

Memorandum of Understanding (MoU)

THIS AGREEMENT IS EXECUTED AT “**Name of the Block**” ON [] DAY OF TWO THOUSAND AND SEVENTEEN

BETWEEN

The Block Level Federation (BLF). The Block Resource Centre for Enterprise Promotion (BRC-EP), meant to manage and operate the Enterprise Operation in the block shall be under the joint ownership of all the CLFs of the Block. Until the BLF is formed, a nodal CLF or a Nodal VO assigned by **Name of SRLM**, whose committee with representation from all the CLF's/ VO's, and called as BRC Management Committee shall mean and include its successors and permitted assigns hereinafter referred to as FIRST PARTY. The BRC Management Committee will be represented by a duly elected president.

AND

“**Name of CRP-EP Group**” Group, which shall be represented by the President, and shall mean and include its successors and permitted assigns hereinafter referred to as SECOND PARTY

WHEREAS

1. Under Start-up Village Entrepreneurship Programme (SVEP), an enterprise eco-system is developed to provide support for entrepreneurial activities of rural youth through entrepreneurial capacity building, skilling, need based finance, facilitation for bank linkage, and continuous nurturing support for setting up and running viable village enterprises, using the institutional platform of SHGs and their federations under NRLM.
2. The Block Resource Centre for Enterprise Promotion (BRC-EP) will be the hub for enterprise promotion in the block. The BRC will provide a range of business development services for existing and potential entrepreneurs. The “**Name of the Block**” Block-level Federation (BLF) that will come up under the **Name of SRLM** will be the holding entity for the BRC-EP. Till the time a BLF is in place, one of the Cluster Level Federations (CLF) in the block will act as the holding entity. It will be referred as the Nodal CLF. The BRC-EP will be owned by the BLF/Nodal CLF.
3. The responsibility for promoting self-employment among Self-Help Group (SHG) households under **Name of SRLM** rests with the community institutions. However, at present it is difficult for the community network to support the first-generation entrepreneurs given their limited understanding of business management. To cover for this gap, the SHG federations shall engage with the **Name of SRLM** empanelled Micro Enterprise Consultant (MEC) Group to operate the Block Resource Centre for Enterprise Promotion (BRC-EP).
4. The “**Name of MEC Group**”, MEC Group for Enterprise Promotion is an independent entity, trained in business administration and management, and will be responsible for their revenue

and profits. The FIRST PARTY shall enter into a contract with the SECOND PARTY to provide enterprise-related support to the SHG women or their family members.

5. All the functions and activities of FIRST and SECOND Party shall be executed strictly as per the BRC and MEC/CRP EP Payment Guidelines approved and duly endorsed by **Name of SRLM.**

THEREFORE

"Name of MEC Group", MEC group for Enterprise Promotion (SECOND PARTY) agrees to provide their services to the FIRST PARTY for enterprise promotion.

The partnership under this MoU will be for a period of four years from the signing of the MoU, which may be extendable on mutually acceptable terms and conditions.

Execution of the Agreement

1. Nodal Persons

The FIRST PARTY as well as the SECOND PARTY shall be represented by their President, for execution of this agreement.

2. Work Planning

- An activity plan shall be prepared jointly, every 6 months, by the FIRST PARTY and the SECOND PARTY. Along with the 6 months activity plan, the budget for payment to MEC group for services provided for the aforementioned period shall also be prepared. It shall be duly signed by the President of the FIRST PARTY and the SECOND PARTY.
- The First Party should include this 6-month plan as an agenda for their first meeting after the activity plan preparation. This should also be recorded in the minutes of the BRC-EP meeting, and communicated to the respective CLFs and Village Organisations (VO).
- In case of services that are outside the above terms, respective communication from the FIRST PARTY will be the norm for such engagement between the FIRST PARTY AND SECOND PARTY.
- The activity plan for 6 month will be prepared as suggested in the CRP-EP and BRC Operation guidelines approved and duly endorsed by **Name of SRLM.** The same will be endorsed by president of FIRST AND SECOND PARTY

3. Services, Roles and responsibilities of parties

The role of the FIRST AND SECOND Parties for various activities under the partnership shall be as follows.

Responsibilities of FIRST PARTY:

- Project Initiation and preparatory activities, organize training and meet the cost of venue, foods, accommodation, training material and such other expenditure required to conduct the workshops or training.
- Establishment of a Block Resource Centre (BRC) including provisioning of necessary infrastructure. Such infrastructure provided to the BRC shall be the property of the FIRST PARTY.
- The physical office and infrastructure of the FIRST PARTY shall be provided to the SECOND PARTY for their use in delivering enterprise development services to the FIRST PARTY as per the norms approved by *Name of SRLM*.
- The FIRST PARTY shall note down in the minutes register about the details of office items provided to the SECOND PARTY to efficiently provide required services. The details shall be communicated to the SECOND PARTY. Also an acknowledgement receipt shall be sought from the SECOND PARTY.
- Support SECOND PARTY in their work to identify and start potential enterprises, correlating the service of CBO leaders and also the likely number of existing enterprises to be supported. Arranging orientation for the CBOs by utilising the services of the SECOND PARTY.
- Supervision of training programmes and logistics support.
- Regular review support of SVEP Implementation through BPM SVEP, and Mentors engaged by NRO.
- Ensure Monthly joint review with SECOND PARTY.
- Policy & Support initiatives. Take up necessary policy initiatives.
- Ensure that SECOND PARTY is implementing the programme as per the guidelines and policy, the ownership and responsibility of the implementation vests with the FIRST PARTY.
- The FIRST PARTY shall have separate account for handling funds under SVEP's and should maintain separate ledger accounts to incur its expenses - pay its service providers including SECOND PARTY.

Responsibilities of SECOND PARTY

- Conduct Baseline and market potential study and submit report and facilitate the necessary field work for BRC.
- Prepare 6 months' work plan in advance with the help of FIRST PARTY and get it approved by FIRST PARTY before commencing the field work.
- Use the office space and other physical infrastructure provided by the FIRST PARTY to provide various services under BRC as approved in BRC and CRP-EP payment guidelines.
- The SECOND PARTY shall give in writing the acknowledgement of the receipt of office items provided by the FIRST PARTY for operation.
- Any damage inflicted to the physical infrastructure of the FIRST PARTY by the SECOND PARTY shall be recovered adequately by the FIRST PARTY from SECOND PARTY.
- Preparation of training module and training materials. Support Developing formats, modules and training for IT based application for performance tracking of enterprises and ensuring that the same is shared and explained to the entrepreneurs, CBOs, and other stake holders.

- Monitoring & Reporting: Ensure regular monitoring of the enterprise supported under SVEP against the business plan of the unit and information available from the Performance Tracking System. SECOND PARTY shall submit monthly report of activities undertaken during the month along with the consolidated report of performance of enterprises already supported to the FIRST PARTY.
- It shall be the responsibility of the SECOND PARTY to get their bank account number registered with the FIRST PARTY to ensure smooth transfer of any claims and payments.

4. Cost Norms

The cost norms (rate/unit) for the service to be provided by the SECOND PARTY will be as per the CRP-EP guidelines issued by **Name of SRLM**, and be used by the FIRST PARTY till further revision in the same is made.

In case of services that are outside the above terms, the FIRST PARTY will finalise the norm for such engagement with the SECOND PARTY on a case-to-case basis and the same shall be recorded on a mutually agreeable terms.

For processing of the service fee, the FIRST PARTY will submit a monthly claim to the FIRST PARTY in the accompanying format during the monthly meeting of the FIRST PARTY.

Service	Target for 6-months (Units)	Target Achieved till last month (Units)	Target Achieved this month (Units)	Rate / Unit	Total Payment
<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>	$F = D \times E$

5. Work Reporting

All activity reports have to be certified by the concerned Entrepreneurs, SHG, VO and CLF and submitted to the FIRST PARTY.

The SECOND PARTY shall submit a monthly report of the work done for the reporting month, as against the deliverables as per the 6-month action plan. The same plan shall be submitted by the SECOND PARTY on or before 7th of next month. The work report of the SECOND PARTY must be one of the agenda points in the monthly meeting of the FIRST PARTY.

It shall also be the responsibility of FIRST PARTY to discuss the work report submitted by the SECOND PARTY and appraise it for payment against the claim.

6. Payment claim and settlement

For processing of the service fee, the SECOND PARTY shall along with the work report attested by respective CBO representatives and Entrepreneurs submit the monthly claim statement in the format suggested to the FIRST PARTY. The discussion on the claim should be included in the agenda of the meeting convened by the FIRST PARTY. A representative from the SECOND PARTY

shall present the report of activities completed in the past month at the meeting. This should also be recorded in the minutes of the meeting convened by FIRST PARTY.

The claim should be approved by the FIRST PARTY in consultation with BPM SVEP within 15-days of the meeting in which the claim was presented. Any rectifications if needed shall be made within this time-period itself after communicating the same to SECOND PARTY.

The payment should be made by the FIRST PARTY to the SECOND PARTY within 7-days of approval of the claim by the FIRST PARTY. The payment shall be made by cheque or through NEFT. The payment shall be made to the SECOND PARTY's bank account.

In case of any difference of opinion arising between the FIRST PARTY and the SECOND PARTY with respect to the work or payments, the matter will be referred to the BPM-SVEP. The BPM-SVEP will ensure that all facts and documents related to the grievance are thoroughly checked and verified. The BPM-SVEP shall recommend his decision to the FIRST PARTY within Seven days from the day of reporting.

Subsequently, the claim should be approved by the FIRST PARTY. The payment should be made by the FIRST PARTY to the SECOND PARTY'S bank account within 7-days of BPM SVEP's recommendation. The payment should be made by cheque or through bank transfer.

7. Grievance Redress

All disputes that arise will be resolved amicably. However, in case the issue is not resolved, a redressal committee, comprising members from the FIRST PARTY, concerned CLF / VO and Block Project Coordination and Implementation Unit (BPCIU) will seek to resolve the same. The redress mechanism will be as follows.

Party 1	Party 2	Redress Committee	Final Authority
SECOND PARTY	FIRST PARTY	BPM SVEP, BPM	DPM
SECOND PARTY	CLF	Representative(s) from FIRST PARTY, BPM SVEP	BPM
SECOND PARTY	VO	Representative(s) from FIRST PARTY, CLF Office bearers	BPM-SVEP
SECOND PARTY	SHG	Representative(s) from FIRST PARTY, CLF Office Bearers, VO Office bearers	BPM-SVEP
SECOND PARTY	ENTREPRENEUR	Representative(s) from FIRST PARTY, CLF Office bearers, VO office bearers, SHG Office bearers	BPM-SVEP

Signed at _____ on _____ day of _____, 2017

For First Party

For Second Party

President

President

Name:

Name:

Signature :

Signature:

In presence of Witnesses

Name:

Name:

Designation:

Designation:

Address:

Address:

Signature:

Signature: