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Land Portal Foundation

Financial report

2015

February 10th 2016

Executive Summary

- 2015 was a transitional year for the Land Portal. The Land Portal used to be a project of the International Land Coalition (ILC) and sponsored - as a part of ILC's 2011-2015 strategic framework - by EC, IFAD and the Dutch Cooperation. After an extensive evaluation of the Land Portal's Steering Committee, in 2014, the website underwent a major redevelopment and the initiative evolved from a project of the ILC to become an independent legal entity (the Dutch Foundation: Stichting the Land Portal) in September 2014. During 2015, the new Board and Land Portal Team needed to be established and the policies and practices for the new foundation needed to be put in place. In 2015 the new established Land Portal Foundation concluded a major grant agreements with the government of the United Kingdom through their Department for International Development (DFID) for the Land Book project and a smaller one with the Global Land Tool Network (GLTN) for two specific activities.
- Therefore, the total income for the Land Portal Foundation in 2015 was **£262,642.97**, from three main donors: ILC, DFID and GLTN. The total expenditure was **£159,501.66**. This expenditure does not include previously (contractually) committed amounts, but only amounts that were actually spent. These amounts are including expenditures made by the International Land Coalition directly for the Land Portal; due to its budget policy the ILC did not want to transfer the funds allocated to the Land Portal directly to the Land Portal Foundation's bank account;
- These figures mean that the Land Portal currently has an excess of **+£103,141.31**. While these excess funds have not been spent, they have all been allocated and committed to specific activities agreed upon with donors. Part of the reason why these excess funds have not been spent is because the funds from GLTN were received on December 30th 2015, for activities to be implemented in 2016. However, most of the excess funds are from the main donor of the Land Portal Foundation, DFID. The reasons for not spending these committed amounts are given below;
- The establishment of the new Land Portal Foundation took time, causing a delay in starting with the DFID funded activities under the Land Book project. This meant that not all planned activities for 2015 could be implemented because of the later start. The Land Portal has therefore agreed with DFID that all quarters will be moved ahead one quarter, meaning that the project will end three months later than originally agreed (provided that all funds to be spent on those last months are committed by the contractual end date of November 30th 2017, which will not change).

Another cause for the underspending is because of the fact that arranging the contract for several members of the Land Portal Team took longer than expected; therefore the funds allocated to their salary were not spent until later in the year. Not spending the salary for these team members meant that there was a big difference in the total budgeted and total spending for 2015. In particular, arranging the contract for the Land Portal Coordinator at FAO proved to be a cumbersome task. Therefore, the salary for the Land Portal Coordinator for 2015 was covered by the ILC completely, not using the funds allocated to Management and Coordination by DFID. This situation has been discussed and clarified with DFID and it has been agreed and resolved that the funds under this specific budget line will be spent at a later stage during the DFID project. At the same time the budget forecast for the other budget lines (including Land Book research) have been adjusted to reflect the delay in implementing research activities.

- The third main cause of underspending in 2015 was that the implementation of the Localization Strategy took longer than originally planned. The Land Portal Team has been careful to select reliable organizations in the global South to partner with, and making sure that the outcomes of the partnerships are benefiting to the Land Portal's Agenda (and more specifically: the DFID Land Book project and related Log Frame). This took longer than expected and only one formal partnership was established in 2015 with EWMI in the Mekong region. However, an open call for applications for hub partners was released in November 2015, to which many potentially interesting partners applied. The Land Portal has therefore reported to DFID that all funds under the Southern Collaboration budget line are committed and need to be physically available for the Land Portal to be able to enter into several Grant Agreements with Southern partners before the end of March 2016;
- The re-arranging of the implementation and underspending in the first year has been discussed and clarified to DFID. A new yearly forecast of the project has been submitted to the DFID financial department that reflect these changes in implementation. The DFID financial officer has agreed to discuss with the team in the beginning of 2016 possible changes to the yearly totals of the grant as they have been established in the Grant Agreement, to match this updated forecast.

I. Introduction

This first financial report covers the period of June 2015 up until December 2015. June 2015 is when the activities of the independent Foundation started.

Land Portal was hosted and fully financed by the International Land Coalition as part of their 2011-2015 Strategic Framework. After an extensive evaluation in 2014, the Land Portal moved away as a project from ILC to become an independent Foundation in the Netherlands, managed by a Board of Directors. This transition away from ILC to working as an independent Foundation has been done gradually throughout 2015. Now, a dispersed team is in place that is working for the Foundation through hosting agreements between the Foundation and different partner organizations.

The main donors in 2015 were the International Land Coalition (ILC), the government of the United Kingdom of Great Britain and Northern Ireland, acting through the Department for International Development (DFID) and the Global Land Tool Network (GLTN). The ILC continued to fund the Land Portal by hosting the Coordinator and sponsoring the Land Portal Annual Meeting throughout 2015 as well as some other outreach activities.

The Agreement between DFID and the Land Portal Foundation was signed in February of 2015. DFID has granted the Land Portal Foundation £1,139,719 for the duration of three years (up until November 2017) under the DFID LEGEND-program ("Land – Enhancing Governance for Economic Development"). The funding is related to the Land Portal's Land Book, and specifically the development of its country and topic pages. And on December 30th 2015, the Land Portal also received the first tranche of the grant by the GLTN, for the partnership on Land Tool Research and Learning, to be implemented in 2016.

The commencement of the Land Book project was slightly delayed due to institutional arrangements linked to the transition of the Land Portal to an independent legal entity: the Board of the Land Portal Foundation only consisted of two members from the previous Steering Committee and an open call was released to find new members. The members of the Land Portal Team also had to be recruited.

The first tranche of £107,000 was received in June 2015, and from then on the Team members could be hired and the project activities started. This is the reason why the financial report covers a longer period than only six months, from April 2015 up until December 2015. We will provide you with an overall overview of the income and expenditures per donor and per quarter of the year.

Since the main source of income is from DFID and those funds are transferred in Great Britain Pounds, all incomes and expenses mentioned in this report will be justified in Great Britain Pounds.

The income of the Land Portal Foundation in 2015 was **£262,642.97**. The overview of the contributions per donor can be found further in this financial report. The total actual expenditures for the Land Portal in 2015 were **£159,501.66**. This means that the Land Portal currently has an excess of **+£103,141.31** that still needs to be spent, but is already allocated for specific activities.

The reasons for this excess and the further clarification of the income and expenses of the Land Portal Foundation during the course of 2015, will be given in this financial report.

Laura Meggiolaro
Land Portal Coordinator

Lisette Meij
Land Portal Administrative Officer

II. Income

Contribution per donor

Below is an overview of the contribution to the Land Portal Foundation in 2015. A description of the contribution of each donor and an explanation of deviations (if any) from the budgeted amounts can be found further below.

Donor	Budgeted amount	Amount received	Original currency
DFID	£ 200,504.00*	£ 184,880.50	N/A
ILC	£ 71,781.43	£ 71,781.43	\$ 110,569.06**
GLTN	£ 5,981.04	£ 5,981.04	\$ 8,862.12***
Total	£ 278,266.47	£ 262,642.97	

*This amount refers to the budgeted amount for two quarters, according to the most recent planning. As is explained below, the first two quarters were merged to one with DFID's permission. If one would look at the originally approved budget, the amount for 2015 would be £302,127.00.

** Exchange rate used to calculate the amount in GBP is the date on which we received the total overview from the ILC Secretariat, November 4th 2015.

*** Exchange rate used to calculate the amount in GBP is the date on which we received the amount from the GLTN Secretariat on our bank account, on December 30th 2015.

DFID contribution

The contribution from DFID was lower in 2015 than originally budgeted. This is because the commencement of the Land Book project was delayed. The first reason for the delay was that the Foundation was transitioning into its new independent status. This meant that the members of the Land Portal Board needed to be recruited and selected as well as the members of the Land Portal Team.

Because this selection took a few months, the first payment request was only submitted in June 2015. Some of the costs relating to the project that were made before that date were paid from ILC funds (such as the salary of the Land Portal Coordinator), which was reimbursed by DFID with the first payment. The Land Portal received £29,000.00, what is now used as a contingency fund.

Next to delays in project implementation causing the funds to be spent later than originally planned, the transition away from the International Land Coalition took longer than expected. Reaching an institutional agreement with the Food and

Agricultural Organization of the United Nations (FAO) for the co-hosting of the Land Portal proved to be a time-consuming process, causing the Land Portal Coordinator not to be paid under the DFID funds, but out of ILC funds for the whole of 2015.

Because of these delays, the Land Portal Foundation needed less funds from the DFID grant than originally planned. The Foundation therefore was able to use the funds that were intended for the first quarter of activities (April – June 2015), for the first two quarters (April – September 2015). We requested to move the planning up one quarter, meaning that the activities for the Land Book project would end not in November 2017, but a quarter later (in February 2018).¹ DFID agreed to this request, with the request that the Land Portal Foundation does not make large changes in the total yearly amounts that were approved for the project.

However, as the Land Portal did request a much lower amount in 2015 than originally planned, DFID has requested to change the yearly totals in the agreement to

¹ Provided that all funds to be spent after the end date of the Agreement, are committed by the end date of the Agreement.

match this updated yearly forecast, which will be done in the beginning of 2016.

International Land Coalition contribution

The contribution of the International Land Coalition was organized differently than originally planned. The ILC policy prohibited them to grant the Land Portal Foundation the full amount the Coalition had allocated to the Land Portal in 2015, before its full transition away from the ILC in 2016. The ILC preferred to do the payments relating to the Land Portal directly. ILC therefore hired and paid the Land Portal Coordinator, until the end of December.

The International Land Coalition also sponsored the first Annual Land Portal Meeting in Rome in October 2015 and some other activities such as board meetings and outreach activities. To avoid the administrative burden of doing those payments from the ILC Secretariat, they agreed to grant the Land Portal Foundation €10,000.00 to organize the meeting ourselves.

GLTN contribution

The contribution by the Global Land Tool Network was a first payment under the partnership for Land Tool Research and Learning, to be implemented in January 2016. Therefore, this amount can be disregarded as excess funds for 2015.

III. Expenses

Below you can find an overview of the expenses made per budget line and donor in 2015. The committed amounts (e.g. contractual obligations that have not been invoiced yet) are not included in this overview. The unspent amounts all have been allocated for specific purposes. A more detailed description of the expenses made and deviations from the original budget (if any) can be found below.

Budget Line	DFID expenses		ILC expenses		Total expenses
	Budgeted*	Actual	Budgeted	Actual	
Management and Coordination	£41,634.00	£18,536.40	£6,939.00	£42,907.61	£61,444.01
Communications and Resource Mobilization	£26,500.00	£22,502.85	£0.00	£6,609.44	£29,112.29
Data Integration and Platform Development	£22,350.00	£13,028.94	£0.00	£7,498.94	£20,527.88
Land Book Research	£12,800.00	£5,148.04	£0.00	£0.00	£5,148.04
Outreach	£3,000.00	£2,795.68	£0.00	£4,088.69	£6,884.37
Collaboration with Southern partners & Capacity building	£51,000.00	£8,311.68	£0.00	£0.00	£8,311.68
Monitoring and Evaluation	£3,000.00	£1,837.54	£0.00	£0.00	£1,837.54
Administration	£11,220.00	£7,743.91	£0.00	£0.00	£7,743.91
Board costs / Meetings	£0.00	£0.00	£2,250.00	£2,886.34	£2,886.34
Annual Land Portal Meeting	£0.00	£0.00	£11,690.00	£7,790.40	£7,790.40
Professional Services	£0.00	£0.00	£0.00	£0.00	£0.00
Project costs	£0.00	£0.00	£0.00	£0.00	£0.00
Contingency	£0.00	£7,815.19	£0.00	£0.00	£7,815.19
Total	£171,504.00	£87,720.23	£20,879*	£71,781.43	£159,501.66

*The budgeted amount for the contribution for the International Land Coalition was tentative. It was calculated to cover DFID costs partly (10% of certain budget lines) and to cover costs relating to the Board. Only after the completion of the budget for 2015 ILC did disclose that they had 110,000.00\$ allocated to the Land Portal.

Management and Coordination

The original plan of the Board was to hire the Coordinator through partner organization FAO. This has proved to be a cumbersome procedure and did not result in a contract for the Coordinator at FAO in 2015. She continued to be contracted by the ILC for the whole year, with one short intermediate period where she was contracted by the Foundation directly as an independent consultant. This option could only be used for a short amount of time, considering Italian tax laws. Therefore, the total amount spent on Management and Coordination costs under the DFID budget is considerably lower than originally budgeted. As the ILC will not continue funding the Land Portal Foundation in 2016, an intermediate contract with the Global Forum on Agricultural Research (GFAR) has been established, for which the first two months of 2016 have been paid in 2015 out of the DFID budget. All other funds under management and coordination have been allocated to a future contract.

Communications and Resource mobilization

The full time Communications and Resource Mobilization Specialist joined the Land Portal team in October 2015. Before that, an interim Officer was hired during the summer, who did not work full time even though the budget for a full time Officer was available. This explains the excess funds for this budget line. All funds have been committed however, since the Communications and Resource Mobilization Specialist was hired through a French umbrella company, meaning that 22% VAT has to be charged in addition to the salary. Therefore, the full amount budgeted for DFID is needed to cover the salary costs. The costs for Communications under ILC were for an intern who was working for the Land Portal in the beginning of 2015. For upcoming years, we need more funds from other donors for Communications purposes to complete all the necessary work.

Data Integration and Platform Development

For the Data Integration and Platform Development, the Land Portal did not spend all the budgeted funds for this budget item. This was due to the fact that some technical

'sprints' to improve the website were done by a very economical technical company and other technical work needed a more careful planning. The excess funds are committed to new necessary technical developments and to hire a new Data Officer, who will join the Land Portal Team in January 2016.

Land Book Research

The excess funds in the Land Book Research budget item were due to the fact that the original budget was based on three researchers joining the Land Portal Team, while ultimately only one worked for the Land Portal in 2015. The other two researchers have been identified and research agendas have been established, but due to scheduling changes one of the researchers will join the Land Portal team in February 2016 and the other in September 2016. The budget forecast for this budget line has been adjusted to reflect this and submitted to DFID. The end totals will be the same as originally budgeted, but the two other researchers will be available more in the period that they do work for the Land Portal, other than originally planned.

Outreach

For the outreach budget line, several types of costs are covered. The costs include travel costs for the chair of the board to meetings to promote the Land Portal, a subscription to Mailchimp, the program used to send out newsletters and news digests. This subscription allows us to create mailing lists to up to 25,000 people. The excess funds have been committed.

Southern collaboration and Capacity Building

One of the main reasons why the Land Portal underspent in 2015 in comparison to what was originally planned, is the fact that we have experienced delays in implementing the Localization strategy. The Land Portal team has been vigilant to ensure that the Foundation only entered into agreements with reliable organizations in the South and that the Grants to the Southern partners would contribute to reach indicators and outputs from the DFID Log Frame. This process has proved to be more time-consuming than originally planned,

causing only one hub partnership to be formally established in 2015 and only one tranche of the total grant amount to have been paid. However, the Land Portal Foundation released an open call for applications to which many potentially interesting organizations applied. The Land Portal team will assess these applications carefully and do the selections in the course of January and February 2016. Several hub partners will be selected and further investigation will be done among different land networks to get the best Southern organizations on board (as committed to DFID) and get back on track with the original planning. The excess funds have been reported as committed to DFID; although there are no formal commitments made in the form of Grant Agreements, it is the intention of the Land Portal team to enter into several partnerships in the first quarter of 2016, therefore the funds need to be physically available to be able to implement these partnerships without delays.

Monitoring and Evaluation

These funds are intended for the Land Portal's Evaluative Facilitator, who will be responsible to implement the Monitoring and Evaluation Strategy in light of the DFID Land Book project. While not all funds have been spent, these are contractually committed to the Land Portal Evaluative Facilitator.

Administration

In the Administration budget line, less funds have been spent than originally budgeted. This is because of the 7% limit DFID has instituted on costs relating to administration. Since the Land Portal was not spending as much as budgeted consequently, the Foundation was not able to spend the full amount in the Administration budget line. The costs that exceeded the 7% limit have therefore been booked under the Contingency fund.

Contingency

As mentioned above, due to the delays in submitting the first payment request to DFID in the beginning of the project, the International Land Coalition covered some of the costs relating to the DFID Land Book project. When

submitting the first payment request, the Land Portal requested for reimbursement of those costs, a total of £29,000.00. This amount was granted and is now used as a contingency fund. In 2015, some of the costs – including Board costs and salary excesses – that could not be covered under other budget lines, were booked under the Contingency fund. The amount remaining in the fund in 2016 is £21,184.81.