

# **ARRANGEMENT ON THE ILO / FLANDERS COOPERATION FUNDING**

*between*



**FLANDERS (KINGDOM OF BELGIUM)**

*and*



**THE INTERNATIONAL LABOUR  
ORGANIZATION (ILO)**

# ARRANGEMENT ON THE ILO / FLANDERS COOPERATION FUNDING

*between*

FLANDERS (KINGDOM OF BELGIUM)

**and**

THE INTERNATIONAL LABOUR ORGANIZATION (ILO)

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*The* Government of Flanders (hereinafter called 'the Government') and the International Labour Office on behalf of the International Labour Organization (hereinafter called 'the ILO'):

- Taking into account the Co-operation Agreement between the Government and the ILO, signed on 2 October 1997 by the Director-General of the ILO and the Minister-President of the Government;
- ♦ Guided by the principles of democracy, social justice and solidarity enshrined in the preamble to the Constitution of the ILO and in the Declaration of Philadelphia;
- ♦ Sharing, in the exercise of their respective competences, common priorities in the sphere of international co-operation, in particular in the field of economic and social development;
- ♦ Noting that, following the constitutional reform of the Belgian state, Communities and Regions exercise competences in the sphere of economic and social development and that the Government exercises regional as well as community competences;
- Sharing the concern to promote the exchange of the know-how and experiences of either party, in a spirit of reciprocity;
- ♦ Considering in particular Article I of the Co-operation Agreement of 2 October 1997 between the ILO and the Government;

agree as follows:

## **ARTICLE I**

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### **ESTABLISHMENT OF THE ILO/FLANDERS GENERAL FUND**

The ILO and the Government mutually agree on the desirability of consolidating their co-operation. To this end, the ILO / Flanders General Fund (hereinafter referred to as 'the General Fund') will be established.

## **ARTICLE II**

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### **ORGANIZATION OF THE GENERAL FUND**

1. The Government will make a contribution to the General Fund of 650.000 euro for 2001 based on its budgetary regulations. Future yearly contributions for the years 2002 to 2005 will be decided thereafter by the Government and formalized through an exchange of letters.
2. The Government's initial commitment to the funding of the General Fund is valid and will remain in force for the five-year period 2001-2005. Before the expiration of the period, the parties will undertake a thorough evaluation of the General Fund Arrangement and its operations with a view to its possible extension for a further five years.
3. Each year, upon the ILO's request to that effect, the Government shall transfer the annual contribution to the ILO's account no. UBS 240.C0801157.0.
4. Upon receipt of the funds mentioned in Article II-1, the ILO shall establish the ILO / Flanders General Fund. Contributions from the Government, interest earned on temporary surplus funds and surplus funds from terminated activities will be credited to the General Fund in accordance with the ILO's financial rules and regulations.
5. Interest and surplus funds from terminated activities may be utilized, by mutual agreement between the parties, for activities related to the purpose of this Arrangement, notably for project identification, evaluation and reporting.

## ARTICLE III

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### **PROGRAMME REVIEW MECHANISM**

1. A Programme Review Meeting shall be convened by the IL0 at least once a year. It will provide advice on the preparation of the activities which may be funded by the General Fund and will select the activities to be proposed by the IL0 to the Government for funding. The Review Meeting will also evaluate the activities supported under the General Fund.
2. The review meeting will be composed of representatives nominated by the IL0 and the Government. Both parties may also invite experts to assist in its work.
3. Activities that may be funded under the General Fund include:
  - ♦ Projects of the IL0 and its International Training Center;
  - ♦ Secondment of Flemish experts;
  - ♦ Internship opportunities for young Flemish graduates or students;
  - ♦ Consultancy assignments for project preparation or evaluation.
4. The projects to be funded under the General Fund must relate to common priorities of the IL0 and the Government in the sphere of international cooperation, inter alia employment creation, social dialogue, support to employers' and workers' organizations, capacity-building for small and medium-sized enterprises, vocational training, gender. Projects in other sectors can be funded provided that both the IL0 and the Government agree.
5. The projects to be funded under the General Fund must relate to geographical priorities established by the Government.

6. In advising on the projects which may be funded by the General Fund, the Programme Review Meeting will be guided by the following criteria:
  - ◆ Compliance of the activity with the priorities indicated by the ILO and the Government in the respective fields of cooperation;
  - ◆ The likely sustainability and continuity of the activity;
  - ◆ The multiplication effect of the activity and;
  - ◆ The relevance and availability of scientific support from an existing collaboration network within Flemish institutions.
7. The project proposals to be put forward to the Programme Review Meeting for consideration for funding from the Government will be selected through the ILO's internal resource allocation mechanism for the allocation of extra budgetary resources. This mechanism ensures:
  - The technical evaluation of proposals;
  - ◆ The integration of the regional perspective in any proposal;
  - ◆ The fit of the proposals with the ILO's strategic programme and priorities as reflected in the Programme and Budget;
  - The conformity of the proposals with any criteria from the Government (i.e. thematic and geographical focus).
8. Priority will be given to such projects that represent a true partnership between the ILO, Flemish institutions and the beneficiary countries. Before finalizing the project documents, the ILO will undertake consultations with Flemish institutions or research networks that are likely to collaborate in the implementation of the activity approved for funding under the General Fund. The institutions to be consulted will be identified through an open call for bidding.
9. Modalities concerning secondment of Flemish experts and internship opportunities for young Flemish graduates or students will be determined later and formalized through an exchange of letters.

## ARTICLE IV

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### **FINANCIAL AND ADMINISTRATIVE PROCEDURES**

1. After selection by the Programme Review Meeting, the IL0 will submit its proposals to the Government for funding approval under the General Fund. Each proposal will include a work plan and a budget expressed in Euro.
2. Once approved by the Government, the activities to be carried out under the General Fund will be formalized by an exchange of letters between the Government and the ILO, bearing reference to this arrangement and specifying the content, cost and payment schedule of the activity to be implemented by the ILO. The exchange of letters shall specify the names of the Flemish partners who will collaborate in the implementation of the activity and list the contributions, in cash or in kind, to be provided by the partners in question.
3. Upon approval of each activity, the IL0 will establish a separate account for the activity. The funds will be drawn from the General Fund. At the end of each calendar year, the IL0 will submit to the Government a financial statement on the individual accounts, and on the General Fund, signed by the Financial Officer / Comptroller of the Organization. The IL0 will also provide the Government with annual progress reports on the individual activities.
4. Upon termination of an activity under the General Fund, the IL0 will submit to the Government a final financial statement. The IL0 will also provide the Government with a final report/evaluation of each activity.
5. Administrative support costs may be charged to the individual project accounts and will not exceed 13%. The programme support costs shall be recorded separately in the financial report of the project.
6. The IL0 shall make available to the Government its biennial Financial Report and Audited Financial Statements and forward to the Government a copy of any audit report by the external auditors of the IL0 to its Governing Bodies, if it contains observations relevant to activities under the General Fund.

## ARTICLE V

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### FINAL PROVISIONS

1. **Effective date:** This agreement shall become effective as of the date of signature by the authorized representatives of both parties. It shall remain in force for five years unless terminated earlier by either party in accordance with the provisions listed below. Following the evaluation mentioned in Article II,2 above the Agreement may be extended for a further period of five years.
2. **Amendments:** Both parties may, by an exchange of letters indicating their mutual consent, amend any of the provisions under this agreement. The parties may enter into such supplementary arrangements for the implementation of the General Fund as may be found desirable.
3. **Termination:** Either party may terminate this agreement at any time by giving not less than three months' advance notice in writing to the other party. The agreement will, however, remain in force with respect to commitments for activities made by the Government at a time when this agreement was still in force and applicable. Upon termination of the agreement, unless the parties agree on another course of action, any project entered into by the ILO, as administrator on behalf of the Government, will remain until termination. Upon full termination, any funds held hereunder by the ILO shall be returned to the Government, and the arrangement shall be considered terminated.
4. In the event that the Government wishes to terminate an activity carried out under the General Fund, the Government shall forthwith hold consultations with the ILO with a view to determine the most appropriate measures and shall authorize the ILO to meet any current legal obligations arising from the execution of this activity and related to personnel and other contractual services, supplies, equipment, travel, etc. Once the activity is terminated, any unspent balance or uncommitted assets remaining shall be returned to the General Fund.
5. **Any** dispute which may arise between the Parties as to the interpretation, application or performance of this Agreement, including its validity or termination, which cannot be settled amicably, may be submitted by either Party to final and binding arbitration in accordance with the UNICITRAL Arbitration rules (United Nations Commission on Trade Law). The place of arbitration shall be Geneva. The decisions of the arbitration tribunal shall be final and binding on the Parties.

Done in two original copies, in the English and Dutch languages, the two versions being equally valid, neither version prevailing, on the 11 December 2001.

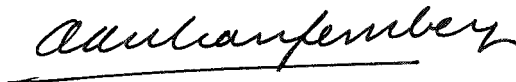
For the International Labour Organization

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François Trémeaud,  
Executive Director,  
International Labour Office

For the Government of Flanders

A handwritten signature in black ink, appearing to read 'Paul Van Grembergen', written over a solid horizontal line.

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Paul Van Grembergen,  
Flemish Minister for Home Affairs,  
the Civil Service and Foreign Policy