



**नाबार्ड**  
**NABARD**



**SFAC**  
**लघु कृषक**  
**कृषि व्यापार संघ**

**Memorandum of  
Understanding  
Between**

**National Bank for Agriculture and Rural Development  
(NABARD)**

**And**

**Small Farmer Agri-Business Consortium (SFAC)**

**For**

**Comprehensive Growth and Development of  
Farmer Producer Organizations**



## Memorandum of Understanding

THIS MEMORANDUM OF UNDERSTANDING made this 3<sup>rd</sup> day of October, 2018

*BETWEEN*

**National Bank for Agriculture and Rural Development (NABARD), having its Head Office at Bandra - Kurla Complex, Bandra (East), Mumbai – 400051, INDIA (thereinafter referred to as “NABARD”)**

**AND**

**Small Farmers' Agribusiness Consortium (SFAC), a registered Society promoted by the Department of Agriculture and Cooperation, Ministry of Agriculture, Govt. of India, having its Head Office at NCUI Auditorium, August Kranti Marg, Hauz Khas, New Delhi-110016, INDIA (hereinafter referred to as SFAC)**

Whereas NABARD, a body Corporate established by an Act of Parliament, vis. National Bank for Agriculture and Rural Development Act, 1981, inter-alia, to promote sustainable and equitable agriculture and rural prosperity through effective credit support, related services, institution development and other innovative initiatives.

Whereas SFAC, a society involved in Agri-business promotion by encouraging institutional and private sector investments and linkages to ensure the empowerment of farmers in India.

AND WHEREAS NABARD and SFAC are desirous of entering into a collaborative relationship agreed on 4<sup>th</sup> July, 2014 for promoting interest of the Indian farming community.

NOW THEREFORE in consideration of the undertakings set forth herein, NABARD and SFAC agree as follows:





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## **1.0 ESSENCE OF THE RELATIONSHIP**

- 1.1 This Memorandum of Understanding (MOU) establishes a commitment of NABARD and SFAC to achieve meaningful collaboration to mutually support and advance the respective initiatives for the development of Farmer Producer Organizations (FPOs).
- 1.2 This MOU is intended to establish cooperation between NABARD and SFAC without leading to creation of any legally binding obligation whatsoever, on either Party. Each Party to this MOU is free to undertake similar initiatives with any other organization engaged in promoting common interests.

## **2.0 AREAS OF COLLABORATION**

NABARD and SFAC agree to explore innovative and effective strategies for joint action mainly in the following areas:

- 2.1 Promotion of new and vibrant Farmer Producer Organizations (FPOs) in the country as well as strengthening of the existing FPOs.
- 2.2 Development of sustainable financing mechanisms for FPOs, partnering with other financing institutions and setting bench marks/ standards for efficient functioning of FPOs.
- 2.3 Provision of support services for FPOs including training, HRD, Marketing Linkages and any other form of Capacity Building necessary for Effective Management of FPOs.
- 2.4 Documentation of successful models, knowledge sharing, publication of reports, newsletters, other relevant publications, etc. for wider dissemination of information.
- 2.5 Policy advocacy at the State and National level to enhance support for FPOs among diverse stakeholders.
- 2.6 Collaboration with academic institutions, international organizations, civil society organizations and other stakeholders to promote and strengthen Agri Value Chain through the concept of FPOs.
- 2.7 To support and facilitate preparation of bankable Project Reports/ DPRs, etc. and access funds for promotion and strengthening of FPOs.





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- 2.8 To facilitate monitoring of business performance of FPOs, member's empowerment/ growth and socio-economic impact of aggregation/ collectivization model.
- 2.9 To undertake all other necessary measures which directly or indirectly contribute in the overall development of FPOs and strengthen their functioning in the country.
- 2.10 Extending benefit of relevant schemes/ other initiative of SFAC to projects funded directly by NABARD or to such other initiatives concerning development of FPOs.

### **3.0 FINANCIAL OBLIGATIONS**

- 3.1 This MOU shall not impose any financial commitment or financial liability on NABARD and SFAC of any nature, whatsoever.
- 3.2 NABARD and SFAC shall bear their own costs and expensed unless otherwise mutually arranged and agreed to in writing. Neither NABARD nor SFAC is authorized or empowered to obligate or to incur any costs or expenses on behalf of the other.

### **4.0 SPECIFIC AGREEMENTS**

- 4.1 Any agreement reached between NABARD and SFAC as a result of collaborative efforts outlined under section 2 of this MOU shall be the subject of a separate Specific Agreement between NABARD and SFAC.
- 4.2 All Specific Agreements shall clearly set out the rights and obligations of NABARD & SFAC and shall constitute a separate and distinct agreement between the parties.

### **5.0 TERM**

- 5.1 This MOU shall come into force and effect from the date of execution and shall be valid for three years unless renewed in writing by the mutual consent between NABARD and SFAC.
- 5.2 During the term NABARD and SFAC may terminate this MOU by giving thirty (30) days written notice to the other.
- 5.3 NABARD and SFAC agree that any Specific Agreement reached between the Parties as a result of this MOU, is not impacted by the termination of this MOU and the terms of such Specific Agreement are binding on NABARD and SFAC.



## 6.0 DISPUTE RESOLUTION

- 6.1 Any dispute concerning the interpretation and implementation of this MOU shall be resolved through mutual consultation and shall not be referred to a court, tribunal or any other third party for settlement without first having resort to the provisions therein.

## 7.0 GENERAL

- 7.1 No change or amendment to this MOU is valid unless it is agreed to in writing by both, NABARD and SFAC.
- 7.2 No part of this MOU may be assigned to a third party either by NABARD or SFAC without the written consent of the other.
- 7.3 This MOU constitutes the entire understanding between NABARD and SFAC.

IN WITNESS WHEREOF, NABARD and SFAC have caused this MOU to be executed by the duty authorized individuals named hereunder as of the day and year first written above.

National Bank for Agriculture & Rural Development

Small Farmers' Agribusiness Consortium

Signature

Name: Shri Subrata Mandal

Title: Chief General Manager

Date: 3<sup>rd</sup> October, 2018

Place: Kolkata

Signature

Name: Shri Sumanta Chaudhuri, IAS

Title: Managing Director

Date: 3<sup>rd</sup> October, 2018

Place: Kolkata