

MEMORANDUM OF UNDERSTANDING

Between

The District Implementation Office (DIO) of

IFAD assisted PTSLP

And

The (Name of the F-NGO)

This MoU is signed on the _____ day of _____ 2008 by and between the DIO on behalf of the PMU of IFAD assisted PTSLP (hereinafter called the DIO / client) represented by the District Implementation Officer as the first party and the _____ NGO, whose address is given below, hereinafter referred to as Facilitating NGO of _____ District/Second party.

WHEREAS IFAD assisted PTSLP aims at building self reliant coastal communities, resilient to shocks and able to manage their livelihoods in a sustainable manner by developing viable enterprises and resource management systems owned and operated by poor men and women in the region affected by the Tsunami and supported by community and other appropriate institutions.

WHEREAS with a view to achieve the objectives of PTSLP, aims and aspirations enunciated in the Loan Agreement and Design Document, the PMU / client is desirous to utilize the services of the FNGO to implement the project.

WHEREAS both the parties mutually agree that the second party would undertake and discharge the responsibilities, obligations and duties necessary for the smooth and successful implementation of the project as per the terms and conditions laid down hereunder.

AND WHEREAS both the parties further agree to add, alter or amend any part of the terms and conditions set forth, herein from time to time if such additions, alterations or amendments are necessary, for the better implementation of the project as directed by PMU.

NOW THIS DOCUMENT WITNESSETH AS FOLLOWS:

1. Operation & Maintenance:

- 1.1 The PMU shall engage _____ as FNGO to undertake the following services and activities in connection with IFAD assisted PTSLP in the district of _____ for a period of two years from the _____ day of _____ month _____ (Year).
- 1.2 The FNGO shall establish a Cluster Resource Centre (CRCs) at each of the following places covering the Panchayats as indicated.

- | <u>Sl.No.</u> | <u>CRC</u> | <u>Panchayats</u> |
|----------------------|-------------------|--------------------------|
| i) | | |
| ii) | | |
| iii) | | |
| iv) | | |
- 1.3 FNGO through its Cluster Resource Centre (CRC) would be the main implementing agency of the project.
- 1.4 The recruitment of personnel for the CRC shall be as given in Annexure-I and the selected staff shall be appointed after obtaining the approval of the PMU.
- 1.5 If the performance of any of the CRC personnel is found unsatisfactory at any point of time, the DIO with the concurrence of PMU shall ask FNGO to replace him/her with appropriate person immediately.
- 1.6 The Project Support for Operation & Maintenance of each CRC including the salaries of the CRC personnel shall be as per Annexure-II.
- 1.7 All assets and furniture purchased from the project fund should display the logo of IFAD.

2. Time Line

- 2.1 FNGO shall undertake the following specific activities in two years as per the timeline indicated below and any other activity as may be required for smooth implementation of the programme as directed by the PMU/DIO.

1- 6 months:

- 2.2** To establish Cluster Resource Centres (CRCs) in the clusters allotted which would be the main implementation arm of the District implementation Office at the grass root level and ensure staffing as per Annexure- I.
- 2.3** To ensure that the CRC personnel receive orientation training conducted by RNGO on preparation of Annual Work Plan & Budget (AWP&B), conducting convergence meetings with Banks, SHGs etc.
- 2.4** To constitute Cluster Advisory Committee (CAC) with the representatives from PRI, NGOs and SHGs, with the prior approval of DIO. The Cluster Coordinator is the member Secretary of CAC.
- 2.5** To ensure that the CRC personnel receive training organized by RNGO on collection of data for Base line and Structured Surveys.
- 2.6** To collect data through CRC personnel for Base line Survey of Target Population, with special focus on women and disadvantaged groups.
- 2.7** To undertake Structured Survey through CRC personnel to assess the current status of SHGs, NGOs functioning in the areas, Federations formed etc., in the project area.
- 2.8** To identify senior trainers from FNGO who will in turn train the SHGs and to ensure their capacity building through the trainings conducted by RNGO on Group cohesiveness / conflict resolution / savings / internal lending / Bank linkages etc.
- 2.9** To identify the weak SHGs and strengthen them through Capacity Building.

7– 12 Months:

- 2.10.** To complete data collection on Base line and Structured Surveys and submit to RNGO.
- 2.11** To ensure training of CRC personnel on Participatory Resource Mapping conducted by RNGO.
- 2.12** To undertake Participatory Resource Mapping through CRC personnel involving members of community, traditional institutions and SHGs for identification of basic community infrastructure needs.
- 2.13** To train the SHGs through standard training modules with the help of trainers trained by RNGO.
- 2.14** To ensure that the CRC personnel receive training from RNGO on formulation Micro Plans.
- 2.15** Preparation of Annual Work Plan and Budget with the assistance of RNGO, for the second year.

13 – 18 Months

- 2.16** To assist the community in the preparation of Micro Plans to identify key issues that need to be addressed to protect and improve their environment and livelihood and ensure that women and disadvantaged groups fully participate in the process.
- 2.17** To train SHGs through standard training modules including book keeping with the help of trainers trained by RNGO.
- 2.18** To organize intra and inter District exchange visits for SHGs and conduct workshops in consultation with the PMU and as per AWP&B.

19 – 24 Months

- 2.19** To identify the beneficiaries for skill training based on the study report prepared by RNGO.
- 2.20** To train SHGs through standard training modules including book keeping with the help of trainers trained by RNGO.
- 2.21** To organize intra and inter District exchange visits for SHGs and conduct workshops in consultation with the PMU and as per AWP&B.
- 2.22** Preparation of Annual Work Plan and Budget for the third year.

3. Review & Reporting:

- 3.1** The FNGO shall appoint one nodal officer to co-ordinate, monitor and report on various activities of all the clusters taken up by them. The nodal officer shall attend all reviews and meetings of PMU / DIO as and when required.
- 3.2** FNGO shall review the activities of all CRCs on monthly basis and report to DIO.
- 3.3** FNGO shall ensure that the Tour Programme of the CRC personnel are sent to the DIO for approval in advance.
- 3.4** Tour Diary on actual Tour performed by CRC personnel should be submitted to DIO before 5th of succeeding month.
- 3.5** The FNGO shall submit the monthly / quarterly reports reflecting the Physical and Financial progress within first 5 days of the succeeding month / quarter.
- 3.6** Monthly Receipt and payment statement & Statement of Expenditure (SOE) to be submitted to DIO.
- 3.7** PMU / DIO or its authorized nominee will periodically review / monitor / evaluate the progress made by the FNGO towards achievement of the objectives and milestones set by PMU under the programme.

4. MONITORING OF ACTIVITIES :

- 4.1** The performance of FNGOs will be reviewed by District Implementation Officers every month as per the Indicators proposed by PMU / DIOs in consultation with RNGO. The feedback to FNGOs will be provided by District Implementation Officer.
- 4.2** Nodal Officer appointed by FNGO will be responsible for providing regular feedback to District Implementation Officers with regard to Programme Implementation.

5. Finance Management

- 5.1** The funds released to FNGO under this project shall be kept in a separate bank account.
- 5.2** FNGO shall maintain separate accounts of all receipts and expenditure of the funds received under IFAD assisted PTSLP and also the supporting vouchers for audit and for inspection by PMU or its nominee.
- 5.3** FNGO shall not divert the funds for any other purpose other than for which it is provided.
- 5.4** FNGO shall be responsible for the payment of all taxes, duties, license fees etc and other impositions levied under the applicable law in course of programme implementation.
- 5.5** FNGO shall submit the statement of receipt and expenditure along with Utilization Certificate (UC) in the formats that will be prescribed by PMU. Annual accounts shall be furnished to PMU within two months of the close of the financial year duly audited by a Chartered Accountant. The accounting year shall be from 1st April to 31st March.

6. Payment Terms

- 6.1** Payment of Operation and Maintenance expenditure of CRC including staff salary for 3 months will be released as advance by DIO on submission of Bank

guarantee. The Bank guarantee shall be for the amount equivalent to the amount released which should be valid for the entire contract period.

- 6.2** The advance for the next quarter will be released on submission of Utilization Certificate for the actual expenses incurred subject to maximum eligibility for each category of expenses.
- 6.3** The expenses that arise in connection with Participatory Resource Mapping, Preparation of Micro Plans, organizing exchange visits, workshops etc. will be met by the project subject to prior approval of the PMU.
- 6.4** All payments by PMU/DIO to FNGO will be made through account payee Cheque. The payment will be made after deducting the Income Tax due as per the Income Tax Rules. However, no Income Tax will be deducted if a certificate of exemption from competent authority is produced to that effect.
- 6.5** The PMU shall suspend disbursement under following circumstances:
- a) On failure to meet the standards referred to in the project and / or expected of it as determined by PMU.
 - b) FNGO is unable to prove that the released amount under the programme has been used for the stipulated purpose.
 - c) Extraordinary circumstances arisen that preclude or seriously jeopardize the implementation, the operation, or the purpose of the project.
- 6.6** FNGO shall ensure that the payment to the CRC personnel is released to their respective Bank Accounts in time.

7. Liability Conditions :

- 7.1** FNGO shall be responsible for adequate and appropriate insurance coverage, to indemnify all damages, cost and charges and expenses for injury to any person or damage to any property arising out of or in connection with services rendered by FNGO.
- 7.2** FNGO shall be liable to compensate the loss or damages of any nature that may arise directly or indirectly on account of negligence or dishonest, criminal or fraudulent act of any of its representatives or employees.

7.3 The PMU shall not assume any responsibility or liability whatsoever for any injury, death or any legal action in respect of FNGO or its office bearers, employees/agents/functionaries arising out of any activity related to the programme during or after the period of implementation.

7.4 It shall be the sole liability of FNGO in case of any legal claim / suit filed towards damages of any kind caused in course of implementation of the programme by FNGO or thereafter.

8. Termination & Recovery of Dues:

8.1 The PMU at its sole discretion reserves the right to engage another NGO / agency if the FNGO fails to discharge its duties satisfactorily or abandons the assignment.

8.2 The PMU shall terminate the FNGO's engagement forthwith in the event of a breach of any of the conditions of this MOU, misutilization of funds and execution of poor quality work.

8.3 Discontinuance of Programme Implementation will be deemed as a cause for termination.

8.4 In the event of termination the amount lying unutilized with FNGO shall be refunded to PMU within 7 days of issue of the termination notice, along with the accounts, documents and the programme materials remaining unutilized with FNGO or with any of its CRC personnel. Failure to comply will attract legal proceedings in accordance with law.

8.5 Assets, equipment etc provided to the FNGO under IFAD assisted PTSLP shall be the property of the PMU. FNGOs should surrender the assets, equipment to DIO, as soon as the contract period is over or in the event of termination of FNGO.

9. General:

9.1 FNGO should carry out the assignment in accordance with the highest standard of professional and ethical competence and integrity, with due regards to the nature and purpose of the assignment and to ensure that the staff

assigned to perform the services under this agreement will conduct themselves in a manner consistent therewith.

9.2 FNGO shall liaise with DIO/RNGO/Banks/Local bodies and relevant departments for implementation of the project activities.

9.3 All reports and other documents or software submitted by FNGO while delivering the service shall become and remain the property of PMU. FNGO may retain a copy of such document but shall not use them for any other purpose without prior written approval of the PMU.

9.4 In case of any dispute regarding interpretation of any of the clauses of this MoU or arising during the course of implementation, the parties may refer the matter to the Managing Director TNCDW Ltd., whose decision shall be final and binding on both the parties

IN WITNESS WHEREOF, parties hereto have put their hand and seal hereunder on the day month and year first above written.

Signed by _____
Designation:

Signed by _____
Designation:

For and behalf of DIO

For and behalf of FNGO

Witness 1

Witness 1

Witness 2

Witness 2

Abbreviations:

- ✍✍ AWPB - Annual Work Plan and Budget
- ✍✍ CAC - Cluster Advisory Committee
- ✍✍ CRC - Cluster Resource Center
- ✍✍ DIO - District Implementation Office
- ✍✍ F-NGO - Facilitating NGO
- ✍✍ IFAD - International Fund for Agricultural Development
- ✍✍ MoU - Memorandum of Understanding
- ✍✍ NGO - Non-Government Organization
- ✍✍ PMU - Project Management Unit
- ✍✍ PRI - Panchayat Raj Institution
- ✍✍ PTSLP - Post Tsunami Sustainable Livelihood Programme
- ✍✍ R-NGO - Resource NGO
- ✍✍ SHG - Self Help Group
- ✍✍ SOE - Statement of Expenditure
- ✍✍ TNCDW - Tamil Nadu Corporation for Development of Women Limited

Annexure- I

Recruitment of Personnel for Cluster Resource Centre

| Designation | Qualification | Experience | Roles & Responsibilities |
|----------------------------|--|--|--|
| Cluster Coordinator | Any Graduate / Post Graduate preferably in Social Work / Sociology/Rural Development / Women Studies /Agriculture /Economics/Fisheries | She/he should have 2 years experience in case of Post Graduates / 4 years experience in case of Graduates in working with Coastal/ rural communities. The candidate must be experienced in formation and strengthening of SHGs and Federations, Community mobilization, SHGs-Credit linkages, Income Generation activities (IGA), Marketing linkages. She/He must be computer literate with aptitude for field work. | The Cluster Coordinator will be responsible for programme implementation. She/he will be under the direct supervision of the F-NGO. In execution of duties she/he will need to coordinate with all the stakeholders (SHGs, Federations, R-NGO and other NGOs in the project area). She/He will serve as Member Secretary of CAC. She/he will be engaged in intensive field work in the project area by performing a minimum of 15 days tour every month. He/she will carry out any other activity as and when communicated by the DIO in the interest of the project. |
| Cluster Facilitator | The Cluster Facilitator must be a Graduate preferably in Sociology/Rural Development / Women Studies /Agriculture /Economics | She/he should have 2 years experience in working with Coastal /Rural communities. The candidate must be experienced in formation and strengthening of SHGs and Federations, Community mobilization, SHGs-Credit linkages, Income Generation activities (IGA), Marketing linkages | She/he will work under the guidance and supervision of the Cluster Coordinator and the activities are as below. <ol style="list-style-type: none"> 1. To prepare Annual Work Plan and Budget and send it to District Implementation Officer. 2. To collect data for baseline survey of target population, with special focus on women and disadvantaged groups. 3. To undertake participatory resource mapping involving members of community, traditional institutions and SHGs for identification of basic community infrastructure needs. 4. To assist the community in the preparation of micro plans to identify key issues that need to be addressed to protect and improve their environment and livelihood and ensure that women and disadvantaged groups fully participate in the process. 5. He/she will be engaged in intensive field work in the project area by performing a minimum of 15 days tour every month. 6. He/she will carry out any other activity as and when communicated by the DIO in the interest of the project. |

| | | | |
|---|--|--|--|
| <p>Cluster Business Promoter</p> | <p>The Cluster Business Promoter must be a Graduate preferably in Commerce/ Economics/Business Administration/ Cooperation/Fisheries Science /Agriculture /Economics</p> | <p>She/he should have 2 years experience in working with Coastal/ rural communities. The candidate must be experienced in formation and strengthening of SHGs and handling of SHG accounts, /Community mobilization, SHGs-Credit linkages, Income Generation activities (IGA), Promotion of marketing of fishing and allied products</p> | <p>The Cluster Business Promoter will assist Cluster Coordinator in follow up of income generation activities and micro enterprise development. She/he will work under the guidance of Cluster Coordinator and RNGO. The activities of Business Promoter are as below.</p> <ol style="list-style-type: none"> 1. To undertake structured survey to assess the current status of SHGs, NGOs functioning in the areas, federation formed etc., in the project area. 2. To conduct convergence meeting with banks, SHGs etc. 3. To train SHGs through standard training modules including book keeping with the help of trainers. 4. To identify the weak SHGs and strengthen them through capacity building. 5. To organize inter and interior district exchange visits for SHGs and conduct workshops in consultation with the PMU and as per AWPB. 6. To identify the beneficiaries for skill training. 7. He/she will be engaged in intensive field work in the project area by performing a minimum of 15 days tour every month. 8. He/she will carry out any other activity as and when communicated by the DIO in the interest of the project. |
|---|--|--|--|

Note: FNGO should ensure that the CRC personnel have stability of tenure through the contract period and any attrition of staff due to unavoidable circumstances should be made good immediately and intimated to PMU/DIO.

Annexure-II

Project Support per Cluster Resource Center

| A. Salaries & Allowances | | | | |
|---|--------------------------------|----------------|--|----------------------|
| | Item | No. of Persons | Cost per Month (Rs.) | Cost per Annum (Rs.) |
| | Cluster Co-ordinator | 1 | 7,500 | 90,000 |
| | Facilitator | 1 | 6,000 | 72,000 |
| | Cluster Business Promoter | 1 | 6,000 | 72,000 |
| | Conveyance | 3 | 2,000 | 24,000 |
| | Cell phones charges | 1 | 500 | 6,000 |
| | Total | | 22,000 | 2,64,000 |
| B. Operating. & Maintenance cost | | | | |
| | Item | | Cost per Month | Cost per Annum |
| | Rent | | 2,000 | 24,000 |
| | Telephone charges | | 1,000 | 12,000 |
| | Other administrative expenses. | | 2,000 | 24,000 |
| | Total | | 5,000 | 60,000 |
| C One Time Support | | | | |
| | Item | No. | For each CRC, the equipment will be supplied by the project. | |
| Equipment | | | | |
| | Computer Desk top | 1 | | |
| | Printer | 1 | | |
| | UPS | 1 | | |
| | Other items | | | |

Note:

- ✍ **Conveyance** : Fixed traveling allowance for CRC personnel @Rs700 for Cluster Coordinator and @Rs650 each for Cluster Facilitator and Cluster Business promoter

- ✍ **Cell Phone charges** : The Cluster Coordinator will be eligible for reimbursement of cell phone charges subject to a ceiling of Rs.500/p.m

- ✍ **Office rent** : Includes rent of CRC, electricity, water charges.

- ✍ **Telephone charge** : Includes office telephone expenses and monthly charge for Internet connection.

- ✍ **Other administrative exp** : Maintenance of office equipment, stationery, postage, travel expenses of CRC personnel outside the cluster, etc.

- ✍ **Other items** : includes office furniture and other essential office equipment.