

15/12/06



AGREEMENT OF COOPERATION

Between

Universidad Autónoma Gabriel René Moreno (UAGRM)
Facultad de Ciencias Agrícolas
Carrera de Ingeniería Forestal
Santa Cruz de la Sierra
Bolivia

&

Universidad Mayor de San Simón (UMSS)
Facultad de Ciencias Agrícolas y Pecuarias
Escuela de Ciencias Forestales
Cochabamba
Bolivia

&

The Royal Veterinary and Agricultural University
Danish Centre for Forest, Landscape and Planning
Division of Economics, Politics and Management Planning
Copenhagen
Denmark

AGREEMENT OF COOPERATION – KVL/UMSS/UAGRM/UAJMS

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1 INTRODUCTION

1. In order to co-operate on the implementation of the development research project specified below, the present agreement is concluded between the following parties:
 - The Royal Veterinary and Agricultural University (KVL), Danish Centre for Forest, Landscape and Planning, Division of Economics, Politics and Management Planning, Copenhagen, Denmark, hereinafter called KVL
 - Universidad Mayor de San Simón (UMSS), Facultad de Ciencias Agrícolas y Pecuarias, Escuela de Ciencias Forestales (ESFOR), Cochabamba, Bolivia, hereinafter called UMSS
 - Universidad Autónoma Gabriel René Moreno (UAGRM), Facultad de Ciencias Agrícolas, Carrera de Ingeniería Forestal, Santa Cruz de la Sierra, Bolivia hereinafter called UAGRM
2. The parties recognise that they have many research and education interests in common and that there will be mutual benefits from closer cooperation related to issues regarding forest management in Bolivia. Therefore, the parties establish a framework for such cooperative activities, financed by the Danish Council for Development Research which forms part of the Danish International Development Agency (DANIDA). The cooperative activities are described in the project known as 'Forest Management in Bolivia (FOMABO)', and named the project in the following text.



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3. The overall objective of the project is to strengthen the research capacity in Bolivia and to contribute through the research results to an improved Danish development aid performance. This agreement outlines the obligations and responsibilities of the three parties. Some of the responsibilities of KVL are pursuant to an agreement between KVL and the Danish Council for Development Research, providing the Danish research funds through the KVL.
4. The project is detailed in the Project Description Document submitted in the application to the Danish Council for Development Research, and the arrangements in this description shall prevail.
5. This cooperation agreement is in force on the precondition that the project is under active finance by DANIDA, and it is liable to any changes demanded by DANIDA instructions.

2 PROJECT SUMMARY

6. Project title: Forest management in Bolivia (FOMABO)
7. Project file no.: J.nr.104.Dan.8.f.
8. Project period: 36 months in the period 01. 01.2007-31.12.2009
9. Development objective: The project provides long-term backing both to university research and education, addressing the development needs within the Bolivian forest sector regarding forest management and planning. The development objective is:
 - Improved research and education capacities regarding sustainable forest management in Bolivia
10. Immediate objectives: The project is structured with three components with the following immediate objectives:
 - Component 1: Institutional and organisational strengthening: strategic planning and management systems developed and implemented and human, physical and organisational capitals improved
 - Component 2: Scientific research collaboration: Increased science-based knowledge regarding a) ecology and management of selected timber species in natural forest systems, and b) management of agroforestry and plantation production systems
 - Component 3: Educational strengthening: Quality of education and study conditions at graduate and post-graduate level at the forestry schools improved



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11. Expected outcome: The project is planned and implemented under DANIDA's research enhancement capacity building programme (ENRECA) and as such, it operates with a long-term vision of 9 years, consisting of:

- Permanence of high-quality and economically self-sustained research environments at partnership universities
- Permanence of high-quality, research based forest management and planning and community forestry educations at MSc levels
- Presence of qualifications and tools for making and implementing management plans for sustainable use of forest resources in Bolivia
- Improved capability of indigenous groups and colonists to manage on a sustainable basis the forest resources allocated to them through the ongoing changes in land tenure
- Presence of adequate ecological and socio-economic knowledge for sustainable utilisation of important tree species producing timber and non-timber products
- Use of the potentials of the above tree species to improve the livelihood of small-holders by means of natural forest management, agroforestry and afforestation of degraded areas
- Existence of updated economic information necessary for optimal decision making in forest economics and management

12. Budget: The total project budget at the time of this cooperation agreement is: DKK 6,666,449; KVL: DKK 3,112,433 (46%); UMSS: DKK 1,434,705 (22%); UAGRM: DKK 2,119,310 (32%).

13. Responsibilities: At the time of this cooperation agreement, the responsible parties at the three institutions are as mentioned below. Changes to be proposed are pursuant to DANIDA and KVL approval, who may also raise claims of changes.

- Principal responsible party (PRP): Professor Finn Helles, KVL
- Local responsible party I (LRP-I): Director Edwards Sanzetenea, UMSS, Escuela de Ciencias Forestales (ESFOR)
- Local responsible party II (LRP-II): Director Andrés Coimbra, UAGRM, Facultad de Ciencias Agrícolas, Carrera de Ingeniería Forestal

14. Organisation: The project functions as a cooperation between three autonomous institutions with a hierarchical activity line of command comprised by the FOMABO-KVL office, an advisory Project Steering Committee, locally based Project Management Committees, and the local FOMABO offices in both Cochabamba and Santa Cruz. The accounting line of command is constituted by the



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FOMABO-KVL office to which the local FOMABO offices apply for the necessary funds and also send punctual revised half-year reports.

3 PROJECT DOCUMENTATION

15. The basis for the research project co-operation, outlined in this agreement, is the detailed Project Description Document prepared jointly by the three parties prior to the signing of this agreement. The three parties have made sure that the objectives of the project fall within the principles for Danish support to development research activities, as specified by the Danish Development Research Council.

4 PROJECT BUDGET

16. The project budget appears from the Project Description Document and constitutes the financial basis for the project activities. The budget is prepared in DKK and is by calendar year divided in items to be spent in Denmark and items to be spent in Bolivia by UMSS and UAGRM, respectively. The budget can continuously be adjusted by application to or demand by DANIDA, and it includes the following main budget lines: (1) Salaries, fellowships and other project staff payments, (2) Travel and subsistence costs, (3) Purchase of research and project equipment, including freight and insurance, (4) Purchase of research and project materials, (5) Publication and dissemination of research findings, (6) Overhead costs.

5 BENEFITS TO PARTICIPANTS

17. UAGRM and UMSS receive in particular:

- Support in the curriculum development and implementation
- Improved research capacity and knowledge resulting from research and collaboration with local communities
- Continuation of existing Ph.D. fellowships that form the basis for improving the academic level of staff
- Provision of financial resources to positions as researchers, forest technicians, and field assistants
- Provision of financial resources and capacities to the 8 establish internal funds: (i) Individual and Group Capacity-development Fund, (ii) Forest Research Institute Support Fund, (iii) Internal Equipment and Literature Fund, (iv) Small Grant Research Fund, (v) funding for Research Programme 1 and 2, (vi) Internal Thesis Fellowship and Practical Work Fund, (vii) funding for Fellowship Programme for Students from Ethnic and other Rural Communities (UAGRM), and (viii) MSc Curriculum Development and MSc Scholarship and Thesis Support Fund.



- Provision of financial resources to participate in the Participatory Action Research Thesis Programme and Research Management Capacity Development Programme.

18. KVL uses the project to coordinate and implement research activities in Bolivia. The project provides a forum for conducting long-term research which is expected to raise the international profile of both KVL and UMSS and UAGRM in the field of 'Tropical forest and natural resource management to the benefit of rural livelihoods'. The partner institutions in Bolivia will also provide access for KVL students to conduct relevant field research. Furthermore, the project provides additional human resources to KVL in the form of Ph.D. students and a project coordinator/researcher.

6 CONTRIBUTIONS OF PARTICIPANTS

19. UMSS and UAGRM will in particular and free of charge:

- Provide adequate physical project location facilities and others, necessary furniture, class-rooms, laboratory space, power and water supply, local technical installations including telephone lines and other physical project framework, existing transport facilities (vehicles) and equipment. These contributions should meet the requirements of project personnel like coordinators/researchers, Ph.D. and M.Sc. fellows, technicians, assistants, administrative staff, students, and others involved with the project.
- Provide access to all existing field facilities necessary for the project, including physical infrastructure for education and research at the university research sites Valle Sacta and Bosque Experimental Elías Meneses (BEEM).
- Provide necessary and qualified academic staff to undertake adequate management of the 8 established internal funds to be managed by Bolivian institutions
- Provide necessary and qualified administrative staff input to undertake accounting, transport, office cleaning, etc.
- UMSS will contract at full time over the two last year in the project period (2008 and 2009) a forest engineer to undertake work in relation to research activities in Valle de Sacta within the possibilities of the universities.
- UAGRM will continue to contract at full time (plazo fijo o indefinido) over the three year project period two persons to undertake work in the Bosque Experimental Elias Meneses (BEEM)
- Contribute to project activities with a half-time administrative coordinator (Teacher with dedication exclusive)

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- Contribute to project activities from work of students at different courses as well as those involved with thesis writing and practical work
- Actively support the juridical institutionalisation of Forest Research Institutes as venues for future research activities at the two forestry schools

20. KVL will in particular and free of charge:

- Contribute partially or at full-time with staff time to monitor activities and results, establish working methods, Ph.D. supervision, etc.
- Provide matriculation of Ph.D. fellows according to normal rules implying among other things exemption from tuition fees
- Provide office space, equipment, computer facilities and other necessary infrastructure for Ph.D. fellows when staying at KVL
- Provide access to information on research and methodology
- Support the project with students to undertake activities which are realised in Bolivia

7 KVL OBLIGATIONS AND RESPONSIBILITIES

21. Pursuant to this agreement and to the agreement between KVL and the Danish Council for Development Research, it is the responsibility of KVL,

- to provide for the continuous transfer of the funds from Denmark to separate project bank accounts in Bolivia held by UMSS and UAGRM,
- to set up – in collaboration with the UMSS and UAGRM – an adequate and reliable administration of the project funds,
- to make sure that all expatriate researchers and other project staff will be recruited and employed in the project according to the budget and the project implementation plan,
- to make sure that all necessary permits and approvals from Danish authorities to implement the project are provided before the start of the third project phase,
- to apply – in collaboration with the Danish Embassy or the Danish Ministry of Foreign Affairs – tax exemptions, research permits, work permits and other normal expatriate privileges from the Bolivian authorities.



8 UMSS AND UAGRM OBLIGATIONS AND RESPONSIBILITIES

22. Under this agreement it is the responsibility of UMSS and UAGRM,

- to apply for all necessary permits and approvals from the Bolivian authorities to implement the project are provided timely and without complications,
- to make sure that all local researchers and other local project staff are recruited and employed in the project according to the budget, the project implementation plan, and in accordance with the Bolivian employment legislation and norms as well as DANIDAs requirement on open and transparent processes,
- to facilitate KVL's contacts and negotiations with all relevant Bolivian authorities,
- to contract graduated Ph.D. students in permanent positions after finishing their studies at KVL, as also stipulated in their contracts with the universities, in order for them to undertake academic and research functions in accordance with the norms and internal regulations of the universities.

9 PROJECT MANAGEMENT

23. It is the joint responsibility of the two parties to ensure a proper and goal-oriented management of the research project. This includes both the research performance, the reporting procedures, the financial management and the accounting:

- Research performance. It is the duty of the local responsible parties (Forestry School Directors at UAGRM and UMSS and principal responsible at KVL) and the project coordinators to closely monitor the research activities. The research results obtained must be monitored against the progress plan and timetable (half-early operational plans) of the project. Appropriate intervention must be made by the responsible parties and the project coordinators, if the progress of the project tends to develop unsatisfactorily.
- Reporting procedures. It is the duty of the responsible parties to submit progress reports to the authorities in Denmark (Council for Development Research). The local responsible parties should report to the principal responsible party who compiles progress reports to the authorities in Denmark. An annual report must be submitted no later than 1 February of the subsequent year. Within 3 months after project completion, a Project Completion Report should be submitted to the abovementioned authorities.

It is the duty of the responsible parties and the coordinators to immediately report to the authorities in Denmark if the project progress severely deviates from the plans, or if the budgetary development becomes seriously needy. This immediate reporting obligation also applies in case of fraud, abuse of funds, irregular administration or mismanagement. All reporting must be made in English and Spanish.



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- General budget management issues. According to Danida requirements UAGRM and UMSS are required to establish an independent bank account, in Dollars, separated from the general university accounting system, providing direct budget access for the local project administrations.

It is the duty of the responsible parties and the coordinators within their institutions to make sure that the project expenditure is kept within the approved budget. As a general rule, reallocations between budget lines are permitted with up to 10% of the involved budget lines.- Such reallocations, however, must be reported and motivated in the annual/final report and accounts. The budgeted contingency amount may only be transferred to other budget lines in cases, where unexpected project expenditure, delays or unforeseen implementation changes make it necessary and only after consultation with DANIDA. The contingency amount may never be used to expand or prolong the project or to reformulate its overall objectives. However, the allocation of the contingency amount must be reported and motivated in the annual/final report and accounts.

- Transfer of funds from KVL to the Bolivian project accounts should normally take place on a quarterly basis. The request from the project for transfers should be addressed to the KVL with a three weeks notice. The request shall be accompanied by a disbursement survey, showing the actual cash holding and the anticipated need for cash in the next 3 months.
- Salaries, emoluments and other project staff payments shall, as a general rule, follow the contractual arrangements, legislation and norms prevailing in Denmark and Bolivia, respectively. If provided for in the project budget, Bolivian researchers may receive a research allowance for specific research activities in the project, such as field work, preparation of reports, inputs to seminars, etc. The level for such research allowances must be compatible with local rates and should eventually be determined in consultation with the Danish authorities. The terms for professional visits to Denmark by Bolivian researchers should follow the general Danish rules for fellowships.
- Travel and subsistence costs. Air transport should take place on economy class and, where possible, at discount rates. Subsistence allowances for KVL-researchers in Bolivia should follow the rules laid down by the Danish authorities.
- Project equipment. All equipment financed in Bolivia by the project budget shall be ID-marked for the inventories of the three parties and for an easy identification and continuously kept inventoried for accounting and auditing purposes. During the project, all project-funded equipment will remain project property and be used for activities related to the own project activities regarding research and capacity building as appropriate. When the project is completed, all project equipment purchased for Bolivia will be handed over to UMSS and UAGRM, respectively. For this to take effect, a specified transfer document legalised by responsible and competent authorities must be signed.



10 PROJECT ACCOUNTING

24. It is the duty of the respective project institutions and their project responsible parties to establish and maintain a reliable accounting set up for the project funds allocated for their use. This implies the preparation of an adequate chart of accounts which is uniform for the all the parties, that the accounting process is being kept up to date, and that all accounting material can always be made available in the moment required by the financing agency. Accounting and all administrative procedures must meet internationally recognised standards and must accord with the national legislations and norms, as well as university regulations and norms.
25. Three months after the termination of the project, the final accounts for the project must be submitted to the Danish authorities. In case of multi-annual projects, the annual accounts must be submitted to the corresponding authorities by the end of April of the subsequent year. The final or annual accounts must present a comparison of the accounting figures with the corresponding budget lines. Bolivian accounts must be signed by the respective local responsible party, the project coordinator/researcher, the accountant/administrator of the institution, and an extern chartered accountant recognised by the parties. After project termination, all unspent project funds must be returned to the Danish authorities without any claims.

11 AUDIT

26. The final and annual accounts may be submitted to the Danish authorities together with a copy of all original vouchers and other relevant bookkeeping material, such as bank extracts etc. The accounts must be audited and signed by a chartered accountant, recognised by all parties. In addition the accounts must be audited and signed by the internal university audit.

It is the duty of the project managers to give unlimited access to and facilitate any audit, review or evaluation activity, requested by Danish and Bolivian authorities (e.g. the Auditor General).

12 PROJECT RESULTS

27. The rights to the results produced under the project shall belong to the party or the parties who has or have produced the results with due respect to international conventions. Results that can be used for a patent or as a utility model shall be documented in writing and may be patented in accordance with the parties' decision. The party or parties who submit(s) any patent application shall pay the costs connected with this without using funds from the budget of the project. The parties shall be under an obligation actively to participate in achieving any desired patent protection. It is the duty of the parties to allow - free of charge - the use of the research results and findings for publication purposes and for development co-operation purposes.

13 DISPUTES

28. Any dispute concerning the interpretation or implementation of the present agreement shall be settled by negotiations between the affected parties. If this is not considered possible, the dispute



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shall be solved through arbitration according to Danish arbitration rules. The dispute cannot be submitted to any court of justice, neither in Denmark nor in Bolivia.

14 AMENDMENTS AND TERMINATION

29. All parties may request amendments to this agreement. The implementation of such amendments will imply the agreement of the parties. The agreed amendments must be confirmed by exchange of letters signed by competent authorities and responsible persons.
30. This agreement may be terminated by the parties with a 3 months notice. The Danish authorities may on behalf of the KVL terminate the agreement immediately in case of serious misadministration, negligence in control and follow up of the research activities, and repeated violation of the stipulations in this agreement and the documents backing it.
31. This agreement shall enter into force on the date of the last signature below. Unless terminated before, this agreement shall remain in force for the project period (01.01.2007-31.12.2009).
32. UMSS and UAGRM acknowledge and accept that KVL as of 1 January 2007 merges with other Danish educational institutions under a new name and that this merged unit will be a party to this Agreement.

15 OTHER

33. In experimental forests of UMSS and UAGRM where research is conducted as a part of the project, it is only possible for the institutions to realise scientifically based and documented activities.
34. The student house facilities constructed at UAGRM is for the exclusive use by forestry students from communities of the indigenous peoples, which was stipulated in a special agreement signed by competent authorities of the parties at the time of its inauguration where it is indicated that this use is for perpetuity and without any additional costs.



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16 SIGNATURES

UNIVERSIDAD MAYOR DE SAN SIMÓN (UMSS)

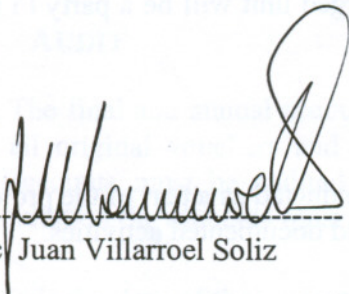
ORIGINAL FIRMADO POR
Ing. Franz Vargas Loayza
RECTOR
UNIVERSIDAD MAYOR DE SAN SIMON

15 DIC. 2006

Ing. Franz Vargas Loayza

Date

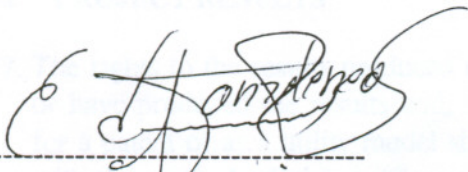
Rector



Msc. Juan Villarroel Soliz

Date

Dean



MSc. Edwards Sanzetenea Terceros

Date


Local Responsible Party I


LIC. JOSE DECKER MARQUEZ
DIRECTOR DE RELACIONES
INTERNACIONALES Y CONVENIOS

UNIVERSIDAD AUTÓNOMA GABRIEL RENE MORENO (UAGRM)

Lic. Alfredo Jaldin F.

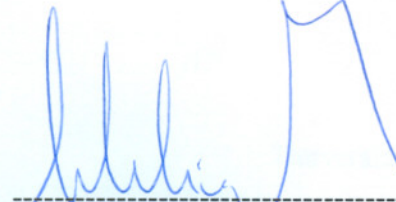
Rector


Lic. Alfredo Jaldin Farrell
RECTOR
U. A. G. R. M.



Date

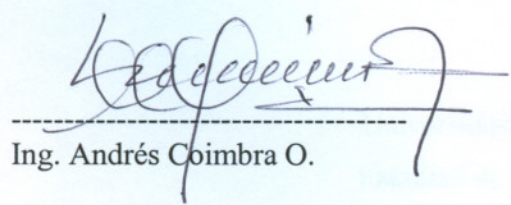
13 DIC 2006



MSc. Nelson A. Rodriguez M.

Dean

Date



Ing. Andrés Coimbra O.

Director, Local Responsible Party II

Date

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THE ROYAL VETERINARY AND AGRICULTURAL UNIVERSITY (KVL)

The change of organisational structure anticipated in section 32 has been implemented as of January 1 2007. As a consequence the University of Copenhagen will enter the present contract in the place of KVL.

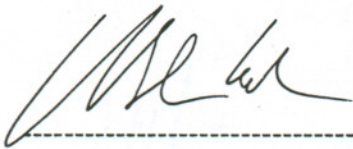


Dr. Per Holten-Andersen

Dean



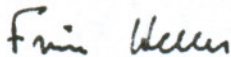
Date



Dr. Niels Elers Koch

Director

Date



Dr. Finn Helles

Professor, Principal Responsible Party

Date