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

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For: **Information**

Note to Executive Board Directors

This document is submitted for the information of the Executive Board.

To make the best use of time available at Executive Board sessions, Directors are invited to contact the following focal point with any technical questions about this document before the session:

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I. 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”) for a limited period of time.

Whereas, IFAD has hosted the Secretariat since its creation, but both the Coalition Council and IFAD agree that it is now time to enter into an agreement to specify in greater detail the responsibilities of IFAD as the host organization, to limit its role as host organization to a specified time period, and to provide for the orderly transfer of the Secretariat to another host organization or for the preparation of alternative arrangements.

Now, therefore, IFAD (hereinafter referred to as the “Host Organization”) 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. The Host Organization 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.

Section 3. The costs of the Secretariat of the ILC shall be met from the funds of the ILC, including contributions provided by the members of the ILC. The Host Organization’s contribution to the total costs of the Secretariat shall not exceed 40% of the total costs of the Secretariat.

Section 4. All liabilities incurred by the Host Organization as a result of actions taken by the ILC Secretariat or otherwise arising under this Agreement shall be met out of the ILC funds and/or from any relevant insurance policies and reserve funds held for the benefit of the ILC. The funds, insurance policies and reserve funds shall be adequate to cover all present and future liabilities as defined in the Annexes.

Article II *Personnel*

Section 1. The Host Organization agrees to recruit personnel for the purpose of staffing the ILC’s Secretariat for the duration of this Agreement, 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 (the “Secretariat Staff” and together with the Director, the “Personnel”) shall be employed in accordance with the following conditions:

- (a) The Host Organization shall recruit the Personnel using its normal recruitment procedures. The person chosen as Director by the Coalition Council shall be given a contract of employment by the Host Organization. The Secretariat Staff shall be given contracts of employment by the Host Organization upon recommendation of the Director.
- (b) The Personnel shall have the status of staff members of the Host Organization assigned to work for the ILC. They shall be subject to the Human Resources Policies and Procedures of the Host Organization 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 the Host Organization 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 continuous contracts with the Host Organization.
- (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 the Host Organization.
- (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 the Host Organization 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 of the Host Organization.
- (g) The Director's annual performance evaluation and recommendation shall be conducted by the Coalition Council and reported to the President of the Host Organization.
- (h) The contracts of the Personnel shall indicate that their appointments are limited to service with the Secretariat and entail no expectation of service with the Host Organization outside the Secretariat, provided, however, that the Personnel shall be considered internal candidates when applying for positions in the Host Organization. The provisions on redundancy in Chapter 11 of the HRPM shall not apply to the Personnel, except for Host Organization staff seconded to the Secretariat. Host Organization staff seconded to positions in the Secretariat shall have the right to return to employment within the Host Organization in accordance with the relevant provisions of the HRPM, 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 continuing service.
- (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 Host Organization reserves the right to summarily dismiss summarily any of the Personnel for the reasons set forth in Chapter 10 of the HRPM. Imposition of corrective or disciplinary measures or termination by the Host Organization of the contract of a member of the Secretariat Staff for any of the reasons set forth in Chapter 11 of the HRPM shall be carried out only after consultation with the Director, and in the case of the Director, only after consultation with the Coalition Council.

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 ILC programme implementation, including the implementation of the Programme of Work and Budget.

Section 4. The direct 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. The Host Organization 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 the Host Organization, and (b) administrative, financial and support services. The facilities and services to be provided and the costs thereof are set forth in Annex 1. ILC shall reimburse IFAD the amount set forth in Annex 1 on a yearly basis.

Section 2. The Coalition Council shall ensure reimbursement to the Host Organization of costs associated with hosting the Secretariat (as defined in Annex 1). This will be a collective responsibility of members and donors, and the Host Organization's contribution shall not exceed 40% of the total amount.

Section 3. The Host Organization agrees to open and administer such 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 the Host Organization and the Director.

Section 4. The funds of the ILC managed by the Secretariat shall be held by the Host Organization and shall be managed in accordance with the Financial Regulations, rules and procedures of the Host Organization, 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. The Host Organization, in agreement with the Director, will draw up a list of approved modifications and exceptions. All funds of the ILC held by the Host Organization shall be subject exclusively to the Host Organization's internal and external auditing arrangements.

Section 5. All financial transactions of the ILC and its Secretariat will be handled through the Host Organization 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 the Host Organization, 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. The Host Organization 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, and shall remain in force, unless earlier terminated, for a period of five (5) years.

Section 2. Not less than twenty four (24) months from the entry into force of this Agreement, the Coalition Council shall prepare and present to the Host Organization a Plan of Action for accomplishing the transfer of the Secretariat to another Host Organization. The Coalition Council shall have the obligation to identify and propose a suitable new hosting arrangement with another organization or organizations no later than twelve (12) months before the date of expiration of this Agreement. If at that date no other organization has agreed to act as host organization for the Secretariat, the Host Organization and the Coalition Council shall initiate procedures to terminate the existence of the Secretariat as of the date of expiration of this Agreement, including terminating the contracts of employment with the Personnel. If another organization or

organizations has/have agreed to act as host organization to the Secretariat, the Host Organization shall cooperate to accomplish the orderly transfer of the Secretariat, including, to the extent possible, all of the ILC's outstanding funds and legal obligations and liabilities, to such new host organization or organizations.

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. This Agreement may be terminated by the Coalition Council or by the Host Organization by notice in writing given to the other Party not less than twelve (12) months prior to the effective date of termination. In the event of such early termination, if another organization has agreed to act as host of the Secretariat, the Host Organization shall cooperate to accomplish the orderly transfer of the Secretariat, including, to the extent possible, all of its outstanding funds and legal obligations and liabilities, to such new host organization; otherwise the Host Organization and the Coalition Council shall initiate procedures to terminate its existence as of the date of such early termination, including terminating the contracts of employment with the Personnel.

Section 5. In the event that the existence of the Secretariat is terminated as a result of the fact that no other organization has agreed to act as host organization, the members of the ILC represented by the Coalition Council, including the Host Organization, shall agree on an equitable method to share the debts and assets, as the case may be.

Section 6. The parties agree that the present Agreement shall be construed and applied in accordance with general principles of law, including the rules of international law governing the relations between international organizations. Any dispute, controversy or claim arising out of or relating to this contract, 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 7. 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 the Host Organization.

Signed:

On behalf of the Coalition Council

IFAD

Date: _____

Annex 1 Facilities and Services

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

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

The ILC will reimburse the Host Organization for the facilities and services provided above an annual amount of Two Hundred and Thirty-Eight Thousand United States Dollars (US\$ 238 000) starting in 2009. All departments and divisions of IFAD providing services and facilities to the ILC were consulted to confirm the nature, level and cost of their services. The ILC secretariat confirmed 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.

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 (CC) 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:
 - (a) are free of limitations on the use thereof; or
 - (b) 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 CC 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 contributions, 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 of the ILC.
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. 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 CC and the President of IFAD, 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. The implementation of each proposed activity and the priority given to it shall be the responsibility of the Director, in accordance with the terms and conditions specified by the CC.
11. 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 (OL) and the Office of the Controller (FC) 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 OL and FC 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 Manager/Director must receive prior authorization from the CC.

Financial Administration

12. 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 of the ILC, the Members and, upon request, to the Partners and Donors.
13. Commitments for each individual contribution shall not exceed the value of the cash paid to the ILC.
14. 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 there from shall be credited to the Account to be used for LC activities.
15. The 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 LC Secretariat shall be made by IFAD in accordance to normal procedures.
16. The procurement of goods, services and consultant services necessary for the LC Secretariat and programme activities, shall be carried out in accordance with the procedures applied by IFAD.