

## MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (MoU) is made at \_\_\_\_\_

(Place) on the \_\_\_\_\_ day of \_\_\_\_\_ 2009 BETWEEN the Ministry of Rural Development (MoRD), Government of India represented by National Institute of Rural Development (NIRD)(an Organisation of the Ministry of Rural Development of Government of India having its office at Rajendranagar, Hyderabad – 500 030.) of the FIRST PART and \_\_\_\_\_ Trust/Society established under the Indian Trust Act, 1882, Trust registered under the Societies Registration Act 1860 (or any other law relating to Societies in the concerned State) having its office at \_\_\_\_\_ of the SECOND PART and \_\_\_\_\_ Bank, a public sector bank known as the corresponding new bank constituted under the Banking Companies (Acquisition & Transfer of Undertaking) Act, 1970/1980 having its Head Office at \_\_\_\_\_ of the THIRD PART

WHEREAS;

- (a) The Ministry of Rural Development is mandated to ensure the growth and development of rural areas with special focus on developing self-employment opportunity for the unemployed rural youth and for this purpose has decided to establish self-employment training institutes in select rural districts of the country for the benefit of the rural unemployed youth.
- (b) \_\_\_\_\_ Bank is a public sector bank, which provides a wide range of banking services and financial products, including finance for establishing micro and small enterprise in the rural areas. \_\_\_\_\_ has a large network in rural areas comprising of about \_\_\_\_\_ rural branches across the country and has agreed to extend its cooperation in the matter of establishment and functioning of the rural self-employment training institutes to be set up in the rural districts covered by the branches of the Bank.
- (c) \_\_\_\_\_ Trust/Society established jointly with \_\_\_\_\_ Organisation, a non-governmental organization operating in the rural districts of \_\_\_\_\_ has agreed to conduct training programmes for the rural unemployed youth at the training institute with the cooperation of the State Government and National Institute for Rural Development.

AND WHEREAS the parties to this Agreement are desirous of recording a Memorandum of Understanding setting out the roles and responsibilities of the respective parties.

NOW, THEREFORE, this MEMORANDUM OF UNDERSTANDING witnesseth as follows:-

- 0.0 In consultation with the State Government Rural Department of \_\_\_\_\_ the Trust/Society will be opening and managing Rural Self Employment Training Institutes (RSETIs) in \_\_\_\_\_ District/s of \_\_\_\_\_ State/s as a partner and would work in co-ordination with MoRD and the State Government in all matters.
- 1.0 The RSETIs proposed to be set up in pursuance of this MoU shall be run as per the RSETI guidelines circulated by the Ministry of Rural Development, Government of India, as amended from time to time.
- 2.0 NIRD, Hyderabad shall be the Nodal agency on behalf of the Government of India for this MoU.
- 3.0 The MoRD will provide one time capital grant upto Rs. 1 crore for the construction of building and furniture and subsequently provide funds to meet the training costs of the Below Poverty Line (BPL) trainees at the prescribed rate. Funds shall be routed through NIRD, Hyderabad. The NIRD will release 50% as a First Installment to the Bank and the 2<sup>nd</sup> installment of 50% will be released after completion up to Lintel Stage.
- 4.0 The State Government shall provide land free of cost at suitable location for establishing the RSETIs and grant all approvals and permissions required for use of the land to establish the RSETI.
- 5.0 The Society/Trust shall mobilize the required resources, faculty and training materials for effective training and it shall be permissible for the Trust/Society to accept donations & gifts of Training Equipments and any other materials.
- 6.0 The Society/Trust shall bear all the administrative expenses in connection with engaging and deploying the officers and staff to run these training institutes.
- 7.0 The Society/Trust shall ensure construction of building within two years of allotment/possession of land by the State Government.
- 8.0 The identification and sponsoring of rural BPL youth shall be done mainly by the respective State/District Administration \_\_\_\_\_ RSETI shall identify, Orient, Motivate, train assist and hand-hold a minimum of 750 rural BPL youth per year to take up self-employment ventures as a career option by credit linkage with the banking system or wage employment as the case may be .The RSETIs Will also consider for training eligible BPL youth

who approach them directly.

- 9.0 The training offered to the eligible unemployed rural youth shall be oriented to promote sustainable self employment or wage employment in specific areas determined after due market scanning and shall endeavor to result in 75% of trained BPL youth getting placement in wage employment of establishing sustainable self employment .However, the RSETIs will ensure that credit linkage is provided to youth trained by the RSETIs if approached by them.
- 10.0The Society/Trust/RSETIs shall act proactively to enhance the livelihood needs of the vulnerable sections of the society i.e. Women, Minorities and people belonging to the Scheduled Castes and Tribes and ensure that major portion of the trainees invariably covers the above sections as per the norms prescribed in the guidelines.
- 11.0The Society/Trust/RSETI shall provide handholding of the trainees atleast for a period of two years to ensure the survival and sustenance of the enterprises or employment, as the case may be.
- 12.0RSETI shall maintain separate account for infrastructure funds provided by the Ministry of Rural Development, subject the same for statutory audit and submit Utilization Certificate to NIRD for the amounts released and utilized.
- 13.0The accounts maintained for the infrastructure funds received from Government of India shall be open to audit by Comptroller and Auditor General of India or any other Auditor appointed for the purpose by the Government of India.
- 14.0The RSETI shall maintain a register of assets created out of funds received from MoRD, or rent paid for hiring of premises, as the case may be, and the same will be open to inspection by authorities designated by the Government of India.
- 15.0RSETI shall submit to NIRD periodical reports and other information regarding the utilization of infrastructure funds and conduct of training programmes.
- 16.0RSETI will have the sole authority to conduct the relevant training programmes in the premises assigned, hired or acquired and under no circumstances it shall sub-lease the premises, or use it for purpose other than the ones agreed to through this agreement. In case of rented premises the MoRD will bear the cost to a maximum of Rs. 10 lakh for a period of not exceeding 3 years, out of the Rs. 1 crore grant of Government of India (GOI).
- 17.0RSETIs shall do other acts and carry on such other activities as are necessary and incidental for the effective implementation and due fulfillment of the objects of the Government as indicated in Para A of page 1 and shall carry on the training activities in accordance with the policy guidelines issued by the Ministry of Rural Development from time to time.

18.0 At the end of each financial year, the RSETIs shall provide due certification of achievement of targets specified in Para 8.0 and 9.0 of this MoU.

19.0 The MoRD or any agency on its behalf shall conduct yearly performance review of RSETIs and in case an RSETI does not meet its targets, they may be required to furnish reasons for non achievement of targets in writing to MoRD through their headquarters. If the targets are not met continuously for three successive years, the MoRD reserves the right to take action as deemed fit against the defaulting RSETI(s).

20.0 NIRD, Hyderabad or any other agency nominated by the MoRD, shall monitor, evaluate, and assess the functioning of these institutes. The RSETIs shall allow and make all necessary arrangements to facilitate the visits to monitor these institutes.

21.0 The conditions set forth therein can be modified by the parties through mutual consent in writing.

22.0 Any disputes arising out of this agreement, which cannot be amicably settled within sixty days through the good offices of the Ministry of Rural Development, Department of Rural Development/Swarnjayanti Gramswarozgar Yojana (SGSY) Division shall be referred to arbitration in accordance with the provisions of the Indian Arbitration and Conciliation Act, 1996, within the jurisdiction of Hyderabad.

23.0 In the event of termination of this MoU, the \_\_\_\_\_ Society / Trust shall be liable to return the unutilized capital grant and assets created out of the capital grant along with interest earned, if any, to MoRD and the land to the respective State Government / Other institution.

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IN WITNESS WHEREOF, THE PARTIES HERETO HAVE SIGNED THIS MOMORANDUM OF  
UNDERSTANDING ON THE DAY HEREIN ABOVE WRITTEN.

Signed and delivered by the  
within Named NIRD through

it's authorized signatory,

Sri/Smt. \_\_\_\_\_

Hyderabad.

Witness:

Signed and delivered by the  
within Named Society/Trust through  
its authorized Signatory,

Sri/Smt. \_\_\_\_\_

Address:

Witness: