Memorandum of Understanding

For the implementation of
Financial Support to MSMEs in ZED Certification Scheme

Ministry of Micro, Small & Medium Enterprises,
Government of India

Between

Quality Council of India
(National Monitoring & Implementing Unit of ZED Certification Scheme)

&

Directorate of Industries,
Government of Maharashtra
Introduction:

The Ministry of Micro, Small & Medium Enterprises (MSME), Government of India: The Ministry of MSME has launched the "Financial Support to MSMEs in ZED Certification Scheme" for the benefit of MSMEs during the 12th Five-Year Plan. In order to prepare the MSMEs of India to create a value chain for the new regime, it is important that quality and competitiveness of Indian MSME is enhanced over a period of time. It will also provide an opportunity to units to strive to continuously improve its processes thereby aiming to move up the ZED maturity assessment model (Bronze-Silver-Gold-Diamond-Platinum). This would also ensure that the larger companies investing in India have a ready-made vendor base to support their activities and an expansive base of trained human capital who can contribute to the manufacturing process without much retraining.

It is critical that any scheme is implemented in its true spirit & intent for it to be successful. Keeping this in mind necessary steps are taken to retain the scheme integrity at every stage in the process of ZED. QCI, as the NMIU of this scheme, will be extended arm under the able guidance of the DC-MSME and will create a robust mechanism of assessment, rating & hand holding. With the active support of the State Government, Chambers, Industry Associations and other Stakeholders, the Government's intent of making India a sought-after business destination will bear fruit and ZED will have a pivotal role to play.

1st Party- The Quality Council of India (QCI) was established as the national body of accreditation on recommendations of expert missions of the European Union after consultations in the inter-Ministerial Task Force, the Committee of Secretaries and the Group of Ministers in 1996. The council came into existence in 1997 through a Cabinet decision as an autonomous non-profit organization. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, is the nodal department for QCI.

QCI's role is to establish and operate a national accreditation structure and to promote quality through the National Quality Campaign. It plays the role of the National Accreditation Body (NAB) as per the eco-system of quality around the world with the task of creating a mechanism for third-party assessment of products, services and processes.

QCI is the National Monitoring & Implementing Unit (NMIU) of the "Financial Support to MSMEs in ZED Certification Scheme" of Ministry of Micro, Small & Medium Enterprises (MSME), Government of India.
2nd Party- Directorate of Industries, Government of Maharashtra (GoM) is an executive arm of the Industries Department of Government of Maharashtra and is engaged in implementation of government policies for all round development of industries in the state by seeking coordination amongst the state level promotional corporations like MIDC, MSSIDC, KVIB etc. and other department of the government relating to industries.

The Directorate of industries has been established to monitor, implement the various schemes including Incentive Schemes for promotion and development of industries in Maharashtra. It also assists the State Government in the formulation of various industry related policies and promotional schemes viz. Industrial policy, SEZ policy, IT Policy, Package Scheme of Incentives etc.

The Directorate of industries implements various schemes and provides incentives for promotion and development of industries in Maharashtra.

**Strategic Intent:**

The intent of this Memorandum of Understanding (MOU) between the QCI & Directorate of Industries, Government of Maharashtra is to outline the way in which the two parties will collaborate on the State-wide propagation of the ZED Campaign and implementation of the ZED Maturity Assessment Model under the "Financial Support to MSMEs in ZED Certification Scheme" of Ministry of MSME, Government of India.

The endeavour would be to leverage QCI’s nationwide established Accreditation System for Accrediting Consultants, Assessors, Rating Agencies etc. and Maharashtra’s direct touch point stakeholders and network like DICs etc. for the creation of a Zero Defect Zero Effect industrial culture in India and adaptation of the ZED Model in its ecosystem consisting of MSMEs.

The scope of activities will focus on promoting and enhancing capacities for implementing ZED model across all levels of industries through involvement of various State Government bodies, national / regional / sectoral industry bodies and large industry organisations / OEMs. The scope would also look at developing an ecosystem through sensitizing MSMEs to drive the ZED model for continuous improvement.

**Frame work: Scope, Role & Responsibilities:**

**Screening & Steering Committee (SSC):** At the highest level, the SSC will guide, review, monitor and provide overall direction for implementation of the scheme and will be headed by the Development Commissioner (MSME). SSC will have the overall responsibility for policy formulation, scheme implementation and
monitoring. It will be empowered to take all key decisions related to the scheme and approve minor modifications/procedural changes in the guidelines for operational expediency. SSC would deliberate on the issues put up by NMIU/IAS. It would lay down the detailed implementation strategy for the NMIU. It would also consider the recommendations of the NMIU/IAS on each platform.

To provide an operating framework to this agreement, the following MoU has been agreed upon on ___________ 2018:

1. This MoU shall be operated by ZED, QCI which is the NMIU of the ZED Certification Scheme, Ministry of MSME, Government of India.
2. The initial scope of this alliance will cover activities related to, but not limited to, the areas outlined below.

**QCI would be responsible for:**

a. Providing training to officers in the Directorate of Industries, Government of Maharashtra on the ZED Maturity Assessment Model.
b. Facilitating, implementation and monitoring of the ZED Maturity Assessment Model programme in the State of Maharashtra.
c. Assessing applicant MSMEs and Awarding ZED rating to MSMEs of Maharashtra.
d. Providing accreditation to Rating & Other agencies and empaneling Consultants & Consulting Organisations.
e. Providing training to the initial batch of master trainers, assessors & consultants.
f. Creation of content and training material for awareness as well as training programmes for MSMEs and stakeholders of Maharashtra.
g. As per the scheme guidelines, QCI will ensure that respective MSME-DI is to be involved in each and every industry, awareness programme & Regional/State/National Workshop being organized by the Implementing Agency.
h. Logo of Ministry of MSME is to be invariably used in all the programmes being organised by QCI (NMIU) under the ZED Scheme.

**Directorate of Industries, Government of Maharashtra:**

i. Inclusion of ZED in their industrial policy and create necessary pulls & incentives for ZED Certification Scheme for widespread adoption.
j. Assisting in propagation of the scheme at various forums and subsequently drive ZED registrations through respective DICs.
k. Providing access to registered MSME database (UAM registered).
l. Mobilizing the State/Regional associations/chambers to propagate the ZED.
m. Certification Scheme and encourage their MSME members to register for ZED Certification Scheme.
n. Providing office space and necessary personnel, to run the office at mutually agreed upon locations for mobilizing MSMEs through time-bound marketing campaigns, as and when required.
o. Identify and develop model (sectoral) MSMEs in the State of Maharashtra that will serve as mentors for other MSMEs.

**Governance and Management of MoU:**

To maintain focus on fulfillment of its objectives:

1. A Steering Committee comprising of 2 nominees from each party whose responsibilities will be, but not limited to the following:
   - Set objectives and frame strategy & operating plans for the alliance
   - Resource the alliance adequately
   - Review progress
   - Be accountable for the success of the alliance in meeting its objectives

2. One champion from both parties who will own all tactical aspects and day-to-day operations including, but not limited to, the following:
   - Identifying opportunities
   - Marketing
   - Competitive assessment
   - Escalating issues & focusing matters for resolution

It is proposed that to begin with the Steering Committee (SC) meets once a month, virtually or physically, to review progress & ensure proper focus and resource utilization. Directorate of Industries, Government of Maharashtra will be represented by Dr. Harshadeep Kamble, IAS or his nominee as the alliance champion and Dr. R. P. Singh, Secretary General-QCI, or his nominee will represent QCI. Both of them will be part of the Steering Committee with an additional nominee from both parties.

**Validity of the relationship:**

The framework of the agreement would be initially valid for a period of 3 years & would be renewed after mutual review of progress. This agreement can be extended by means of an addendum referring to this agreement as the base agreement to set the revised period and terms if any.
Termination Clause: -

The MOU can be terminated from either end, with 60-days prior notice based on mutual consensus on completion of pending engagements and fulfilment of all commercial obligations.

Non compete / Non conflict/ Engagement protocols: -

QCI and Directorate of Industries, Government of Maharashtra agree not to mutually compete or conflict for each other's resources and follow an engagement protocol that is ethical and professional during the delivery of the programs covered under this MOU.

Authorised signatory:

[Signatures]

Dr. R. P. Singh
Secretary General
Quality Council of India

Date: 18/05/2018
Place: New Delhi

Witness:

Quality Council of India
Dr. A. RAJ
Sr. Director

Dr. Harshadeep Kamble, IAS
Development Commissioner(Inds)
Directorate of Industries,
(Government of Maharashtra)

Date: 18th May 2018
Place: Mumbai

Witness:

Directorate of Industries,
Government of Maharashtra