. Background

1. Following the review of document JM 2022.1/2 - Update on the TCP Strategic Exercise, in its Report to the Council (CL 170/10), the Joint Meeting of the 133rd Session of the Programme Committee and 191st Session of the Finance Committee (Rome, 16, 17 and 20 May 2022):

   a) appreciated the continued inclusive and transparent process based on the principle of universality and the criteria approved by the 166th Session of the Council;

   b) recalling the guidance from the 166th Session of the Council on this matter, noted that a decision is still pending, invited Members to conclude the review and finalize a decision through the continued consultation on specific regional allocation shares to be reviewed by the Council for submission and adoption at the 43rd Session of the Conference;

   c) noted the overall progress on the refinements of the criteria for TCP resource allocation within regions, and appreciated the readiness of Regional Representatives to consider greater uniformity while keeping the required flexibility to respond to regional specificities and ensuring effective, equitable, and catalytic use of TCP, in the evolving context in countries and regions; and

   d) welcomed the efforts to enhance reporting of TCP results with the aim of documenting more systematically its catalytic effect.

2. The 170th Session of the Council (13-17 June 2022), in its Report (CL 170/REP, para 24):

   b) looked forward to the conclusion of the review by Members through continued consultation on the criteria for the Technical Cooperation Programme’s resource allocation shares among and within regions, update of operational guidelines, based on Members’ consensus, with a view to submission to and adoption by the 43rd Session of the Conference;

II. Regional TCP resource shares

3. The TCP Strategic Exercise has been guided by the objectives of the Roadmap elaborated with Members that included the review of regional TCP resource shares. In response to the Governing Bodies directions in the first half of 2021, FAO Management held two informal consultations with Members on regional TCP resource shares (16 July and 10 September 2021). The first informal consultation reviewed the statistical data available for the criteria proposed by the 166th Session of the Council and the data considered when regional TCP resource shares were established in 2008. The second informal consultation proposed possible scenarios for calculating regional resources shares based on the criteria suggested by Members.

4. As documented in document JM 2021.2/2, FAO Management provided Members with the visualization of the criteria and related data through maps, and a spreadsheet tool to allow for exploration of scenarios for regional TCP resource share calculations by adjusting the weight given to each of the criteria.

5. In addition to the formal consultation referenced in paragraphs 1 and 2 above, work has progressed in close consultation with Members through informal consultations with regional groups, and an informal session with all Members on 12 September 2022.

6. After consultations through six formal Governing Bodies sessions and seven informal sessions, some possible considerations for setting regional TCP resource shares emerged. For the criteria, it was expressed that the shares should be based on an evidence-based rationale and scientific data, and while equal consideration of the interests of all countries was important (universality), Members emphasized that the needs of the most vulnerable countries (Least Developed Countries - LDCs) should be prioritized. It was also underlined that the approach should not lead to a reduction in the share for Africa, which has the greatest number of LDCs. Finally, it was conveyed that agreeing

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1 CL 166/8 paragraph 12.
2 Informal meeting of the Independent Chairperson of the Council with the Chairpersons and Vice-Chairpersons of the Regional Groups, 27 January 2022; Asia Regional Group, 25 May 2022; GRULAC, 27 May 2022.
on calculated shares would allow Members to revisit allocations at regular intervals based on the development of the criteria and related evolution of underlying data.

7. Table 1 below shows the two examples illustrated to Members during the informal consultations and in document JM 2022.1/2, which apply different sets of weights to the criteria and the resulting changes in regional shares (both in percentage and in US Dollar terms). A spreadsheet tool in Excel format to explore scenarios for regional TCP resource shares calculations was made available through the Members Gateway in September 2021. The methodology underpinning the spreadsheet tool is available in document JM 2021.2/2.

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Weight</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Universality</td>
<td>25</td>
<td>14.3</td>
</tr>
<tr>
<td>LDC</td>
<td>25</td>
<td>14.3</td>
</tr>
<tr>
<td>POU</td>
<td>10</td>
<td>14.3</td>
</tr>
<tr>
<td>Poverty</td>
<td>10</td>
<td>14.3</td>
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<tr>
<td>Inequality</td>
<td>10</td>
<td>14.3</td>
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<tr>
<td>Vulnerability</td>
<td>10</td>
<td>14.3</td>
</tr>
<tr>
<td>Biodiversity</td>
<td>10</td>
<td>14.3</td>
</tr>
</tbody>
</table>

* Source: FAO’s own elaboration
* total of weights summing to 100

Table 1: Examples for calculated regional shares

8. As outlined in paragraph six above, several elements that could be considered in reaching a consensus have been put forward by Members. Taking into consideration the discussion over the last two years, Members are encouraged to decide on one set of regional TCP resource shares for the Council endorsement and approval by the 43rd Session of the Conference.

III. Within-region distribution of TCP resources and other related operational aspects of the TCP Strategic Exercise

9. The second part of the agreed Roadmap for the TCP strategic exercise, under the responsibility of FAO Management, consisted in a review of the allocation of TCP resources within regions, the strategic alignment of TCP and a refinement of operational guidance. All these
elements are under implementation as reported in document JM 2022.1/2. Further updates are provided here below.

A. *Process and results of establishing a harmonized approach for the within-region allocation of TCP resources by Regional Representatives*

10. As documented in document JM 2020.2/2, the 2020 TCP Evaluation noted differences in approach and in the criteria used by Regional Representatives in determining allocation of TCP resources within regions. Following the request from Members to consider ways of achieving greater uniformity among regions while keeping flexibility to respond to regional specificities, four consultations with FAO Regional Representatives have been held during 2022.

11. All Regional Representatives welcomed the consideration of the criteria approved by the 166th Session of the Council to help guide TCP allocations and agreed to greater uniformity of approach among regions. As already recognized by Members, all Regional Representatives also emphasized the need for flexibility, underlining, for an effective and equitable use of TCP, the necessity to consider the specific evolving context in countries and regions. This includes aspects, such as the availability of alternative donor support, sudden shocks or emerging needs that can impact set programmatic priorities and technical support needs (e.g. COVID-19, food chain disruptions), the timeliness of the assistance in particular situations, and the readiness/capacity to use assistance productively within a specific timeframe. As such, final allocations to countries may vary from biennium to biennium and are the result of highly adaptive programming.

12. The existing corporate principles will continue to apply. Regional Representatives have agreed on their continued validity for TCP management within regions. These principles consider 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; and
   c) ensure the involvement of the FAO Representatives in the prioritization and selection process of regional and subregional TCP projects.

13. As a result of the internal consultation, Regional Representatives have developed and agreed on an additional set of harmonized principles for the allocation of TCP resources within regions. In making decisions on TCP allocation in their regions, Regional Representatives will:
   a) give full consideration to and be guided by the criteria approved by the Council for the TCP regional allocations: Universality, LDCs, Prevalence of Undernourishment (PoU), Poverty, Inequality, Vulnerability to climate change and Biodiversity degradation. An analytical tool that is being developed in consultation with the Regional Offices will reflect the status of countries as regards the Council approved criteria and, with the aim of ensuring the needed flexibility, will guide decision-making by Regional Representatives;
   b) ensure predictability and access by all eligible countries to TCP support through the establishment, at the beginning of a biennium, of an *initial indicative* allocation that allows programming at country and (sub)regional levels;
   c) ensure availability of funds for flexible responses to emerging or evolving needs for technical support during the biennium, while maximizing the catalytic and strategic benefits of limited TCP resources; and
   d) ensure that, unless specific circumstances prevail, all eligible countries benefit from FAO’s technical support.

14. Finally, it is important to recall (see section IV of document JM 2022.1/2) that all TCP projects need to comply with specific operational policies and standards in order to be approved. This includes a set of operational approval criteria that has been updated in consultation with Regional Representatives (see Annex 1).
The harmonized approach to within-region allocation allows TCP resource allocation decisions to have a common starting point, as the regions will be moving from a set of disparate specific regional allocation criteria to a set of common within-region allocation principles that continue to ensure predictability and programming at country level, responsiveness to emerging needs, and catalytic and strategic alignment. The harmonized approach to TCP within-region allocation will result in improved transparency and strengthened governance, while maintaining the required flexibility to respond to emerging needs of countries. Actual final allocations at the end of the biennium will be the result of the harmonized approach, more unified process and common application of standard operating procedures that have been adjusted to any regional specificities that emerged.

**B. TCP strategic alignment in the context of the within-region allocation of resources**

TCP within-region resource allocation is happening in the context of country level programming. As outlined in document [JM 2021.1/2](#), all new Country Programming Frameworks (CPFs) are now directly derived from the United Nations sustainable development cooperation framework (UNSDCF), as the vehicle for defining the United Nations (UN) collective contribution and commitment to support national efforts in achieving the Sustainable Development Goals (SDGs) targets under the 2030 Agenda. CPFs are, therefore, grounded on the United Nations Common Country Analysis, elaborated through a visioning and prioritization exercise resulting in the UNSDCF theory of change, and completed through a consultative process by the UN country teams and counterparts. SDGs targets and indicators and UNSDCF outcomes and outputs relevant to the FAO Strategic Framework 2022-31 become the default FAO monitoring framework for CPFs, informed by country-defined and disaggregated baselines.

The link between the TCP within-region resource allocation, the FAO Strategic Framework 2022-31 and SDGs has been enhanced by enforcing the requirement that, as of January 2022, all new and ongoing FAO projects and programmes must identify their contribution to the FAO Strategic Framework 2022-31, based on Programme Priority Areas (PPAs) and SDG targets, using an online module. The contribution to the SDG targets has also been added for the very first time in 2022. This allows to monitor and track TCP contributions to SDG targets and the FAO Strategic Framework 2022-31. This improvement is part of the update to the operational guidelines included in the Strategic Exercise.

As a result, FAO corporate systems are now capturing how TCP expenditures contribute to the FAO Strategic Framework 2022-31 and SDG targets. In 2022, TCP contributions to the achievement of SDGs continued to follow previous trends, with contributions recorded for all 17 SDGs (see Figure 1 below). As of June 2022, most TCP expenditure contributed to achieving SDG 1 and SDG 2. The four SDG targets with the highest contribution are:

- 2.1: End hunger and ensure access to safe, nutritious and sufficient food for all (14%)
- 2.3: Double agricultural production and income of small-scale food producers (13%)
- 2.4: Ensure sustainable food production systems (12%)
- 1.5: Build resilience of the vulnerable (12%)
19. Correspondingly, alignment with the FAO Strategic Framework 2022-31 and the four betters shows that the largest share of TCP expenditures is linked to better production and a better life (37 percent each). The remaining expenditures are related to better nutrition (12 percent) and a better environment (15 percent) – see Figure 2 below.

20. Expenditures of TCP projects have been recorded against all PPAs. As of June 2022, the five PPAs with the highest expenditure share are:
   - BP1: Innovation for sustainable agriculture production (12%)
   - BP4: Small-scale producers’ equitable access to resources (10%)
   - BL3: Agriculture and food emergencies (12%)
   - BL4: Resilient agrifood systems (9%)
   - BE1: Climate change mitigating and adapted agrifood systems (8%)
IV. Conclusion

21. FAO has welcomed the TCP Strategic Review Exercise to ensure the TCP is fit for purpose, efficient and effective in meeting the Members’ needs. The Exercise has achieved its objectives to develop and agree on new criteria and methodology for regional TCP resource shares, review and agree on a harmonized set of principles and approach for within-region allocations, and on updates to operational guidelines. It has set the TCP on a new course following an inclusive and transparent process with the Members and internally in FAO. It is now imperative to reach a decision on regional TCP resource shares, so that FAO can focus on implementation and Members can continue benefitting from the TCP. FAO is committed to continuous improvements in the efficient delivery of the TCP ensuring maximum catalytic impact, and will make certain that the Members are informed of any updates.
### Annex 1

<table>
<thead>
<tr>
<th>Technical Cooperation Programme (TCP) approval criteria</th>
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<tbody>
<tr>
<td><strong>1. Country Eligibility</strong></td>
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<td>All FAO Members are eligible for access to TCP-supported assistance. However, TCP gives special attention to assisting the neediest countries, including Least Developed Countries (LDCs), and Small Island Developing States (SIDS). In addition, resource allocation decisions are guided by the status of countries with regard to Prevalence of Undernourishment, Poverty, Inequality, Vulnerability to Climate Change and Biodiversity. Except for TCP emergency assistance, access by high-income economies and by members of the European Union to the TCP modality should only be on a full cost-recovery basis.</td>
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<tr>
<td><strong>2. Aims and Purposes</strong></td>
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<td>TCP-supported assistance contributes directly to at least one SDG target and outcome of FAO’s Programme Priority Areas.</td>
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<td><strong>3. Country or Regional Priorities</strong></td>
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<td>TCP-supported assistance should be directed at national or regional priorities linked to the aims and purposes identified in Criterion 2 and should be derived from FAO’s Country Programming Frameworks/UNSDCFs and emerge from TCP priority-setting processes at the country level. By nature, TCP emergency assistance addresses unforeseen needs.</td>
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<td><strong>4. Critical Gap or Problem</strong></td>
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<td>TCP-supported assistance should be directed at a clearly defined critical technical gap or problem that has been identified by beneficiaries or stakeholders and which necessitates technical cooperation within the timeframe that can be provided by the Programme, but which either cannot or should not be provided through other resources.</td>
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<td><strong>5. Sustainable Impacts</strong></td>
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<td>TCP-supported assistance should result in clearly defined outputs and outcomes leading to large-scale impacts. It should have catalytic or multiplier effects such as increased mobilization of government, donor, or investment funds. The outcomes and impacts should be sustainable and repetitive assistance avoided. TCP requests will not be accepted when they are a consequence of the ineffective follow-up to previous TCPs.</td>
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<td><strong>6. Scale and Duration</strong></td>
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<td>No TCP project should require a budget of more than USD 500 000 and it should be completed within 24 months. The duration may be extended to 36 months, when justified, and on a case-by-case basis.</td>
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<td><strong>7. Government Commitment</strong></td>
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<td>TCP assistance should build on the commitment by government(s), subregional or regional organizations to provide all necessary inputs, staff and institutional arrangements to ensure the timely and effective start-up, implementation and follow-up of the requested TCP-supported assistance.</td>
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<td><strong>8. Capacity Development</strong></td>
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<td>Wherever possible, TCP-supported assistance should help develop capacities to ensure that the critical gaps and problems to which they are directed would either not appear again or that they could be resolved effectively by the recipients of the assistance.</td>
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<td><strong>9. Gender Equality</strong></td>
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<td>Wherever possible, TCP-supported assistance must promote gender equality and/or women’s and youth empowerment in the identification, design, and implementation of activities.</td>
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<td><strong>10. Partnership and Participation</strong></td>
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<td>Wherever possible, TCP-supported assistance should contribute to new or strengthened partnerships and alliances, including through co-financing, and should lead to the increased participation of the most vulnerable food-insecure and poor men, women and youth in key decision-making processes.</td>
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