

# Example Memorandum of Understanding (MOU)

## MEMORANDUM OF UNDERSTANDING (MOU)

Between

**ACTION FOR ENTERPRISE KUMAR**

&

**ALPHA COMPANY**

This document constitutes an agreement between **AFE Kumar** an international development project promoting economic development in *Kumar* and **ALPHA Company**, a private, agribusiness company, with in *Kumar* with head office at \_\_\_\_\_.

### 1. Objective

The objective of this MOU is to express the willingness of both parties to engage in an effort to promote the competitiveness of ALPHA COMPANY as well as it's activities to develop and expand relationships with producers of herbs and spices that they source from (these producers are also referred to an micro, small and medium scale enterprises or "MSMEs").

Specific activities under this MOU will be identified through consultation between the two parties.

**AFE Kumar** agrees to provide technical assistance to assist ALPHA Company to carry out activities that will improve or expand the support they provide to herb and spice producers they source from and improve its competitiveness. As a preliminary activity, AFE will conduct a strategic planning exercise with ALPHA to review their outgrowing operations. The results of this exercise will assist ALPHA with the implementation of its operations and will help identify areas where AFE can provide capacity building support. After finalizing the strategic planning session, technical and financial support agreements for specific activities will be developed through a participatory process. These agreements will be detailed in subsequent Addendums to this MOU.

**ALPHA Company** agrees to work with and coordinate with **AFE Kumar** in the development of their initiatives to improve and expand support to the MSMEs they transact with. They also agree to allow **AFE Kumar** to carry out monitoring and evaluation activities to assess the impact of these activities on participating producers.

### 2. General Terms of MOU

**2.1 Duration of MOU:** This MOU shall be operational upon signing and will have an initial duration of one year. All activities conducted before this date within the vision of the joint collaboration will be deemed to fall under this MOU.

**2.2 Coordination:** In order to carry out and fulfill the aims of this agreement, each party will appoint an appropriate person(s) to represent its organization and to coordinate the implementation of activities. ALPHA Company and **AFE Kumar** staff will meet regularly (preferably with two days' notice) to discuss progress and plan activities.

**2.3 Technical and Financial Support:** Addendums to this MOU will be developed for specific technical and financial support activities. These Addendums will provide a detailed description of the role, responsibility, and financial contribution of each party. Work plans and reporting requirements will be clearly outlined in the Addendums.

**2.4 Confidentiality:** Each party agrees that it shall not, at any time, after executing the activities of this MOU, disclose any information in relation to these activities or the affairs of business or method of carrying on the business of the other without consent of both parties.

**2.5 Termination of MOU:** The partnership covered by this MOU shall terminate upon completion of the agreed upon period. The agreement may also be terminated with a written one month notice from either side. In the event of non-compliance or breach by one of the parties of the obligations binding upon it, the other party may terminate the agreement with immediate effect.

**2.6 Extension of Agreement:** The MOU may be extended provided the parties agree upon, and can provide the necessary resources.

**2.7 Communications:** All notice, demands and other communication under this agreement in connection herewith shall be written in English language and shall be sent to the last known address, e-mail, or fax of the concerned party. Any notice shall be effective from the date on which it reaches the other party.

**2.8 Addendum:** Any Addendum to this MOU shall be in writing and signed by both parties.

**2.9 Insurance:** It is the responsibility of ALPHA Company to insure themselves against any casualties. *AFE Kumar* will not bear any responsibility for costs of sickness, accidents or any other liability.

### 3. Other Provisions

**3.1** *AFE Kumar* retains the right to withhold cost share payments for failure to comply with terms and conditions stipulated in this MOU and subsequent Addendums.

**3.2** ALPHA Company shall immediately inform *AFE Kumar* of any event, which could have a negative influence on or endanger the successful accomplishment of the tasks described in the agreement.

**3.3** ALPHA Company shall not use the name of *AFE Kumar* in any promotional literature or information without the prior written approval of *AFE Kumar*.

**3.4** *AFE Kumar* shall pay the costs of its staff and any fees associated with the participation of its staff (e.g., transportation, communications, lodging, etc.) in the support of this activity, unless transportation can be provided by ALPHA Company.

**3.5** Beside the agreed upon technical support and cost share payment(s) to be stipulated in the Addendums to this MOU, *AFE Kumar* has no other legal and financial obligations.

**3.6** Income tax and VAT, if any arises due to cost share payments to ALPHA Company, shall be deducted at source at the applicable rates by *AFE Kumar* and will be deposited to the exchequer.

**3.7** Both parties assume that this agreement does not go against the rules and regulations of the Government of *Kumar*.

**3.8** ALPHA Company is reminded that U.S. Executive Orders and U.S law prohibits transactions with, and the provision of resources and support to, individuals and organizations associated with terrorism. It is the legal responsibility of ALPHA Company to ensure compliance with these Executive Orders and Laws.

**3.9** This agreement will be administered in accordance with prevailing standard provisions and certifications for *AFE Kumar* including those contained in ADS Chapter 303, "Grants and Cooperative Agreements to non- governmental organizations" and within the terms of the USAID standard provisions applicable to non-US, non-governmental recipients. Information on these provisions can be accessed through the USAID external website at [www.info.usaid.gov](http://www.info.usaid.gov) "Business & Procurement" section.

The terms and provisions in this MOU also apply to any subsequent Addendum to this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this MOU on the \_\_\_ day of \_\_\_, \_\_\_ [Date].

**Name**  
*AFE Kumar*  
Country Director  
Signature and date:

**Name**  
Managing Director  
ALPHA Company  
Signature and date:

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