

Document: EB 2014/112/R.18  
Agenda: 12(a)  
Date: 6 August 2014  
Distribution: Public  
Original: English

**E**



Investing in rural people

## Hosting of the Secretariat of the International Land Coalition

### Note to Executive Board representatives

#### Focal points:

#### Technical questions:

**Jeremy Hovland**  
Interim General Counsel  
Tel.: +39 06 5459 2457  
e-mail: j.hovland@ifad.org

**John Murray McIntire**  
Associate Vice-President  
Programme Management Department  
Tel.: +39 06 5459 2419  
e-mail: j.mcintire@ifad.org

**Michael E. Gehringer**  
Director, Human Resources Division  
Tel.: +39 06 5459 2820  
e-mail: m.gehringer@ifad.org

#### Dispatch of documentation:

**Deirdre McGrenra**  
Head, Governing Bodies Office  
Tel.: +39 06 5459 2374  
e-mail: gb\_office@ifad.org

Executive Board — 112<sup>th</sup> Session  
Rome, 17-18 September 2014

---

**For: Approval**

## Recommendation for approval

In a closed meeting at its 109<sup>th</sup> session in September 2013, the Executive Board authorized the President to enter into negotiations with the International Land Coalition (ILC) Council to conclude the terms of a new hosting agreement. It was agreed that the terms of the new agreement, as negotiated, would be submitted to the Executive Board for its approval at a subsequent session.

The President hereby seeks the Executive Board's approval to execute the new agreement concerning the hosting of the Secretariat of the ILC at IFAD for the period 2016-2020 as defined in the annex.

## Hosting of the Secretariat of the International Land Coalition

### A. Background

1. The International Land Coalition (ILC), established on 1 January 1996, is a global alliance currently composed of 152 civil society, research and intergovernmental organizations, working together to promote secure and equitable access to and control over land for poor women and men through advocacy, dialogue, knowledge-sharing and capacity-building.
2. While maintaining the level of its financial support to the ILC over recent years, IFAD is no longer the Coalition's main donor. Among the ILC's contributors, the European Union, Swiss Confederation, Ministry of Foreign Affairs of the Kingdom of the Netherlands and Swedish International Development Cooperation Agency now constitute ILC core donors and strategic partners.
3. The ILC works with poor rural people to increase their secure access to natural resources, especially land, and to enable them to participate directly in policy formulation and decision-making processes that affect their livelihoods at local, national, regional and international levels. The ILC has three primary objectives: (i) enhance the capacities of its members and partners to help landless people and smallholders gain and maintain secure access to land and related production support services; (ii) facilitate the opening of spaces at all levels for inclusive dialogue among actors in land issues; and (iii) generate and share knowledge of land-related case examples and trends to inform policy decision processes.

### B. ILC governance

4. The ILC's supreme governing body is the Assembly of Members, which meets biennially, inter alia, to: (i) establish the overall strategic direction and policy framework for the operation of the ILC; and (ii) review progress in implementing the ILC's strategic framework. The Coalition Council is the executive body responsible for the ILC's governance between Assembly meetings, with 14 members comprising eight civil society organizations and six intergovernmental organizations – currently: IFAD, the Food and Agriculture Organization of the United Nations (FAO), World Bank, United Nations Environment Programme (UNEP), secretariat of the United Nations Convention to Combat Desertification (UNCCD) and the International Food Policy Research Institute (IFPRI).
5. The ILC Secretariat is responsible for managerial, operational and administrative functions and is headed by a Director, who is an ex officio member of the Assembly and the Coalition Council. The Director is responsible, inter alia, for:
  - (a) Ensuring coherence of the ILC's annual workplan and budget with its strategic framework;
  - (b) Fostering active participation by members;

- (c) Recruiting and managing staff and consultants;
- (d) Supporting the Assembly of Members and the Coalition Council in meeting their responsibilities;
- (e) Serving as the ILC's primary spokesperson;
- (f) Entering into agreements with third parties;
- (g) Managing funds;
- (h) Authorizing commitments of resources in accordance with IFAD policies and procedures; and
- (i) Approving the development, publication and dissemination of institutional and public documents and materials.

### **C. IFAD and the ILC Secretariat**

6. IFAD has continuously been the host organization for the ILC's Secretariat, providing facilities and services available through its administrative divisions, in addition to any financial support it may provide.
7. Current arrangements concerning the hosting of the ILC Secretariat at IFAD are specified in the hosting agreement executed by IFAD and the Coalition Council in December 2008, which will terminate on 31 December 2015.
8. The ILC Secretariat is a separate entity hosted by IFAD – being neither an IFAD division nor part of one – and reports directly to the Coalition Council. As the host organization for the ILC Secretariat, IFAD is a permanent member and co-chair of the Coalition Council. However, since the ILC's creation, IFAD's role as host organization is distinct from its institutional role as a member of the Council.

### **D. The new hosting agreement**

9. The annexed draft hosting agreement identifies the extent of the administrative, human resource, legal, financial and other support services that IFAD, in its capacity as host organization, would provide to the ILC Secretariat. The costs of these services, as is currently the case, would continue to be reimbursed to IFAD by the ILC.
10. Article I, section 4, of the draft hosting agreement specifies that any and all liabilities incurred by IFAD as a result of actions taken by the ILC Secretariat or otherwise arising under the hosting agreement shall be met entirely by the ILC through the mechanisms described in the agreement itself, in accordance with the following priorities: first, from any relevant insurance policies to be taken out; second, any residual liabilities not covered by such insurance policies ("residual liabilities") shall be met from a reserve fund to be established by the Coalition Council; and last, any remaining residual liabilities not satisfied by the reserve fund shall be met out of the ILC's other funds.
11. Moreover, article I, section 4, of the draft hosting agreement makes it clear that IFAD shall not under any circumstances or for any reason whatsoever be held liable for loss, damage or injury nor for costs and/or expenses incurred in the defence of any suits, claims or demands sustained in relation to the draft hosting agreement or any other agreement with third parties. The ILC shall use its best efforts to ensure that the insurance policies, reserve fund and other funds are adequate to cover all such liabilities.
12. Again, article I, section 4, of the draft hosting agreement stipulates that all contractual obligations or commitments undertaken by the ILC with any third party shall provide that no recourse may be had to IFAD as a result of any such contractual obligations or commitments. In this regard, to the extent IFAD is required to enter into third-party agreements on matters pertaining to the ILC, it shall do so under terms of a disclosed agency relationship.

13. The employment conditions of the Director and staff of the ILC Secretariat are specified in article II, section 2, of the draft hosting agreement. The main changes from the current contract consist in: specifying IFAD's role as the agent acting on behalf of the ILC; stipulating that appointments of the Director and staff and any extension thereof are limited to service with the ILC Secretariat, entailing no expectation of service with IFAD outside the Secretariat; and confirming that the sole source of funding for contracts is the ILC's own resources, administered by IFAD, and that no recourse may be had to any IFAD funds or monies for any reason.

#### **E. IFAD's future relationship with the ILC**

14. The draft hosting agreement was presented and discussed on 3 June 2014 at the ILC's twenty-third Coalition Council meeting. We understand that the Coalition Council expressed its deep appreciation to IFAD (i.e. to Management and the Executive Board) for positively considering the ILC's request for extending/renewing the agreement for hosting the ILC Secretariat for the 2016-2020 period. It further welcomed the proposed hosting agreement and, in the absence of any substantive objections, the Coalition Council endorsed it as a basis for continued negotiations in view of its finalization and submission to the IFAD Executive Board in September 2014, and subsequently for formal approval by the ILC Council in December 2014.
15. Management is advised that the Coalition Council considers the establishment of an adequately resourced reserve fund, as well as the acquisition of insurance policies (covering employment-process-related liabilities), to be positive strategic moves for the Coalition. These instruments would strengthen the ILC's institutional foundation and better prepare it for the future should it pursue its establishment as an independent entity in 2020 or beyond.
16. In seeking the Executive Board's approval to execute the draft hosting agreement with the ILC Council, Management wishes to underline the following considerations:
  - (a) The ILC has been a good partner of IFAD for many years, and its vision of secure and equitable access to land as an essential factor in reducing rural poverty will continue to benefit IFAD's target groups in the future. IFAD's membership in the ILC and its active partnership and engagement with the Secretariat at country and international levels are expected to contribute to the achievement of IFAD's strategic objectives and to facilitate the implementation of IFAD's policy on improving access to land and tenure security. Partnering with the ILC will also offer IFAD additional opportunities to learn from and influence a large and growing number of actors on land issues.
  - (b) The ILC maintains that IFAD's hosting of the Secretariat played a key role in attracting and retaining its strategic partners and other donors, as well as in maintaining the ILC's standing and reputation.
  - (c) IFAD's hosting of the Secretariat has contributed to the good image and reputation of the Fund among the many members and partners of the Coalition, and has enhanced development actors' perceptions of the attention IFAD gives to the relevance of land in rural development processes.
  - (d) The legal measures contained in article I, section 4, of the draft hosting agreement, as further elaborated and complemented elsewhere in the agreement, are expected to provide a level of comfort that IFAD will be indemnified from and against all suits, claims, demands and liability of any nature or kind, including their costs and expenses arising out of acts or omissions of the ILC or its staff, employees, officers, agents or subcontractors in the performance of the new hosting agreement or any other agreement with third parties.

## **Agreement concerning the hosting of the Secretariat of the International Land Coalition**

This Agreement<sup>1</sup> is between the International Fund for Agricultural Development ("IFAD") and the Coalition Council (the "Coalition Council") of the International Land Coalition ("ILC") and defines the terms and conditions under which IFAD will continue to host the Secretariat of the ILC (the "Secretariat") from the expiry date of the current agreement (31 December 2015) to 31 December 2020.

**Whereas**, IFAD and the International Land Coalition have complementary missions and IFAD has hosted the Secretariat of the ILC since its creation, and following extensive review of relevant options, discussions between the parties, and consultations with their respective stakeholders, the Parties have determined to adapt and extend the agreement for the hosting of the Secretariat on the terms and conditions described herein.

Now, therefore, IFAD and the Coalition Council hereby agree as follows:

### **Article I - General**

**Section 1** This Agreement covers the hosting of the Secretariat by IFAD at its headquarters in Rome and does not cover the hosting of ILC staff members stationed in other locations.

**Section 2** IFAD agrees to host the Secretariat of the ILC and to assume certain responsibilities with respect to the administration of the Secretariat as set out herein for the duration of this Agreement. IFAD's role as host organization for the Secretariat is separate from its institutional role as a member of the Assembly of Members of the ILC and of the Coalition Council, which is in accordance with the ILC Charter and Governance Framework. The legal relationship between the Secretariat and IFAD is restricted to the purpose of this Agreement and the Secretariat shall therefore not be considered an assimilated administrative unit of IFAD for any other purpose.

**Section 3** The costs of the Secretariat of the ILC shall be met solely from the funds of the ILC, including contributions provided by the members of the ILC. This Agreement carries with it no expectation or entitlement to any financial contribution to the ILC by IFAD and any such financial contribution is voluntary on the part of IFAD.

**Section 4** Any and all liabilities incurred and/or otherwise accrued by IFAD as a result of actions taken by the ILC Secretariat or otherwise arising under this Agreement shall be met entirely by the ILC, through the mechanisms described below or from ILC funds in accordance with the following priorities: first, from any relevant insurance policies to be taken out in accordance with Article III, Section 1 hereto; second, any residual liabilities not covered by such insurance policies ("Residual Liabilities") shall be met from a Reserve Fund to be established by the Coalition Council in accordance with Article III, Section 2 hereto; and, last, any remaining Residual Liabilities not satisfied by the Reserve Fund shall be met out of the ILC's other funds. In addition, all contractual obligations or commitments undertaken by the ILC with any third party shall provide that no recourse may be had to IFAD as a result of any such contractual obligations or commitments. The Parties hereby expressly agree that IFAD shall not under any circumstances or for any reason whatsoever be held liable for loss, damage or injury nor

---

<sup>1</sup> This Agreement shall be executed in the English language

for costs and/or expenses incurred and/or otherwise accrued in the defence of any suits, claims or demands sustained in relation to this Agreement or any other agreement with third parties. The ILC shall use its best efforts to ensure that the insurance policies, Reserve Fund, and other funds are adequate to cover all such liabilities.

## **Article II** *Personnel*

**Section 1** Upon the request of the ILC and for the duration of this Agreement, IFAD agrees to recruit personnel for the purpose of staffing the ILC's Secretariat, including a person suitable to be appointed as the Director of the Secretariat (the "Director").

**Section 2** The Director and the other staff members of the Secretariat, including the staff seconded to the Secretariat by IFAD, governments or other entities (the "Secretariat Staff" and together with the Director, the "Personnel") shall be employed in accordance with the following conditions:

- a) IFAD shall recruit the Personnel using its normal recruitment procedures. The person selected as Director by the Coalition Council shall be given a contract of employment by IFAD on the recommendation of the Coalition Council. The Secretariat Staff shall be given contracts of employment by IFAD upon the recommendation of the Director.
- b) The Personnel shall have the status of staff members of IFAD assigned to work for the ILC. They shall be subject to the Human Resources Policy, Staff Rules and Human Resources Implementing Procedures of IFAD as they may be amended from time to time, except as provided herein, or as specified in their contracts of employment.
- c) The Personnel shall be employed by IFAD under fixed-term contracts of employment for a maximum of two years, which shall be renewable and subject to performance, conduct, the availability of resources and a continued need for each position in the organic structure of the Secretariat. The Personnel shall not be eligible for the conversion of their contracts to indefinite appointments with IFAD.
- d) The Director shall have the functions and responsibilities assigned to the Director under the Constitution and Governance Framework of the ILC. These functions and responsibilities shall be reflected in the terms of reference of the Director's position, which shall be established by the Coalition Council in agreement with IFAD.
- e) The terms of reference of the Secretariat Staff shall be prepared by the Director within the framework of the Programme of Work and Budget approved by the Coalition Council, and shall conform to the terms of reference for the staff of IFAD who perform equivalent functions.
- f) The Director shall be responsible for managing the Secretariat Staff and consultants in accordance with the programme direction provided by the Coalition Council and the Human Resources Policy, Staff Rules and Human Resources Implementing Procedures of IFAD.
- g) The Director's annual performance evaluation and recommendation for action as appropriate shall be conducted by the Coalition Council and reported to the President of IFAD.

- h) The contracts of the Personnel shall stipulate that their appointments are limited to service with the Secretariat, entail no expectation of service with IFAD outside the Secretariat, and that the sole source of funding for their contracts is the ILC's own resources administered by IFAD and that no recourse may be had to any other funds or monies of IFAD for any reason. The Personnel shall not be entitled to be appointed to positions with IFAD unless they go through normal recruitment, lateral transfer or rotation procedures, in which case they shall be considered internal candidates. IFAD staff assigned to the Secretariat with return rights shall have the right to return to employment within IFAD at the end of their appointment with the Secretariat in accordance with the relevant provisions of the Human Resources Policy, Staff Rules and Human Resources Implementing Procedures, subject to the availability of suitable positions and funds, and their years of service with the ILC shall count towards their eligibility for conversion to indefinite appointments. The provisions on redundancy in Rule 10.1 (d) of the Staff Rules shall not apply to the Personnel, except for IFAD staff assigned to the Secretariat with return rights.
- i) The duration of the contracts of the Personnel shall under no circumstances exceed the duration of this Agreement, and each contract of employment shall contain a provision to this effect.
- j) The Director is held to the same integrity standards and is subject to the same procedures as all other IFAD staff. Imposition of a warning or disciplinary measures by IFAD in respect of the Director for any of the reasons set forth in Rule 8 of the Staff Rules and Chapter 8 of the Human Resources Implementing Procedures (and its Annex) shall be carried out only after consultation with the Coalition Council.
- k) Termination of service of the Director shall be initiated by IFAD only after consultation with the Coalition Council or at the Coalition Council's request.

**Section 3** The Parties confirm that the Secretariat, through its Director, is accountable to the Assembly of Members of the ILC and the Coalition Council for the ILC's programme implementation, including the implementation of the Programme of Work and Budget.

**Section 4** All costs of the Personnel, including salaries and entitlements shall be borne by the budget of the ILC approved by the Coalition Council.

### **Article III** *Financial Arrangements*

**Section 1** IFAD shall provide the ILC with (a) suitable office space for the Personnel, including computer, telecommunications and other office equipment, as well as the normal infrastructure facilities and services available to other offices of IFAD, and (b) financial and support services. The facilities and services to be provided and the costs thereof are set forth in Annex 1. ILC shall pay IFAD the amount set forth in Annex 1 on a yearly basis. Notwithstanding the generality of the foregoing, the ILC shall, from its own resources, bear the full amount of premiums and any other costs in respect of insurance taken out by IFAD on behalf of the ILC to cover any and all liabilities sustained by IFAD arising under this Agreement. The ILC Secretariat shall be responsible for the periodic review of risks covered by such policies and for making recommendations to IFAD for mitigating such risks.

**Section 2** In addition, the Coalition Council shall establish a Reserve Fund adequate at any moment in time: (i) to meet the costs of any Residual Liabilities which may be accrued by IFAD in connection herewith, and (ii) to indemnify, hold and save harmless

and defend, IFAD and its officials, from and against all suits, claims and demands, as a result of its acting and having acted as host organization for the Secretariat. To this end, IFAD shall open and thereafter maintain an account to hold the monies in the Reserve Fund, including any interest income earned thereon. In the event of any Residual Liabilities, upon presentation of a final legal claim holding IFAD legally responsible for such Residual Liabilities and after consultation with the Coalition Council, IFAD shall discharge any such Residual Liabilities from the Reserve Fund.

**Section 3** IFAD agrees to open and administer such other accounts on behalf of the ILC as the Director may determine, to hold funds provided to the ILC in trust on behalf of the ILC, and to expend such funds according to, and only according to, the written instructions of the Director or in accordance with such other conditions as may be agreed upon in writing between IFAD and the Director.

**Section 4** The funds of the ILC shall be held by IFAD and shall be managed in accordance with the Financial Regulations, rules and procedures of IFAD, except in so far as the application of those Regulations, rules and procedures has been modified to take into account the particular operational needs of the Secretariat. IFAD, in agreement with the Director, will draw up a list of approved modifications and exceptions. All funds of the ILC held by IFAD shall be subject exclusively to IFAD's internal and external auditing arrangements.

**Section 5** All financial transactions of the ILC and its Secretariat will be handled through IFAD in accordance with the provisions of Annex 2.

**Section 6** The Secretariat shall prepare its annual Programme of Work and Budget in a form and manner agreed with the Coalition Council in consultation with IFAD, for approval by the Coalition Council.

**Section 7** The management of contributions to the ILC and of the resources administered by the Secretariat shall continue to be conducted in accordance with Annex 2.

#### **Article IV** *Implementation*

**Section 1** IFAD and the Director shall make the necessary arrangements for ensuring satisfactory implementation of this Agreement.

#### **Article V** *Final Arrangements*

**Section 1** This Agreement will enter into force upon signature by both Parties on 1 January 2016, and shall remain in force, unless earlier terminated, until 31 December 2020.

**Section 2** This Agreement may be terminated by the Coalition Council or by IFAD by notice in writing given to the other Party with at least eighteen (18) months' prior notice.

**Section 3** Amendments to this Agreement may be effected by means of an exchange of letters between the Parties. Each party will give sympathetic consideration to proposals for amendment put forward by the other Party.

**Section 4** Should the existence of the Secretariat be terminated for any reason, the members of the ILC represented by the Coalition Council, including IFAD, shall agree on an equitable method to share the costs associated with its outstanding legal obligations and liabilities, or its remaining assets, as the case may be.



**Section 5** The parties agree that the present Agreement shall be construed and applied in accordance with general principles of law, including the applicable rules of international law. Any dispute, controversy or claim arising out of or relating to this Agreement, or the breach, termination or invalidity thereof, shall be settled by arbitration in accordance with the UNCITRAL Arbitration Rules as at present in force. The appointing authority shall be the Permanent Court of Arbitration. The number of arbitrators shall be one. The place of arbitration shall be Rome. The language to be used in the arbitral proceedings shall be English.

**Section 6** Nothing in this Agreement or in any document or course of dealing relating thereto shall be construed as constituting a waiver of the privileges or immunities of IFAD.

Signed

\_\_\_\_\_  
On behalf of the Coalition Council

\_\_\_\_\_  
IFAD

**Annex 1****Facilities and Services**

Further to the provisions of Article III, Section 1 IFAD will provide suitable facilities and services including, *inter alia*:

- Office space, furnishings and equipment;
- ICT Services exclusive of cell phone rental fees/charges and development or services costs for ILC specific applications;
- General Administration Services including print shop and photocopy services;
- Personnel Administration and support services;
- Financial Administration of ILC resources;
- Legal Services.

The ILC will pay IFAD for the facilities and services provided above an annual amount of [ ] United States Dollars (US\$ [ ])<sup>2</sup>. The Secretariat confirms that the costs are fair and reasonable. This base cost may be adjusted in subsequent years for inflation and any material change in the level of facilities and services provided.

---

<sup>2</sup> To be determined at time of conclusion of this Agreement

**Annex 2****Contributions to the ILC**

1. The ILC is open to contributions from their Members, Partners and Donors and such other sources as the Coalition Council shall approve. The ILC may accept contributions in the following forms:

- (a) cash and other financial instruments; and
- (b) in-kind goods and services.

2. Except as the CC shall otherwise decide, the ILC may accept cash or other financial contributions, subject to the provisions of paragraph 3 below, that:  
are free of limitations on the use thereof; or  
indicate that the use of the contribution is for given countries and/or regions, and/or specific beneficiaries, and/or special activities.

3. Except as the Coalition Council may otherwise decide on an exceptional basis, contributions to the ILC, in cash or other financial instruments, shall be provided in freely-convertible currencies.

4. Financial contributions shall be paid in cash or, by agreement with IFAD, in non-negotiable, non-interest bearing irrevocable promissory notes, or other similar obligations of the contributor concerned, payable at par on demand by the ILC.

5. Financial contributions to the ILC shall be confirmed by deposit with the ILC of an instrument of contribution, or an agreement having similar effect, acceptable to IFAD.

6. Each financial contribution confirmed by an instrument of contribution, or an agreement having similar effect, to the ILC deposited with IFAD shall be paid according to a schedule to be agreed between the contributor and the Director.

7. Each instalment, or parts thereof, of a financial contribution shall be recorded in the currency received and, for accounting purposes, shall be translated into United States Dollars at the exchange rate of Reuters prevailing on the date of receipt for cash contributions and converted at current Reuters rates, as required from time to time for promissory notes and other similar obligations.

**Use of Resources**

8. Except as provided for elsewhere in this Agreement, the ILC's resources shall be used exclusively for financing the programmes, activities, operations and administrative costs established in the Annual Work Plan and Budget approved by the Coalition Council, subject to the conditions imposed by contributors on the provision of the funds to the ILC.

9. All disbursements by the ILC's Secretariat shall be cleared by the Director, and approved in accordance with IFAD procedures.

10. Each grant for a specific programme activity shall be provided to the selected recipient under a specific financing agreement. The ILC shall use a model financing agreement(s), cleared by the Office of the General Counsel of IFAD (LEG) and the Controller's and Financial Services Division (CFS), that is used for common funding

requirements. The model financing agreements shall not require further clearance. Where the model financing agreement is appropriate, the Director is authorized to approve and enter into such agreements. Other agreements including model agreements modified in any form shall be cleared by LEG and CFS on a case-by-case basis. The Director is authorized to conclude agreements for amounts up to and including USD 150 000 or equivalent, for amounts in excess of USD 150 000 or equivalent, the Director must receive prior authorization from the Coalition Council.

### **Financial Administration**

11. A separate account (Account) for all monies received shall be opened and maintained by IFAD for the ILC. Financial statements for the ILC shall be prepared annually, and shall be subject to an audit by IFAD's External Auditor and the Audited Financial Statements shall be provided to the President of IFAD in accordance with IFAD's rules and procedures. Copies of the said audit reports shall be provided by IFAD to the Secretariat, to ILC Members and, upon request, to the Partners and Donors.

12. Commitments for each individual contribution shall not exceed the value of the cash paid to the ILC.

13. IFAD may, with the authorization and approval of the Director of the ILC, invest funds held in the Account, which are not currently required for disbursement. The income therefrom shall be credited to the Account to be used for ILC activities.

14. Budget commitments, accounting, disbursements and operation of the Account shall be carried out by IFAD, on behalf of the ILC, in accordance with the rules and procedures applied by IFAD to its own resources. Disbursements against withdrawal requests from each grantee or the Secretariat shall be made by IFAD in accordance with IFAD's procedures adapted as appropriate.

15. The procurement of goods, services and consultant services necessary for the ILC Secretariat and programme activities, shall be carried out in accordance with the procedures applied by IFAD.