



**VLIR-UOS guidelines concerning
TEAM and South Initiatives pro-
jects (2013 –)**

September 2012

Inhoud

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Main changes between the TEAM/South Initiatives guidelines (June 2012) and the Own Initiatives guidelines prior to 2009

- The number of budget lines has been limited to 6. The applicable budget lines are:
 - A. Investment costs
 - B. Operational costs
 - C. Personnel costs
 - D. Scholarship costs
 - E.1. Coordination cost in Belgium (5% lump sum from A to D)
 - E.2. Local coordination cost (5% lump sum from A to D)
- Fundability of 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 (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 TEAM/South Initiatives project. Employees may also be recruited from outside the university. Unlike formerly, payroll costs may be included in the project budget, although they must be limited to no more than 25% 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 25% 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. To this end, a breakdown format will be drawn up by VLIR-UOS as part of the 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 and expatriated experts etc) must be budgeted and charged as personnel costs and must never exceed 25% 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. Expatriated experts (the former permanent experts) may remain within the ceiling budget of 25% of a TEAM project budget for no more than the initial project duration.
- The Flemish and 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 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 public posting of vacancies for guest professors and expatriated experts through VLIR-UOS has ended already a few years ago. It is the final responsibility of the Flemish and local promoter to recruit in a proper and transparent manner persons that will be employed or perform duties as part of a TEAM/South Initiatives project and to deploy the best possible expertise, wherever it is available. The profile of the persons that will be employed as part of a TEAM/South Initiatives

project and that are included in the personnel costs budget must of course be part of the project proposal.

- 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:
https://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:
https://www.vliruos.be/en/documents/guidelines_and_forms/131#general-guidelines-and-forms.
- Guidelines for local scholarship amounts in the case of sandwich PhD's are also available in this document, but are subject to negotiation between the Flemish university and the partner institution, with the necessary approval by VLIR-UOS.
- Calculation of shipment costs for luggage of expatriated experts will be simplified and will no longer be country-dependent.

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.

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

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 permits analytical accounting. Local financial transactions for activities abroad must go through a dedicated account in the name of the partner institution or institutions that have co-signed the tripartite 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

Submission

For the date of submission of activity and financial reports for the TEAM/South Initiatives projects we refer to the project contract and annexes.

Contents

Annual Activity Reports will be expected for each activity year. The 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 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 submitted to the registered office of the subsidised Flemish institution. Copies of invoices and supporting documents for expenditure abroad 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. The Flemish institutions must accordingly have access to these documents at all times.

Transfer of credits

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 the purchase of cars or for personnel costs that were not originally named in the project proposal must be requested in advance from VLIR-UOS, which will consult DGD.

Responsibilities

TEAM/South Initiatives projects are managed administratively by the Flemish institution responsible for their execution. In concrete terms, this means the institution to which the Flemish 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 Flemish 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 the purchase of a car or a change to initial personnel costs and when there is a budget overspend of more than 20% per budget line.

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

Responsibilities with respect to the execution of the TEAM/South Initiatives projects are defined by an agreement between VLIR-UOS, the Flemish institution to which the Flemish promoter is contracted and the local partner institution or institutions to which the local promoter or promoters are contracted (the tripartite agreement).

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.
- 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 Flemish and local promoter to recruit in a proper and transparent manner persons that will be employed or perform duties as part of a TEAM . The profile of the persons that will be employed as part of a TEAM/South Initiative 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 TEAM/South Initiatives project

The budget of a TEAM/South Initiatives project must comprise the following budget lines:

- A. Investment costs**
 - A.1. Buildings²
 - A.2. Equipment
 - A.3. Vehicles²
 - A.4. Office furniture
 - A.5. Others
- B. Operating costs**
 - B.1. Preparation 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
 - C.3.2. Expatriated experts (see annex)²
- D. Scholarship costs**
 - D.1. Short term allowances in Belgium

² Only for TEAM projects, not for South Initiatives projects

- D.2. Study scholarships in Belgium
- D.3. PhD scholarships in Belgium²
- D.4. Study scholarships in partner country
- D.5. PhD scholarships in partner country²

E. Coordination costs (up to 10% of the operational budget of A through D))

- E.1. Coordination costs in Belgium (lump sum on the budget (fixed) 5% 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.

In the framework of South Initiatives projects, investment costs should be limited to 25% of the project budget.

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.

Not possible in the framework of South Initiatives projects.

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 lump sum Flemish coordination costs or from the bench fee (operating cost) received by the receiving entity of a scholarship student.

A.3. Vehicles

The purchase of a vehicle must be stated in the initial project proposal or requested from VLIR-UOS through a programme change/budget change request. VLIR-UOS will consult DGD on this matter.

VLIR-UOS requires all vehicles purchased as part of a project to be managed using a logbook in order to make a distinction between travel for the project and all other travel. The recurrent costs of vehicle insuring, running and service costs (insurance premium, petrol, any driver's wage, garage costs, spare parts etc) may be recognised in the budget of the project under B. Operating costs. Any income generated by using the vehicle for non-project related ends (e.g. based on a price per kilometre) should be deducted from the costs.

Not possible in the framework of South Initiatives projects.

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 TEAM/South Initiatives 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

Preparation costs for TEAM/ South Initiatives projects can be accepted only for preparatory activities performed between the date the Annual Programme is approved by the Minister and the date on which the project gets underway. The maximum permitted amount of preparation costs is 2,500 EUR per project.

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 or expatriated expert or representation costs incurred in Belgium by the Flemish institution as part of a project. In addition to meal and reception costs, small gifts purchased as representation gifts for project partners in the southern hemisphere are also acceptable.

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 our website:
https://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: https://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: https://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 project. Employees may also be recruited from outside the institution. Expatriated experts (the former permanent experts) may remain within the ceiling budget of 25% of a project budget for no more than the initial project duration (only for TEAM projects). Unlike formerly, payroll costs may be included in the project budget, although they must be limited to no more than 25% 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 25% 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, who will consult DGD in case of inclusion of expatriate personnel. To this end, a breakdown format will be drawn up by VLIR-UOS as part of the 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 and expatriated experts etc) must be budgeted and recognised under budget line C Personnel costs and must never exceed 25% of the overall project budget for no more than the initial project duration.

Allowances for employees in the southern hemisphere are accordingly now possible, although the available budget for personnel should be used as efficiently as possible. The way the personnel budget is divided between the different employees must be negotiated between the Flemish and local promoter, based on the needs of the project. The overall goal of a TEAM/South Initiatives 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 25% 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 25% 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 25% 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 possible in the framework of South Initiatives projects.

D. Scholarship costs

Definition

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

Scholarships may be granted as part of a TEAM/South Initiatives 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 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.

Ph.D. scholarships cannot be included in South Initiatives projects. M.Sc. scholarships can only be included in the case of a 2-year South Initiative.

No allowances are available for Flemish travel scholars as part of a 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.

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 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: https://www.vliruos.be/en/documents/guidelines_and_forms/131#general-guidelines-and-forms.

Guidelines for local scholarships are still available in this document “VLIR-UOS financial guidelines concerning TEAM/ South Initiatives projects”.

Local scholarships

Local scholarships may be funded from the project budget.

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 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.

E. Coordination costs

Definition

The coordination costs in Belgium plus the local coordination costs can never exceed 10% of the initially planned budget.

Annotated budget line

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

These consist of the costs directly ensuing from the implementation of the projects pursuant to the use of the premises, infrastructure and/or services of the Flemish institutions and connected with the 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 Belgium 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).

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 pursuant 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).

In the framework of South Initiatives projects, local coordination costs may be charged only if a local project account has been opened and local expenses are managed through this account.

Appendix 1: Exchange rate calculation

Method

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

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:

Year 1	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	
Year 2	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’

Expatriated (Flemish) members of staff or expatriated (Flemish) experts may be sent to the partner country for a (short) assignment (provided reasons are given) and funded from the project budget within the maximum budget for employee costs of 25% of the overall project budget for no more than the initial project duration. The Flemish institution’s pay scales must be observed with respect to Belgian employees on an employment contract.

Duration of employment

- The period of service (the total period during which the expatriated members of staff stay in the assisted country) must be no more than 24 months.
- A maximum preparation period in Belgium of one month can be reserved for the initial departure with respect to assignments lasting at least ten months. At the end of the employment a maximum period of 14 days in Belgium may be reserved for the final report.
- If a project has to be terminated prematurely due to force majeure, the employment of the expatriated members of staff will be terminated, with a period of no more than three months’ employment in Belgium for the final report. A clause to this effect must be included in the employment contract of expatriated members of staff.

Overall payroll costs

The overall payroll costs that can be paid for by the subsidy include the gross wage, social insurance charges, holiday and end-of-year payment, employer’s contributions, solidarity contributions and an expatriate allowance.

The Flemish institution acts as the employer of the expatriated experts. The Flemish institution accordingly decides which seniority it wishes to employ when calculating the salary. The institution must however always observe all laws applicable to it.

Expatriation allowance

The gross base pay applied in the institution university for the duties performed, corresponding to the required qualifications, is supplemented by a monthly expatriation allowance, set at 6 x the per diem

allowance (see B.10 International overnight expenses) for the country concerned. The expatriation allowance is only granted during the effective service period abroad.

Employment contracts must include a clause providing for the automatic revision of this expatriation allowance before the end of the contract in line with any relevant guideline amendments. The applicable per diem arrangement is described in B.10 International overnight expenses.

This additional allowance must be recognised together with the salary of the expatriated expert under C.3.2. Expatriated members of staff.

Social insurance

The institution acting as the employer is asked to apply the most complete and comprehensive system of social insurance appropriate to the special situation of employment abroad for permanent employees it sends abroad. DOSZ-OSSOM (*Dienst voor de Overzeese Sociale Zekerheid-Office de Sécurité Sociale d'Outre-mer*³) insurance should be supplemented with additional accident and travel insurance as well as repatriation insurance.

This additional allowance must be recognised together with the salary of the expatriated expert under C.3.2 Expatriated members of staff.

Additional allowances

Enrolment fees in schools

School enrolment fees in the country where the person is employed as part of the project are reimbursed only for school-going children aged three years or that turn three years in the relevant six-month period. The maximum reimbursement is 1,500 EUR per year per child. This cost must be proven by a proof of enrolment from the school, stating the enrolment fee paid. Expenses for boarding, uniform and commuting are not accepted.

This additional allowance must be recognised together with the salary of the expatriated expert under C.3.2 Expatriated members of staff.

Child allowance, maternity allowance and adoption premiums

The statutory amounts for Child allowance, maternity allowance and adoption premium in Belgium must be applied.

This additional allowance must be recognised together with the salary of the expatriated expert under C.3.2 Expatriated members of staff.

B.8. Local per diem

Local per diem for expatriated members of staff

A per diem will also be paid to expatriated members of staff (expatriated experts) who are expected to spend longer than 24 hours on official project business away from their work location in the country they are permanently employed in. These people may also receive an extra lump sum (fixed) allowance for any work-related expenses and overnight expenses, which must be supported by invoices, of 15 EUR per day, regardless of the country.

³ *Dienst voor de Overzeese Sociale Zekerheid-Office de Sécurité Sociale d'Outre-mer*, Louizalaan-Avenue Louise 194 B 5, 1050 Brussels, tel.: 02 642 05 11

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

The above costs are reimbursed to expatriated members of staff and their spouse and dependent children. All advantages granted to an expatriated expert's spouse are also granted to partners that can provide proof of cohabitation with the expatriated expert for at least six months prior to departure.

Expatriated experts, their spouse and dependent children are entitled to the cost of one plane ticket each in economy class at the start and end of the assignment. Travel tickets are also granted for holiday in Belgium. Each member of the family is entitled to no more than one such ticket per year.

Additional luggage

The lump sum (fixed) allowance for additional luggage is as follows:

	<i>First outbound/last inbound</i>	<i>Intermediary journeys</i>
Permanent expert	1,000 EUR	500 EUR
Spouse and dependent children	500 EUR	250 EUR

These allowances are the same for all countries.

The total lump sum (fixed) amount the permanent expert is entitled to for the transport of additional luggage is the sum of the individual fixed amounts, depending on the status of the person and the journey.

E.g. An expatriated expert working in Ecuador is married and has one dependent child.

- First outbound journey to Ecuador and final inbound journey to Belgium: $1000+500+500 = 2,000$ EUR
- Intermediate journey between Ecuador and Belgium: $500+250+250 = 1,000$ EUR

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: https://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: https://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.

Overnight expenses of expatriated experts: accommodation costs, hotel and per diem upon initial arrival

The local partner must provide appropriate accommodation. If the local partner is not able to do so, this should be stated in the project proposal with reasons. In this case, the expatriated expert may have 50% of his/her accommodation costs reimbursed (including security) up to a maximum of 250 EUR/month, provided original supporting documents are submitted and provided that

1. the partner institution provides acceptable reasons for not providing appropriate accommodation, and
2. these costs are provided for in the project proposal, which implies the agreement of the partner institution to the inclusion of these costs in the project budget.

This is not an individual right of the expatriated expert. It may be the subject of negotiation per individual project.

Overnight costs are reimbursable for a maximum period of 30 days (per diem) and a maximum amount of 30 x the applicable indicative maximum hotel allowance for the expatriated expert's first mission. This is only possible if the expatriated expert has to stay at a hotel because no permanent accommodation is available. The applicable indicative maximum hotel allowance cannot be reimbursed without the hotel invoice. Only overnight costs are reimbursed. For the reference amounts for per diem and hotel allowances see the table on the VLIR-UOS website: hotel allowances and daily fixed allowances (per diem⁴) in euros. If the expatriated expert does not stay in a hotel but in a dwelling with cooking facilities after his/her initial arrival before being able to move into permanent accommodation, the rent of the dwelling may be reimbursed for no more than one month, based on proof (lease), and 50% of the applicable per diem for a maximum period of 30 days.

⁴ The per diem is a fixed amount granted to every expatriate, regardless of academic degree.