

RESOLUTION No. 541

**FULL RECOVERY OF COSTS INCURRED IN
ADMINISTERING EXTERNALLY FUNDED PROJECTS**

The EXECUTIVE COMMITTEE, at its Thirty-first Regular Meeting,

CONSIDERING:

That it is important for the Institute to apply a policy aimed at recovering all the costs it incurs in administering externally funded projects;

That Rule 3.5.2 of the Financial Rules states that “An annual study shall be done to ensure that the Institute's INR (Institutional Net Rate) is commensurate with the actual costs of administering external resources” and that the General Directorate has been conducting such studies; and,

That in order to have a legitimate basis for establishing an INR policy, it would be advisable to have access to a specialized study, conducted by external consultants, which would provide the necessary criteria for revising the current policy,

RESOLVES:

To request that the Director General:

1. Retain the services of an external consulting firm for the purpose of preparing a study that will provide criteria for defining a policy aimed at recovering the costs the Institute incurs in administering externally funded projects (Institutional Net Rate-INR).
2. Present at the next Regular Meeting of the Inter-American Board of Agriculture (IABA), the study and the results, together with the Director General's recommendations, and if this study is not ready, an up-to-date progress report, which includes the Director General's observations.
3. In the event that this matter is not resolved at the IABA's next Regular Meeting, present the final study, together with the Director General's recommendations and the observations of the Special Advisory Commission on Management Affairs, for the consideration of the next Regular Meeting of the Executive Committee.