



## PARTNERSHIP AGREEMENT

<b>Name of Organisation:</b>	[Partner Name]
<b>Project title:</b>	[Project title]
<b>Project description:</b>	[Project description]
<b>Duration of project:</b>	[Duration of project]
<b>DGF contribution:</b>	[DGF contribution]
<b>Project number:</b>	[Project number]
<b>Responsible Officer:</b>	[Responsible Officer]
<b>Contact Address:</b>	[Contact Address] [Contact Address] [Contact Address]

[DD-MM-YYYY]

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**[Project Title]**

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**PROJECT SUMMARY**

**Project start/end date:** [Project start/end date]

**Implementing partner:** [Implementing partner]

**Key beneficiaries:** [Key beneficiaries]

**Project Steering Doc.:** [Project Steering Document]

**Location:** [Location]

**SUMMARY OF PROJECT CONCEPT**

**Project goal:** [Project goal]

**Project purpose:** [Project purpose]

**Key outputs:**

1. [Key outputs]
2. [Key outputs]
3. [Key outputs]
4. [Key outputs]
5. [Key outputs]
6. [Key outputs]

**Eligible activities:**

1. [Eligible activities]
2. [Eligible activities]
3. [Eligible activities]
4. [Eligible activities]
5. [Eligible activities]
6. [Eligible activities]

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**MONITORING AND EVALUATION**

**Progress report due:** Quarterly: [30/9 - 31/12 - 31/3 - 30/6- yyyy]

**Midterm review due:** [dd/mm/yyyy]

**Project completion report due:** [dd/mm/yyyy]

**Financial reports due:** Quarterly: [30/9 - 31/12 - 31/3 - 30/6- yyyy]

**FUNDING AND ADMINISTRATION ARRANGEMENTS**

**Funding disbursements:** [Quarterly]

**DGF contribution:** [Amount in UGX]

**DGF budget line:** [Budgetline]

**DGF Officer:** [Name]

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**CONTRACT**

**1.0 Parties to the Agreement**

Democratic Governance Facility (DGF)  
1<sup>st</sup> Floor EADB Building  
Plot 4, Nile Avenue  
P.O. Box 8772  
Kampala

hereinafter referred to as “DGF.”

And

**[Name of partner and address]**

**[Partner address]**

**[Partner address]**

**[Partner address]**

Hereinafter referred to as “[XXX]”

**2.0 Key Definitions**

“DGF”: Refers to the implementing agency regarding development cooperation in the area of human rights and good governance.

“GoU”: Refers to the Government of Uganda

“Accounting Officer” refers to the individual designated as the organisation’s representative in matters relating to financial management and accounting.

**3.0 Substance of the Agreement**

By this Agreement, the DGF is committed to make available to the implementing partner **[Amount in UGX]** for implementation of the activities outlined in the said Project Steering Document.

The Contribution in UGX shall be as per prevailing internal DGF exchange rate at the time of disbursement.

By this Agreement, the implementing partner is committed to implement the activities and achieve the outputs within the planned budgetary provisions as per the attached Project Steering Document (Project proposal) which forms part of this Agreement.

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**4.0 General Conditions of Agreement****4.1 The documents which make up this Agreement are:**

- The main body of this Partnership Agreement (including the Contract).
- Annex A: Key Personnel and Responsibilities.
- Annex B: The Financial Rules and Regulations.
- Annex C: Tentative Disbursement Budget
- Annex D: Administration Fee
- Annex E: Activity-based budget verified by the DGF Accounts Department (Attached).
- Annex F: Project Steering Document and Log frame (Attached).

**4.2 Personnel**

Key personnel who represent the parties to the agreement are listed in Annex A. They include the staff who shall be the key party to this agreement and the accounting officer. The Accounting Officer shall perform the agreed services with all due diligence, efficiency and economy in accordance with appropriate professional standards and with due consideration of the DGF financial regulations and guidelines, and agreed regulations as found in Annex B to this agreement.

The Accounting Officer shall monitor and oversee project activities and ensure that performance against set benchmarks is achieved.

Any changes in key personnel with regard to the project shall be promptly notified to the DGF, either prior to the commencement of project or within one week after their occurrence during project implementation.

**4.3 Approvals**

Approvals for any work arising out of this agreement carried out by other parties not signatory to this agreement shall only be given by the signatories to this agreement or their designated representatives, in consultation with the DGF.

**4.4 Reporting**

A financial report for the full [Amount in UGX] shall be submitted to the DGF, within 15 days of the completion of the project. The financial report must specify amount received, amount spent and substantiated against budget, and balance unspent.

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The accounting records of the organization shall be subject to review by an external auditor engaged and agreed to by the DGF and [Name of partner]. The DGF shall have an active input in determining the timing and ToRs of the audit. The DGF shall be privy to all information and reports made by the auditors in regard to this project. The DGF shall furthermore receive the annual Audit Report of [Name of partner] no later than 6 month the end of each financial year.

The quarterly narrative reports shall indicate the progress realised under the project in terms of its objectives and outputs specified in the project document as well as general challenges and lessons learned.

The financial report together with the narrative report is required to trigger the release of subsequent periodic disbursements.

**4.5 Monitoring and Evaluation**

There will be regular periodic Monitoring and Evaluation of [Name of partner] work under this agreement including activities that may be performed by persons other than staff. The DGF will be kept abreast of progress made and may make ad hoc requests for status reports. The DGF shall further be allowed access to premises, reports and other information to enable it to monitor and evaluate performance of agreed activities.

**4.6 Amendment of this Agreement**

Any changes to the terms or scope of this Agreement shall be valid or binding only if explicitly agreed in writing by both Parties to this Agreement. The key personnel as specified in Annex A to this Agreement shall be responsible for formalising Amendments to this Agreement and such binding Amendment shall be agreed by these key personnel only, unless authority has been officially delegated. Any Amendments effected should only be as to the terms and mode of implementation but not to vary the primary objective of the contract.

**4.7 Management and Ownership of Assets**

Unless otherwise approved in writing, all assets procured with the funds made available from the DGF under this Agreement shall at all times remain the property of the DGF. The DGF reserves the right to dispose off the properties during or after the completion of the project. The DGF shall be responsible for all procurements above the threshold of UGX 5,000,000 under this Agreement, unless stated otherwise.

**4.8 Procurement**

Procurement of capital goods and services which are deemed required for implementation of this agreement must achieve value for money and must be conducted in such a manner as to ensure transparency and probity.

The Parties to this Agreement agree to use the procedures of the DGF for the procurement of external suppliers, contractors or technical support. Therefore, the method of procurement shall be determined by the cost in UGX of the goods or service. The following guidelines will be followed:

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Amount in UGX	Purchasing Method.
Up to UGX 500,000	Knowledge of the market.
UGX 500,000 – UGX 999,999	Three oral quotations from approved suppliers on suppliers list.
UGX 1,000,000 – UGX 4,999,999	Three written quotations from recognized suppliers on suppliers list.
UGX 5,000,000 and above	As above, but with a formal evaluation process and approved by the DGF.

The above guidelines should not be abused through splitting of orders for major orders, particularly for Procurements for Implementing Partners (e.g. Computers purchased separately from printers and UPS, etc.).

**4.9 Fund Utilisation**

Use of funds provided under this Agreement, shall be carried out according to the procedures defined under Section 4.4 of this Agreement and all key personnel will be required to exercise due diligence in stewardship of these funds.

- a) Misallocation of funds provided under this agreement may render **[Name of partner]** ineligible for further replenishment and/or future assistance. It may also lead to suspension of this agreement as well as individual liability or other action against responsible individuals.
- b) Use of funds for activities other than those covered by this Agreement will lead to suspension and/or eventual termination of this agreement. Where criminal conduct, fraud or negligence are established in misuse of funds, **[Name of partner]** will take full responsibility to ensure that misused funds are recovered and it shall be held personally liable for any damage or loss occasioned by such misuse.
- c) Without compromising the above, the DGF may institute any proceedings or take action for recovery of the said funds not properly accounted for, or misused. These may include, but not limited to, any one or a combination of the following actions: arbitration and mediation, demand for refund of all the misappropriated funds, and legal action against the organisation or persons implicated in the misuse of the project funds.

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- d) **[Name of partner]** has no authority on own initiative to reallocate funds between budget lines. Any reallocation of the budgeted amount must be requested and accepted in writing by the DGF.
- e) Accurate and systematic accounting records of the project shall be kept detailing use of project funds throughout the project period.
- f) The above mentioned accountabilities shall be subject to an audit. The DGF shall approve the audit firm to carry out the same.

Any unused funds must be returned to the DGF at the time of submitting the end of project financial report.

**5.0 Specific Conditions of Agreement****5.1 Funding and Disbursement Arrangements**

Funds will be transferred by the DGF directly to the **[Name of partner]** project account. Disbursements will be made against a written request. Transfer of funds will follow the DGF acceptance of quarterly work plan, narrative and financial reports indicating progress made.

**5.2 Timing and Budget**

Implementation of the project shall not exceed the agreed duration of the project unless written approval for an extension has been obtained from the DGF.

The DGF contribution shall be **[Amount in UGX]** as per the Budget specified in Annex C which is part of this agreement.

**6.0 Observance of Law**

Performance of work under this project shall be in line with the applicable Laws of Uganda.

**7.0 Anti-corruption**

The DGF maintains the principle of zero tolerance of corruption with its partners in the course of implementation of this project. Any legal and administrative malpractices must be disclosed at the earliest possible stage, documented and conclusively dealt with according to the legal and administrative machinery in place.

In the event that an undisclosed incident of corruption is discovered in the implementation of the project, the DGF reserves the right to terminate the project immediately without notice as an exception to Section 9.0 of this contract.

Under this contract, the internationally and most widely used definition of corruption is the one that shall be adopted: "The misuse of entrusted power for private gain."

**8.0 Conflict of interest**



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The implementation of the project and in particular the procurement of goods and services (including consultancies), employment of staff and carrying out of any other activities under the project shall be done in a manner which promotes transparency, accountability, probity, fairness and based on merit without any conflict of interest. Any concealed or apparent conflict of interest shall be avoided and in any other case, be disclosed at the earliest possible stage. If no alternative option exists in dealing with parties that represent an apparent or concealed conflict of interest, the approval of the DGF must be sought before furthering the activity.

In the event that an undisclosed conflict of interest in the implementation of the project is discovered, the DGF reserves the right to terminate the project.

Under this contract, a conflict of interest means a party or duty bearer entrusted with the responsibility of taking a decision is placed in a situation that compels him or her to prefer a decision in which he or she has a private or personal interest or relation as viewed by an independent and reasonable observer. The test is that the said interest or relation would ordinarily cause undue influence or advantage or preference over other options. An interest may include, but not be limited to dealing with family members, associates, or their business or personal interests.

**9.0 Termination**

Either party reserves the right to suspend and/or terminate this contract upon the occurrence of a breach of any covenant, term or stipulation herein as a result of a neither omission nor commission by any of the parties, without prior recourse to courts of law. Except as provided under Section 7.0, a period of thirty days will serve as adequate notice of termination.

Persons found to be at fault shall be held liable for any damage or loss occasioned by such breach as a result of their conduct, commission or omission that is contrary to the terms of this partnership agreement.

**Suspension** under this section refers to a situation where a material breach of any term of the contract occurs by as a result of the actions or omission on the part of **[Name of partner]** and the continuation of further implementation of the activities/expenses under the partnership agreement is put to a halt until the breach is sorted out.

**Termination** under this section case refers to a total dissolution of the partnership agreement as a result of a material breach of a condition under the partnership agreement and whereof the parties are relieved of their respective rights and obligations under the contract. No further performance under the contract can go on except for purposes of affecting the termination process.

**10.0 Alternative Dispute Resolution**

Any controversy or claim arising out of or relating to this agreement, or the breach thereof, may be settled by arbitration administered by a party agreed to by both contracting parties in accordance with the laws of Uganda. This clause shall not preclude parties from seeking other provisional remedies.

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**11.0 Force Majeure**

If a Party fails to perform all or part of its obligations under this Agreement due to an event of Force Majeure, obligations on the party shall be suspended during the period in which such performance is affected. The Party affected shall notify the other in writing of the occurrence of such event as soon as possible, and shall, within 15 days after the occurrence of such event, provide the other Party with appropriate evidence in support of the occurrence of the event of force majeure and shall make all reasonable efforts to eliminate or minimise the effects of such event.

**Signed:****On behalf of the Implementing Partner: [Name of partner]**\_\_\_\_\_  
Signature\_\_\_\_\_  
Place / Date\_\_\_\_\_  
Name / Title**On behalf of Democratic Governance Facility, Kampala**\_\_\_\_\_  
SignatureKampala/\_\_\_\_\_\_\_\_\_\_  
Place / Date\_\_\_\_\_  
Name / Title

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**ANNEX A****KEY PERSONNEL AND RESPONSIBILITIES**

Key personnel and functions of the parties to this Agreement are as follows.

	<b>Name</b>	<b>Title</b>
Chief Executive/ Project Manager.	[Name]	[Title]
Finance Manager	[Name]	[Title]
The DGF Programme Officer	[Name]	[Title]
The DGF Programme Accountant.	[Name]	Programme Accountant

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## ANNEX B

## FINANCIAL RULES AND REGULATIONS

This Agreement will govern the terms and conditions on the use and accountability of Project Funds. Funds will be released on a written request against updated work-plan, unless otherwise agreed.

- i. The Chief Accounting Officer will monitor use of funds.
- ii. The [Name of partner] Accountant will maintain accounting records for the project.
- iii. [Name of partner] shall maintain a separate bank account and separate records for this project. The DGF has the authority to apply directly to the bank for statements.
- iv. The following records and books of account shall be kept:
  - **Payment Vouchers (PV)** – will be used for all costs incurred, and they should be approved and authorized by appropriate authorities within the organization. They should be adequately supported by other documents leading to the payment.
  - **Journal Voucher (JV)** – the JV shall be used for posting clearance of advances to the GL. Each JV shall be fully supported by an authorized accountability of how the advance was spent.
  - **Project Cash Book** – all financial cash transactions for this project will be recorded in a separate project cash book. The cash book shall be analyzed along expenditure lines. All entries shall be entered sequentially by cheque/voucher number.
  - **Advances Ledger** – all advances to individuals should be recorded in the advances ledger and indicate the name of the person to whom the money has been advanced to and the accountability of this advance. All advances should be accounted for within a reasonable time.
  - **General Ledger (GL)** – the GL should be maintained with cost headings, which are consistent with the approved budget lines. Expenditure should be posted at the end of each month using the information from the cash book analysis and the journal voucher. However, where the cashbook is sufficiently analyzed by expenditure code, it may not be necessary to duplicate this information.
  - **Bank Reconciliation** – at each month end a bank reconciliation shall be prepared with adequate explanation for the reconciling items and reviewed by the project Accountant.

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- **Monthly Project Trial Balance (TB)** – the TB will be extracted from the GL/ or cashbook. The TB should show the following items:
  - Opening expenditure
  - Current period expenditure
  - Cumulative expenditure to date
  - List of advances showing movement in the last month
- **Quarterly Progress Report** – this will include a summarized income and expenditure statement and shall include a narrative of financial transactions undertaken. The Quarterly Progress Report should show the following items:
  - Amounts received
  - Amounts spent and substantiated
  - Budgeted amount
  - The balance in the cash and bank account. Including a copy of Bank Statement
  - Advances outstanding
- The DGF reserves the right to withhold funds if the progress reports are not presented and/or if there are queries on the reports that have not been cleared to the satisfaction of the DGF.
- **An End of Project report** shall include a section on finances and shall be presented to the DGF within **15 days** of the end of the agreed project duration. The report shall include a narrative of the financial transactions and the quarterly project summary receipts and payments report.
- **Accountabilities** – Accurate and systematic accounting records of the project shall be kept detailing use of project funds throughout the project period. They may be requested by the DGF and shall include but not limited to; original receipts (Including cash receipts), original requisitions, payment vouchers, tax invoices, signed accountability sheets for per diems and allowances.

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Signed:

Accountant [Name of partner]

_____	_____	_____
Signature	Place / Date	Name / Title

Finance and Administration Manager (DGF)

_____	Kampala/_____ Place / Date	_____
Signature		Name / Title

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**Annex C: Tentative Disbursement Budget**

[Name of partner]

Disbursement period	Amount (UGX)
Upon signing the contract	[Amount in UGX]
2 <sup>nd</sup> Installment [Month Year]	[Amount in UGX]
3 <sup>rd</sup> Installment [Month Year]	[Amount in UGX]
4 <sup>th</sup> Installment [Month Year]	[Amount in UGX]
<b>Total (Contract Amount)</b>	[Amount in UGX]



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**Annex D: Administration Fee**

**Obligations of [Name of partner]**

**Within the Administration Fee of [%] [Name of partner] will cover and provide the following:**

- Management and Leadership
- Sufficient Accounting and financial management assistance
- Administrative assistance
- Consumables e.g.
  1. Rental, Water, Electricity, Office cleaning, Security and common Reception and Tea room.
  2. Internet and email access of 24 hours to all the computers, paid by the Programme.
  3. Office supplies includes:
    - a. Printer Cartridges
    - b. Photocopying ( Paper and Toner)
    - c. Communication (calls to both land-line and mobile networks; International calls; and faxes)
    - d. Maintenance of computers and any other equipment
    - e. Consumables (staples, punch, stick on notes, spiral binding, scanning, envelops, paper clips, pins, files, diskettes, highlighters, office trays, telephone handset etc.)

**A separate contribution will be made towards:  
[Specified contributions]**