Chairs' Aide Mémoire of Joint Meeting of CoC-IEE WG I & WG III
Monday 16 May 2008, 09.30 – 12.30
Vic Heard, Chair WG I, and Ramalingam Parasuram, Chair WG III

1) **The FAO Technical Cooperation Programme (TCP)** – (Management response Annex 1)**:** All Members emphasised, simplification of procedures and clarity, simplicity and flexibility in modalities, including allocation and approval criteria. There was broad consensus in the Working Group that:

   a) TCP should be maintained at least at the level of the current percentage of the Regular Programme budget. TCP approvals and disbursements should demonstrate continuity and regularity in programming and implementation to avoid delays and clustering of approvals at the end of a biennium. TCP should not be used as a reserve fund for delayed payments and TCP resources should continue to be transferable between biennia;

   b) Authority needed to be effectively devolved from Headquarters to the Regional Representatives and FAORs, for design, approval and implementation of TCP (Management considered that the Director-General remained responsible for TCP and monitoring and oversight needed to be maintained at Headquarters. Management also noted that more decentralization had been introduced following the 2004 TCP independent review and this process was now being completed);

   c) Emphasis in TCP monitoring, control and improvement should be through *ex post* audit and evaluation against specified outputs and outcomes;

   d) TCP should be country driven, reflecting national and regional needs and also FAO's overall priorities. Meaningful National Medium-Term Priority Frameworks had an important role to play in this. Individual TCP design costs should be in proportion to the total size of projects and should be undertaken in detail at the start of the project, rather than prior to approval; and

   e) TCP should draw to the maximum extent possible on national expertise, but as a programme for knowledge transfer, international expertise could be used as necessary (Management cautioned that use of international expertise should be kept to a minimum and emphasised the use of TCDC consultants and retirees under the partnership programmes).

2) Management was requested to further develop for discussion by the Working Group criteria and options for indicative allocation of TCP resources at regional and country level. All members considered that countries' needs, income status and the extent of rural poverty should feature among the criteria. At the same time most members emphasised that TCP should remain a universal programme open to all members. Some members considered that past performance in effective utilisation of TCP should feature as a consideration among the criteria, but the majority did not share this view.

3) **Partnerships:** Members endorsed the Management's strategy note (Annex 2). They agreed that partnership was not an end in itself and emphasized partnerships based on added value and cost effectiveness with shared objectives for common results. In

particular there is high priority to enhancing and deepening relations with the UN family, notably with the Rome-based agencies for food and agriculture. It was stressed that:

a) The evaluation units of the Rome-based agencies should collaborate more closely;
b) There should be proactive engagement with international financial institutions;
c) Periodic review of partnerships is essential to consider modification or abolition of existing partnerships and the value of new ones;
d) In working with the private sector FAO should maintain its neutrality and impartiality;
e) Joint institutional arrangements should fully justified by the benefits and considered on a case-by-case basis with flexibility maintained.

Annex 1 - **The FAO Technical Cooperation Programme (TCP) - Management response**

IEE recommendation 3.2.c

- TCP should continue to be a priority demand-led programme within the overall priorities of FAO and approved NMTPFs: AGREED
- Funds should be stabilized at the present proportion of the overall budget: AGREED
- TCP should not be used as a reserve fund any more than any other technical programme: AGREED
- Indicative amounts should be assigned on a regional basis with countries in each region made aware of those amounts: AGREED
- Lift restrictions on use of international consultants: AGREED but ...
- Approval authority should lie with Regional Representatives with no requirement for referral back to HQ: PARTIALLY AGREED
- TCP projects should specify the results being sought and the outcomes expected: AGREED
- TCP projects should continue to be subject to ex-post audits and evaluations: AGREED

IEE recommendation 7.8

- Regional allocations should be defined and indicative working allocation criteria based on country needs and track records in effectiveness of utilization of resources should be developed and applied by the regional offices in making country allocations: PARTIALLY AGREED
- Regional Representatives should be responsible for country allocations within agreed NMTPFs: PARTIALLY AGREED

On international consultants

- Agree to lift ex-ante control but
- continue encouraging use of national and partnership consultants (mainly TCDC/ TCCT, but also retirees) to promote developing countries capacities, ensure appropriate responses to country needs, and to reduce costs.
- Use of national and partnership consultants versus international consultants will be monitored ex-post.

Principles of the decentralization model

- In line with the FAO decentralization policy, FAOReps, SRCs and RRs are responsible for the entire project cycle in their respective area.
- FAOReps and SRCs are part of the same team and are best placed to assess national and subregional priorities and to ensure strategic focus.
- Resources for emergency assistance and interregional projects cannot be allocated by region and need to be managed by HQ.

- The technical quality and relevance for FAO's strategic objectives of TCP projects must be maintained
- Director-General remains accountable for TCP: responsibility for monitoring and oversight at HQ.

Decentralization model for TCP

- Approval of national, subregional and regional TCP projects delegated to FAOReps, SRCs and RRs.
- Subject to integration in NMTPFs or other priority frameworks, technical clearance, and endorsement of appraisal against TCP and PPRC criteria at a higher level.
- Joint responsibility of RRs and SRCs for the management of regional TCP allocation, and for any re-programming, in consultation with FAOReps.
- Emergency and interregional projects approved at HQ.
- Overall monitoring and oversight maintained at HQ

TCP Allocation – Past guidance by Governing Bodies
Independent Review of the TCP in 2004 recommended the introduction of indicative country allocations, but the Programme Committee in May 2005 agreed that discussion on criteria for such allocations was unlikely to lead to consensus.
However, the following principles on the distribution of TCP resources were confirmed:
- Universality of the TCP: 37 developed and high-income developing countries have access to TCP on a reimbursable basis, 156 countries are eligible for TCP assistance on a grant basis.
- Priority attention to addressing the needs of LIFDCs, LDCs, LLDCs and SIDS (116 countries).
- Earmarking of 15 percent of TCP appropriation for emergency assistance.
- TCP is demand-driven and should be used flexibly, according to need, and in an equitable manner.
- TCP appropriation must be fully committed.

TCP Allocation – Criteria mentioned by the IEE
- Food security
- Dependence on agriculture
- Absolute numbers of people suffering from hunger and poverty
- Country needs
- Unutilized funds should be subject to re-programming
- Country track records in effective utilization of resources (difficult)

Conclusion:
Management would require guidance from FAO Members

Implementation plan
Once the final decision to decentralize has been taken, a transition period of 2 years must be envisaged to:

- build capacity in all decentralized offices (training and, possibly in some cases, additional staff);
- simplify and streamline guidelines and procedures;
- develop necessary tools for the decentralized management of the TCP.

Cost implications will be calculated when the decision to decentralize has been onfirmed. It is assumed that agreement can be obtained to absorb the one-time costs within the TCP appropriation. Efficiency savings are expected after the transition period.

Annex 2   Organization-wide Strategy on Partnerships
Strategy Note

1.   Analysis of needs and FAO's comparative advantage

1.   FAO partners to: (a) enhance its technical performance; (b) establish horizontal collaboration in strategic or operational programming, funding or advocacy; and (c) better reach out to final users of its services. FAO both contributes to partnerships and benefits from them, with partnerships of various durations. Partnerships are firmly embedded in FAO's way of doing business at global, regional, subregional and national levels. Partnerships include those with UN agencies, research institutions, international financing institutions (IFIs) and other inter-governmental entities. FAO also partners with Governments, civil society including both people's organizations and NGOs, and the private sector. The Organization also engages in many less formalized networking arrangements.

2.   In order to be successful, FAO's leadership in the international governance of agriculture and agricultural development requires the mobilization of the world's best knowledge and capacities. Such knowledge and capacities do not reside only in FAO and need effective collaborative linking of the various relevant institutions in support of shared goals. FAO's ability to fulfil its mandate can be leveraged by partnerships that reinforce its credibility as a knowledge organization and raise its profile in global fora, adding value through combining effort. Partnerships also generate potential for cost savings and economies of scale, especially in the current changing aid climate.

3.   FAO's comparative advantages and credibility in partnering lie in the following:

(a) its nature as an integrated knowledge creator, assembler and disseminator, and its unbiased technical capacity for leadership, guidance and operations in the areas of its mandate;
(b) its visibility, continuity and expertise as a specialized UN agency in these areas;
(c) its role as a neutral forum for exchange and world-wide facilitator for policy dialogue;
(d) its field programme and its implementation capability in complex situations and its access to Governments;
(e) its ability to network globally, at different and multidisciplinary levels, and its long experience with partners of all kinds; and
(f) legitimacy that partners can gain through their collaboration with FAO, including with respect to its advocacy role.

2. Vision and objectives

4.   The effectiveness of FAO to reach its overall goals will be enhanced by an organization-wide strategy on partnerships. The strategy will promote the more systematic use of partnerships and provide practical guidance to FAO units and partners in order to facilitate the selection, prioritization, development and better management of new or renewed partnerships.

Vision

5.   FAO will enhance its capacity to assist Members in achieving their Global Goals through key partnerships and strong alliances.

Objectives

(a) to enhance the interaction of FAO with other actors and its final users in order to realize larger benefits to Members;
(b) to maximize the use of available technical knowledge; and

(c) to strengthen FAO's capacity to select, prioritize, establish and successfully operate partnerships for supporting shared goals.

6. In pursuing these objectives, guiding principles on partnerships will be identified and may include:

(a) Partnership is not an end in itself but is a means for greater effectiveness in supporting international governance of agriculture and agricultural development, pursuing the objectives and priorities of the new Strategic Framework of the Organization, with which partnership will be fully harmonized.

(b) Building on ongoing collaborations, partnerships are based on the comparative advantages of the partners and aim at specific goals of FAO and shared by the partners.

(c) The nature of FAO's role will vary according to the different partnerships it engages in; for example FAO may take a leadership role or act as facilitator in some, and be a participant in others.

(d) The desirability of a partnership depends on the mutual value-added and benefits in achieving shared objectives expressed in terms of results, and weighed against the costs and impediments to its effectiveness for the partners.

(e) FAO must at all times preserve its neutral and impartial role and act in a transparent manner. Partnerships must be avoided where conflict of interest is of concern.

(f) Global partnerships should consider regional and country levels in their implementation.

3. Expected Outcomes and Outputs

7. The systematic application of *guiding principles* to selected and prioritized partnerships will seek to produce concrete outcomes and outputs that will contribute to achieving FAO's goals.

Expected outcomes	Expected outputs
▪ Enhanced value-added of partnerships in supporting FAO to achieve intended results, consistent with its Strategic Framework, and reflecting a clear definition of the Organization's role as either leader or facilitator. ▪ Facilitated mobilization of worldwide knowledge. ▪ Increased capacity to operate in multidisciplinary contexts. ▪ Improved ability to reach out. ▪ Effective management and operationalization of partnerships – including through a more systematic approach to partnering, adequate consideration of investment requirements and resources, timeliness, flexibility and communication needs – leading to an enhanced image of FAO as a good partner.	▪ General guidelines to identify, select, prioritize and operationalize partnerships. ▪ New and renewed priority and strategic partnerships for different categories of partners. ▪ A calendar to review partnerships (agreed with relevant FAO units). ▪ Stocktaking of partnerships highlighting mutual value added and constraints, avoiding duplication of efforts. ▪ Experience, best practices and lessons learned to inform the design and review of partnerships. ▪ Through support and training staff are better guided to engage in partnerships.

4. Implementing the strategy

8. This strategy focuses on the overarching dimensions of FAO's partnerships. It initially addresses corporate-level partnerships. Specific types of partnerships will be addressed

simultaneously although separately by relevant FAO units on a selected basis. Implementation of the strategy will be pragmatic and step-by-step. Its formulation will include:

(a) Finalization of the guiding corporate principles on partnerships.

(b) Preparation of a short-term agenda of initiatives (12 months) that will generate outcomes and outputs identified in section 3, including preparation, review or updating of selected categories of partnerships by responsible units, and preparation of a medium-term timeframe (3 years).

(c) Consultation with FAO units to facilitate coherence between the *guiding principles* and specific strategies for which they are responsible, and to promote synergies and harmonization.

(d) Harmonization with ongoing initiatives for organizational change, fostering positive attitudes to partnerships that will feed into the culture change process.

(e) Formulation of an appropriate monitoring and evaluation mechanism to ensure feedback and iterative revision of the strategy during its implementation.

(f) The establishment of a mechanism or service within FAO structure to support implementation of the strategy and development of specific types of partnerships.