

**Memorandum of Understanding
Between
Duke University's Department of Economics**

and

Fundación HonduFuturo

The Duke University's Department of Economics and HonduFuturo, share an interest in strengthening bilateral cooperation in the field of education between Honduras and the United States of America and promoting stronger ties between the two institutions to increase the financial support available for graduate studies of Honduran students.

The purpose of this agreement is to foster cooperation and enhance the links between the two institutions through the provision of shared financing for talented Honduran students admitted to residential graduate degree programs at Duke University's Department of Economics, within the framework of a joint Graduate Loan-Scholarship program.

The joint Graduate Loan-Scholarship Program will operate as follows:

1. Students in Honduras interested in this joint Graduate Loan-Scholarship Program will seek admission to the Master of Arts in Economics program offered by Duke University's Department of Economics, following the normal application procedures and meeting all the standard admissions requirements (including official language tests) established by Duke University.
2. Students admitted to the Master of Arts in Economics program offered by Duke University's Department of Economics will submit a Loan-Scholarship application to HonduFuturo, following the normal application procedures and meeting all the standard requirements established by HonduFuturo.
3. Students who are offered a place for full-time graduate studies at Duke University's Master of Arts in Economics program and who are selected as beneficiaries of the Loan-Scholarship Program of HonduFuturo will be eligible or considered for the shared financing under this agreement.
4. Duke University's Department of Economics will provide a scholarship of **50%** of the tuition fees for up to **one (1)** HonduFuturo recipient enrolled full-time in the Master of Arts in Economics program who maintains satisfactory academic progress each academic year.
5. Duke University's Department of Economics will offer this financial support for a period of **four (4)** semesters.
6. HonduFuturo will provide the remainder of the tuition, fees, living allowance and will cover other related costs, in accordance with its policies and procedures, i.e. up to USD 25,000 annually for a maximum financing of two years, or USD 50,000 total.

7. The students are responsible for obtaining financial resources to cover other costs (that are not included in this Loan-Scholarship agreement) related to their program of study.
8. Each institution will designate a coordinator to implement and monitor this joint Graduate Loan-Scholarship Program. In particular, the designated coordinators will be responsible for ensuring:

a) that Duke University's Department of Economics and HonduFuturo provide prospective Honduran students with information on their programs of interest and guidance on how to apply to the Master of Arts in Economics program.

b) that Duke University's Department of Economics provides HonduFuturo with all the relevant promotional materials and brochures on the Master of Arts in Economics program offered by Duke University to encourage interest among prospective Honduran students

c) that Duke University's Department of Economics provides all Honduran students admitted to their residential graduate degree programs information on the Loan-Scholarship Program of HonduFuturo and encourages these students to contact and submit an application to HonduFuturo

d) that HonduFuturo informs Duke University's Department of Economics of successful candidates by sending the list of Honduran students admitted to Duke University and selected as beneficiaries of the Loan-Scholarship Program of HonduFuturo

e) that Duke University's Department of Economics will select from the list mentioned in Number 5, the students who will be granted the university scholarship mentioned in Number 4, when the number of joint students is limited. The University will then inform HonduFuturo of this decision.

f) that HonduFuturo provides Duke University's Department of Economics with institutional information on HonduFuturo and pertinent details on its Loan-Scholarship Program and the payment scheme (see Appendix I) and that the designated coordinator of Duke University's Department of Economics communicates this information to the relevant authorities of Duke University (i.e. bursars and student accounts offices)

g) that both institutions make the necessary financial arrangements for confirmed recipients

h) that both institutions have the obligation to inform the other party of any change in the designated coordinator or signatory in charge of this agreement.

9. The designated coordinators are:

For Duke University's Department of Economics:
Nelson Sá
Director of Graduate Studies
e-mail: nelson.sa@duke.edu
Phone number: (1) 919 660 1800

For HonduFuturo:
Fabiola Ráquel
Executive Director
Fabiola.raquel@hondufuturo.org
Phone number: +(504) 2290-3689

10. Both institutions will promote the agreement to prospective Honduran graduate students.

The agreement shall remain in force from the date of signature by the designated representatives of each party and will be in effect for five years. Either party may terminate the agreement by providing at least thirty days prior written notice to the other party.

Nelson Sá
Director of Graduate Studies
Department of Economics,
Duke University

Date:

Fabiola Ráquel
Executive Director
HonduFuturo

Date:

APPENDIX I**GENERAL TERMS AND PAYMENT SCHEMES OF HONDUFUTURO'S LOAN-SCHOLARSHIP PROGRAM**

1. Hondufuturo's financing system consists of a Loan-Scholarship for up to US\$25,000 annually for a maximum financing of two years, or US\$50,000 in total.
2. The applicants for the Loan-Scholarship determine the amount to be requested from Hondufuturo in accordance with Hondufuturo's policies and procedures.
3. Successful applicants (beneficiaries) of this program can use the Loan-Scholarship to cover the full or partial costs of their graduate studies abroad.
4. Hondufuturo's Loan-Scholarship is granted in U.S. Dollars. All payments to beneficiaries (e.g. installment, housing, living allowance) are also made in U.S. Dollars, but Hondufuturo may pay tuition to universities in other currencies, if so required. However, Hondufuturo's beneficiaries have the obligation to assume any discrepancy arising from foreign exchange fluctuations, foreign exchange or transfer costs.
5. Hondufuturo's selection process for the Loan-Scholarship Program is performed on a yearly basis. The online application becomes available every year by mid-February and applicants can start complying with documentary requirements until April 30th. Results are published between the last two weeks of June each year.
6. Hondufuturo notifies partner universities immediately regarding the results of the selection process by sending them the list of Hondufuturo's beneficiaries admitted to their graduate degree programs.
7. Once students are selected and notified as beneficiaries of Hondufuturo, the latter arranges a meeting with the students to explain in detail the terms and conditions of the Loan-Scholarship. The students who accept these terms and conditions decide on the allocation of this Loan-Scholarship taking into account the maximum amounts mentioned in item 1 above. The beneficiary can allocate approved financial support among the following cost items:

- Airfare to and from university (up to US\$2,500)
 - Settling allowance (one-time payment of up to US\$2,000)
 - Tuition
 - Health insurance
 - Living allowance (up to US\$1,500 per month. It can be increased by 25% , to US\$1,875, if the beneficiary travels with family)
 - Textbooks and computer allowance (up to US\$2,000 per year)
 - Debt insurance
8. HonduFuturo clearly informs the beneficiaries, which of the above items are payable directly to them or to the universities.
 9. HonduFuturo pays annual tuition and fees (and health insurance, when this is included in the tuition fees) directly to the college in the months of September, November, January, March, May or July.
 10. The beneficiaries are responsible for obtaining financial resources to cover the costs that are not included in this Loan-Scholarship agreement related to their program of study.
 11. This loan converts into a partial scholarship if the student returns to reside in Honduras for a minimum pre-established period. In order to qualify for the scholarship 40% waiver of the loan (those pursuing postgraduate degrees in management or MBA programs are awarded only 20% scholarship of the loaned amount), students must accomplish the following three requirements:
 - a. Receive their postgraduate degree,
 - b. Return to reside in Honduras, and
 - c. Remain and work in Honduras continuously for three to five years.

The remaining loan component must be paid by the beneficiary on a monthly basis upon his/her return to Honduras according to the established amortization period, which shall exceed a 5-year term.

An additional 20% scholarship shall be awarded to the beneficiary if he/she, upon returning to the country, engages in employment for a minimum period of one year as professors in public or private universities.