Renewal of the Hosting Agreement of the Secretariat of the International Land Coalition

Note to Executive Board representatives

Focal points:

Technical questions:

Thouraya Triki
Director
Sustainable Production, Markets and Institutions Division
Tel: +39 06 5459 2178
e-mail: t.triki@ifad.org

Matthias Meyerhans
Director
Administrative Services Division
Tel: +39 06 5459 2492
e-mail: m.meyerhans@ifad.org

Dispatch of documentation:

Deirdre Mc Grenra
Chief
Institutional Governance and Member Relations
Tel: +39 06 5459 2374
e-mail: gb@ifad.org

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For: Approval
Recommendation for approval
The President hereby seeks the Executive Board’s approval to sign the renewal hosting agreement of the Secretariat of the International Land Coalition at IFAD, which, inter alia, extends the agreement until 2030.

A. Background
1. The International Land Coalition (ILC), established on 1 January 1996, is a global alliance currently composed of 255 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. Equitable and secure access to land is a central tenet of inclusive and sustainable rural transformation fully recognized in the framework of the Sustainable Development Goals.

2. ILC has engaged over the last two decades in the complex and rapidly changing realities in which its members work, supporting multi-stakeholder platforms and helping raise the bar for standards of good practice in land governance. In accordance with the IFAD Policy on improving access to land and tenure security, ILC promotes secure access to productive land as critical to the millions of poor people living in rural areas who depend on agriculture, livestock or forests for their livelihoods. ILC’s strategy focuses on 10 commitments that guide members in working together towards the implementation of the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security (VGGT). IFAD continues to support implementation of the guidelines through its investment and representation in the VGGT Steering Committee convened by the Food and Agriculture Organization of the United Nations (FAO).

3. While maintaining in absolute terms the level of its financial support to the ILC in recent years, IFAD is no longer the Coalition’s main donor. Indeed IFAD’s relative contribution to the total ILC budget has fallen from 50 per cent in the first six years to 12.5 per cent in the most recent triennium. This is largely due to the commitment of a group of strategic partners who provide core funding for ILC’s multi-year strategy. These core donors are: the European Union; Swiss Development Cooperation Agency; the Government of the Federal Republic of Germany (Federal Ministry for Economic Cooperation and Development [BMZ]); the Ministry of Foreign Affairs of the Kingdom of the Netherlands; Irish Aid; and the Swedish International Development Cooperation Agency.

4. 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) connect its members to each other and to change-makers outside the coalition, creating opportunities for mutual learning and joint action; (ii) mobilize its members by facilitating innovation and good practice, creating opportunities for piloting and scaling up; acting as a knowledge broker, assisting members in turning knowledge into action, and disseminating knowledge; and (iii) influence key decision makers, including governments, their partners and corporate actors to consider civil society actors as interlocutors; and promote greater accountability in decisions over land, through transparency and data availability.

5. ILC has changed significantly over the recent years through the regionalization of much of the network’s activities to strengthen horizontal linkages between members and other relevant actors in-country. As a result of this process, ILC
collaborates with IFAD in several thematic areas, including land tenure, gender, and indigenous peoples and also in a number of country programmes. Emerging areas of collaboration are land and youth, ecosystems and livestock.

B. ILC governance

6. The ILC’s supreme governing body is the Assembly of Members, which meets every three years, 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 ILC’s governance between Assembly meetings. It is composed of 16 members, 10 of which are civil society organizations as elected from different regions and six are intergovernmental organizations, currently: the Consultative Group on International Agricultural Research system (represented by the Center for International Forestry Research and International Livestock Research Institute), FAO, IFAD, United Nations Environment Programme, Secretariat of the United Nations Convention to Combat Desertification and World Bank.

7. With the regionalization process, the ILC Secretariat has stabilized over time. The Secretariat has three regional hubs, and there are also small regional coordination units hosted by other ILC members. These support regional platforms in the implementation of regional strategies and workplans.

8. 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 responsibilities of the Director are, inter alia, to:

(i) support the governing bodies of ILC, in particular the Assembly of Members and Council;

(ii) ensure that appropriate support structures are in place for ILC members organized nationally, regionally or by thematic focus;

(iii) consolidate the multi-year and annual workplans and budget, working closely with the regional coordination units;

(iv) mobilize and administer resources against priorities set out in annual workplans;

(v) manage the monitoring and evaluation and learning system, including annual and multi-year reporting;

(vi) represent the ILC as required, including in the signing of agreements with donors and grant recipients; and

(vii) promote linkages with other initiatives responding to global and regional land governance frameworks.

C. IFAD and the ILC Secretariat

9. IFAD has been the host organization for the ILC’s Secretariat since its inception, providing facilities and services through its administrative division.

10. 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 September 2014, which will terminate on 31 December 2020.

11. 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 has been distinct from its institutional role as a member of the Council.
D. The renewed hosting agreement

12. The annexed hosting agreement identifies the extent of the administrative, human resource, legal, financial and other support services that IFAD, in its capacity as host organization, will continue to 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 on a lump sum basis.

13. Article I, section 4, of the 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.

14. Moreover, article I, section 4, of the 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 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.

15. Article I, section 4, of the hosting agreement also 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.

16. The employment conditions of the Director and staff of the ILC Secretariat are specified in article II, section 2, of the draft hosting agreement. As per the current contract, it: specifies IFAD’s role as the agent acting on behalf of the ILC; stipulates 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 confirms that the sole source of funding for contracts is the ILC’s own resources, administered by IFAD and that no recourse may be permitted to any IFAD funds or monies for any reason.

E. IFAD’s future relationship with the ILC

17. The renewal of the hosting agreement was presented and discussed at the ILC’s Coalition Council meeting. A review carried out by an independent expert confirmed that ILC’s membership appreciate the current hosting arrangement and recommended renewal of the agreement. The Coalition Council reiterated its own appreciation and mandated the Secretariat to follow up with IFAD Management and the Executive Board as needed.

18. In order to protect IFAD against possible liabilities in its capacity as host of the ILC Secretariat, the hosting agreement required the Coalition Council to establish an adequately resourced reserve fund that is regularly fed with membership fees, and ILC Secretariat has taken initial substantive steps by working with IFAD to acquire insurance policies (covering employment process-related liabilities). These steps have strengthened the ILC’s institutional foundation and further clarify the separation between the ILC and IFAD with regard to liabilities as the partnership evolves.

19. In seeking the Executive Board’s approval to renew the hosting agreement with the ILC Council, Management wishes to underline the following considerations:
(i) The ILC has been a good partner for 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 land policy. ILC’s focus on achieving sustainable transformation through long-term multi-stakeholder partnerships at both policy and operational levels reinforces IFAD’s evolving business model. 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.

(ii) 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.

(iii) IFAD’s hosting of the Secretariat has enhanced the Fund’s image and reputation among the many members and partners of the Coalition. It has raised awareness among development actors of the emphasis that IFAD gives to the relevance of land in rural development processes.

(iv) The legal measures contained in article I, section 4, of the draft hosting agreement, as further elaborated and complemented elsewhere in the agreement, 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 hosting agreement or any other agreement with third parties.

(v) The amended agreement provides that it may be extended, subject to the agreement of the Parties.
Agreement concerning the hosting of the Secretariat of the International Land Coalition

This Agreement 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 2020) to 31 December 2030.

Whereas, IFAD and the International Land Coalition have complementary missions 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 exclusively the hosting of the Secretariat by IFAD at its headquarters in Rome and shall not cover the hosting of any other ILC office or staff members in any other location.

Section 2 IFAD agrees to host the Secretariat of the ILC and to provide support to the ILC in carrying out specific functions to facilitate the administration of the Secretariat as set out herein for the duration of this Agreement. IFAD’s role as host organization for the Secretariat shall be separate from its institutional role as a member of the Assembly of Members of the ILC and of the Coalition Council pursuant to the ILC Charter and Governance Framework. This Agreement shall not be construed as an assimilation of the ILC or its Secretariat as a part of IFAD in any capacity, including but not limited to institutional, operational, legal or administrative purposes or for any other purpose.

Section 3 Any and all costs arising in connection with this Agreement shall be financed solely from the funds of the ILC, including contributions provided by the members of the ILC. This Agreement carries with it no expectation of or entitlement to any financial contribution to the ILC by IFAD. Any financial contribution by IFAD to the ILC shall remain strictly voluntary.

Section 4 Any and all liabilities incurred and/or otherwise accrued by IFAD as a result of actions taken by the ILC, its Secretariat or otherwise arising in connection with this Agreement shall be met entirely and solely by the ILC, through the mechanisms described below or from ILC funds in accordance with the following order: 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 maintained 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 or action may be had against 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 in any capacity, including for loss, damage or injury nor for costs and/or expenses incurred and/or otherwise accrued in the defence or be a party of any suits, claims or

1 This Agreement shall be executed in the English language.
demands sustained in relation to this Agreement or any other agreement between the ILC and third parties. The ILC shall ensure that the insurance policies, Reserve Fund, and other funds are sufficient 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 provide support to the ILC, as needed, for recruiting 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 (the “Secretariat Staff”) of the Secretariat, including the staff seconded to the Secretariat by IFAD, governments or other entities (the “Secretariat Staff”), together with the Director and other persons hired under a non-staff contract (the “Personnel”) shall be employed or hired in accordance with the following conditions:

a) IFAD shall recruit the Director and Secretariat staff by applying its relevant Staff Rules, Human Resources Policy and Human Resources Implementing Procedures. The person selected as Director by the Coalition Council shall be given a letter of appointment by IFAD on behalf of the ILC and on the recommendation of the Coalition Council. The Secretariat Staff shall be given letters of appointment by IFAD on behalf of the ILC and upon the recommendation of the Director.

b) The Secretariat non-staff shall enter into contracts with the ILC, subject exclusively to funding by the ILC. These non-staff contracts will be processed applying relevant provisions of the Handbook on consultants and other persons hired under a non-staff contract.

c) The Director and Secretariat staff 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, as specified in their letters of appointment, or as reflected in any renewal or amendment to the letters of appointment.

d) The Director and Secretariat staff shall be employed by IFAD under fixed-term appointments for a maximum of two years, which shall be renewable and subject to performance, conduct, the availability of ILC resources and a continued need for each position in the organic structure of the Secretariat. The Director and Secretariat staff shall not be eligible for the conversion of their contracts to continuous appointments with IFAD.

e) 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.

f) 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 under the same or a similar job family, as cleared by IFAD Human Resources Division.
g) The Director shall be responsible for managing the Personnel in accordance with the programme direction provided by the Coalition Council and the Human Resources Policy, Staff Rules, Human Resources Implementing Procedures and the Handbook on Consultants and Other Persons Hired by IFAD under a non-staff contract.

h) 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.

i) The appointment letters of the Director and the Secretariat staff 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 and only source of funding for their contracts is the ILC’s own resources administered by IFAD and that no recourse shall be had to any other funds or monies of IFAD for any reason. The Director and Secretariat staff shall not be entitled to be appointed to positions with IFAD unless their selection is carried out through the applicable IFAD recruitment rules and procedures; however the Director and Secretariat staff shall be considered internal candidates for any IFAD recruitment process.

j) 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 time of service with the ILC shall count towards their eligibility for conversion to continuous appointments.

k) IFAD rules and procedures regarding mobility shall not be applicable to the Director and the Secretariat staff, except for IFAD staff assigned to the Secretariat who return to IFAD. The procedures regarding merit-based promotion and promotion through managerial executive decision will apply only insofar as ILC budget resources are identified and the decision approved by the Coalition Council of the ILC. IFAD staff assigned to the Secretariat may be considered for merit-based promotion and promotion through executive managerial decision upon their return to IFAD. The provisions on redundancy provided for in IFAD Staff Rules and the Human Resources Implementing Procedures shall not apply to the Director and the Secretariat staff, except for IFAD staff assigned to the Secretariat with return rights to IFAD.

l) The duration of the contracts of the Director and Secretariat staff shall under no circumstances exceed the duration of this Agreement, and letter of appointment shall contain a provision to this effect.

m) The Personnel shall be held to the same integrity standards and be subject to the same procedures applicable to other IFAD staff and non-staff. Notwithstanding this, the imposition of a disciplinary measure 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.

n) 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 exclusively by the budget of the ILC approved by the Coalition Council.

**Article III**

*Financial Arrangements*

**Section 1** IFAD shall provide the ILC with reasonable (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) administrative, human resource, legal, financial and other support services. The facilities and services to be provided and the costs thereof are set forth in Annex 1. ILC shall pay IFAD for the services 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 maintain a Reserve Fund sufficient 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 or in connection with this Agreement. To this end, IFAD has opened and shall 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 II.

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 on 1 January 2021, and shall remain in force, unless earlier terminated, until 31 December 2030.

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. The Agreement may be extended by mutual agreement of the Parties.

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 of the ILC shall solve any and all outstanding legal obligations and liabilities 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

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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;
- Administrative 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$ [ ]). 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/or services provided.

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2 To be determined at time of conclusion of this Agreement
Contributions to the ILC

1. 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 Coalition Council 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 Programme of Work and Budget approved by the Coalition Council as well as separation entitlements of formers Director and Secretariat staff, 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 Accounting and Controller’s Division (ACD) 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 ACD on a case-by-case basis. The Director is authorized to conclude agreements for amounts up to the limits established
from time to time by the Coalition Council and notified to IFAD. For higher amounts 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.