

**MODEL MEMORANDUM OF AGREEMENT (MOA) TO BE
EXECUTED BETWEEN IMPLEMENTING AGENCY (IA)
AND CLUSTER DEVELOPMENT EXECUTIVE (CDE)
UNDER SCHEME OF FUND FOR REGENERATION OF
TRADITIONAL INDUSTRIES (SFURTI)**

**MEMORANDUM OF AGREEMENT (MOA) TO BE
EXECUTED BETWEEN IMPLEMENTING AGENCY (IA)
AND CLUSTER DEVELOPMENT EXECUTIVE (CDE)**

AGREEMENT made at thisth dayof 20..... between the..... (name of the I.A), a registered Khadi institution / registered NGO body created under Society Act -----, having its Head Office at(Address) hereinafter referred to as("Implementing Agency (IA)") (which expression shall unless repugnant to the context or meaning thereof be deemed to include its Successors and Assigns) of the FIRST part and Shri_____ residing at (Address) hereinafter referred to as "Cluster Development Agency/Executive (CDE)" (which expression shall unless repugnant to the context or meaning thereof be deemed to include its Successors and Assigns) of the SECOND PART.

AND WHEREAS, the Ministry of Micro, Small and Medium Enterprises (MSME), Government of India has formulated a Central Sector Scheme titled the "Scheme of Fund for Regeneration of Traditional Industries" (SFURTI) and it has been decided to implement the said scheme through a well knit system of Nodal Agencies (NA), Implementing Agencies (IA), Technical Agencies (TA), Cluster Development Executives (CDE) & other resource providers.

AND WHEREAS, the objectives of the Scheme are –

1. to organize the traditional industries and artisans into clusters to make them competitive and provide support for their long term sustainability and economy of scale;

2. to provide sustained employment for traditional industry artisans and rural entrepreneurs;
3. to enhance marketability of products of such clusters by providing support for new products, design intervention and improved packaging and also the improvement of marketing infrastructure;
4. to equip traditional artisans of the associated clusters with the improved skills and capabilities through training and exposure visits;
5. to make provision for common facilities and improved tools and equipments for artisans; .
6. to strengthen the cluster governance systems with the active participation of the stakeholders, so that they are able to gauge the emerging challenges and opportunities and respond to them in a coherent manner;
7. to build up innovated and traditional skills, improved technologies, advanced processes, market intelligence and new models of public-private partnerships, so as to gradually replicate similar models of cluster-based regenerated traditional industries.
8. to look for setting up of multi-product cluster with integrated value chain and a strong market driven approach for viability and long term sustainability of the cluster;
9. to ensure convergence from the design stage with each activity of the cluster formation and operations thereof.
10. to identify and understand cluster's target customers, understand their needs and aspirations and develop and present product lines to meet the requirement. Substantial focus should be on the buyer

segment that places a premium on natural, eco-friendly, ethically sourced and the uniqueness of the Khadi and VI products.

11. to develop specific product lines out of the currently offered diversified basket of heterogeneous products based on the understanding of the target consumer segment. A brand unification exercise also needs to be done to maximize the value.
12. to make a paradigm shift from a supply driven selling model to a market driven model with the right branding, focus product mix and correct positioning and right pricing to make the offering holistic and optimal for each of the focus categories.
13. to tap the E-Commerce as a major marketing channel given the outreach and the growing market penetration of E-Commerce, there is a need to devise a quick strategy to make its presence felt in the E-Retail space.
14. to make substantial investment in the area of product design and quality improvement. There is a need to standardize the quality of inputs and processes so that the products meet the quality benchmarks. Research need to be done to develop new textures and finishes to cater to the prevailing market trends.

AND WHEREAS, KVIC has been designated as **Nodal Agency** and entrusted with the responsibility of implementation of the Central Sector Scheme which so far as related to Khadi and Village Industries. The IA has been selected as the Implementing Agency by KVIC for implementing the _____ cluster under the SFURTI Scheme at _____.

AND WHEREAS, the CDE is having the requisite expertise in the field of traditional industries and offering its expert services in the area of clusters development and willing to render its services to Implementing Agency (name of the Cluster) as the CDE in the execution of the present scheme in the Cluster assigned to it by the Implementing Agency.

AND WHEREAS, CDE has applied for his engagement as CDE in theCluster with reference to the advertisement dated issued in this regard by the IA and after conducting the Interview, CDE has been engaged as CDE on purely contract basis on the terms and conditions hereinafter appearing-

NOW THIS INDENTURE WITNESSETH AND IT IS AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

1. The IA shall pay the CDE a monthly honorarium of Rs (Rupees) per month (Consolidated), with yearly increment of Rs (.....) only of each completed year and service and mobility allowances of Rs (.....) per month towards mobile, e-mail, fax, local travel etc with 10% increase for each year, which will be paid at the last working day of each month.
2. the CDE shall be under the administrative control of the IA and shall be entitled to holidays and leaves as decided by the IA from time to time. As far as cluster development is concerned, he shall act strictly in accordance with the instructions of Khadi and Village Industries Commission, who shall be the Nodal Agency.
3. The CDE shall render the following services:

- i. He shall report the cluster development progress to the Nodal Agency (KVIC) from time to time and will be responsible for the development of the cluster under SFURTI programme. He shall follow the other conditions laid down in the agreement between IA & NA from time to time- for release of funds to implement various activities under SFURTI. The said agreement shall form part of these presents.
- ii. Develop proper linkages and coordination with all concerned agencies for promotion of KVI programme like Technical Agency and other agencies who are experts in the promotion of village industries programme, particularly in the field of tool designing, process development etc.
- iii. Any other assignment given by the Nodal Agency (KVIC) from time to time for the development under SFURTI scheme.
- iv. His head quarter shall be at the cluster itself. He shall be provided office by the IA with necessary infrastructure.
- v. The CDE shall not be allowed to take any other assignment from any person or agency during the tenure of this agreement.
- vi. He shall work in close coordination with Technical Agency and IA.
- vii. He shall upload details on the progress of the cluster in the Ministry's/KVICs website periodically or as instructed by KVIC.

- viii. CDE shall liaise with local Bank branches and other Districts officials of Govt. and non Govt. departments.
- ix. CDE shall arrange meetings involving all Artisans once in a month, preferably fortnightly.
- x. CDE shall ensure opening of Jan Dhan Bank A/c PM Suraksha Bima Yojana, PM Jeevan Jyoti Bima Yojana, Atal Pension Yojana for the Artisans preferably prior to the submission of DPR.
- xi. CDE should educate the Artisans members on the concept of SPV and their role for the governance of the cluster after the project period as well as the role of IA.
- xii. CDE shall act as a liaison between IA and SPV.
- xiii. CDE shall plan out the strategy for training for Artisan members, stake holders, and staff of IA (wherever possible).
- xiv. CDE shall display the chart of training name of trainer organization, time line, subjects, practical demonstration, etc in the Notice Board of CFC.
- xv. CDE should carryout Data entry in KVIC website/online relating to all financial/commercial data.
- xvi. CDE shall prepare the periodical progress report.
- xvii. CDE shall ensure that the plan design and coast meet the standard rate and procedure as per PWD/ Panchayat /Zilla Parishad, etc..

- xviii. CDE shall appraise and ensure that all the Artisans are aware about the SFURTI cluster formation, process of procurement of machineries, prepare the tender documents and their role play.
- xix. CDE shall identify the organizations for finalizing cluster products vis-à-vis product development, product mix, product diversification in association with TA and IA.
- xx. CDE shall list out the good designer from the locality and good design house for their empanelment for cluster product.
- xxi. CDE shall develop appropriate packaging for the cluster products.
- xxii. CDE shall take advise and opinion from other stake holders and from good organisations towards product development, packaging and for marketing strategy.
- xxiii. CDE shall develop SHGs for marketing from Artisan members and non-members.
- xxiv. CDE shall ensure the timelines given by the Ministry are taken care of and being followed.
- xxv. CDE shall ensure fulfilling the target and achievement of the cluster.
- xxvi. CDE shall develop a regular interaction with all the Artisan members, non-members, stake holders and seek their opinion on a fortnightly basis without fail.

- xxvii. CDE shall list out the areas where the cluster programme worked well and the areas where it requires further corrective measures for deriving benefits to the Artisans including enhancement of their wages.
- xxviii. CDE shall plan out phasing the cluster programme within 18 months.
- xxix. CDE shall plan out business plan for next three years after the project period. Interact with the Artisans members, non-members and others.

4. The CDE shall be paid TA & D.A. for the journeys undertaken by him in connection with his assignment at the rates prescribed by the IA. Telephone /cellphone expenses incurred by him for official purpose up to a maximum of Rs Shall also be reimbursed.
5. The CDE shall report to the NA, TA and IA and shall furnish monthly report of the work attended by him, under intimation to IA &TA.
6. The CDE shall not be entitled for a regular engagement in the IA or any other benefits which the regular employees of the IA are entitled to.
7. The appointment of CDE shall be initially for a period of one year, which shall extended for further periods depending upon the satisfactory performance of the CDE up to a maximum of three years or till the completion of the project, which ever happens earlier.

8. The CDE shall have to execute a bond for a sum of Rs 2.00 lakhs (Rupees two lakhs only) in the prescribed format stating that he shall work for a minimum period of one year.
9. The services of the CDE shall be terminated at any time by giving one month notice or one month's honorarium in lieu of the notice by the IA, in case the services of the CDE is found to be unsatisfactory in the interest of SFURTI Project.
10. In case the CDE desires to terminate this agreement at any time, after the minimum period stipulated in the bond, he may do so by giving one-month notice in writing in advance to the IA.
11. While discharging the obligations, the CDE shall abide by the terms and conditions specified in the OM issued by the Govt. of India in respect of SFURTI as well as other conditions stipulated by the NA.
12. The State Director, Khadi and VI Commission shall be the sole arbitrator for resolving any dispute or difference between the parties to this agreement. The decision of the arbitrator shall be final and binding on the parties and the same shall not be challenged in any court of law.

IN WITNESS WHEREOF the parties hereto have put their hands on the day and year hereinabove written.

Signed for and on behalf institution/NGO/Shri.

In the presence of :

1.

2.

Signed by within named (CDE) Shri
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In the presence of:

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