

Memorandum of Understanding

Between

Fundação Guineense para o Desenvolvimento Empresarial Industrial (FUNDEI), represented by ENGINEER CALIFA SEIDI, Executive Director, identified by identification card #: 1A1-00041869-22 and based at Rua General Omar Torrijos #: 49, in Bissau with tel #: 245-3202470;

and

Centro de Promoção do Caju (CPC), represented by its Coordinator, ENGINEER N'BALIA KEITA GOMES, identified by identification card #: 325036 and based at Zona Industrial de Brá in Bissau with tel #: 245-6662408;

and

SNV Guinea Bissau, represented by Johnson Bien-Aimé, Country Representative, identified by his Guinea-Bissau identification card #: 49/08, based at Av. Pansau Na Isna # 8, Apartado 368, 1031 Bissau Codex. Tel: 245-22 28 81/82.

This Memorandum of Understanding (MoU) confirms that the partner and client wish to implement certain development activities, and that SNV Guinea Bissau, hereafter called SNV, is willing to provide capacity development services to support these activities. The Parties hereby agree as follows:

1. Analysis of situation

FUNDEI (Fundação Guineense para o Desenvolvimento Empresarial Industrial), in accordance with the articles 1 and 3 of its statutes, is a private institution of public use and its main objective is promotion of micro, small and medium industrial companies, for the valorization of the local products.

The priority intervention of FUNDEI is mostly on industrial projects that use and transform prime local materials. The sectors considered eligible for assistance of FUNDEI are: Industry in general; Agro-industrial; Tourism and Hotelier; Research and Services.

In order to achieve one of its objectives, FUNDEI created in August of 2005 the Center for the Promotion of Cashew (CPC), constructed using solely its resources. The Center for the Promotion of the Cashew has an objective of training technician in the area of cashew nuts processing and the exploitation of the fruits of the cashew, as well as conducting action research on technological innovation on cashew materials.

On the part of SNV Guinea Bissau, supporting the development of the cashew subsector in the country is one of its priority. Currently SNV works and is

continuously exploring to work with several clients for the development of the subsector particularly on market and value chain development. There are several complementarities and synergies between FUNDEI, CPC and SNV goals and objectives. It is therefore envisioned that provision of advisory services by SNV to FUNDEI and CPC could add value to improving and enhancing the development of the subsector. It is in this respect that FUNDEI, CPC and SNV have agreed to collaborate and work together.

2. Rational for the cooperation between SNV, Partner and Client

SNV, FUNDEI and CPC have extensive experiences and in-depth understanding of the cashew subsector and each organization had developed various approaches and strategies aimed at developing the subsector. By working together and strengthening the cooperation, SNV, FUNDEI and CPC could strengthen their individual and collective positions in supporting the development of the cashew subsector. All these organizations have their own strengths and capacities that when pooled together could complement and add more value to realizing their common goals and objectives.

General objectives of the cooperation

The general objective of the cooperation is to support the development of the cashew subsector for the benefit and improvement of the lives of people (producers, processors, traders, etc.) involved on it. On a more specific term, the cooperation envisions promoting industrialization and commercialization of the subsector by involving relevant actors and stakeholders in order to obtain optimum benefits from available cashew resources. This objective is shared among the three organizations, FUNDEI, SNV and CPC.

3. Agreement on the desired effect

In view of the above general objectives, parties (FUNDEI, CPC and SNV) commit themselves to achieving the following effects:

- a) CPC develops its capacity to effectively deliver and provide technical and business development services among producers and processors engaged on cashew processing businesses/enterprises.
- b) Mobilize and encourage the private sector to invest in identified viable transformation and value-added processing enterprises.
- c) Promising cashew-based enterprises are identified including sustainable markets for the products.
- d) Certification standards are developed and pilot-tested among producer groups and processors.
- e) Interested producers, processors and entrepreneurs trained and acquired good knowledge of potential enterprises in the subsector.

f) At least one viable cashew-based enterprise established and operational in each region.

4. SNV's commitment as a provider of capacity development services

a) Possible assignments that may be undertaken as part of this MoU include:

- Provide equipments to the Center of Promotion of the Cashew in order to become a specialized center of excellence in the area of cashew processing. Material equipments can be as follows: information equipment, television set, DVD player, library equipped with didactic material, manuals of formation, etc.
- Training of Trainers in the area of cashew nut processing and valorization of cashew fruits.
- Constant and continuous upgrading of skills of the technician and operators in processing of the cashew nuts and fruits.
- Reactivation of the 7 (seven) small centers and creation of others, for processing of the cashew nut and fruits in the different regions of country.
- Conduct technical study of the viability of putting up of a Laboratory for the Analysis and Certification of the cashew product, next to the CPC.
- Elaboration of the training programs and research on technological innovation on processing of cashew materials by the CPC.
- Preparation and operationalization of the technical assistance program to the existing processing units.
- Mobilization of financial resources to assure the regular functioning of the CPC.
- Institutional assistance on the management of the CPC during one a pre-determined period. (6 months to one year).
- Promotion of the CPC among other cashew stakeholders.

Specific Assignment Agreements will be developed for each assignment according to the format developed by SNV for this purpose. These agreements will specify the expected outputs and activities, definition of responsibilities, budgets, the number of advisory days and timeframes on the basis of the capacity development approach. The assignment agreements will be signed by SNV and the client.

- b) SNV shall provide the advisors necessary to deliver the capacity development services under this MoU at its own costs and in a flexible way in consultation with the Client.
- c) As part of the delivery of its services, SNV may hire additional expertise and/or a Local Capacity Builder, in consultation with the Client.

5. Client's commitment as the receiver of capacity development services

- a) The Client shall assume responsibility for the implementation of the development activities that lead to the desired effects.
- b) The Client is obliged to provide the support necessary for the SNV advisors to carry out their duties effectively and efficiently.
- c) Logistical support to the advisors (assisting with means of transport for activity-related travel, adequate office space, and other work-related facilities) will be provided by the Client.

6. Partnership

In addition to SNV being the provider of capacity development services and the client being the receiver of capacity development services, the parties agree to collaborate as partners in achieving the above mentioned effects and contribution to impact by engaging in the following joint activities:

- Explore jointly other promising technologies that can be adopted to maximize utilization of other cashew by-products.
- Develop the capacity of CPC to become effective Local Capacity Builder (LCB) that can carry on the future activities of SNV in the promotion and development of the cashew sub-sector.
- Support each other in advocacy and policy reform to develop enabling business environment for the sub-sector.
- Establish networks of small processors to advocate for their interest and welfare.

7. Duration

The Cooperation Agreement between SNV and the Client will be for a period of two years, with effect from January 01, 2009.

9. Nominated person from client organization and SNV

The Partner and Client have designated: for FUNDEI: Engineer Califa Seidi and for CPC: Engineer N'Balía Keita Gomes as the Contact persons from the partners/client's side and from SNV: Francisco Tolentino.

10. Monitoring and evaluation

SNV undertakes to perform its services to the highest standards of professionalism, ethical competence, and integrity. All parties involved in this MoU shall participate in regular review meetings. At the completion of individual Assignment Agreements, an assignment review report will be prepared, while at the end of the MoU period a MoU review report will be written. SNV will initiate and facilitate the review process, and the Client undertakes to fully participate in the review process. Either during or within a reasonable period after the expiry of the MoU the Client undertakes to cooperate with any SNV initiated process to evaluate the impact of the provided services.

11. Termination

Both parties shall have the right to terminate this agreement by giving written notice to the other party in the event of:

- Irreconcilable ideological differences between the parties
- Misuse of financial resources
- Lack of cooperation from either party
- Inability to carry out the activities as per the agreed activity agreements
- SNV ceasing operations in Guinea Bissau.

The termination of this agreement shall not affect any accrued rights or liabilities of either party.

12. Exit procedure

Both parties commit themselves to officially communicate to the other if they want to terminate the MoU or do not want to continue the relationship at the end of this MoU.

13. Ownership of material

Any studies, reports, or other material (graphic, software or otherwise) prepared by SNV for the Client under this agreement is joint property of the Client and SNV. Both SNV and the Client may use the material for purposes of knowledge sharing and networking, or in (joint) publications. For any other use either party will consult the other.

14. Indemnity/release of liability

SNV and Client shall not be liable for the acts or defaults of the either party. All liabilities arising from or in connection with the activities carried out by the client shall be the responsibility of the client and no liability of any nature shall be passed

to SNV; and vice versa. All liabilities arising from or in connection with specific SNV activities, carried out by SNV, shall be the responsibility of SNV.

15. Confidentiality

Both SNV and Client shall not transfer or divulge any confidential information to any other person or organization, not connected to SNV and the Client, unless:

- Prior written consent from both parties is obtained; and/or
- The information is already in the public domain; and/or
- Disclosure is required by law

16. Change, amendment and dispute

Any necessary change and amendment to this agreement will be discussed and agreed on by the client organizations and SNV. Any dispute shall be solved by the two organizations through consultation.

17. Law governing contract

The laws of Guinea Bissau shall govern this Agreement of Cooperation. It is agreeable that English & Portuguese can be used under this Memorandum of Understanding. Prepared in Bissau, Guinea-Bissau in double copies and approved by the followings:

For the Partner: FUNDEI
Bissau:

For SNV Guinea

ENGINEER CALIFA SEIDI
AMIE

MR. JOHNSON BIEN

Designation: Executive Director
Representative

Designation: Country

Date:

Date:

For the Client: Centro de Promoção do Caju (CPC)

ENGINEER N'BALIA KEITA GOMES

Designation: Coordinator - CPC

Date: