



Proyecto:  
DGDC - ITM 2008 2013

**FRAMEWORK AGREEMENT 3 DGDC-ITM 2008-2013**

**Institutional Collaboration "92060"  
"STRENGTHENING POST-GRADUATE TRAINING AT THE UMSS OF  
COCHABAMBA"**

**CONTRACT BETWEEN**

**The Prince Leopold Institute of Tropical Medicine, Antwerp, Belgium**  
Hereinafter referred to as « **ITM** »  
Represented by Prof. Dr. Bruno Gryseels, Director,

and

**The Graduate School, Department of Medicine, Universidad Mayor de San Simon,**  
Cochabamba, Bolivia  
Hereinafter referred to as « **UMSS** »  
Represented by Prof. Dr. Faustino Torrico.

**Article 1: Definition**

This contract defines the conditions of the collaboration between ITM and UMSS for the execution of the Institutional Collaboration Project "Strengthening Post-graduate training at the UMSS of Cochabamba" (hereinafter referred to as the "Project"), specified under heading "2.06" of the third Multi-annual Programme 2008-2013 of the Framework Agreement (FA3) between ITM and the Belgian Directorate-General for Development Co-operation (DGDC), as approved by the DGDC-ITM Steering Committee (SC) on September 21<sup>st</sup> 2007.

The commitment on the plan and budget agreed upon by ITM and UMSS and the execution of the present contract will be subject to the approval of FA3 by the Belgian Government.

Framework Agreement 3 will run over a total of 6 years, divided in two 3-year periods. The Project's plan and budget is to be considered approved for the first 3-year period. In the third year of the first 3-year period the Project will be assessed and its plan and budget for the second three year period will be reviewed and adjusted if deemed necessary. A joint proposal for the new three year period will be submitted to the ITM Board at least nine months before the end of the first three year period.



## **Article 2: Plan**

- 2.1. The Plan of the Project for the first 3-year period as approved by the SC is described in Annex I.
- 2.2. No substantial change in objectives, planned activities, obligations or budgets can be made without prior approval of the SC.

## **Article 3: Management**

- 3.1. Both partners, ITM and UMSS commit themselves to carry out this Project in faithful collaboration according to their respective means and to the best of their abilities.
- 3.2. ITM and UMSS are both responsible to obtain the results as described in the plan. The specific contribution to the project of each partner is defined in Annex I.
- 3.3. No right or obligation resulting from this contract can be transferred to a third party without prior written agreement between ITM and UMSS.
- 3.4. All written or oral information obtained during the preparation, execution or follow-up of this Project by a member of ITM or UMSS, will be kept confidential and will not be disseminated without prior written agreement between ITM and UMSS.
- 3.5. International ethical principles (on professional secrecy, medical secrecy, non discrimination, honest and clear information, free and informed consent, respect of human dignity for persons becoming subject of studies, tests, questionnaires, etc.) and the regulations of the ethical commissions of ITM and UMSS, will be respected during the preparation and the implementation of this Project.
- 3.6. The intellectual rights on the results of this Project will be jointly owned by ITM and UMSS. Use of these results by one of the parties for internal scientific research or educational purposes is permitted.
- 3.7. Use by ITM or UMSS of commercial rights on the results of this Project, including taking out a patent and similar exploitation possibilities, will be subject to a separate agreement.
- 3.8. Scientific publications by ITM or UMSS resulting from or based on the results of the Project are allowed, provided that DGDC is mentioned as donor agency, that the contribution of each of the scientists is taken into account and that ITM or UMSS does not raise any objection within two months after reception of the publication proposal by the other party.

## **Article 4: Duration**

- 4.1. The Project starts on January 1st, 2008 and lasts until December 31st, 2013. The plan and budget are approved for the first 3-year period. In the third year of the first 3-year period the Project will be assessed and its plan and budget for the second three year period will be reviewed and adjusted if deemed necessary. A working year starts on January 1st and lasts until December 31st.



- 4.2. Each partner can end this contract for well-founded scientific, budgetary or administrative reasons. In that case, the other partner shall be notified in writing 3 months in advance. All legal commitments towards personnel, suppliers and subcontractors shall be respected.
- 4.3. In case of "force majeure" or evident and major breach of contract by one of the partners, the other partner can suspend its activities and obligations, totally or the part hereof affected by the circumstances, with immediate effect. In that case, the other partner shall be notified in writing immediately.  
Legal commitments made towards personnel, suppliers and subcontractors shall be respected.  
A mutual agreement on further proceedings will then be sought within a period of three months.
- 4.4. The non-fulfilment of contractual commitments of possible preceding DGDC-ITM collaboration contracts regarding the reimbursement of non-spent balances by UMSS may lead to the suspension by ITM of the present contract.

#### **Article 5: Budget**

- 5.1. The budget for this Project has been fixed for the first 3-year period (2008-2010). After the first 3-year period the Project plan and budget will be reviewed and adjusted if necessary for the second 3-year period (2011-2013).  
The execution of the budgets will be assessed on an annual basis after the approval of the financial report submitted to ITM. In case of substantial underspending, ITM withholds the right to adjust the budget accordingly (cfr 5.6)  
All payments to UMSS by ITM are subject to the approval of FA3 by the Belgian Government, and the transfer of the corresponding funds by DGDC to ITM accounts.  
The specific budget rules of this contract with reference to the first year 2008, as mentioned in articles 5.4. to 5.8., will apply for every following year of this Project.
- 5.2. The indicative 2008-2010 budget (excl. scientific support ITM) proposed to DGDC is 332388 EUR, as described in Annex II.
- 5.3. An advance of 25% of the 2008 budget to be managed by UMSS will be disbursed within 1 month after signature of the contract by all parties. For the following years 2009-2010, the first instalment of 25% will be transferred in the month of January of the respective year.
- 5.4. The second disbursement of 25% of the year budget to be managed by UMSS will be made, provided that the funds for the Project are made available by DGDC to ITM and that the final financial report of the Project regarding the previous year has been delivered by UMSS to ITM.
- 5.5. The disbursement of the remaining 50% of the year budget to be managed by UMSS by ITM depends on the approval by ITM of the financial report of UMSS for the previous year and on the submission of the interim financial report by UMSS as mentioned in 6.6.  
The non-reimbursement of non-spent balances by UMSS resulting from possible



previous DGDC-ITM collaboration contracts may lead to the suspension of payments by ITM.

- 5.6. The non-justified balance at the end of a working year, as stated in the financial report approved by ITM, is to be transferred entirely to the next year's working budget and represents as such an increase of the budget to be justified in the next working year. When, after the approval of the financial report by ITM, the non-justified balance exceeds 20% of the budget allocated for that year, ITM withholds the right to adjust the following year budget in consultation with the parties concerned.  
At the end of the first 3-year period of the Project, this clause does no longer apply and UMSS will reimburse any non-justified balance to ITM within one month after the approval by ITM of the final financial report.
- 5.7. The budget for the indirect costs (administration costs or overhead) of UMSS is limited at 12% of the direct costs as stated in the project budget and will be made available to UMSS together with the budget for the direct project costs. UMSS will account for the indirect costs by submitting original justification documents.
- 5.8. UMSS will open a specific bank account at an officially recognised banking institution, and inform ITM on the account number using the administration form in Annex II. This account will exclusively be used for the purpose of this Project.  
If such a procedure is not possible for legal or regulatory reasons, UMSS will present an official declaration to this extent. In that case UMSS will at least manage a separate cash-flow book for the Project, as described in Annex III.
- 5.9. Overspending will not be compensated. The maximum of allowable expenses equals the approved budget.

#### **Article 6. Accountability**

- 6.1. The financial and administrative DGDC regulations applicable to this contract are specified in Annex III.
- 6.2. It is advised to UMSS to take out insurance against any loss or damage that may be sustained by UMSS, its personnel or property in the course of implementing the Project. ITM will not, in any circumstances or for any reason, held liable for any loss or damage sustained or caused by UMSS, its personnel, or third parties involved as a consequence of the implementation of the Project.  
ITM will not accept any claim for compensation or indemnity in respect of any loss or damage as a consequence of the implementation of the Project.
- 6.3. UMSS is accountable to ITM for the part of the budget transferred by ITM to UMSS according to the regulations laid down by DGDC in Annex III.  
ITM is accountable for the total budget to DGDC, in accordance with the regulations stated in Annex III.
- 6.4. Only expenditures that are in compliance with Annexes II and III of this contract will be accepted.



For all expenditures made by UMSS, original invoices or justification documents must be sent to ITM. If this is not possible for legal or regulatory reasons, UMSS will submit an official declaration to this extent together with copies of the original invoices or justification documents.

Justification documents dated after 31<sup>st</sup> of December of the reference year will not be accepted.

All expenditures are subject to the "*a posteriori*" approval by DGDC and by the financial control systems of the Belgian Government.

Expenditures by UMSS that are not in agreement with DGDC regulations or that are not accepted by the Belgian Government will be deducted from the total expenditure (see non justified balance 5.6 and 6.5)

- 6.5. The non-justified balance of the budget of the previous year will be added to the budget of the working year, provided that it does not exceed 20% of the previous year's local budget. After the approval of the financial report of the previous year and the calculation of the non justified balance, ITM will inform UMSS of the exact amount to be shifted to the budget of the current working year. This represents an increase of the working budget for which justification documents will also have to be submitted.
- 6.6. The transfer of the remainder of the budget mentioned in 5.5. is subject to the submission to ITM of an interim financial report from UMSS according to the requirements described in Annex III.  
ITM should receive this interim report before August 1st of the current year.
- 6.7. A consolidated annual activity and financial report must be sent to ITM before the end of the month of February following on the reference year according to the requirements described in Annex III.  
These reports must be written in English or French and signed by the Representative of UMSS.
- 6.8. Apart from internal evaluation and audit, which can be foreseen in the present contract, ITM and DGDC reserve the right to organise their own external scientific, financial or administrative evaluation and audit. UMSS agrees to fully collaborate in case of such an audit.

#### **Article 7: Changes.**

- 7.1. Any changes or amendments to the contract shall be subject to a supplementary written agreement between ITM and UMSS. No oral understanding shall bind the contracting parties to that effect.
- 7.2. The commitment on the three year plan and budget agreed on by ITM and UMSS, will be subject to the approval of FA3 by the Belgian Government.

#### **Article 8: Applicable law**

- 8.1. The laws of Belgium shall govern this contract.



- 8.2. In case of disagreement, a mutually acceptable solution will first be aimed at.
- 8.3. Legal proceedings regarding this contract will be conducted only before the court of justice in Antwerp.

**Annexes**

The following three Annexes are an integral part of this contract.

- Annex I: The 2008-2010 Project Plan  
 Annex II: The Budget Breakdown 2008-2010 and Administration Form  
 Annex III: Financial and Administrative Guidelines applicable to FA3

All pages of this contract and its Annexes should be initialled by all signatories.

Signed in 2 copies,

For ITM,  
 Date 27 DEC. 2007  
 Place Antwerp  
 Prof. Dr. Bruno Gryseels,  
 Director

For UMSS,  
 Date 07/10/08  
 Place COCHABAMBA - BOLIVIA  
 Prof. Dr. Faustino Torrico,  
 Director

Date 27 DEC. 2007  
 Place Antwerp  
 Prof. Dr. Patrick Van der Stuyft  
 Promoter ITM

Lic. Juan Ríos del Prado  
 RECTOR  
 Universidad Mayor de San Simón

Ing. Esp. Jaime Orellana J.  
 DIRECTOR DE RELACIONES  
 INTERNACIONALES Y CONVENIOS  
 UNIVERSIDAD MAYOR DE SAN SIMÓN