



VLR-UOS guidelines concerning
RIP projects (2013 -)

June 2012

Inhoud	
Main changes between the RIP guidelines (April 2012) and former guidelines	3
Formal Framework	4
General provisions concerning the guidelines	5
<i>Entry into effect, scope and validity</i>	5
<i>General provisions concerning the guidelines</i>	5
Analytical accounting	5
Activity and financial reports (subject to revision by October 2012 in view of the new framework agreement with DGD as of 1 January 2013)	5
Invoices or supporting documents	6
Transfer of credits	6
<i>Responsibilities</i>	7
<i>General financial procedures applicable to all budget lines</i>	7
General budget plan for a RIP project	9
A. <i>Investment costs</i>	10
Definition	10
Annotated budget line	10
B. <i>Operating costs</i>	11
Definition	11
Annotated budget line	11
C. <i>Personnel costs</i>	14
Definition	14
Annotated budget line	15
D. <i>Scholarship costs</i>	15
Definition	15
Guidelines and allowances	16
Local scholarships	16
E. <i>Coordination costs</i>	17
Definition	17
Annotated budget line	17
Appendix 1: Exchange rate calculation	18
Method	18
Example	18
Appendix 2: costs made by ‘expatriated experts’	19

Main changes between the RIP guidelines (April 2012) and former guidelines

- The indicative maximum budget of a RIP project is 300.000 EUR.
- The number of budget lines has been limited to 5. The applicable budget lines are:
 - A. Investment costs
 - B. Operational costs
 - C. Personnel costs
 - D. Scholarship costs

E.2. Local coordination cost (5% lump sum from A to D)
- Possibility of funding personnel in the southern hemisphere. A budget is created for personnel costs to address the lack of funding possibilities for employee recruitment in the former Own Initiatives (including RIP) (prior to 2009). The academic and administrative/technical staff of the local partner institution or institutions and other (academic) institutions in the southern hemisphere can be deployed for the execution of a RIP project. Employees may also be recruited from outside the university. Unlike before, payroll costs may be included in the project budget, although they must be limited to no more than 10% of the overall project budget for no more than the initial project duration. Higher costs may be accepted in any given year if the project activities demand it, provided that lower costs are paid in another year to ensure that the 10% threshold of the total budget is not exceeded over the initial project duration. Personnel costs cannot be accepted in any extension year, for sustainability reasons. All personnel costs must be detailed in the project proposal and any subsequent amendments must be submitted for approval to VLIR-UOS. To this end, a breakdown format will be drawn up by VLIR-UOS as part of the fully-fledged project proposal format. Personnel costs must be performance-based. All costs connected to the deployment of employees (service contracts, topping-up, employment contracts with local employees etc) must be budgeted and charged as personnel costs and must never exceed 10% of the overall project budget for no more than the initial project duration. Topping-up will be limited to no more than 40% of the salary compared with the former 80% limit.
- The local coordination costs are a lump sum cost fixed at 5% of the budget of A to D. In the former Own Initiatives, the coordination costs were calculated on actual expenditure instead of the budget.
- Local per diems of more than 20 EUR per day are accepted if a validated document with the local rates is submitted to and approved by VLIR-UOS before the start of the project. If not available, the local per diem should be limited to 20 EUR per day, unless it has to pay for a hotel stay, in which case the price of the hotel may be added to the 20 EUR.

The hotel and per diem allowances change at least once a year and are therefore not included anymore as an annex in the VLIR-UOS financial guidelines. They can be found on the VLIR-UOS website: www.vliruos.be/en/documents/guidelines_and_forms/131#general-guidelines-and-forms.
- Allowances and guidelines for scholarships facilitating a stay in Belgium are not included anymore in these VLIR-UOS financial guidelines, but are available as a separate document to be found on the VLIR-UOS website: [www.vliruos.be/en/documents/allowances_and_guidelines_for_scholarships_\(from_01/09/2018\)](http://www.vliruos.be/en/documents/allowances_and_guidelines_for_scholarships_(from_01/09/2018)).

Formal Framework

On 21/12/07 VLIR's University Cooperation for Development Steering Group approved the new VLIR-UOS guidelines for the management of South projects, formerly known as Own Initiatives, and submission of activity reports and financial reports in addition to the Special Agreement of 19 December 1997 on the Own Initiatives Programme (which includes RIP).

This document is based on the budget model imposed by the guidelines. Where relevant, all expenses are clarified per budget line, together with how they may be incurred and how they must be justified.

General provisions concerning the guidelines

Entry into effect, scope and validity

These financial guidelines are applicable in full to the RIP Programme of VLIR-UOS, in accordance with the Special Agreement of 19 December 1997 on the Own Initiatives Programme (the former name of the RIP Programme). The previous guidelines – the DGD/VLIR guidelines on the management of projects and submission of activity reports and financial reports in addition to the Special Agreement of 19 December 1997 on the Own Initiatives Programme, as approved on 10 December 1998 – are applicable to the RIP projects but are subject to revision before the end of 2012 and before start-up of the RIP projects as of 1 January 2013.

It should be noted that a new agreement with the Belgian authorities will be concluded in 2012 and that some items in these guidelines could be modified. Every modification will be communicated before the actual start of the RIP project.

General provisions concerning the guidelines

Analytical accounting

The financial transactions for activities subsidised within the framework of university cooperation for development must be organised by the subsidised institution in a way that allows for analytical accounting. Local financial transactions must go through a dedicated account in the name of the partner institution or institution that has co-signed the agreement. Only accounts at recognised banking institutions can be accepted. These accounts must not be linked to other accounts (no subsidiary accounts).

Activity and financial reports (subject to revision by October 2012 in view of the new framework agreement with DGD as of 1 January 2013)

Submission

The date of submission of activity and financial reports for the RIP projects are under revision and will be communicated in October 2012.

Contents

Annual activity Reports will be expected for each Activity programme. The expected contents of these reports and of annual reports will comprise the following items:

1. A brief survey of the objectives of the project.
2. An overview of the activities realised during the relevant period.
3. A comparison of the planned activities and the actual realisation (quantitative and qualitative).
4. Justification of the established differences between the budget provided and actual expenditure. The contributions of other donors should also be mentioned insofar as it is possible and relevant to the realisation of the project or programme. Any income generated by a project or programme should also be stated.
5. Comments on the performance of the project: results obtained, causes of success or failure, difficulties encountered etc.

6. If activities are spread over more than one year, the planning for the second year should also be submitted, stating the differences from the original planning.

Any difference between the budget instalment provided and actual expenditure must be justified.

Significant changes to the content of the project must first be submitted to VLIR-UOS for approval, even when they have no special financial implications. VLIR-UOS will consult with DGD before notifying the promoter of its approval or rejection of these changes.

Form

1. The activity and financial reports must be submitted in the form added to these guidelines (under revision). Failure to do so will result in VLIR-UOS returning the reports to the relevant institution for adaptation.
2. The activity report should discuss the relevant items in the order stated above. A purely scientific report may be annexed to the activity report, but is not compulsory. Each activity report must be signed by the project promoter.
3. A final report on general implementation must be drawn up at the end of every project and submitted together with the activity report.
4. The activity report and the financial report must be in Dutch, French or English. If required, additional explanatory documents may be attached in French, English or Spanish.
5. A distinction must be made between the annual progress report, the 3-annual Activity Report (Action Plan) and the final project report. The final report is prepared at the end of the project and should comprise a general evaluation of the project implementation.

Invoices or supporting documents

1. Original invoices or supporting documents for all expenditure must be kept at the institute of the local promoter. On request, submission of copies of invoices and supporting documents for expenditure locally are acceptable if local laws prohibit original accounting documents from being taken out of the country.
2. VLIR-UOS, DGD and the Auditor's Office are entitled to inspect these documents at all times within the framework of their auditing remit.

Transfer of credits

Between budget lines

Credits can be transferred within the annual budget of a project from one budget line¹ to another. Prior permission is not required if the overspend on a given budget line is no more than 20% of the initial budget for this budget line. This must however be clarified in the activity report. Overspend higher than 20% of the initial budget for the budget line should be requested in writing in advance from VLIR-UOS, which will consult with DGD if it concerns a programme change. Permission for any structural project changes must also be requested in advance. Permission for other personnel costs that were not originally named in the project proposal must be requested in advance from VLIR-UOS, which will consult DGD.

¹ These are the main budget lines A to E from the general budget plan.

Between years

Credits (outstanding balances) can be transferred from one activity year to the next. Prior permission is required in writing in advance from VLIR-UOS with the 2 formats for that effect (narrative argumentation and budget overview excel file). This credit transfer possibility should remain restricted to the strict minimum, as planned budgets per activity year should be realistic and feasible.

Responsibilities

RIP projects are managed administratively by the southern institution responsible for their execution. In concrete terms, this means the institution to which the local promoter of the project is contracted. This means that the coordinating institution is also responsible for a number of practical arrangements necessary for the proper execution of the project (e.g. employment contracts, shipments, settlements).

The promoter heads up the project independently and is responsible for the smooth completion of the scheduled actions. He/she has complete powers to execute the project as described in the approved project proposal. He/she is not dependent on the approval of VLIR-UOS or DGD, except in the case of spending not initially provided for, such as a change to initial personnel costs and when there is a budget overspend of more than 20% per budget line.

Responsibilities with respect to the execution of the RIP projects are defined by one agreement: between VLIR-UOS and the local partner institution or institutions to which the local promoter is contracted.

General financial procedures applicable to all budget lines

QUOTATIONS

- Goods or services (including transport) purchased as part of university cooperation for development must meet the highest value for money standards. Based on this principle, the goods will be purchased in Belgium, the country of the partner institution or another country. *If a Flemish university involved in the RIP project needs to, it can ask VLIR-UOS for a special amendment to the contract in order to facilitate purchase of goods or services in the framework of the project, since the Flemish university is not formally bound to the RIP project.*
- The Public Procurements Act applies to the purchase of goods or services (and so also service contracts, consultancy fees etc) in Belgium. The choice of any given proposal must be justified.
- At least three quotations must be requested for major purchases of goods or services (and so also service contracts, consultancy fees etc) abroad (more than 5,500 EUR excluding VAT), based on the same document to permit comparison. The choice of any given proposal must be justified. All things being equal, the best value for money proposal will be selected.

IMPORT DUTIES

- Import duties are payable by the partner institution or institutions. The Flemish institutions will ask their partner institutions to take the appropriate steps vis-à-vis local governments to ensure the success of the activities. This mainly relates to activities with regard to exemption from import duties, customs clearances, installation, maintenance and insurance of the imported goods and equipment. Exceptions are possible, subject to the approval of the University Cooperation for Development Steering Group and provided extensive arguments are submitted.

VAT

- Value added tax should not normally be charged on purchases made in Belgium intended for export to the partner country. The actors involved in the execution of the project must take the appropriate

structural steps with regard to exemption from VAT on all purchases in the stated project, based on the VAT exemption number of the Flemish institution.

- VAT may however be charged to the project budget for minor purchases of no more than 125 EUR. The rationale behind this distinction in financial guidelines is that it stressed rationality and efficiency, specifically the efforts of the Flemish promoter and the supplier to obtain exemption from VAT is disproportionate to the VAT amount actually charged on expenditure less than 125 EUR.

SUSTAINABILITY

- Operating costs of the partner institution may be met by the project budget. Insofar as the projects are clearly temporally limited however, the charged operating costs will be gradually assumed by the local institutions, to enable the partner institution to prepare for the transfer of activities. This will guarantee the continuity of the actions after the end of the project.

RECRUITMENT

- The public posting of vacancies for guest professors and expatriated experts through VLIR-UOS will end. It is the final responsibility of the local promoter to recruit in a proper and transparent manner persons that will be employed or perform duties as part of a RIP . The profile of the persons that will be employed as part of a RIP and included in the employee costs budget must of course be part of the project proposal.

LABELLING OF GOODS

- All goods purchased as part of the project must be labelled with VLIR-UOS stickers so that goods purchased with VLIR-UOS and DGD funding are clearly recognisable. These stickers are available from the VLIR-UOS secretariat.

General budget plan for a RIP project

The budget of a RIP project must comprise the following budget lines:

A. Investment costs

- A.1. Buildings (light renovations)
- A.2. Equipment
- A.4. Office furniture
- A.5. Others

B. Operating costs

- B.2. Maintenance of equipment
- B.3. Consumer goods
- B.4. Communication
- B.5. Representation costs
- B.6. Travel costs in Belgium and locally
- B.7. Congress registrations
- B.8. Local per diem
- B.9. International travel costs
- B.10. International overnight expenses
- B.11. Shipment costs
- B.12. Others

C. Personnel costs

- C.1. Service contracts
- C.2. Topping-up
- C.3. Employment contracts
 - C.3.1. Local employees

D. Scholarship costs

- D.1. Short term allowances in Belgium
- D.2. Study scholarships in Belgium (not applicable)
- D.3. PhD scholarships in Belgium (not applicable)
- D.4. Study scholarships in partner country
- D.5. PhD scholarships in partner country (not applicable)

E. Coordination costs (up to 5% of the operational budget of A through D))

- E.2. Coordination costs in the partner country (lump sum on the budget (fixed) 5% A through D) (local coordination costs)

A detailed project budget must be drawn up on the basis of this budget template. The subitems are not needed in the final settlement, in which only the main budget lines (A till D) are needed.

A. Investment costs

Definition

Investment costs are defined as costs incurred to acquire durable goods with a long life that can be depreciated in the accounts over several years. After expiry, investment goods are transferred to the local partner.

All investment goods purchased for the project must be included in an inventory. All investment goods purchased for the project should be transferred to the local partner institution at the end of the project by means of a transfer agreement. *Purchase of a car is not allowed in a RIP project. The former IUC is expected to make available vehicles purchased during phase II of the former IUC programme.*

As the RIP programme is building upon past IUC cooperation, the share of investment costs is to be limited, indicative maximum 10% and to be motivated in the project proposal..

Annotated budget line

A.1. Buildings

Major investments (such as buildings, canals, roads, public utilities) are not normally permitted as part of university cooperation for development. This applies to new physical infrastructure as well as to renovation of existing physical infrastructure. Minor infrastructure facilities (such as air-conditioning or other essential public utilities for a laboratory facility) are permitted.

A.2. Equipment

Equipment – e.g. desktop and notebook computers, printers, mobile phones, cameras, beamers, durable laboratory material – must be wholly intended for the partner institution in the developing country. Investment goods purchased for use by the Flemish institution may never be recognised on this budget line. Investment goods for use in Belgium must be paid for from the bench fee (operating cost) received by the receiving entity of a scholarship student.

A.3. Vehicles

Not applicable for RIP.

A.4. Office furniture

No special guidelines have been drawn up.

A.5. Other

No special guidelines have been drawn up.

B. Operating costs

Definition

Operating costs are defined as “project-related” costs incurred for the purchase and/or operational use of goods or services that are not depreciated in the accounts and costs directly related to a specific project activity.

The costs charged to the operation of the project must be incurred in the partner institution or the partner country. An exception may be made if the activity cannot be performed in the assisted country (e.g. specialised laboratory studies) and this is stated in the project proposal. In these cases, it is recommended that the possibilities in neighbouring countries be explored. The most efficient solution should in any case always be sought (based on value for money and such aspects as delivery time, warranty and after-sales service).

Operating costs in Belgium can be charged if a specific project activity takes place in Belgium, e.g. a workshop or conference. This must be requested in advance, either in the project proposal or by formal letter. Reasons must be provided for staging the activity in Belgium rather than in the partner country. This may occur only in exceptional circumstances. The rule is that the activities should take place in the southern hemisphere, as the purpose of a VLIR-UOS project is to fund development relevant activities through university cooperation for development and build capacity in the southern hemisphere.

Recurrent operating costs in Belgium can never be charged to a RIP project. However, travel expenses in Belgium as part of the project activities can be charged to the project.

Annotated budget line

B.1. Preparation costs

not applicable for RIP

B.2. Maintenance of equipment

No special guidelines have been drawn up.

B.3. Consumer goods

These may include non-durable laboratory equipment, chemicals, documentation, books, minor materials, spare parts, project related office supplies, fuel, copies etc

B.4. Communication

These may include phone, internet and fax costs.

B.5. Representation costs

Representation costs may be reimbursed per project.

These are representation costs incurred in the developing country by the promoter.

The maximum acceptable representation costs (sum of the representation costs incurred in Belgium and in the developing country) is 500 EUR per year.

Representation costs are reimbursed subject to the submission of supporting documents together with an attendance list or description proving the relevant background and standard of attendees with regard to the success of the project. These costs must always be supported by invoices.

B.6. Belgium and local travel costs

Travel expenses are all costs incurred for journeys by both Belgian and local employees as part of the execution of a project. Individual journeys of the promoter, experts and/or guest docents within the place of stay are included in the per diem, which means that costs connected with these journeys cannot be charged separately to the project budget.

Journeys within Belgium

The following allowances are granted for journeys within Belgium, subject to submission of supporting documents:

- The Flemish institutions may employ their own system of kilometre allowances for project-related journeys by car, provided the institution coordinator for development cooperation (ICOS) submits an annual report to VLIR-UOS of his/her institution's rules for kilometre allowances for journeys by private car.
- Journeys by car not covered by the Flemish institution's own system of kilometre allowances attract a kilometre allowance as granted to federal civil servants using a private vehicle with 7 fiscal HP for professional journeys. This kilometre allowance is regularly adjusted for inflation. We therefore refer to the latest adapted allowances on the VLIR-UOS website: www.vliruos.be/en/documents/guidelines_and_forms/131#general-guidelines-and-forms
- DGD will notify VLIR-UOS of any such adjustment and VLIR-UOS will in turn notify the Flemish institutions.
- Train journeys: the price of a first-class or a second-class ticket.
- Bus, tram or metro journeys: the price of the ticket.
- Taxi journeys: the price of the journey as shown by a receipt (only in case no other means of transport could be considered) .
- Hire vehicle journeys (group transport only): the cost incurred.

When choosing the means of transport practicability and overall value for money must be taken into account. Good reasons must be provided for the choice of a hire vehicle or taxi. Taxis are acceptable when there is no public transportation or when heavy or multiple items need to be transported. The charging of taxi costs must always be justified.

Local journeys

These are all travel costs in the partner country. The following allowances are granted, subject to submission of supporting documents:

- Journeys by car attract a daily allowance or kilometre allowance based on a supporting document or a declaration justifying the price only if a project car cannot be used. This price may never be higher than the kilometre allowance granted for journeys within Belgium.
- Journeys by train, boat, bus, metro or other means of transport, attract an allowance equal to the price of the ticket.
- Local journeys by plane attract an allowance equal to the price of a ticket in economy, plus any airport taxes and booking fees charged by the airline or travel agency. In choosing the itinerary, the elements of safety, efficiency and cost price must be taken into consideration.

B.7. Congress registrations

Registration costs of participation in congresses relevant to the project may be funded from the project budget, provided the participant actively participates by making a presentation (poster, paper etc).

B.8. Local per diem

Local per diem for locals

Should local scales exceed 20 EUR per day, the local institution will be asked to submit its local legislation validated by the competent authorities together with the project proposal. Every adaptation to these scales will need to be submitted timely to VLIR-UOS for implementation. This implies that local allowances could be taken into consideration should it be provided in the local legislation. It's VLIR-UOS prerogative to compare these scales with the scales used by other donors.

If no validated local legislation is provided the following settlement will be used :

People that travel to another place to perform duties as part of the project may receive a local per diem for expenses (transport, meals etc). This lump sum (fixed) per diem should be based on the local scales of the local institution, but must never exceed 20 EUR per day, unless it has to pay for a hotel stay, in which case the price of the hotel may be added to the 20 EUR, provided invoices are submitted.

B.9. International travel costs

International travel costs comprise all costs incurred for door to door journeys on official project business by Belgian and local employees or expatriated members of staff.

The allowance for international air journeys must be no more than the price of an economy ticket together with airport tax and any booking fee charged by the airline or travel agency.

The following indirect travel costs are reimbursed for permanent or temporary staff or a local or Flemish promoter, homologue or institution representative to Belgium or another country (no more than three weeks):

- Ticket, including airport tax (no more than the price in economy class)
- Compulsory vaccinations and anti-malaria drugs (consultation fees are not accepted; aspirins, immodium, mosquito spray, touristil and other household drugs are not acceptable)
- Visa costs
- Passport costs
- Passport or visa photo costs
- Costs of obtaining the appropriate certificates
- Costs of travel and cancellation insurance
- Transfers to and from the airport

B.10. International overnight expenses

Per diem

A per diem is a fixed daily allowance paid during a stay as part of the execution of a project in a country other than the country of residence. The amount is dependent on the country of destination and is intended to compensate the costs of meals, transport within the city or place of stay and personal expenses. The amounts stated are granted regardless of the academic degree of the person involved. A per diem may be settled per overnight stay. There is no per diem for travel days.

The per diem allowances change at least once a year and are therefore not included anymore as an annex in the VLIR-UOS financial guidelines. They can be found on the VLIR-UOS website: www.vliruos.be/en/documents/guidelines_and_forms/131#general-guidelines-and-forms.

The per diem amounts are linked to amounts established and revised annually by the Federal Public Service Foreign Affairs in Belgium. DGD must formally notify VLIR-UOS of any revisions without delay. The date on which these revisions become effective is established by Ministerial Decree. The new

amounts apply to VLIR-UOS projects from the first day of the month two months after their date of publication in Moniteur belge/Belgisch Staatsblad. VLIR-UOS informs all stakeholders of any revisions and the date they become effective.

If the per diem amount in the list of Federal Public Service Foreign Affairs is lower than 37 EUR, 37 EUR per diem will be paid.

The per diem is granted proportionate to the number of nights spent in the place. Such a stay can never be longer than 21 days for the purposes of the per diem.

The per diem for people residing elsewhere than Belgium who travel to Belgium on official project business is 75 EUR.

Hotel costs

Hotel costs are only the costs incurred for nights in a hotel. Costs of meals, mini-bars, phone bills, internet etc. incurred in the hotel are covered by the per diem.

The hotel allowances change at least once a year and are therefore not included anymore as an annex in the VLIR-UOS financial guidelines. They can be found on the VLIR-UOS website: www.vliruos.be/en/documents/guidelines_and_forms/131#general-guidelines-and-forms.

The amounts in the table for hotel allowances available on the VLIR-UOS website are indicative. Hotel costs must always be settled, subject to the submission of invoices. Please use the amounts in the table when drawing up the budget for hotel costs.

The local promoter who travels to Belgium on official project business receives a hotel allowance of no more than 100 EUR/night (indicative, to be settled based on the invoice).

A maximum of 21 nights stay in a hotel may be reimbursed as part of this arrangement.

B.11. Shipment costs

All costs of shipping materials and equipment, including packaging, transport and insurance, are reimbursed. Local costs (storage, customs clearance, handling costs, local transport and so on) may be reimbursed subject to the submission of an invoice and a declaration stating reasons of efficiency or urgency of the project. Import taxes are payable by the partner institution or institutions.

B.12. Other

No special guidelines have been drawn up.

C. Personnel costs

Definition

The academic and administrative/technical staff of the local partner institution or institutions and other (academic) institutions in a partner country can be deployed for the execution of a RIP project. Employees may also be recruited from outside the institution.

Unlike formerly, payroll costs may be included in the project budget, although they must be limited to no more than 10% of the overall project budget for no more than the initial project duration. Higher costs may be accepted in any given year if the project activities demand it, provided that lower costs are paid

in another year to ensure that the 10% threshold is not exceeded over the initial project duration. Personnel costs cannot be accepted in any extension year, for sustainability reasons. All personnel costs must be detailed in the project proposal and any subsequent amendments must be submitted for approval to VLIR-UOS. Personnel costs must be performance-based.

All costs connected to the deployment of employees (service contracts, topping-up, employment contracts with local employees etc) must be budgeted and recognised under budget line C Personnel costs and must never exceed 10% of the overall project budget for no more than the initial project duration.

The overall goal of a RIP project, namely building capacity in the southern hemisphere, must be central at all times when determining and dividing the personnel budget.

Annotated budget line

C.1. Service contracts

If external experts (i.e. experts that are not contracted to a Flemish or partner institution) are used to execute certain aspects of the project, the associated costs may be charged to the project budget within the maximum budget for personnel costs of 10% of the overall project budget no more than the initial project duration. The allocation must occur on the basis of a service contract. Typical local rates must be paid to local employees employed on the basis of a service contract.

C.2. Topping-up

A topping-up wage may be paid to a local academic employee contracted to the local institution on the basis of an employment contract and used for a specific project activity, within the maximum budget for personnel costs of 10% of the overall project budget for no more than the initial project duration. This topping -up may be up to 40% of the gross wage paid to such employees by the local institution in accordance with the prevailing pay scales. Payment of this topping-up must be justified with a copy of the salary slip showing that person's wage.

The costs of the topping-up for local experts used to coordinate the project must also be paid from the personnel costs budget.

C.3. Employment contracts

C.3.1. Local employees

The employment or subsidising of (temporary) employees may be paid through the project budget within the maximum budget for personnel costs of 10% of the overall project budget for no more than the initial project duration. Such employees may be local administrative employees and manual workers (driver, field or survey workers, laboratory technician) or researchers and academic staff. Local pay scales and social insurance arrangements must be observed with respect to local employees on an employment contract.

C.3.2. Expatriated experts (see annex)

Not applicable for RIP

D. Scholarship costs

Definition

Costs relating to scholarship students are recognised under D. Scholarship costs.

Scholarships may be granted as part of a RIP project only if the scholarship contributes to capacity building at the local partner institution. The persons who are granted a scholarship as part of the RIP project must therefore be a member of staff of the local institution or the local institution must commit to employing the scholarship student after graduation. *In the case of RIP projects, only short term scholarship in Belgium are allowed, therefore no graduation is included.*

No allowances are available for Flemish travel scholars as part of a RIP project. They may receive a lump sum (fixed) allowance for their travel costs as part of the VLIR-UOS Flemish travel scholarships programme. The other costs of Flemish travel scholars cannot be paid with VLIR-UOS funds from the RIP project.

All payments to scholars must be grouped under D. Scholarship costs. A detailed calculation does have to be included in the scholarship costs budget, based on the VLIR-UOS scholarship cost scales for scholarships in Flanders or based on other scales for local scholarships. The scholarship type and the number of scholarship months must also be stated.

Guidelines and allowances

Allowances and guidelines for scholarships facilitating a stay in Belgium (valid from 01/09/2018) are not included anymore in these VLIR-UOS financial guidelines, but are available as a separate document to be found on the VLIR-UOS website: [www.vliruos.be/en/documents/allowances_and_guidelines_for_scholarships_\(from_01/09/2018\)](http://www.vliruos.be/en/documents/allowances_and_guidelines_for_scholarships_(from_01/09/2018)).

Guidelines for local scholarships are still available in this document “VLIR-UOS financial guidelines concerning RIP projects”. *In the case of RIP projects, only short term scholarship in Belgium are allowed, therefore no graduation is included.*

Local scholarships

Local scholarships may be funded from the project budget. *In the case of RIP the local scholarship should be destined for short term recycling activities.*

The scholarships must comprise the following aspects:

Allowance (the amount to be paid to the scholarship student)

This includes what is necessary for subsistence (housing, food, local transport etc). A distinction must be made according to the origin of the scholarship student (same region, another region of the same country, another country). If a system of local scholarships already exists (funded locally or by other donors), it must be used as a basis for calculation. In the absence of such a system, the amount of the scholarship must be based on a realistic estimate of the local cost of living. The amount of the allowance may never exceed the amount of the scholarship granted in Belgium.

Enrolment fees

Enrolment fees for studies supported as part of a RIP project should be minimised. The project file should state this.

Training costs

Training costs may be accepted with respect to local training scholarships if no enrolment fee is payable, provided these costs are inherent to the study programme and have been accepted as part of the project file.

Insurance

Insurance must be taken out on behalf of the scholarship student to cover his/her stay in the country of study (no less than one month). The cost may be charged to the project budget. This insurance must cover costs of illness, accident or death, including medical treatment, hospitalisation and any repatriation of students from the region.

Flemish scholars

Flemish scholars are allowed to participate in research activities in the south, which can be paid by the RIP project, insofar it is relevant for the project.

However, the RIP cannot pay for international transport, lodging costs or per diems for the Flemish scholars if they come with a VLIR-UOS scholarship.

E. Coordination costs

Definition

The coordination costs in Belgium plus the local coordination costs can never exceed 5% of the initially planned budget.

Annotated budget line

E.1. Coordination costs in Belgium (lump sum 5% of the sum of A to D)

Not applicable for RIP

E.2. Local coordination costs (coordination costs in the partner country) (lump sum 5% of the sum of A to D)

These consist of costs directly ensuing from the implementation of the projects due to the use of the premises, infrastructure and/or services of the local partner institution or institutions and connected with the local administration and coordination of project execution. These costs are fixed at 5% of the budget of A to D as part of project execution.

All costs incurred in the partner country connected with the general administrative management and coordination of project execution are covered here, which means that they cannot be charged separately (e.g. costs of sending documents, phone costs, costs of copying reports etc).

Appendix 1: Exchange rate calculation

Method

- Year 1: per money transfer
 - **Gross** what was debited from the Belgian account in EUR (a)
 - **Net** what was credited to the local account in local currency (b)
 - So, bank charges relating to the transfers have already been processed in the exchange rate calculation
 - Weighted average exchange rate: $(\Sigma a) / (\Sigma b)$
 - Reconciliation
- Year 2 and beyond
 - Same as year of operation 1
 - But also value balance in local currency on the local account at previous year's weighted average exchange rate
 - From this balance the balance of the local coordination cost (the amount unspent of E2)
 - Reconciliation

Example

- Year 1:
 - Transfer 1: 10,000 EUR (10,056 EUR from Belgian account), 12,800 USD net on local account
 - Transfer 2: 15,000 EUR (15,064 EUR from Belgian account), 18,050 USD net on local account
 - After year 1 the local account contains 5,075.00 USD, from this amount 1,000.00 USD of the E2 received in year 1 was not spent.
- Year 2:
 - Transfer 3: 12,000 EUR (12,030 EUR from Belgian account), 14,333 USD net on local account
- Exchange rate calculation:

<i>Year 1</i>	EUR	USD
Transfer 1	10,056.00	12,800.00
Transfer 2	15,064.00	18,050.00
Total	25,120.00	30,850.00
Year 1 exchange rate	0.8143	
<i>Year 2</i>	EUR	USD
Balance on local account	3,318.27	5,075.00 – 1,000.00
Transfer 3	12,030.00	14,333.00
Total	15,348.27	18,408.00
Year 2 exchange rate	0.83378	

Appendix 2: costs made by ‘expatriated experts’

Not applicable for RIP