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Interim progress report on the proceedings of the Emoluments Committee

Note to Executive Board representatives

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For: Information

Interim progress report on the proceedings of the Emoluments Committee

I. Introduction

1. The By-laws for the Conduct of the Business of IFAD provides in section 6(1), *inter alia*, that “[t]he salary, allowances and other entitlements of the President shall be determined by resolution of the Governing Council. In addition, he shall be entitled to participate in insurance, medical, pension, retirement and other plans as may be established for the employees of the Fund and not otherwise covered by his emoluments.”
2. The Governing Council – being the only body with the authority to determine the remuneration of the IFAD President in accordance with article 6.2(c)(vi) of the Agreement Establishing the International Fund for Agricultural Development, at its thirty-fourth session in February 2011, adopted resolution 163/XXXIV, thus re-establishing a committee consisting of nine Governors or their representatives to review the overall emoluments and other conditions of employment of the President of IFAD. The Council requested the Committee to submit, through the Executive Board, a report and draft resolution on the subject to the Governing Council for adoption at the Governing Council’s thirty-sixth session in February 2013.

II. Composition of the Committee

3. The Emoluments Committee is composed of the following members: Denmark, Germany, Italy and the United States of America from List A; the Bolivarian Republic of Venezuela and Gabon from List B; and Angola, Bangladesh and Brazil from List C.
4. The Committee has met on three occasions: on 5 May 2011, 5 July 2011 and 9 November 2011. At its first meeting, the Committee selected Germany to act as chairperson.

III. Deliberations

A. Emoluments and other conditions of employment

5. The Committee agreed on the need to carry out a study of the emoluments and conditions of employment of the executive heads of selected international financial institutions and regional development banks.¹ Such a comparative analysis would provide a sound basis upon which the Committee could continue its deliberations and make its recommendations.
6. An announcement in this regard was published and interviews were conducted, after which the Emoluments Committee endorsed the selection of the consultant recommended by Management. A draft report will be considered by the Committee subsequent to the Governing Council session in February 2012.

B. Participation in meetings of the Emoluments Committee

7. During the Committee’s deliberations, a number of members called for increased transparency with regard to the meetings. The proposal that the 18 members and 18 alternate members of the Executive Board could be invited to follow the proceedings of the Committee from a *salle d’écoute* as silent observers was endorsed by the Committee.

¹ The Food and Agriculture Organization of the United Nations (FAO), World Food Programme (WFP), World Bank, Global Environment Facility, African Development Bank, Asian Development Bank, European Bank for Reconstruction and Development and Inter-American Development Bank Group.

8. The General Counsel was consulted, who proceeded to clarify that in accordance with rule 23 of the Rules of Procedure of the Governing Council, "[e]xcept as provided in Rule 41, the meetings of the Governing Council shall be held in public and those of its committees and other subsidiary bodies shall normally be held in private, unless the Council decides otherwise." As such, it was the prerogative of the Governing Council to prescribe who could participate in the meetings of the committees that it established in accordance with rule 15 of the Rules of Procedure of the Governing Council.
9. Although the General Counsel explained that asking the Governing Council about the admission of silent listeners ex post facto was a possibility, Committee members agreed that a progress report would be submitted to the Council for its next meeting, apprising it of the activities of the Committee thus far and of the Committee's intention to allow the 18 members and 18 alternate members of the Executive Board to follow its proceedings from a *salle d'écoute* as silent observers. In this manner the Governing Council would be duly made aware of the intentions of the Committee, which would proceed accordingly unless instructed otherwise by the Governing Council. Should no objections be raised, at the close of the thirty-fifth session of the Governing Council, the Emoluments Committee will call its fourth meeting and invite the 18 members and 18 alternate members of the Executive Board to follow its proceedings from a *salle d'écoute* as silent observers.