

Memorandum of Understanding

Between

Give a Goat- Africa (Uganda) [GaG]

And

Schenke eine Ziege e.V. (Germany) [SeZ]

Contents

Interpretations:.....	3
A. Background.....	4
B. Intention of this Memorandum.....	4
C. Scope of this Memorandum.....	4
D. Agreement.....	5
1.0 Clearly Defined Leadership and Responsibility at GaG.....	5
2.0 Transparency and Accountability.....	5
3.0 Regular dialogue and consultation between the two parties.....	6
4.0 Commitment by the parties towards each other.....	7
E. Duration and termination of the MoU.....	8
F. Amendments.....	8
G. Notices.....	9
H. For the avoidance of doubt.....	9

Annex 1: Key Members

Annex 2: Joint Strategy Document

Annex 3: Accounting and controlling standards

Annex 4: Job Description Executive Director

Interpretations:

- **MoU** shall mean this Memorandum of Understanding
- **NGO** shall mean a Non-Government Organisation and / or a charitable and voluntary organisation by virtual of this MoU.
- **Board of Directors** shall mean the final decision making organ of GaG
- **Chairperson Board of Directors** shall mean the Chairperson of the Board of Directors of GaGs
- **Member of Board of Directors** shall mean an executive and non-executive who is a member of Board of Directors of GaG
- **Executive Director** shall mean the person who is the head of the projects and activities within the limits of this MoU.
- **Chefziegen** shall mean the final decision making organ of SeZ
- **Vorsitzender** shall mean the head of the Association Board (Vorstand) elected by the members of SeZ
- **Schatzmeisterin** shall mean the treasurer and the head of accounting of SeZ
- **Vorstandsmitglied** shall mean a member of the enlarged Association Board (Vorstand) of SeZ

Memorandum of Understanding (MoU)

A. Background

The two parties wishing to come to a common understanding are Give a Goat-Africa, a Non-Governmental Organisation located on Rwesororo Hill, Kagando parish, Kisinga sub-county, in Kasese district in Uganda (hereafter called GaG) and Schenke eine Ziege e.V., a cooperating Non-Government Organization in Germany (hereafter referred to as SeZ).

Both partners aim at improving the lives of people living within the reach of a project and activities at least co-financed by SeZ (hereafter termed project or projects) they have jointly established and others they may still set up.

GaG in Uganda and SeZ in Germany were both mutually born for the cause of community development of the people in Uganda through enhanced and mutual cooperation. The major thematic areas of the cooperation include agriculture, education, health, socio-economic and cultural services and environmental conservation for the development of the supported communities.

B. Intention of this Memorandum

It is enormous voluntary work and public relations by SeZ that results in major financial contributions to the joint projects. SeZ is answerable to its donors, benefactors and supervising authorities in Germany. Major risks SeZ needs to manage include not losing the support of donors and with it losing the capability to obtain funding at all and to avoid creating too much of a personal liability for the use of funds for individual SeZ board members. However, being located in another country, it has limited influence on how the projects are run in Uganda. SeZ has therefore a legitimate interest in understanding what developments take place and in ensuring that the agreements forming the basis for its contributions and those of the many people and organisations it is answerable to are kept.

GaG on the other hand, depending much on the input from SeZ, desires to have at least a mid-term commitment by its partners SeZ.

This memorandum therefore aims at the following:

- To ensure transparency and accountability on the side of GaG regarding all project affairs;
- To ensure that there is one key person – the Executive Director – responsible for the project and the proper use of the resources towards achieving the project objectives;
- To establish a regular and strong dialogue platform between both parties, called “Joint Committee”;
- To secure the concerns of the beneficiary community and their participation in leadership and decision-making – to make sure the main and final target group of the efforts of both parties have a strong stand and consideration in the organisation of GaG;
- To provide a reasonable degree of safety to GaG through a mid-term commitment of support through SeZ.

C. Scope of this Memorandum

Currently GaG entirely runs projects and activities that are at least co-financed by SeZ. This memorandum refers to those. GaG being an entity of its own is however free to initiate other activities and relate to other partners, which will then not fall under this agreement. Any project or activity at least co-financed by SeZ automatically does.

D. Agreement

1.0 Clearly Defined Leadership and Responsibility at GaG

1.1 The Executive Director

It is recognised that the Executive Director – selected and appointed by the Board of Directors – is the principal accounting officer of GaG and answerable to the beneficiary community and to the Board of Directors. He/she is to ensure that this MoU with SeZ, and GaG's and the consequent agreements and planning are followed and implemented.

As much as he/she is answerable to the Board of Directors, the Executive Director is to provide all relevant information and is to initiate all relevant activities and developments at his/her own reasoning – including those that are to be handled by the board.

1.2 The Board of Directors

It is recognised that there is a Board of Directors governing GaG and answerable to the beneficiary community, to the public and to GaG's partners. This board hereby authorises and instructs the Executive Director to be open and transparent toward SeZ in all project matters.

1.3 The Annual General Meeting

It is recognised that the registered beneficiary community members of GaG hold annual general meetings. The Annual General Meeting (AGM) shall have the right to assess the governance by the board, the performance of the Executive Director and the success and relevance of GaG projects and activities. Though the AGM's resolutions are not defined in the Articles of Association as binding, GaG Board of Directors has a moral obligation to take them into strong consideration as the opinion of the main and final target group of the project.

2.0 Transparency and Accountability

2.1 Transparency in Decision-Making

The minutes of the meetings of the Board of Directors and those of the Joint Committee shall be made accessible to the registered community members.

GaG will provide to SeZ all official minutes such as those of board meetings, official management meetings and general assembly.

2.2 Planning

- a) GaG will operate with the use of development plans stretching over at least three years, beginning with January 2014.
- b) GaG will draw up annual budgets beginning with 1st January 2014.
- c) GaG will draw up annual project plans with details for every department, outlining for each at least objectives, qualitative targets, quantified targets and activities, beginning with 1st January 2014.
- d) All planning shall be made in consultation with the beneficiary community members or at least their representatives.

2.3 Finance and Assets Policy

- a) The Board of Directors of GaG will issue a Finance and Assets Policy, which is to stipulate relevant activities and procedures to ensure financial control and accountability to a relevant and appropriate standard. The policy shall be drawn up in consultation with the beneficiary community members or at least their representatives

other than those who shall be on the board. Latest by 15th June 2014, the board will make the policy available to SeZ and invite SeZ to express its opinion for consideration by GaG.

b) ANNEX 3 forms part of this MoU

2.4 Personnel Policy

The Board of Directors of GaG will also issue a Personnel Policy stipulating how personnel management is to be applied. The policy shall be drawn up in consultation with the beneficiary community members or at least their representatives other than those who shall be on the board. Latest by 15th June 2014, the board will make the policy available to SeZ and invite SeZ to express its opinion for consideration by GaG.

2.5 External Auditing

The Board of Directors of GaG will appoint external auditors to carry out annual external audits not later than three months after the ending of the financial year to be audited. The audits will cover all departments and activities of GaG and review also the application of control mechanisms and achievement of targets as reported by GaG management in its annual report. GaG will make the final audit reports available to the beneficiary community representatives including other than those who shall be on the board and to SeZ without delay.

When issuing Terms of Reference to the auditors, GaG will include SeZ requirements.

2.6 Inspection by SeZ

SeZ shall review or appoint someone to review – if regularly, not more often than twice a year – transparency, accountability and project performance by means of on-site inspection. Should SeZ have reason for serious concerns or doubts, extraordinary inspections shall also be made.

2.7 Direct confirmation by the community

The beneficiary community shall receive monthly and annual reports and have the right to verify them by inspection. The inspection visits are to be announced three days in advance and shall be carried out by the department leaders or other formally appointed community members. Should the community have reason for serious concerns or doubts, extraordinary inspections shall also be made.

3.0 Regular dialogue and consultation between the two parties

3.1 The Joint Committee

- a) The two parties shall establish a Joint Committee consisting of six members, three from each side, to ease communication, establish common views and understanding, carry out joint planning, review project performance and discuss matters arising therefrom.
- b) Authority and decision-making powers shall lie with the respective boards.
- c) Each party will see to it that the members have the necessary expertise and experience appropriate to the scale and importance of their appointment, either by formal education or by at least ten years practical experience in a professional field the project operates in, e.g. agriculture, teaching, vocational education, veterinarian, medicine, engineering, finance or general management. Any nomination shall indicate the profession of the nominee in order to indicate the qualification required.
- d) The committee shall consist of board members of the GaG Board of Directors and of the SeZ Chefziegen. Co-opting of other members is possible as needed. The Executive Director of GaG shall always be an ex-officio member on the Joint Committee.
- e) Conflict of interest rules out the nomination of a person.
- f) Durations of office and procedures to remove and to replace members shall be regulated by each side for its respective members as thought fit.

- g) Multiple re-appointment of a Joint Committee member shall be permitted.
- h) Members of the Joint Committee are not eligible to receive remuneration for carrying out their duties. Actually incurred domestic (Ugandan) travel costs will be reimbursed by the project if claimed against corresponding receipts.
- i) Recognising to the fact that SeZ carries the main financial burden and the risks associated with that, SeZ will chose the chairperson of the committee. In case of a tied vote, the chairperson has the casting vote.
- j) In the absence of the chairperson, the vice-chairperson chosen by GaG will chair meetings.
- k) Besides meeting in person, meetings may also take place by means of modern communication, e.g. telephone conferencing, video conferencing and skyping.
- l) Meetings should be held at least four times a year and shall be called by the Chairperson, with a period of notice of at least three weeks.
- m) The quorum required for joint resolutions shall be four members. Any simple majority of at least three members shall be decisive.

3.2 Reporting

a) Bi - Monthly performance reports

The Executive Director regularly issues a performance report. That report is at least done bimonthly and shall be submitted not later than two weeks after the end of the respective period to the Joint Committee. Such report shall be in relation to every department and clearly identify progress made to date against the current annual project plan and the annual budget. Beyond that it will point out shortfalls where applicable, proposed corrective measures and review of the effectiveness of previous corrective actions applied.

b) Annual narrative progress- and financial reports

The Executive Director will prepare and table to the Board of Directors annual narrative progress- and financial reports with at least the same content as in the monthly performance reports but in relation to the whole year. The Board of Directors will consider the report and make it, as well as the board's opinion on it, available to SeZ not later than two months after the end of the reporting year.

4.0 Commitment by the parties towards each other

4.1 Regular joint planning

- a) GaG will submit its long-term development plan and its annual budgets to SeZ for discussion regarding all common projects foreseen and for the purpose of coming up with a joint plan and agreed budgets.
- b) The first draft of the long-term development plan shall be submitted to SeZ latest by 30th June 2014.
- c) The draft annual budgets shall be submitted to SeZ not later than 1st of November before the year to which they are meant to apply. SeZ will respond to the submissions within two months of submission.

4.2 Agreements on projects and activities

Beyond this MoU, SeZ and GaG may enter agreements over particular projects and activities, in order to define precise purposes, uses of resources, targets and other relevant matters that are particular to them.

Unless otherwise defined in such particular agreements, GaG will not deviate from the original intention and purpose in relation to goods having become available through financing or co-financing by SeZ as follows:

- For land and buildings: ten years from the time of having received the last formally agreed support towards their acquisition or maintenance;
- For machinery and plant: five years from the time of having received the last formally agreed support towards their acquisition or maintenance.

Where GaG wishes to deviate from the original intention and purpose before the stipulated period elapses and make different use of the goods or dispose of them, GaG will seek prior consent of SeZ.

4.3 Commitments to plans and financing

- a) Upon fulfilment of GaG's obligations to planning, SeZ commits itself to provide the following:
 - i. quarterly payments of budget deficit (OpEx & CapEx) as agreed in the annual budget
 - ii. Financing of other expenses if agreed beforehand by the Joint Committee upon receipt of a completed application form through cash transfers and
 - iii. It is recognised, that financial planning inevitable contains some uncertainty, probably negatively impacting on promised monetary results. GaG commits itself to recover such shortfalls within the project at their own discretion through appropriate measures, saving costs or increasing revenue somewhere else, without jeopardising other targets.
 - iv. In case of urgency, possibly the approval of application forms outside Joint Committee meetings and subsequently transfer of funds.
- b) All transfers as per i.; ii; and iv require an annual budget agreed upon by both parties. This includes the possibility of agreed budget amendments.
- c) GaG and SeZ acknowledge that SeZ can only contribute within the limits of funds obtained through gifts, donations and support obtained from third parties. SeZ thus not bound to commitments beyond its capacity
- d) SeZ may suspend funding also of approved budgets, if agreements have not been kept by GaG, if accountability is found unsatisfactory or in any other case of grave irregularity that SeZ deems contrary to its mission or causes harm to its public image. SeZ will however not take any of such measures without giving a fair hearing to GaG in order to establish the facts together.

E. Duration and termination of the MoU

- a) This MoU is open-ended and valid from the date of the signing.
- b) Either party may terminate this MoU giving a notice of at least twelve months to the other party.
- c) Gag and SeZ may terminate this MoU with immediate effect to the other party in case of:
 - i. any unlawful act or any unauthorised financial transaction carried out on behalf of GaG or SeZ, whether with project funds or with other funds;
 - ii. if title is enforced into the assets of GaG or SeZ and enforcement will not be withdrawn within one month;
 - iii. bankruptcy proceedings or liquidation proceedings or similar circumstances are enforced under the law of the Republic of Uganda for GaG and the Federal Republic of Germany for SeZ;
 - iv. for other cogent reasons including, but not limited to, cases when either GaG or SeZ has been found to be entangled in activities of corruption, fraud, or cheat, being blacklisted by any department/agency of central or state/local government or lost its NGO status;
 - v. by mutual consent of the parties hereto.

F. Amendments

This agreement including its annexes represents the current intentions of the parties, which may be subject to changes. Alterations and amendments of this MoU may be therefore made on mutual agreement but must be in writing. This also applies to an alteration of this clause on the requirement of writing.

G. Notices

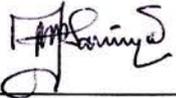
Notices must be addressed to GaG or SeZ registered office. E-Mail or Telefax notices are to be send to at least two key personnel of GaG / SeZ respectively as authorised receivers of such notices as per ANNEX 1 to this MoU.

H. For the avoidance of doubt

This Memorandum of Understanding replaces the one signed earlier, dated 6th April 2013.

Signed this 7th day of January 2014,

For Give a Goat- Africa, a Non-Governmental Organisation (NGO) registered with Number Reg No.S.5914/7046 in the Republic of Uganda under the Ugandan Non-Governmental-Organisations Registration statute of 1989, having its Head Office in Kasese district, Kisinga subcounty, Kagando parish, on Rwesororo Hill and the postal address P.O. Box 101 Kasese, Republic of Uganda:



Dr.Kibaya Yusuf,
Chairperson Board of Directors
Give a Goat-Africa

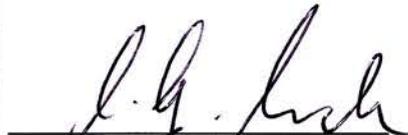


Sylvester Kule (MSc.Agric.),
Executive Director
Give a Goat-Africa

For Schenke eine Ziege e.V., an Organisation (NGO) Registered at Amtsgericht Bühl, VR 571, registered Office at Straßburgerstraße 4, D- 477833 Ottersweier, Federal Republic of Germany:



Robert Wunderlich,
1. Vorsitzender
Schenke eine Ziege e.V.



Carl-Gerold Mende
Vorstandsmitglied
Schenke eine Ziege e.V.

ANNEX 1
to the Memorandum of Understanding between Give a Goat- Africa (Uganda) [GaG] and
Schenke eine Ziege e.V. (Germany) [SeZ]

Key members GaG and SeZ

(1) Board members of the Board of Directors Give a Goat – Africa

Dr Kibaya Yusuf	Chairperson
Lubuwo Joseph	Vice-Chairperson
Sabiiti Francis Bijwanka	Treasurer
Kyamukono Julius	Member
Nziabake Emmanueline	Member
Paghara Margret	Member
Bwambale Jocknus	Member
Nimbimanya Alex	Member
Kaggwa Gyeviira	Member
Kilian Bauer	Member
Atholere Esther	Member
Ssenkungu John	Member
Kule Sylvester	Secretary
Kibaba George	Member

(2) Key members of SeZ

Meier	Lisa	Schatzmeisterin	+49 (0) 171 / 51 84 636		Lisa.Meier@Schenke-eine-Ziege.de or Vorstand@Schenke-eine-Ziege.de
Möller	Katharina	Member extended Association Board	+49 (0) 177 / 2753247		Katharina.Moeller@Schenke-eine-Ziege.de
Truckenmüller	Tina	2. Vorsitzende	+ 49 (0) 17664817012		tina.truckenmueller@schenke-eine-ziege.de or Vorstand@Schenke-eine-Ziege.de
Velte	Vanessa	Member extended Association Board	+49 (0) 176 / 802 998 04		Vanessa.Velte@Schenke-eine-Ziege.de
Wunderlich	Leopold	Member extended Association Board	+49 (0) 171 264 2167		Leopold.Wunderlich@Schenke-eine-Ziege.de
Wunderlich	Robert	1. Vorsitzender	+49 (0) 175 / 96 46 204		Robert.Wunderlich@Schenke-eine-Ziege.de or Vorstand@Schenke-eine-Ziege.de
Mende	Carl-Gerold	Member extended Association Board	+49 (0) 152 / 295 90 491	+ (0) 49 6625 5904	Carl-Gerold.Mende@Schenke-eine-Ziege.de
Waitschies	Christian	Member extended Association Board	+49 (0) 174 / 80 100 12		Christian.Waitschies@Schenke-eine-Ziege.de

ANNEX 2
to the Memorandum of Understanding between Give a Goat- Africa (Uganda) [GaG] and
Schenke eine Ziege e.V. (Germany) [SeZ]

Joint Strategy document for the cooperation between GaG Africa and SeZ Germany

The following are the strategic directives which form the foundation of our actions:

1. With the project at the project site in Uganda, the following equally important and equally weighted objectives are pursued in parallel:
 - a) Preventive healthcare for all beneficiaries
 - i) Improvement of protein and vitamin intake
 - ii) Expansion of primary (curative) health care inclusive deliveries as per current (2013) Ugandan HC clarification "Health centre 3"
 - iii) Improving sanitation (e.g. bathrooms, toilets, storing of food, Mosquito nets ...etc.)
 - b) Quality education for all beneficiaries (e.g. Workshops; workers pass...etc.)
 - i) Greater opportunities to obtain school education through ongoing operation of a secondary vocational school, and if found suitable, preparatory school-classes in P6/P7.
 - ii) Adult learning & education
 - c) Increasing the family income of beneficiaries, for example, by promoting joint goat farming and supporting agriculture and craftsmen establishments.
2. The beneficiaries of the project in Uganda are all users of the educational and health facilities of the project. This includes the project families who currently receive or have received goats from the project. The emphasis of the project is placed on beneficiaries living in the catchment area of the project site
3. The beneficiaries are included in the decision-making processes with regard to those decisions directly affecting them, in line with the rules established by the Ugandan project management this includes representation in the board.
4. The employees of the project are project stakeholders with the specific role to enhance the project as professional employees. If using the facilities of the project creates a conflict of interest with this role one of the rights of the roles (beneficiary or employee) has to be relinquished.
5. 'Schenke eine Ziege' and 'Give a Goat' will achieve the jointly agreed objectives of their development co-operation by working together as equal partners.
6. Over time, the joint project between GaG and SeZ needs to ensure its future viability independently. The involvement of SeZ in the joint project between GaG and SeZ is limited in time, with an end date still to be defined. The corresponding exit strategy and time frames will be discussed between SeZ and GaG before action is taken by SeZ.
SeZ will discontinue the financial support of the joint project between GaG and SeZ from that point in time. Whether, and to what extent SeZ may continue to support the institution's capital investments to further enlarge the project, remains to be decided.
A key criterion for achieving this objective is that projects formerly supported by SeZ may exclusively receive local funding after the SeZ funding ended.

ANNEX 3
to the Memorandum of Understanding between Give a Goat- Africa (Uganda) [GaG] and
Schenke eine Ziege e.V. (Germany) [SeZ]

Minimum Accounting /Bookkeeping and controlling requirements for Give a Goat Africa

Controlling:

Planning:

- the preparation of an annual receipts and payment budget on a monthly basis continuing using the currently used budgeting format
- proposed short and long term capital expenditure plan
- proposal of projects

Budget Controlling:

- One year-end forecast of the Project's annual budget and all major projects, based on the first half year results
- At least bi-monthly performance report not later than two weeks after the end of the period. Such report (financial and narrative) to clearly identify cumulated progress made to date against
 - (i) the strategic plan,
 - (ii) the actual yearly budget (including single expenditure item reference list per budget line) and
 - (iii) additional projects to the budget,
 - (iv) including corrective measures to be taken in case shortfalls against plan are discovered and a
 - (v) review of the effectiveness of previous corrective actions undertaken.

The bimonthly budget variance report must contain copies of bank statements of all accounts (UGX and EUR) (SeZ will cover the costs) and copies of deposit slips from EUR to UGX.

Annual reporting:

- The annual report is due 31st of March of the following year.
- Presentation of the annual accounts and the report on the economic situation of the Project and submit them through the appointed auditor to the joint Committee.
- The report should lean to the format of the budget and should reflect receipt and payments as well as losing balances of the balance sheet accounts

Accounting / book-keeping details:

- Double entry bookkeeping comprising receipts, payments and balance sheet accounts.
- Record keeping in such way, that the Project is able to provide instant and periodic overviews including all relating documentation (original receipts) regarding the income and use of funds received per department / item
 - Particularly the donations of "Schenke eine Ziege" and expenditures paid from these funds.
 - Copies of such records being immediately available on request as overview in excel format as well as copies of original receipts at any point in time.
- Clear definition and booking of cost centres/items (income & expenditure) in close collaboration with Germany
- Original receipts have to be kept for 5 year
- German Transaction numbers to be included in the accountings (TXX20XX) as well as on the deposit slips and bank statements, so that one can clearly follow up each donation
 - For bank transfers: Each transfer in EUR to be transferred to UGX (the whole amount)

ANNEX 4
to the Memorandum of Understanding between Give a Goat- Africa (Uganda) [GaG] and
Schenke eine Ziege e.V. (Germany) [SeZ]

Job description of the Executive Director