



REDLAC

Latin American and Caribbean
Network of Environmental Funds

Organizational Principles Agreement

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AGREEMENT OF ORGANIZATIONAL PRINCIPLES

(Approved at the Constitutional Meeting of RedLAC on October 28, 1999, modified in the 2nd Ordinary Meeting of October 3, 2000, and updated in the 7th Ordinary Meeting of October 27, 2005, the 16th Ordinary Meeting of October 29, 2014, the 17th Ordinary Meeting of October 29, 2015, and the Ordinary Meeting of September 30, 2021).

INTRODUCTION

Environmental deterioration is deemed to be one of the most serious problems for humanity, given that an unprecedented loss of natural resources is taking place, and this motivates a growing concern among the international community to find mechanisms that allow guaranteeing conservation and sustainable use, generating at the same time development opportunities for the communities involved.

The Network of Environmental Funds of Latin America and the Caribbean (the “Network” or “RedLAC”) is made up of independent organizations that, in addition to operating as a financial intermediation mechanism, promote strategic actions in the field of sustainable development through the protection and conservation of natural resources and the environment (the “Environmental Funds” or the “Funds”). The Environmental Funds are identified as the results of the Rio Summit of 1992, an event with both ethical and global political scope. RedLAC adheres to its parent document, Agenda 21, as a global program that highlights the relationship between biodiversity conservation, strategies to solve global environmental problems, the sustainable use of natural resources and human development. This comprehensive perspective also establishes a founding principle of the programs and methods of the Environmental Funds and recognizes the importance of working for sustainable development, since the deterioration of the environment and the loss of biodiversity reduce opportunities for the future.

Most of the countries in Latin America and the Caribbean have ratified the conventions approved at the Rio Summit and take an active role in their implementation, such that their objectives have been incorporated into the laws of these countries, contributing to the development of policies of the different sectors involved in the matter. This in turn creates opportunities to favorably adjust the vision of the natural environment, promote global partnerships, harmonize national programs, and foster new economic development schemes.

Additionally, Agenda 21 highlights the importance and need to promote international, regional, and global cooperation among countries and their organizations for sustainable environmental management, recognizing the importance of ensuring financial resources and appropriate technologies.

Environmental Funds are appropriate mechanisms for long-term environmental management, conservation, and sustainable use of natural resources in Latin America and the Caribbean. Since they are private, public, or mixed organizations, these Environmental Funds boast a series of attributes that allow them to:

- Attract financial resources from national and international sources;
- Influence and promote favorable changes in the country and the region's environmental policy;
- Promote the strengthening of national and regional systems of protected natural areas; and
- Promote innovative initiatives or programs for the implementation of strategies for the conservation and sustainable use of natural resources.
- Promote the establishment of priorities for the conservation and sustainable use of natural resources.
- Attract technical and human resources for the benefit of environmental management programs and initiatives.

ABOUT REDLAC

ORIGIN

RedLAC is a community of independent Environmental Funds that strengthens the capacity of its members for conservation and sustainable development. Environmental Funds are leaders in the development of financial mechanisms that generate measurable impacts on a local, regional, and global scale.

Since its establishment in 1999, RedLAC has been dedicated to promoting the interrelationships of the Environmental Funds of the Latin American and Caribbean region through capacity building and knowledge management initiatives that favor the conservation of biodiversity and the region's sustainable development.

PURPOSE

The composition and operation of RedLAC has the following central goals:

- Strengthen the operations and beneficiaries of the Funds, both individually and for the network.
- Conduct joint regional efforts for the conservation and sustainable use of natural resources.
- Manage technical and financial resources necessary to achieve the common objectives of the Environmental Funds.

To serve as a space for the participation of Environmental Funds in the global efforts to solve environmental problems through exchanges between Environmental Funds and relevant donor, bilateral and multilateral agencies.

VISION

RedLAC's environmental funds are leaders in the development of financial mechanisms that generate measurable impacts for conservation and sustainable development on a local, regional, and global scale.

MISSION

RedLAC is a community of environmental funds that strengthens the capacity of its members to be effective fund managers and leaders in innovative financial mechanisms for conservation and sustainable development.

OPERATIONAL MECHANISMS

The Network may rely on the following operational mechanisms to achieve its purposes:

- Encounters and events: Workshops, General Meetings, technical assistance visits;
- Joint projects, mentoring and thematic groups; and
- Communications: Internal bulletin, webpage, and publications.

Each Joint project shall be managed independently, pursuant to their own regulations and corresponding agreements between the Member Organizations involved.

AGREEMENT CLAUSES

Considering the mentioned background and recognizing the above purposes, the organizations that are part of the Network ("Member Organizations") have agreed to sign this **Agreement of Organizational Principles of the Network of Environmental Funds of Latin America and the Caribbean** (the "Agreement"):

ARTICLE I. MAIN OBJECTIVE AND SPECIFIC OBJECTIVES

Section 1.01 **Main objective:**

Share experiences, best practices and methodologies among the Environmental Funds of Latin America and the Caribbean.

Section 1.02 **Specific objectives:**

- a) Connect the Environmental Funds with each other through various physical and electronic means available as part of a framework of inter-institutional cooperation.
- b) Establish strategic relations with other networks and participate in international events.
- c) Develop a systematic and coordinated process that allows increasing and refining the capacities and skills of individuals and institutions in response to a changing and complex work environment.
- d) Promote among the Environmental Funds the development of innovative mechanisms and specialized tools for the conservation of natural resources and biodiversity in the region.

- e) Promote collaboration between the Environmental Funds and government authorities.
- f) Coordinate the meeting of the Environmental Funds for the promotion of environmental policies and joint conservation actions between nations.
- g) Share knowledge for the continuous improvement of the operation of Environmental Funds on issues such as information management, financial management, fund-raising, monitoring and evaluation of projects.
- h) Link the Environmental Funds community with donor entities as a means of catalyzing global efforts to solve environmental problems.

ARTICLE II. GUIDING PRINCIPLES

Section 2.01 **Guiding Principles**

The Guiding Principles respond to values shared by the Network's Member Organizations that guide their actions and performance, as well as their relationships:

- a) **Effectiveness:** It is the aptitude of the Network to fulfill its established aims and objectives, as well as the generation of effective results through an adequate management of the resources and the activities that it develops in favor of the Member Organizations.
- b) **Transparency:** Transparency is one of the elements that builds trust, reduces conflicts of interest and limits the possibility of new organizational conflicts arising. Following this guideline, the Network intends to carry out an honest work, of mutual accountability and allowing maximum access to information, as pillars of social and economic accountability.
- c) **Executability:** Executability assumes that each action and decision taken within the Network must be geared towards the fulfillment of the established purposes and mission, so that the resources are invested and used correctly.
- d) **Representation:** It is a way of accrediting the aptitude and capacity of a certain Member Organization to adequately represent interests within the RedLAC community.
- e) **Autonomy:** It consists of the institutional and decision-making independence of the Network, with respect to any governmental, intergovernmental or any other instance that intervenes in its scope of action.

- f) Cooperation: Set of actions carried out by the Member Organizations whose main objective is to promote social and economic progress at the regional level, in a sustainable and equitable manner.

In the absence of express instructions, the Guiding Principles will serve as a source for the interpretation and application of this Agreement.

ARTICLE III. MEMBERSHIP

Section 3.01 **Eligibility to RedLAC membership**

Any legally constituted Environmental Funds that operate in the geographical region of Latin America and the Caribbean, whether private, public or mixed, may become RedLAC Member Organizations. An Environmental Fund is understood as any organization that, in addition to operating as a financial intermediary mechanism, promotes strategic actions in the field of sustainable development through the protection and conservation of natural resources and the environment.

Section 3.02 **Procedure of admission of Member Organizations**

If an Environmental Fund wants to become a Member Organization (the "Applicant Fund"), it must send a request for inclusion to the President of RedLAC. The request must be accompanied by the legal documents that support the existence and validity of the Applicant Fund. These documents must include information on the executive director, president, or highest leader with legal capacity to represent the rights of the Applicant Fund (the "Representatives"). For the purposes of RedLAC, only those persons who appear as such in the documents provided by each Member Organization will be considered Representatives.

The President shall inform the Executive Committee of each request and said Committee will reserve its evaluation and decision-making regarding the acceptance or rejection of each Requesting Fund, after consulting the current Member Organizations of the country corresponding to the Applicant Fund. The consultation with the Member Organizations will be carried out for a period of fifteen (15) business days and may serve to guide the criteria of the Executive Committee but will not be binding. The decisions of admission or rejection of the Applicant Funds will be approved in the Ordinary Meeting.

Section 3.03 **Formal invitation to Applicant Funds and signing of the Agreement**

Once a decision for the admission of an Applicant Fund has been ratified, the Executive Committee will proceed through the Executive Secretariat to extend a formal invitation for admission and signing of the Agreement to the respective Fund. The Applicant Fund will have a period of thirty (30) business days to send to the Executive Secretariat an original letter from its respective decision-making body in which it accepts the invitation, its commitment to the obligations derived from the Agreement and the respective subscription documents.

Section 3.04 **Statement of Commitment**

The signing of the Agreement implies the acceptance by the Member Organizations of the following Statement of Commitment:

As a member of RedLAC, our organization is committed to supporting the conservation and sustainable use of natural resources through cooperation and joint actions with other Environmental Funds in Latin America and the Caribbean, or in other areas of the world. We believe in the potential of such actions to address environmental and economic challenges; also serving as a complement to public efforts aimed at causing a positive social and environmental impact.

As members of RedLAC, the following commitments are required, as well as those that naturally derive from them:

- Learn more about the environmental conservation efforts of the Member Organization's home country and the geographic region to which it belongs.
- Increase the organization's familiarity with the role it can play in protecting natural resources.
- Respect that the objective of membership to RedLAC is to contribute to the management of joint actions for the conservation and sustainable use of natural resources through cooperation and exchange of technical resources with other Environmental Funds.

Section 3.05 **Annual Membership Fee**

Member Organizations will pay an annual membership fee on the dates established by the Executive Committee and communicated by the Executive Secretariat. Exceptionally, the Executive Committee will study requests from Member Organizations to pay the fee in installments, according to the proposal presented by the respective Member Organization. Payment of the annual fee must be made no later than July 1 of each year. The late payment of two consecutive annual installments will be considered a breach of the Obligations and may give rise to the suspension or exclusion of the delinquent Member Organization, according to Section 3.07 of this Agreement.

The funds from the annual fees will be used to finance the operation of the Executive Secretariat

(salaries, office expenses, communication expenses and travel expenses), the payment of consultancies and any other activity included in the annual budget approved by the General Meeting.

Section 3.06 **Rights and Obligations of the Member Organizations**

The Member Organizations will have the following rights:

- a) Attend Ordinary and Extraordinary Meetings through their Proxy.
- b) Vote on matters submitted to discussion at the Ordinary and Extraordinary Meetings.
- c) Present their application to the different positions of the Executive Committee, as well as to the position of Host Fund of the Ordinary Assembly of the corresponding year.
- d) Present their application to join the Work Commissions or suggestions for the creation of a new Work Commission.
- e) Access all the services and benefits offered by RedLAC.

The Member Organizations will have the following obligations:

- a) Attend and participate in the Ordinary and Extraordinary Meetings.
- b) Provide information on its operations at the request of the President, the Executive Committee, and the Executive Secretary.
- c) Maintain updated information on its legal standing and that of its Representatives.
- d) Pay annual membership fees in a timely manner.

Section 3.07 **Noncompliance and exclusion of Member Organizations**

The breach of one or more of the Obligations or the continued breach by a Member Organization, as well as the existence of proven actions contrary to the Guiding Principles, may lead to the respective Member Organization being temporarily suspended and/or excluded from RedLAC.

The decision of temporary suspension and/or exclusion of a Member Organization will be analyzed and made by the Executive Committee, whether the respective request is ex officio or at the request of one or more Member Organizations. In any case, prior to the Executive Committee making a suspension and/or exclusion decision, it must notify the Member Organization of the procedure initiated and the causes of non-compliance attributed to it, so that the Member Organization presents within fifteen (15) days a letter justifying its actions and/or refers to the seriousness of these.

The suspension and/or exclusion decision made by the Executive Committee must be ratified in an Ordinary Meeting and communicated to the corresponding Member Organization. In both cases, the decision must include a justification on the reasons that give rise to it and the conditions under which the sanction for non-compliance is imposed.

Section 3.08 **Observers**

Environmental funds in the process of formation and legal constitution, as well as other public or private organizations that, without being an Environmental Fund, actively promote the fulfillment of objectives related to RedLAC may acquire the status of Observers of RedLAC.

The party interested in becoming an Observer must send a formal letter of request to the President, who will submit it to the Executive Committee for discussion and decision. The Executive Committee will communicate its decision to the applicant, indicating the period during which they may participate in capacity stated in the Ordinary Meeting.

ARTICLE IV. STRUCTURE

The Network is comprised of the three following bodies:

- General Meeting
- Executive Committee
- Executive Secretary

ARTICLE V. THE GENERAL MEETING

Section 5.01 **Composition**

The General Meeting comprises the entire amount of Member Organizations of RedLAC. The process for forming a Meeting will follow the conditions stated in Article 3 of this Agreement. In accordance with the above, Member Organizations must comply with the corresponding legal and structural characteristics, as well as have satisfactorily carried out the Network admission procedure.

Section 5.02 **Powers of the General Meeting**

The General Meeting will have the following powers:

- a) Modifying this Agreement;
- b) Elect among the Representatives of the Member Organizations the positions corresponding to permanent members of the Executive Committee, including President, Vice President, Treasurer and three Members;
- c) Define the strategic orientation of the Network's operation.
- d) Approve the workplan and annual budget;
- e) Ratify the admission of new Member Organizations to the Network;
- f) Set the date and time of the Ordinary Meeting and other meetings deemed pertinent in relation to that Ordinary Meeting.
- g) Designate the Fund that will serve as host of the Ordinary Meeting for each of the next two years ("Host Fund") and approve the appointment of the Representative of the Host Fund who will hold the position of temporary member of the Executive Committee, during the corresponding term, as specified below in Section 6.01;
- h) Establish an annual membership fee; and
- i) Establish the number and areas of the Work Commissions

Section 5.03 **Invitation, Quorum and Decision-Making**

- a) Each Member Organization will have one (1) vote for purposes of the Ordinary Meeting.
- b) Ordinary Meetings will be called by the President, or at least half plus one of the members of the Executive Committee.
- c) The invitation will be sent by the Executive Secretary with a minimum advance notice of fifteen calendar days, and must contain at least:
 - The agenda of the matters to discuss. If a Member Organization wishes to propose a topic for discussion during the Ordinary Meeting, it must send it to the President at least five (5) business days prior.
 - The date and time;
 - The location; and
 - The way it is proposed that Member Organizations communicate during the meeting if it is anticipated that such Organizations will not be able to be in the same location.
- d) The President may set the date and time of the Ordinary Meeting if it is not held in the second half of the year.
- e) Invitations to the meeting must be done via email to the addresses provided by the Representatives.
- f) The Member Organizations will participate in the Ordinary and Extraordinary Meetings through their Representatives. If the Representative of a Member Organization must be absent or is unable to attend, he or she must inform the Executive Secretary of said situation, in addition to the third party designated by the Member Organization to make up for the absence of its Representative.
- g) Member Organizations must attend and participate in person at the Ordinary Meeting. Exceptionally, due to an emergency or force majeure, all Member Organizations may unanimously determine the need for the Ordinary Meeting to be held by video conference, telephone or any similar means, while ensuring that all participants can be heard.
- h) The General Meeting requires a minimum quorum of fifty percent (50%) of the Member Organizations active in the Network to meet and make valid decisions.

- i) Decisions put to the vote at the Meeting will be taken by a simple majority of the Member Organizations present.
- j) Meetings will be chaired by the President. The Vice President will have the power to substitute the President in his capacity as Director of the Ordinary Meeting and Executive Committee sessions if he is unable to perform such role. If the President is absent and has not provided prior notification of absence, once thirty minutes have passed from the start of the Meeting, the Vice President will chair the meeting. If the President is absent, having provided prior notification, the Vice President will chair the meeting beginning at the originally scheduled time.
- k) Exceptionally, if one of the Member Organizations cannot attend a meeting, they may choose to appoint the Representative of another Member Organization to represent them at the specific Meeting. The appointment made in this manner must be notified to the President in advance, and they must adhere to the following guidelines:
 - The Representative must be duly authorized for this purpose, according to the updated documentation that the Executive Secretary has.
 - The subject(s) on which the Member Organization wishes to be represented and the direction of voting in each of them must be specified.
- l) As a rule, a member that abstains from voting will be discounted from the voting database. Without precluding the above, if there is a tie in the voting, the abstention shall be interpreted as a “no” vote.

ARTICLE VI. THE EXECUTIVE COMMITTEE

Section 6.01 **Composition**

The Executive Committee will be made up of six (6) permanent members and one (1) temporary member, who, during the period of their appointment, will enjoy equivalent rights as members of the Committee. The President, Vice President, Treasurer and the three Members elected during the Ordinary Meeting will be permanent members, and their appointment will be for two (2) years. The members of the Committee may be reelected for one consecutive period at maximum.

The Representative of the Host Fund will be part of the Executive Committee as temporary member for one (1) year.

The composition of the Executive Committee must contemplate the criteria of continuity and renewal. In accordance with the above, the election of the permanent members of the Executive Committee will be carried out alternately, with three of them being elected during the Ordinary Meeting of one year, and the remaining three in the Ordinary Meeting of the following year.

Consequently, in each annual period, three of the permanent members must continue in their position and, at least, three new members must be added.

The members of the Committee must have experience, availability, and commitment to the Network's objectives. Likewise, they must be willing and able to cover the expenses of participating in the sessions of the Executive Committee.

If the Representative of a Member Organization appointed to the position of President ceases to exercise his position as Representative of the respective Member Organization, the Vice President shall substitute the corresponding vacancy in the interim until the General Assembly makes a new appointment for the role of President. During the term in which the Vice President is replacing the vacancy of President and if there is no new appointment of the position by the General Meeting, the Executive Committee will be made up of six (6) members.

In the event that the Representative of a Member Organization appointed in the position of Vice President, Treasurer or temporary member of the Executive Committee ceases to exercise his position as Representative of the respective Member Organization, the Executive Committee will designate any of the three Members on an interim basis to replace the vacant position until the General Meeting makes a new appointment, for the term in which the appointed Member is replacing the corresponding vacancy and as long as there is no new appointment by the General Assembly, the Executive Committee will be made up of a number of six (6) members.

If, due to exceptional circumstances, the number of members of the Executive Committee is reduced to less than six (6) members, the President must convene the General Meeting extraordinarily for the purpose of electing new Representatives to occupy the seven (7) positions of the Executive Committee or modify this Agreement in relation to the formation of this body.

In accordance with the procedure described in this Section, those Member Organizations whose Representative leaves their position on the Executive Committee will not be authorized to appoint a new Representative in their place.

Section 6.02 **Powers of the Committee**

The Executive Committee will have the following powers:

- a) Implement the resolutions of the Meeting and transform them into annual work programs. Concomitantly, it must manage the financing of these programs, and recommend to the Work Committees to get involved in the execution of activities that make it possible to achieve the goals proposed in the work programs;
- b) Verify the transparency of the Network's governance through a periodic review of the reports of operations prepared by the Inspector;
- c) Follow-up to the compliance of the Meeting's resolutions;
- d) Receive or make requests for the imposition of sanctions and/or expulsions of the Member Organizations;
- e) Ensure the preparation of proposals for financing of the Network's activities;
- f) Coordinate the processes of institutional cooperation and strengthening as part of the Network;
- g) Prepare a work plan and annual budget to submit to the General Meeting's approval;
- h) Receive and review the report of work presented by the Executive Secretary.
- i) Approve the appointment of the Executive Secretary; and
- j) Invite institutions that are interested in learning about and supporting RedLAC activities to the General Meetings, in order to publicize their annual work plan and budget, and to promote direct interaction with the members of the Network. Additionally, said institutions may attend a work meeting with the Executive Committee as guests, provided that the costs of participation in these meetings are covered by the persons invited to the Meeting or Committee session, as appropriate.

Section 6.03 **Invitation, Quorum and Decision-Making**

- a) Meetings of the Executive Committee may be called by the President or at least three members. The communication of invitation to a Committee session will be sent by the

Executive Secretary and must include at least the following elements:

- Date, time, and matters to be discussed;
 - The location where it will be held; and
 - The way it is proposed that members communicate during the meeting, if it is anticipated that the members will not be able to be in the same location together.
- b) When determining the date and time of a session, the President must make sure that there will be a majority of the members participating.
- c) Invitations to the meeting must be done via email to the addresses provided by the members of the Committee for this purpose.
- d) The Executive Committee will meet at least once (1) a year in person, rotating the location of the meeting between the members' quarters. The costs of these meeting, in principle, will be covered by the participants of the Member Organizations.
- e) The members of the Executive Committee must attend and participate in the Committee sessions in person. Exceptionally, due to an emergency or force majeure, any of the members may attend and participate in the session via video conference, telephone, or any similar means, while ensuring that all participants can be heard.
- f) The Executive Committee requires half plus one of its members to validly meet and make decisions through a simple majority.
- g) As a rule, a member of the Executive Committee who abstains from voting will be discounted from the voting database.
- h) The meetings of the Executive Committee will be chaired by the President. The Vice President will have the power to substitute the President in his capacity as Director of the Ordinary Meeting and Executive Committee sessions, if he is unable to perform such role. If the President is absent and has not provided prior notification of absence, once thirty minutes have passed from the start of the meeting, the Vice President will chair the meeting. If the President is absent, having provided prior notification, the Vice President will chair the meeting beginning at the originally scheduled time.

- i) Meetings subjected to the Committee's consideration will be presented by the President and/or Executive Secretary.
- j) If the number of members participating in a session of the Executive Committee is even and there is a tie in the vote, the President will have a double deciding vote on the matter.
- k) If one of the members of the Executive Committee cannot attend a meeting, they will not be authorized to appoint anyone outside the Committee to represent them. To name a proxy, the corresponding member shall notify the Executive Secretary prior to the meeting, and follow these guidelines:
 - The proxy must be another member of the Executive Committee;
 - They must specify the subject(s) on which they wish to be represented and the direction of voting in each of them.
 - Without prejudice to what is indicated regarding the need to appoint a proxy for voting on matters submitted for discussion in the Executive Committee, there is nothing to prevent the absent member from appointing an observer, without vote, to attend the meeting.

ARTICLE VII. THE PRESIDENT

Section 7.01 **Procedure for election and term of appointment**

The President will be elected by the General Meeting from among the Representatives. For this, they must consider the professional attributes supporting the knowledge and experience of the Representative to be elected and their active role in RedLAC. Particularly, the candidate for President of the Network must have at least one (1) year of experience as member of the Executive Committee. This election will take place during the annual Ordinary Meeting.

Their mandate will last two (2) years and he/she may be re-elected for just one consecutive period.

To facilitate the transition in the Presidency, the new President must be elected from the Representatives of the Member Organizations one (1) year before they start their functions.

Once the first year of the President's mandate has elapsed, and if he is not reelected, the General Assembly must appoint a new President from among the Representatives, who will assume his

functions at the end of the second year of the current President's term.

If there is a vacancy in the role of President, the Vice President shall assume that role in the interim until the new President is appointed, per Section 6.01.

Section 7.02 **Powers of the President**

The President of the Network will have the following powers:

- a) Call and preside over the Executive Committee meetings;
- b) Call and preside over the annual Meetings;
- c) Appoint the Executive Secretary and coordinate and supervise his/her duties;
- d) Represent RedLAC;
- e) Coordinate the preparation of the work plan and the execution of the annual budget together with the Executive Secretary and the Treasurer, to present it during the Ordinary Meeting;
- f) Supervise the general duties of the Executive Secretary with the assistance of the Inspector.

ARTICLE VIII. THE VICE PRESIDENT

Section 8.01 **Procedure for Election and Term of Appointment**

The Vice President will be elected by the Member Organizations from among the Representatives, considering their previous or current experience in the Executive Committee and their active role in RedLAC. Their mandate will last two (2) years and he/she may be re-elected for just one consecutive period.

Section 8.02 **Powers of the Vice President**

The Vice President will have the following powers:

- a) In accordance with what is indicated in Section 6.01 of this Agreement, in the event of the vacancy of the position of President of RedLAC, the Vice President shall temporarily assume the position of the Presidency until the appointment of the new President is formalized at the annual Ordinary Meeting.
- b) The Vice President will have the power to substitute the President in his capacity as Director of the Ordinary Meeting and Executive Committee sessions if he is unable to perform such role.

ARTICLE IX. THE TREASURER

The Treasurer will be elected by the General Meeting from among the Representatives, considering their previous or current experience in the Executive Committee and their active role in RedLAC. Their mandate will last two (2) years and he/she may be re-elected for just one consecutive period.

The Treasurer of the Network will have the following powers:

- a) Coordinate the management of the financial resources to operate the Network with the Executive Secretary.
- b) Review and compare the data in the budgetary execution report prepared by the Executive Secretary.

ARTICLE X. THE OFFICE OF THE EXECUTIVE SECRETARY

Section 10.01 Procedure for Election and Term of Appointment

The Executive Secretary will be elected by the President and will comprise one or more persons, belonging to the Member Organization that the President represents. The decision on the appointment will be communicated to the Executive Committee, who must ratify it. Their mandate will last two (2) years and may be reelected for just one consecutive period.

The Executive Secretary is the executive body of the Network, and its main role is to support the President in his/her duties. Nevertheless, it must ensure that his/her actions are aligned with the collective interest of the Network.

Section 10.02 Powers of the Executive Secretary

The Executive Secretary will have the following powers:

- a) Facilitate implementation of the workplan and annual budget of RedLAC;
- b) Develop and coordinate operating mechanisms of exchange and promotion of contracts, as well as the continuous flow of information among Member Organizations;
- c) Organize General Meetings together with the President;
- d) Organize the annual Congress during which the Ordinary Meetings are held together with the Host Fund of the corresponding year;
- e) Coordinate and attend meetings of the Executive Committee;
- f) Participate in the organization and coordination of the different events including but not limited to workshops, the Ordinary Meeting and other activities related to the strengthening the Network;
- g) Execute the budget, collect and manage the membership fees and any additional resources for the Network's operation;
- h) Support the strengthening of the Member Organizations;
- i) Maintain and update the physical and digital file of RedLAC;
- j) Prepare and present to the Executive Committee a report of management work together with the President; and
- k) Prepare and present to the Treasurer a report of budgetary execution of the Network's financial resources and the results of the external audit.

ARTICLE XI. WORK COMMISSIONS

The Member Organizations may establish Work Commissions to address matters that are of common interest to the Network. Per the above, the creation and incorporation of the Work Commissions are a voluntary and discretionary initiative of the Member Organizations.

The logistics of the Commissions will be supported by the Executive Secretary and their operating costs will be initially covered by the Member Organizations that comprise them. The Work Commissions must follow the guidelines of the *Rules of the Work Commissions*, subscribed for that purpose.

Section 11.01 **Conditions for the creation of the Work Commissions**

The Work Commissions must comply with the following conditions to be formally constituted:

- a) Report on their creation and composition to the Executive Committee;
- b) Communicate their progress to the Executive Secretary.

ARTICLE XII. INSPECTIONS AND AUDITS

Section 12.01 **The Inspector**

The Inspector will be elected by the General Meeting from among the Representatives, considering their previous or current experience in the Executive Committee and their active role in RedLAC. Their appointment will last two (2) years and may be reelected for just one consecutive period.

If the Representative of a Member Organization appointed to the position of Inspector ceases to exercise his position as Representative of the respective Member Organization, the President must call an extraordinary General Meeting to fill this vacancy.

Section 12.02 **Powers of the Inspector**

The Inspector will have the following powers:

- a) Review the annual external audit and the related results in order to communicate it to the members of the Executive Committee;
- b) Exercise administrative control and oversight of the Network's duties through a review of the reports and audits performed;
- c) Request the Executive Secretary for the external audit of the Member Organization whose representative serves as President.

Section 12.03 **Audits**

The audit will have the following guidelines:

- The Inspector will ask the Executive Secretary to have the audit conducted, through a notification to the Representative that will serve as Executive Secretary. Once the notification is received, the Executive Secretary must inform the Host Fund of such request, within the following fifteen (15) business days.
- The Host Fund must respond indicating the date established for the execution of the audit, within thirty (30) business days from receipt of the notification sent by the Executive Secretary.
- The Host Fund must assume responsibility for conducting the audit, considering the knowledge and technical skills necessary for the corresponding process.
- During the audit, the Executive Secretary must deliver all the information deemed pertinent for its proper execution and must coordinate and facilitate the process as required.
- Once the audit is completed, it is up to the Executive Secretary to deliver the results to the Inspector, through a report that must contain complete and reliable information on the process.
- It is the responsibility of the Inspector to review the result of the audit carried out by the Host Fund and notify the Executive Committee of their agreement or disagreement with it.

ARTICLE XIII. DIFFUSION AND CONFIDENTIALITY OF INFORMATION

All documents generated by RedLAC will be available through the Office of the Executive Secretary and on RedLAC's official website, guaranteeing ample access to all stakeholders.

The disclosure of confidential information, contained in the files of the Executive Secretary of RedLAC, must have the formal approval of the Inspector and be submitted for the Executive Committee's ratification.

ARTICLE XIV. DISSOLUTION OF THE NETWORK AND VOLUNTARY SEPARATION OF THE MEMBER ORGANIZATIONS

Given RedLAC's nature, it may be dissolved per decision by the General Meeting, made by at least two

third of the votes present at the Ordinary Meeting. In the event of dissolution, the Network's equity will be donated to an environmental cause, based on the proposals presented during that Ordinary Meeting.

Individual members may dissociate themselves from RedLAC at any time when it suits their interests by means of a written notification to the Executive Secretary and the President of RedLAC.

ARTICLE XV. MODIFICATIONS TO THE AGREEMENT

This Agreement may only be modified by a qualified majority of the Member Organizations attending the Ordinary Meeting.

ARTICLE XVI. PREDOMINANCE OF SPANISH PROVISIONS

In the event of any conflict between the provisions set forth in the Spanish and English versions of this Agreement, the terms of the Spanish version shall prevail. In construing any article or section, in any case, the spirit and intent underlying the provisions of the Spanish version shall be observed.

ARTICLE XVII. ENTRY INTO FORCE

The provisions of this Agreement will govern, without exception, directly after its approval by the General Assembly. Any previous provision related to the matter contemplated in this Agreement is repealed.

ARTICLE XVIII. TRANSITORY DISPOSITIONS

Once the Agreement is approved, the General Assembly will proceed to make the appointments of the required positions in the different organs of the network.

The people whose appointments are made in the General Assembly, according to this same Article, will assume their positions as of the day following its approval.

If necessary, the Executive Secretary in office must prepare a work closure report that includes the matters settled and pending resolution, which must be delivered within a maximum period of six months. Said Executive Secretariat will also be responsible for delivering all the information and resources, including the assets of the Network in its possession, to whom assumes the position.