

**AFFILIATION AGREEMENT
BETWEEN
THE UNIVERSITY OF HOUSTON
AND
ECONOMICS EDUCATION AND RESEARCH CONSORTIUM**

THIS AGREEMENT is entered into by and between the University of Houston, Houston, Texas, U.S.A., hereinafter referred to as “UH” and the Economics Education and Research Consortium hereinafter referred to as “EERC.”

WHEREAS, UH is a member of the University of Houston System (UHS) and accredited by Commission on Colleges of the Southern Association of Colleges and Schools (SACS) to award bachelor’s, master’s and doctoral degrees, and EERC has managed in Kyiv, Ukraine, an English language master’s program in economics, with an emphasis in modern market economics, and is establishing, together with the Victor Pinchuk Foundation, the ‘Kyiv School of Economics’ (KSE) as a successor to the MA program it managed;

WHEREAS, the University of Houston System (UHS) composed of the University of Houston, University of Houston-Clear Lake, University of Houston-Downtown, and the University of Houston-Victoria, have most recently adopted major goals of globalization and international collaboration/cooperation;

WHEREAS, EERC seeks to secure a reputation for KSE as a center of excellence in economics that will rank among the best in Central and Eastern Europe;

WHEREAS, UH desires to provide its faculty with an opportunity to participate in the professional development of faculty at KSE;

WHEREAS, EERC desires to expand the opportunities afforded to KSE students by providing greater access to master’s and doctoral programs at UH;

WHEREAS, UH and EERC desire to enhance and further build their respective reputations on a regional and global basis by jointly offering an American – style master’s degree in economics that allows students from throughout the Ukraine, Belarus, Moldova and the South Caucasus to share their knowledge, skills, cultural perspectives and norms with American faculty and students;

WHEREAS, UH and EERC share the aforementioned common objectives and goals, and believe an affiliation would serve their mutual interests; and

WHEREAS, the cooperation, coordination and implementation of the program(s) and services outlined in this Agreement will be an ongoing continuous process which will be further refined and defined over time.

NOW, THEREFORE, UH and EERC agree to the following:

1 AFFILIATION NAME & IDENTITY

- 1.1 The name for the new affiliation used in official materials is the “MA in Economics Degree of the University of Houston at the Kyiv School of Economics.”
- 1.2 The identity of the program will be reflected in promotional materials used by both parties.

2 DEGREE

- 2.1 The program will lead toward a Master of Arts in Economics to be awarded by UH. This program will be relevant and practical and accredited through recognized American accrediting agencies.
- 2.2 UH will award this degree to those students who are admitted into the graduate program at UH and successfully complete the required program of study.

3 EACH INSTITUTION NEEDS AND INTERESTS

- 3.1 This is an affiliation between the two institutions to provide for the establishment and delivery of a high-quality MA program in economics.
- 3.2 The proposed program builds upon a historic relationship between UH and EERC whereby UH faculty deliver annual lectures at the EERC MA program and EERC program graduates have done Ph.D. studies at UH.
- 3.3 It is expected that the program will increase the number of highly-qualified students from KSE seeking admission to the UH doctoral program in economics.

4 STUDY LOCATION

- 4.1 The primary study location for students in the Kyiv program will be Kyiv, Ukraine. Other possibilities may also be facilitated, including the movement of students from the Ukraine to the UH campus. Additional learning environments

may be site independent with the use of instructional technologies as agreed upon by the parties.

4.2 Up to 3 KSE students can be selected, after finishing the first year at KSE, by UH to enroll at the UH doctoral program in Houston. UH MA students can be allowed to spend some time in Kyiv, after approval of both UH and KSE.

4.3 A tentative schedule of courses is attached as Appendix A.

5 MARKETING/ADVERTISING

5.1 KSE will be the principal recruiter of students within Ukraine, Belarus, Moldova, and the South Caucasus.

5.2 All marketing and advertising materials that are developed for this program will meet the academic standards required by the American accreditation organization(s). UH will provide appropriate language for use in marketing to satisfy its accreditation requirements.

5.3 UH and EERC/KSE will each develop a web-page for marketing and informational purposes with direct links to the other School's official web-site.

6 ACCREDITATION & GOVERNMENT APPROVAL

6.1 KSE is responsible for maintaining all of the necessary official Ukrainian government clearances and approvals pertaining to this affiliation.

6.2 UH is responsible for obtaining and maintaining authorization from its accrediting agencies in the U.S.A.

6.3 Compliance with duly established policies of supervisory boards, agencies, and accrediting organizations necessarily take precedence over the terms of this Agreement and could constitute grounds for termination. In such case, the affected institution would provide the other institution with a copy of the applicable policy and would provide notice of termination of at least ninety (90) days. As far as possible, both parties agree that any termination shall include adequate provision for active students to complete the program.

7 GENERAL ACADEMIC CONDITIONS

7.1 Applicants to the MA program must hold a baccalaureate degree from a recognized university or college, and meet other admission standards as stated in the UH catalog. Students may transfer up to 12 hours of credit from KSE into the UH master's program with the prior approval of UH. KSE is authorized to review

the qualifications of students and recommend students for admission. UH is the final authority with respect to admission.

- 7.2 Complete applications for admission must be received at least three months prior to enrolling in UH courses. For example, if a student expects to enroll for a UH course offered in Term I starting in September, complete applications must be received by UH no later than June 1st.
- 7.3 Students whose first language is English or hold a baccalaureate degree from an institution where English is the language of instruction will not need to complete an English proficiency exam. For those not meeting this requirement, they may satisfy the English language requirement with an English entrance exam and interview administered by KSE.
- 7.4 All instructional materials, including syllabi and textbook lists, will be developed collaboratively between UH and KSE. KSE may add supplementary materials at their discretion.
- 7.5 The primary language of instruction will be English.
- 7.6 The academic calendar will consist of five terms lasting approximately 7 to 8 weeks each.
- 7.7 UH and EERC agree to the following curricular components:
 - 7.7.1 The MA program will require 36 credits regardless of the candidate's background; UH reserves the right to modify or revise its MA curriculum from time to time to reflect accreditation requirements and contemporary theory and practice. The UH catalog should be consulted for the degree requirements;
 - 7.7.2 UH will offer adjunct faculty appointments to KSE faculty who meet UH and SACS standards on an individual basis. KSE faculty may teach courses leading toward the MA in Economics from the University of Houston. Credits will be awarded by UH for courses taught at KSE that meet the curriculum requirements of UH with the approval of the Department of Economics at UH. UH will also develop opportunities for trans-national education for students at both UH and KSE and provide professional development opportunities for KSE faculty. This will allow students from EERC/KSE to be exposed to scholars, practitioners (e.g., guest speakers) and students from the University of Houston and vice versa;
 - 7.7.3 All MA courses will be sequenced in such a manner to allow a student who is continuously enrolled full-time to complete the program within

8 FACULTY

- 8.1 EERC and UH agree to the following faculty components:
- 8.1.1 Faculty will be appointed from three sources: UH faculty, KSE faculty, and other academically or professionally qualified faculty as defined by SACS standards;
 - 8.1.2 All KSE faculty teaching in the UH program must be individually pre-approved by UH. All KSE faculty must be academically or professionally qualified to teach graduate-level courses as defined by SACS; and
 - 8.1.3 KSE and UH will cooperate fully in the selection, review, and reappointment of faculty. Upon request, KSE agrees to provide UH with current, up-to-date faculty vita and copies of published journal articles.

9 OBLIGATIONS OF UH

During the period of this Agreement, UH agrees to the following:

- 9.1 To cooperate with EERC in the implementation of all the academic program associated with this affiliation and this Agreement;
- 9.2 To provide adjunct appointments to academically and professionally qualified instructors at KSE for faculty teaching in the UH program on an individual basis;
- 9.3 To provide for lateral transfer of up to 12 credits into the UH MA program based upon pre-approved articulation agreements;
- 9.4 To enroll qualified applicants as degree-seeking students for the MA program;
- 9.5 To maintain official records and documentation on all enrolled students and to provide, on proper application, all appropriate transcripts and graduation diplomas;
- 9.6 To coordinate admission, advising and other activities related to the program;
- 9.7 To provide passwords and usernames to the students for access to UH's electronic databases and other library materials, subject to U.S.A. laws including technology transfer laws; and

- 9.8 To establish collaborative programs that are mutually beneficial to the faculty and students at both UH and KSE to promote trans-national education and professional development.

10 OBLIGATIONS OF EERC

During the period of this Agreement, EERC agrees to the following:

- 10.1 To collaborate with UH to insure that all academic standards of UH are met, including those pertaining to student admissions qualifications and faculty credentials;
- 10.2 To provide adequate telecommunications resources to support meetings with UH faculty, staff and students via videoconferencing technologies;
- 10.3 To allow the joint MA program to develop and maintain a distinct identity on the KSE campus, including mutually agreed signage and other logo identifiers;
- 10.4 To provide academically and professionally qualified instructors for all MA courses taught by KSE, and to provide for periodic overall evaluation of instructors and courses;
- 10.5 To recruit only qualified applicants for the UH MA program;
- 10.6 To provide local ground transportation, high-quality lodging and meals for UH faculty and staff during the period UH faculty and staff are teaching on-site or participating in program related activities at KSE;
- 10.7 To maintain duplicate official records and documentation for all enrolled students; and
- 10.8 In collaboration with UH, to provide MA students with adequate library resources needed for successful completion of the MA program. MA students will have access to the library at EERC/KSE. As provided in paragraph 9.7 of this Agreement, all students enrolled in this program will have remote access to the UH Library's extensive holdings via the web.

11 OBLIGATIONS OF BOTH INSTITUTIONS

During the period of this Agreement, EERC and UH agree to the following:

- 11.1 To identify program directors responsible for this and other collaborative agreements between UH and EERC. The program directors will be responsible for the successful implementation of this Agreement and for exploring other mutually beneficial programs and agreements;

- 11.2 To collaborate in the planning, promotion, marketing and of the MA program;
- 11.3 To collaborate in the monitoring and disclosure of enrollments and in all promotional and marketing information, especially regarding any references or representations of the two institutions;
- 11.4 To collaborate in exchanging faculty and curriculum information to develop an articulation agreement to facilitate the transfer of students into the UH MA program. This will be accomplished by articulating up to 12 KSE credits into the UH MA program;
- 11.5 To collaborate in all operational activities, and in all necessary support services in order to maximize efficiencies, control costs, and reduce duplications between the institutions;
- 11.6 To cooperate in the growth, promotion, assessment, and improvement of all aspects of the program(s) contemplated by this Agreement; and
- 11.7 To collaborate and share various student activities, orientations, and graduation ceremonies when appropriate.

12 FISCAL AND OTHER CONTRACTUAL TERMS

- 12.1 The first cohort is expected to start at KSE in the Fall semester, 2007.
- 12.2 Students will be allowed to take 12 credits obtained at KSE that apply to the UH MA degree. The courses and teaching faculty will be agreed upon in advance by KSE and UH. The remaining 24 credits will be offered as UH courses and will be transcribed by UH.
- 12.3 UH will receive \$125 (USD) per student per each 3 semester credit hours offered as a UH course. No less than \$30,000 will be transferred per year (equivalent to 30 students taking eight UH courses at \$125 per course). In addition, UH will receive an application fee (\$75) for each student seeking admission into the UH program. Funds should be transferred to UH before the completion of each Term at EERC. Official UH grades and transcripts will not be released until payments are made current.
- 12.4 EERC agrees to collect tuition and other agreed-upon fees (i.e. application fees), as well as documentation required for the successful implementation of the program, and forward by batch to UH according to timelines and procedures as mutually agreed upon. The amount payable to UH under Article 12.3. shall be

promptly remitted to UH by wire transfer in U.S. dollars prior to the completion of each UH course.

12.5 Both parties agree that the program created pursuant to this Agreement may not use the name and official seal of the University of Houston without the written consent of UH.

12.6 Both parties agree that the international program created pursuant to this Agreement is subject to all policies and procedures of the University of Houston System and its Board of Regents, and agrees to submit to the reporting and auditing requirements established by the University of Houston System, including consultation with an attorney from the University of Houston System Office of General Counsel and reporting to the University of Houston System Office of the Senior Vice Chancellor for Academic Affairs.

12.10 The UH Department of Economics, in consultation with the Office of Educational Technology and University Outreach, is responsible for the operation of the Agreement.

13 NONDISCRIMINATION

13.1 UH subscribes to a policy of equal opportunity and does not discriminate on the basis of race, sex, ethnicity, religion, or national origin. UH and EERC shall abide by these principles in the administration of this Agreement, and neither institution shall impose criteria with respect to faculty or students which would violate the principles of nondiscrimination.

14 THIRD PARTY OBLIGATIONS

14.1 This Agreement is made solely for the benefit of UH and EERC and their students, and is not intended to create third-party beneficiaries.

15 PARTIES BOUND

15.1 This Agreement shall apply to and bind the parties hereto identified, together with their respective successors and assigns.

16 TOTAL AGREEMENT

16.1 This Agreement shall supersede all other proposals and/or negotiations with regard to the collaborative MA program between UH and EERC. Other articulation agreements may be developed later and attached to this Agreement when signed by both parties.

17 MODIFICATIONS, AMENDMENTS AND ASSIGNMENTS

- 17.1 No modifications, amendments, additions or deletions from this Agreement shall be effective unless reduced to writing, executed by the authorized representatives of EERC and UH. EERC and UH will maintain designated representatives to approve and administer any changes or additions to this Agreement. These modifications may be added to this Agreement as approved attachments.
- 17.2 Neither this Agreement nor any obligations hereunder may be assigned by either party without prior written approval of the other party.

18 TERMS OF AGREEMENT

- 18.1 Upon approval by each institution, this Agreement shall remain in effect for a period of three (3) years unless terminated earlier by either institution. Such termination by one institution shall be effected by giving the other institution at least ninety (90) days advance written notice of its intention to terminate. Termination shall be without penalty. If this Agreement is terminated, neither UH nor EERC shall be liable to the other for any monetary or other losses which may result. If the agreement is terminated, any students currently enrolled will have the option of completing the degree at the UH campus in Houston, Texas. Both parties shall meet for an annual review of this Agreement, conducted by both parties, to verify current accreditation and licensure status, to update program offerings, and to review budget data.

19 NOTICES

- 19.1 All notices or other communications required or permitted hereunder shall be in writing and shall be validly given if delivered personally, by e-mail, by telecopy, or sent by certified mail addressed to the party or parties as follows:

If to UH:

David Papell, Chair
Department of Economics
University of Houston
4800 Calhoun
Houston, Texas, USA 77204-5019
David.Papell@mail.uh.edu

WITH COPY TO:

Marshall Schott, Executive Director
Educational Technology/University Outreach
University of Houston
Houston, Texas, USA 77204-5046

<mailto:mschott@uh.edu>

Or to other such persons or at such other place as UH shall furnish to EERC in writing; and

If to EERC:

Tom Coupé, Program Director
KSE-EERC, Kyiv
Vul Voloska 10
04070 Kyiv
Ukraine
tcoupe@eerc.kiev.ua

Or to other such persons or at such other place as EERC shall furnish to UH in writing.

Notice delivered by telecopy and e-mail shall be deemed delivered when sent and for e-mail when a delivery receipt has been acknowledged. Notice given by certified mail as set out above shall be deemed delivered ten (10) business days after the date the same is postmarked. Notice given by courier shall be deemed delivered three (3) business days after dispatch.

20 TRANSLATIONS OF AGREEMENT

- 20.1 The original text of this Agreement is in English and any interpretation of this Agreement will be based on the original English text. If this Agreement or any other documents or notices related to it are translated into any other language, the original English version shall prevail.

APPROVALS

This Agreement entered between UH and EERC to form an affiliation to cooperatively offer academic programs is thus approved by the following officials of these institutions.

**Economics Education and
Research Consortium**

University of Houston

By: _____
(signature)

By: _____
(signature)

Typed/Printed Name

Typed/Printed Name

(Title)

(Title)

Dated: _____

Dated: _____

Witness: _____

Witness: _____

Appendix A

The MA degree plan consists of at least 24 courses for a total of 36 semester credit hours. (Each course taught in Kyiv is 1.5 credits.) The rotation of courses will be agreed to over time by UH and EERC after considering academic calendars and relevant faculty assignments and academic qualifications. The UH program will have a common program in the first year taught at KSE and transferred into the UH MA program. A sample rotation of courses is outlined below:

Year 1

Term I:

Microeconomics
Macroeconomics
Statistics and Econometrics
Mathematics for Economists

Term II:

Microeconomics
Macroeconomics
Statistics and Econometrics
Mathematics for Economists

Term III:

Microeconomics
Macroeconomics
Statistics and Econometrics
Mathematics for Economists

Term IV:

Microeconomics
Macroeconomics
Statistics and Econometrics
Mathematics for Economists

Term V:

Microeconomics
Macroeconomics
Statistics and Econometrics
Mathematics for Economists

Year 2

Course offerings may vary from year to year. A representative list follows. Students must complete 16 second-year KSE courses to complete the program of study.

Advanced Econometrics
Advanced Macro
Advanced Micro
Central Banking
Development Economics
Economics of Europe
Emerging Capital Markets
Game Theory
Information Economics
International Economics
International Trade
IO
Issues in Economics
Labor Economics
Money and Banking
Productivity Analysis I
Productivity Analysis II
Public Economics
Research Workshop I, II, III, IV and V
Top Professors Course (including UH faculty)
Transportation Economics
Transition Economics