About Project/HR contract negotiation

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Learning objective

• What you need to know to undertake a useful contract negotiation with the funding agency once your proposal has technically been approved
Presentation-Layout

By the time you have completed this unit you will....

• Know why it is important to carry out contract negotiations
• Understand the main issues in contract negotiation and;
• Know the factors that influence a successful contract negotiation
• Contract Negotiation for Staff
Defining the process-contract

• Contract negotiation is an important aspect of a grant process

• During contract negotiation, you agree with the research funding agency the activities that you will undertake within the research contract.
What you should bear in mind when negotiating a contract....

High lights

1. Read and understand the **terms and conditions** contained in the contract document you will sign up to

2. Identify issues that are difficult to understand or hard for your organization to sign up (negotiation)
Clear Objectives-1

- The objectives to achieve project/contract should be understood by all parties
- Unambiguously explain all terms and conditions of the contract;
- Agree terms and conditions of the contract that allow the research contractor to perform the research with a minimum of hindrance
- **What the outputs (research outputs) will be**
- Agree the effective contract dates i.e start and end/completion
- A termination date and how it is invoked
- Budget and reporting schedules

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Objectives-2

• Identify any potential risks and liabilities and how to address them

• Negotiate a contract consistent with binding institutional policies & procedures

• Develop a positive working relationship between contractor & funding agency
Do not think that everything will be fine...

- Always refer to the contract

- **Legal personality** e.g. most calls have a clause under eligibility rules

- Whether organizations that are not legal entities/persons can apply for funding under the call

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Assumptions/exceptions to TORs

• Most calls will have a guide for applicants or TORs

• These will assist in the call evaluations to correctly understand the call submitted and;

• Will be subject to negotiation during developing and signing the contract e.g on budget
The contract

• Study the options available and the terms and conditions

• First - You may want to impose your own standard contract on the funding agency. The funding agency will certainly reject this.

• Second - using terms and conditions that you jointly (organization & agency) negotiate. Again this might be a preferred choice of funding for the agency

• Third - using the funding agency’s own standard research contract template - most likely outcome; less flexibility

• Most agencies DFID, EC & EU adopt this approach

• Because clear rules exist on disbursement and expenditure of national/internal funds
What could be the areas for negotiation?

- **Confidentiality** clauses esp for universities
  Universities will not hold research results to be confidential other done for reasons preserving anonymity of participants
- **Budget**- allowable under each budget line;
- **Overheads** another tricky area- standard for EU (25%)/no -WellcomeTrust
- **Reporting schedule**- for financial and technical reports (familiarize with formats/templates)
- **Audit reports**- some organizations have thresholds for audits
- **Contingencies!!!**- not usually accepted

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Potential areas for negotiation -2

• Exchange rate risks - the risk of adverse changes to the exchange rate leading to losses are borne by the research contractor

• As a coordinator you may need to find the short fall
Contract negotiation - HR

• What do you as staff bring in the project?
• What is your worth?
• Know :-
  1. Appointment date
  2. Salary Package Net vs Gross pay-( NSSF/PAYE-Taxes)/Insurance
HR Contract negotiation

3. Allowable (s)

4. The schedule of duties

5. Reporting Lines- Respect reporting lines

6. Know the benefits and have them clearly stipulated in the contract document

7. Leave Days-when?

8. Acceptance- If you accept this appointment, please inform this office in writing

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Group Work

• Review grant calls and list areas for negotiation
• Identify four areas of negotiation that are likely to be relevant to your particular proposed research and consortium
• State and explain why you have identified these four areas and why you think they would be relevant
• Describe how you would approach the negotiation with the funding agency in these areas