

International Institute of Rural Reconstruction

Minutes of the Executive Committee of the Board of Trustees held on December 12, 2012

The Annual Meeting of the Board of Trustees (the “Board”) of the International Institute of Rural Reconstruction (“IIRR”) was held at the offices of Cleary Gottlieb Steen & Hamilton LLP, 450 Park Avenue, 28th Floor, New York, NY, following the Annual Meeting of the Members, starting at 9:50 am on December 2, 2012.

James F. Kelly, Chair, presided. The following Trustees were present in person:

David Bassiouni
Isaac Bekalo, President of IIRR
James C. Diao
James F. Kelly
Paul Marquardt
Mary Racelis

Also present were Lisa Milton, Victoria Melendez, Lara Crampe, Development Officer of IIRR, Alden Secretario, Chief Accountant, and Matthew Carpenter-Dennis of Cleary Gottlieb Steen & Hamilton.

Approval of Agenda of the Annual Meeting of the Board of Trustees Held on December 12, 2012

Mr. Kelly proposed the approval of the agenda (the “Agenda”) of the Annual Meeting of the Board of Trustees. The Board approved the agenda.

Approval of Minutes of the Executive Committee Meeting of the Board of Trustees Held on September 12, 2012

Mr. Kelly proposed the approval of the Minutes of the Executive Committee Meeting of the Board of Trustees held on September 12, 2012 (the “September 12th Minutes”). The Board approved the September 12th Minutes.

Update on Silang Land Sale

The Board discussed Marise Espineli, IIRR Regional Director of Asia, attending PRRM Board meetings on behalf of Ms. Racelis and IIRR when Mary Racelis or Isaac Bekalo are unable to attend.

Mr. Bekalo and Ms. Racelis updated the Board on recent updates on the proposal by PRRM to address the land sale issues. The Board discussed the feasibility of this proposal and its potential impact on the IIRR’s interests. Mr. Diao led a discussion on having more active participation by

IIRR's local counsel in the Philippines. Mr. Kelly requested that the Board make a direct request to PRRM for additional details on their proposal. Ms. Racelis agreed to reach out to local counsel and report back to the Board.

Resolution to Thank Jane K. Boorstein

Mr. Kelly noted the Board's resolution to thank Jane K. Boorstein for her service as a Trustee and presented a copy of the resolution to the Board. Ms. Racelis recommended supplementing the resolution to emphasize Ms. Boorstein's work on the promotion of women's rights and effective family planning programming. The Board agreed to present the resolution to Ms. Boorstein during an IIRR event to be held in her honor.

A copy of this Board resolution is attached as Exhibit 1 hereto.

Report of the President

Yen Center

Mr. Bekalo reported that operations at the Yen Center have yielded positive results, with an increase in both revenue and earnings over the past year. The Yen Center is estimated to host 12,000 visitors by the end of 2012, representing a significant increase over recent years. Mr. Bekalo cited the various improvements of the Yen Center as a driving force for this recent success.

In addition to the IIRR proprietary training programs that have taken place at the Yen Center, Mr. Bekalo stated that other organizations have engaged IIRR regarding the use of the Yen Center to host third-party programs.

Mr. Bekalo discussed the positive feedback IIRR had received for its livelihood learning center initiatives. The Board discussed the scope and the future prospects for expanding the livelihood learning center programs. Mr. Bekalo described various methods of expansion for the programs, including local expansion of existing programs in the Philippines and replication of the programs for IIRR's African operations.

Systems Development and Implementation

Mr. Bekalo described the IIRR's efforts to develop internal audit control procedures for IIRR's financial auditing. In addition Mr. Bekalo noted that other system controls were in development, including guidelines for human resources management and development and communications. Regarding the human resources systems, Mr. Bekalo expects that a manual will be ready for presentation to the Board by early 2013.

Fundraising/IIRR Financial Management

Mr. Bekalo briefed the Board on the IIRR's recent fundraising activity, including IIRR's successful efforts to diversify its donor base. Ms. Melendez and Ms. Milton inquired about the details of selected grants and associated program operations. The Board discussed the IIRR's increased role as an administrator and/or monitor of third-party and grantee project initiatives and the possibility of exploring further growth in this capacity.

Mr. Bekalo noted an improvement on proportion of secured funding for 2012 and projected reaching 94% of the 2012 budget target by year's end – all of which would represent an improvement on the financial management in 2011. Mr. Bekalo addressed areas of perceived improvement for IIRR operations in 2013, including more rigorous program implementation and greater efficiency with meeting project deadlines. It was also noted that there was a reduction in annual staff turnover in 2012 from the preceding year.

Human Resources Updates

Mr. Bekalo noted that IIRR had recently hired a program coordinator in Zimbabwe to assist with the implementation of the Ford Foundation program in the country. Mr. Bekalo also mentioned that a program coordinator had been hired in Cambodia, as well as a manager for the Yen Center.

The Board discussed compensation matters regarding employees of the Yen Center. The Board determined that it would research the matter further and revisit at a later meeting.

Writeshops

Mr. Bekalo provided the Board with a summary of the writeshop program, including the program's achievements and past publications. Mr. Bekalo indicated that the popularity of the program had resulted in IIRR conducting training sessions for other organizations seeking to develop their own writeshop programs.

Mr. Bekalo stated that there are roughly 11 publications in development for 2013 with plans to continue expanding the program further going forward.

Approval of the 2013 Budget

Mr. Kelly reported that the Finance and Budget Committee recommends that the 2013 Budget be approved as submitted, subject to monthly scrutiny. Ms. Racelis moved that the Board approves the budget and the Board unanimously agreed. 3

IIRR's Charity Navigator Ratings

Mr. Kelly reported that IIRR's Charity Navigator rating has fallen from 4 stars to 3 stars because of the deficit reported in 2011. It is expected that the rating will return to 4 stars if the forecasted revenue for 2012 is correct.

Strategy 2015

Mr. Bekalo presented the Strategy Monitoring Tool that is intended to track the progress of the latest IIRR Strategic Plan ("Plan 2015"). The Board reviewed the tool and suggested including an additional column to monitor progress to date and annual progress toward each goal. The Board further suggested including a column to reflect any further action that is required. It was also suggested that a pro bono intern could assist IIRR in the preparation of a detailed M&E plan for each project. The Board further suggested that IIRR management use a more detailed tool for implementation -level monitoring as a supplement to the Strategy Monitoring Tool, that focuses primarily on top-line project information.

Calendar of 2012 Board and Committee Meetings

The Board discussed the five meetings for 2013. There will be one meeting of the Executive Committee each calendar quarter and an Annual Meeting in December. Mr. Bekalo suggested that one meeting be held outside of the U.S. in 2013 and the Board determined that the September meeting will be held in the Philippines. Mr. Kelly will consult with George Sycip to ensure that a date is chosen which would allow Mr. Sycip to attend the meeting. The U.S. Office will send out a calendar of the expected meeting dates.

Compensation of the President

The Board entered executive session and all non-members were dismissed. The members then reviewed the President's self evaluation, discussed the accomplishments of 2012, and looked at a salary comparison across similar organizations. The President was then excused and the Board voted on his compensation and bonus for the year.

Adjournment

Upon motion duly made, seconded and approved, the meeting adjourned at 5:00 pm.

ATTACHMENT 1 of 1

Board Resolution Thanking Jane Boorstein