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JOINT MEETING

**Joint Meeting of the
Hundred and Third Session of the Programme Committee
and the
Hundred and Thirty Second Session of the Finance Committee**

Rome, 14 April 2010

**Progress on the Implementation of the
Technical Cooperation Programme**

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EXECUTIVE SUMMARY

This document provides an update on TCP approvals against the 2008-09 appropriations and expenditures against the 2006-07 and 2008-09 appropriations as at 31 December 2009 and prospects for the first six months of 2010.

GUIDANCE SOUGHT FROM THE COMMITTEES

The Joint Meeting is invited to comment on the implementation and management of the TCP appropriation.

1 This paper provides for the information of the Committees the status of implementation of the Technical Cooperation Programme (TCP) for the 2006-07, 2008-09 and 2010-11 appropriations. It also provides an update on the status of implementation of decentralization of TCP management under the IPA.

I. TCP approvals and expenditures against the 2006-07 appropriation

2. The average monthly expenditure rate for the 2006-07 appropriation was USD 2.6 million during the period from January 2008 to June 2009. In July 2009, the Secretariat informed the Joint Meeting of Programme and Finance Committees (Doc JM 09.2/6) and the Finance Committee (Doc FC 128/14) that despite the delay in the approval of projects against the appropriation due to the liquidity difficulties faced by the Organization during the 2006-07 biennium, an under expenditure of USD 4 million on the appropriation was considered attainable and committed itself to a series of management actions to reach this objective. Several initiatives were taken to accelerate the implementation of projects, moreover in October 2009 the forecasted under delivery ranged from USD 7 to 9.5 million. Consequently, the Secretariat contacted all budget holders with significantly under delivered budgets individually, reminding them of the imminent closure of the biennium and of the importance of completing project activities expeditiously. Action was also taken to ensure that claims for technical support services by FAO technical staff were submitted. In this manner, the level of delivery in November and December was sufficient to reduce the under expenditure to USD 5 million.

3. This under expenditure on the 2006-07 appropriation of USD 5 million has been absorbed through the return flow process. Through this process, 11 projects originally approved against the 2008-09 appropriation (ten projects under the Initiative on Soaring Food Prices [ISFP] and one other emergency projects) and with total expenditures of USD 5 million have been transferred to the 2006-07 appropriation. The expenditures against the TCP appropriation for 2006-07 thus reached USD 95.7 million at 31 December 2009 representing 100 percent of the net appropriation.

4. Table 1 shows the TCP approvals and expenditures by project category against the 2006-07 appropriation.

Table 1. TCP approvals and expenditures against the 2006-07 biennium

	Approval	Expenditure
	USD (thousands)	USD (thousands)
Development Support	67 120	57 656
Emergency Assistance	17 481	16 145
TCP Facility	17 661	15 160
ISFP (Input supply/technical assistance)	2 294	6 757
Total	104 556	95 718

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

5. By 31 December 2009, 367 projects had been approved against the 2008-09 appropriation for a total value of USD 107.3 million, representing a 3 percent over programming of the net appropriation of USD 104 million. The transfer of responsibility for the management of the TCP to Decentralized Offices as of 1 January 2010 is expected to lead to a higher level of expenditure against approved budgets than the historic average of 85-90 percent. It is thus foreseen that the 2008-09 appropriation should be over programmed by 5-8 percent to ensure that the appropriation

is fully expended by the end of 2011. For this reason, approval of projects against the 2008-09 appropriation has continued in early 2010, reaching 33 projects for a value of USD 2.9 million by 28 February 2010 and a level of over programming of 8 percent.

6. Expenditures against the 2008-09 appropriation increased from USD 34.7 million as at 30 June 2009 to USD 52.1 million as at 28 February 2010, representing 50.3 percent of the total appropriation. The average monthly expenditure rate against this appropriation was of USD 1.6 million in 2008 and USD 2.5 million in 2009, reflecting that expenditures increase as projects are approved over the course of the biennium. The Secretariat will continue to monitor the future rate of expenditure against this appropriation, aiming for its full commitment by the end of the 2010-11 biennium.

7. The use of the TCP Facility to address specific requests for technical assistance has become fully integrated into the working modality of the TCP. A total of USD 22.5 million had been approved for activities under the TCP Facility against the 2008-09 appropriation by 28 February 2010, of which USD 12.2 million or 54.2 percent had been spent by the same date.

8. Table 2 shows the approvals and expenditures the 2008-09 appropriation as per 28 February 2010.

Table 2. TCP approvals and expenditures against the 2008-09 biennium as per 28 February 2010

	Approval	Expenditure
	USD (thousands)	USD (thousands)
Development Support	54 304	12 803
Emergency Assistance	7 769	2 934
TCP Facility	22 467	12 251
ISFP (Input supply/technical assistance)	27 971	24 112
Total	112 511	52 100

9. The large majority of the 74 ISFP/TCP projects approved for input supply against the 2006-07 and 2008-09 appropriations have completed their field activities, although the assessment of the impact of these projects is ongoing. In very few cases, the distribution of inputs has not yet been completed due to the imperative of abiding by the agricultural calendar.

III. Forecasts for approvals from January to June 2010

10. As per 28 February 2010, a total of ten projects for a value of USD 2.4 million had been approved against the 2010-11 biennium. Although this figure is low compared with the average of USD 4.5 million per month required to fully approve the appropriation, it is not unexpected as the decentralized offices are not yet fully familiar with managing the approval process. It must be noted that the pipeline of projects would justify an expectation of a rise in the level of approvals in the coming months, and assistance to decentralized offices is being provided from headquarters to ensure a higher level of monthly TCP approvals.

11. Concerning linkages to the Organization's Strategic Framework, the TCP Criteria determine that all TCP projects must contribute to at least one Organizational Result, which is a condition for the approval of any project. In this way, the Organization will be able to report on how TCP projects contribute to reaching the Organizational Results.

IV. Implementation of the decentralization of the TCP management

12. The decentralization of the TCP management as of 1 January 2010, as foreseen in the IPA, is being supported in terms of human resources and capacity building. Posts at professional and general service level have been established in the Regional Offices to assist the Assistant Directors-General/Regional Representatives with the management of the TCP resources allocated to each region in the PWB 2010-11. This dedicated TCP staff in the Regional Offices will also contribute to the monitoring of the use of the TCP resources and will constitute a help desk for other decentralized offices in the region, and the selection process is being expedited. While recruitment of the above mentioned TCP staff is ongoing, several Regional Offices have increased their capacity through the recruitment of short-term human resources. In addition, the decentralized offices continue to be supported in the day-to-day management of their TCP-related tasks by headquarters staff, including through missions to Regional and Subregional Offices as required.

13. During the second half of 2009, all Decentralized Offices received training on their respective roles and responsibilities for the decentralized TCP approval process. They were also provided with guidance on how to ensure respect for, inter alia, the TCP Criteria endorsed by the Governing Bodies. Furthermore, briefings were provided at headquarters for technical officers on the new approval modalities for TCP projects and on their specific roles in this regard. Revised TCP guidelines have been issued in January 2010, aimed at providing information and detailed guidance to all users on all aspects of the TCP project cycle and on the management of the appropriation in the new decentralized business model.

14. More targeted training will be provided for the TCP staff in the Regional Offices as and when selected. Training are also being planned for a broader group of users of the TCP on topics of special interest, such as information management and the modalities for the processing and approval of emergency projects. In addition, efforts are underway to streamline some of the TCP management processes hitherto carried out from headquarters and which have now been decentralized, including pipeline management, budgeting and TCP Facilities.