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JOINT MEETING

**Hundred and Eighth Session of the Programme Committee
and Hundred and Fortieth Session of the Finance Committee**

Rome, 12 October 2011

**Progress on implementation of the Technical Cooperation Programme
(TCP)**

Executive Summary

- As of 30 June 2011, 415 TCP projects for a total value of USD 114.5 million have been approved against the 2008-09 net appropriation of USD 103.5 million. Expenditures against this appropriation had reached USD 90 million representing 87 percent of the appropriation.
- As of 30 June 2011, 301 projects for a value of USD 84.4 million had been approved against the 2010-11 TCP appropriation of USD 106.6 million, representing 79 percent of the appropriation. Expenditures had reached USD 19 million.
- The development of a tool for reporting on project results is progressing. It will be supplemented by additional efforts to increase the understanding of decentralized and headquarters staff as to the importance of respect for the TCP criteria to achieve strategic focus, sustainability and catalytic effect, and gender mainstreaming.

Suggested action by the Joint Meeting

- The Joint Meeting is invited to note the progress on the implementation of the TCP against the 2008-09 and 2010-11 appropriations in the context of decentralization.

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

1. As of 30 June 2011, 415 TCP projects have been approved against the 2008-09 net appropriation of USD 103.5 million, for a total value of USD 114.5 million. The 10 percent over-programming aims to ensure the full expenditure of the appropriation taking into account that the average expenditure rate of TCP projects has historically been around 85-90 percent of their approved budgets.

2. Expenditures against the 2008-09 appropriation had reached USD 90 million on 30 June 2011 representing 87 percent of the total appropriation (*Table 1*). The average monthly expenditure rate against this appropriation from January to June 2011 was USD 1.5 million. An average monthly expenditure rate of USD 2.25 million from July to December 2011 will ensure the full expenditure of the appropriation by the end of 2011 and should be achievable as the delivery rate tends to increase towards the end of the biennium.

Table 1: TCP approvals and expenditures against the 2008-09 appropriation as per 30 June 2011

	Approval	Expenditure
	USD (thousands)	USD (thousands)
Development Support	56 303	38 485
Emergency Assistance	7 769	7 106
ISFP (Input supply/technical assistance)	27 971	26 343
TCP Facility	22 482	18 078
Total	114 525	90 012

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

3. As of 30 June 2011, a total of 301 projects for a value of USD 84.4 million had been approved against the 2010-11 TCP appropriation, representing 79 percent of the appropriation of USD 106.6 million. At the same date, 18 percent of the appropriation and 23 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 30 June 2011

	Approval	Expenditure
	USD (thousands)	USD (thousands)
Development Support	58 530	9 466
Emergency Assistance	10 685	4 050
TCP Facility	15 147	5 489
Total	84 362	19 005

4. The distribution of TCP approvals by region is shown in *Table 3*, along with the percent of regional allocation approved by 30 June 2011. With six months remaining of the biennium, this level of approval is satisfactory. There appears to be no risk that the TCP appropriation will not be fully earmarked for approved projects by the end of the year as the pipeline of projects is healthy.

Table 3: Distribution of TCP approvals against the 2010-11 regional, interregional and emergency assistance allocations as per 30 June 2011

Region	Approvals	Regional allocation	Percent of allocation approved
USD (thousands)			
Africa	34 052	35 027	97
Asia and Pacific	15 533	21 016	74
Latin America and the Caribbean	11 956	15 763	76
Europe and Central Asia	5 695	8 703	65
Near East and North Africa	5 505	6 962	79
Interregional	935	3 197	30
Emergency Assistance	10 685	15 986	67
Total	84 362	106 574	79

5. The expenditure on approved projects by region, interregional and emergency assistance against the 2010-11 appropriation as at 30 June 2011 is presented in *Table 4*.

Table 4: Distribution of TCP expenditure against the 2010-11 regional, interregional and emergency assistance allocations as per 30 June 2011

Region	Expenditure USD (thousands)	Percent of approved projects	Percent of allocation
Africa	6 647	20	19
Asia and Pacific	3 401	22	16
Latin America and the Caribbean	1 867	16	12
Europe and Central Asia	1 502	26	22
Near East and North Africa	1 175	21	17
Interregional	363	39	11
Emergency Assistance	4 050	38	25
Total	19 005	23	18

6. The overall expenditure rate is low compared to the 2004-05 and 2008-09 biennia at the same time and is similar to the level of the 2006-07 biennium. This is due to two factors. Firstly, the anticipated delay in approval of development projects following the decentralization of TCP management on 1 January 2010 has meant that such projects have started implementation, and therefore disbursement, late in the biennium. As a large part of the appropriation has now been earmarked for approved projects, the expenditure rate will also gradually accelerate. Secondly, few emergency assistance projects were requested during the first year of the biennium. As these projects tend to have large procurement components and be implemented quickly, the small number of such projects in 2010 has negatively affected expenditure levels. With nearly 70 percent of the emergency assistance allocation for the current biennium approved for projects aimed mainly at distribution of agricultural inputs to disaster affected households, the expenditure levels will rise in the coming

months. The Secretariat and in particular the regional offices are following-up with budget holders and technical officers to encourage expeditious implementation of all projects.

7. The distribution of approvals by Strategic/Functional Objective on 30 June 2011 is shown in *Table 5*.

Table 5: Approvals by Strategic/Functional Objective against the 2010-2011 appropriation as per 30 June 2011.

Strategic/ Functional Objective	Topic	Budget USD (thousand)
A	Crop production	19 091
B	Livestock production	8 629
C	Fisheries and aquaculture	9 079
D	Food safety	2 200
E	Forestry	7 611
F	Natural resources	7 593
G	Markets	4 304
H	Food security	9 110
I	Emergencies	9 684
K	Gender	0
L	Investment	3 767
X	Effective collaboration	3 294
	Total	84 362

8. The above information does not reflect that many TCP projects contribute to more than one Strategic Objective (SO), including to SO-K on gender. Indeed, given the small size of TCP projects, the individual budgets are not distributed over several SOs but recorded against the main SO. As can be seen, no project has yet been requested in the current biennium falling under K as the main SO.

III. Implementation of the decentralization of the TCP management

9. At the Joint Meeting in April 2011, the Committees recommended that 0.4 percent of the TCP appropriation be earmarked to support the assessment by the decentralized offices of the post-closure results of TCP projects. The recommendation was endorsed by the Council at its 141st session in April 2011.¹

10. Following this decision, the Secretariat is currently developing the modalities for an incentive-based reporting system in order to improve the ability to report on the outcome and catalytic effect of TCP projects. The system will build on existing and planned corporate results-based monitoring systems and is intended to also serve the needs of the Office of Evaluation for information in connection with country or thematic evaluations. The system will be based on a questionnaire to be completed by the concerned decentralized offices approximately one year after the completion of project activities. The new reporting system is expected to be effective as of the 2012-13 biennium.

¹ CL 141/REP para. 9

11. At their Joint Meeting in April 2011, the Committees also stressed the need for TCP projects to be strategic, catalytic and more gender balanced. The afore-mentioned results monitoring system will allow for better reporting on these issues, and for the sharing of lessons learnt. In addition, it is recognized that projects are more likely to have a clear strategic focus, be catalytic and sustainable, and be gender sensitive in their implementation and outcomes, if attention to these aspects is given at the formulation stage. It is for this purpose that all TCP projects are appraised against a set of criteria (“the TCP criteria”) which include criteria related to prioritization, sustainability, catalytic effect, and gender.

12. The Secretariat has recently reviewed the adherence to the TCP criteria to assess whether the respect for the criteria had deteriorated significantly in the current biennium following the decentralization of the TCP management. The review compared a sample of projects approved in 2009, prior to the decentralization, with a sample of projects approved in 2010, i.e. after the decentralization, for their respect for the criteria. It concluded that TCP projects approved after 1 January 2011 have suffered to a limited degree from reduced respect for the criteria, with variations across criteria and regions. Although the deterioration is not dramatic and reflects the unfamiliarity of concerned decentralized and headquarters officers with the interpretation of the criteria, the Secretariat will explore ways to further build the capacity of concerned officers to apply the criteria during the project formulation process. Particular attention will be given to the criteria related to strategic focus, sustainability and gender mainstreaming. Possibilities for strengthening the quality assurance mechanism will also be pursued, including through improved procedures and guidance material.