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## MEMORANDUM OF AGREEMENT BETWEEN NODAL AGENCY AND TECHNICAL AGENCY

### 1. Background

1.1. Whereas a revamped Central Sector Scheme titled the "Scheme of Fund for Regeneration of Traditional Industries (SFURTI)" has been drawn up and approved by the Union Ministry of Micro, Small and Medium Enterprises (MSME) and it has been decided to implement the said scheme through a well knit system of Nodal Agencies (NAs), Implementing Agencies (IAs), Technical Agencies (TAs) and Cluster Development Executives (CDEs).

1.2. Whereas the **Institute of Entrepreneurship Development Odisha, Bhubaneswar** designated as one of the **Nodal Agencies** has been entrusted with the responsibility of implementation of the Central Sector Scheme in so far as it is related to Khadi & Village Industries.

1.3. Whereas the **International Management Institute, Bhubaneswar, Odisha**, an organization having requisite expertise in the field has been offering its expertise services in the area of clusters development and willing to render its services as the **Technical Agency** in execution of the present scheme in the areas assigned to it by the Nodal Agency.

1.4. Whereas, the **Institute of Entrepreneurship Development Odisha, Bhubaneswar** and **International Management Institute, Bhubaneswar, Odisha**, had preliminary discussions and mutually agreed to enter into this collaborative work arrangement for implementation of the scheme as per the terms and conditions laid down hereunder.

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1.5. In undertaking the work as agreed herewith, the TA (**International Management Institute, Bhubaneswar, Odisha,**) will follow its norms for integrity and ethics. On all such matters, the Director of **International Management Institute, Bhubaneswar, Odisha,** will be the final authority on behalf of the TA.

## 2. Roles and Responsibility of TA:

The roles and responsibility of Technical Agency will be governed by the Revamped SFURTI guidelines as issued by the Ministry of MSME Government of India. In summary, the TAs shall provide technical support to the NAs and IAs. The responsibility of the TA will include preparation and validation of Cluster Action Plan. Conducting training of the Cluster Development Executives (CDEs) and other officials of the IAs and NAs, regular monitoring of the cluster on monthly/quarterly basis and submit report on quarterly basis, to the respective field office of the Nodal Agency concerned.

## 3. Cost and professional fees:

3.1. The **Professional Fee** (including professional fee, travel, boarding & lodging, communication and all other out of pocket expenses), shall be maximum **8% of the Soft & Hard Interventions (as per guidelines of Revamped SFURTI) of the project cost.**

3.2. Service tax or any other tax as may be applicable from time to time shall be paid by NA as per the applicable rates prevailing at the time of making the payment, in addition to the above Fees.

3.3 The proposed Schedule of Payment of Professional fee for Clusters shall be as under :-

	Payment Milestone	Fee Amount
1	<b>PHASE – I</b>	
1.1	In principle Approval after elevation of the Preliminary Project Report (PPR) Diagnostic Study Report (DSR) submitted by the TA	15% of the Professional Fee
1.2	Final Approval of the DPR by the SSC	15% of the Professional Fee
2	<b>PHASE-II</b>	
2.1	Release of 1 <sup>st</sup> Installment to the Implementing Agency	25% of the Professional Fee
2.2	Release of 2 <sup>nd</sup> Installment to the Implementing Agency	25% of the Professional Fee
2.3	On completion of the Project	20% of the Professional Fee

#### **4. Responsibilities of NA**

4.1. NA would duly notify and inform all concerned stakeholders including the industry, State Governments, concerned Ministries / organizations of Government of India and Financial Institutions, about the appointment of TA for implementation of SFURTI.

4.2. NA shall extend all support required to TA for implementation of the scheme as may be required such as obtaining Government Approvals, Environment Clearances etc for setting up of Clusters.

4.3. NA shall be responsible to ensure timely disbursement of funds to the IAs on recommendation of TA to ensure time bound completion of projects.

4.4. In the event of the delay, if any, caused in implementation of the project by the Implementing Agencies due to delay in release of funds by NA, TA shall not be held responsible for the delay in execution of the projects.

#### **5. Force majeure**

5.1. Neither party shall be held responsible for non-fulfilment of their respective obligations under this agreement due to the exigency of one or more of the force majeure events such as but not limited to acts of God, war, floods, earthquakes, strikes, lockouts, epidemics, riot, civil commotion, etc. provided on the occurrence and cessation of any such events, the party affected thereby shall give a notice in writing to the other party within one week of such occurrence or cessation. If the force majeure condition continues beyond six months, the parties shall then mutually decide about the future course of action.

#### **6. Termination of Agreement**

6.1. Either party can terminate this Agreement, by not less than sixty (60) days' written notice of termination to the other.

6.2. Payment upon Termination: In the event of termination of the Agreement, fee payable to the TA shall be in accordance to the physical and financial milestones achieved up to the date of termination.

6.3. The termination of this Agreement shall not prejudice or affect in anyway the rights and benefits accrued or liabilities and duties imposed on the parties of this agreement.

#### **7. Operational dates**

7.1. This Memorandum of Understanding shall come into effect from the date of its signing by both the parties and shall continue to be in operation for a period of three years or till completion of the scheme, whichever is earlier.

## 8. ARBITRATION

8.1. In the event of any dispute or difference between the parties hereto, such disputes or differences shall be resolved amicably by mutual consultation. If such resolution is not possible, then the unresolved dispute or difference shall be referred to arbitration. In case of the matter being referred to arbitration, each party shall appoint its own arbitrator and a third arbitrator shall be appointed by the two arbitrators appointed by the respective party. The provisions of Arbitration and Conciliation Act, 1996 (no. 26 of 1996) shall be applicable to the arbitration under this clause. The venue of such arbitration shall be at Bhubaneswar. The language of arbitration proceedings shall be in English. The arbitrator shall make a reasoned award (the "Award"), which shall be final and binding on the parties. The expenses of the arbitration shall be shared equally by the parties to the agreement. However, expenses incurred by each party in connection with the preparation, presentation shall be borne by the party itself

8.2. Pending the submission of and/or decision on a dispute, difference or claim or until the arbitral award is published; the parties shall continue to perform all of their obligations under this agreement without prejudice to final adjustment in accordance with such award.

Both the parties sign this Memorandum of Understanding on this day of .....  
March 2018.



Signed for

**Director**  
TECHNICAL AGENCY  
**International Management Institute**  
**Bhubaneswar**

Signed for

NODAL AGENCY

