Memorandum of Understanding

For the implementation of

Financial Support to MSMEs in ZED Certification Scheme

Ministry of Micro, Small & Medium Enterprise
Government of India

Between

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

&

GOVERNMENT OF RAJASTHAN

Department of Industries,
Government of Rajasthan
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 readymade 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 we have ensured 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 our extended arm under the able guidance of the DC-MSME and will create a robust mechanism of assessment, rating & handholding.

With the active support of the State Governments, 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:
QCI: 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 functions through its own resources through fees from accreditations and investments in quality promotion. 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:
Department of Industries, Government of Rajasthan:
The main functions of the Department are promotion of small scale industries, to assist in the marketing of their products, development of salt areas, handicrafts artisan development, development of handloom, etc. The Department also provides various concessions and facilities and assistance for setting up of industrial units in the State.

Strategic intent

The intent of this Memorandum of Understanding (MOU) between the QCI & Department of Industries, Government of Rajasthan is to outline the way in which the two parties will collaborate on the Statewide 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 Rajasthan’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.

Framework: Scope, Roles & 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 **13-06-2018**:

1. This MoU shall be operated by ZED, QCI, which is the NMIU of the ZED Certification Scheme of 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 Department of MSME, Government of Rajasthan on the ZED Maturity Assessment Model
b. Facilitating, implementation and monitoring of the ZED Maturity Assessment Model programme in the State of Rajasthan
c. Assessing applicant MSMEs and Awarding ZED rating to MSMEs of Rajasthan
d. Providing accreditation to Rating & Other agencies and empanelling 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 Rajasthan.
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 organised 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.

**Department of Industries, Government of Rajasthan:**

a. Inclusion of ZED in their industrial policy and create necessary pulls & incentives for ZED Certification Scheme for widespread adoption.
b. Assisting in propagation of the scheme at various forums and subsequently drive ZED registrations through respective DICs
c. Providing access to registered MSME database (UAM registered)
d. Mobilizing the State/Regional associations/chambers to propagate the ZED Certification Scheme and encourage their MSME members to register for ZED Certification Scheme
e. If needed, providing office space and necessary personnel to run the office at mutually agreed upon locations for mobilizing MSMEs through time-bound marketing campaigns
f. Identify and develop model (sectoral) MSMEs in the State of Rajasthan 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. Department of Industries, Government of Rajasthan will be represented by Shri. Krishna Kunal, IAS, Commissioner, Industries & CSR 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 fulfillment of all commercial obligations.

Non-compete / Non conflict / Engagement protocols

QCI and Department of Industries, Government of Rajasthan 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.
Authorized signatory:

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

Date: 
Place: 

Witness:  
N. A. Raj  
Sr. Director  
Quality Council of India  
New Delhi

13/06/2018

Shri. Krishna Kunal, IAS  
Commissioner, Industries & CSR  
Department of Industries  
Government of Rajasthan

Date: 13/06/2018  
Place: JAIPUR

Witness:  
Aditi. Director, Industrial  
Department of Industries,  
Government of Rajasthan