

**MEMORANDUM OF UNDERSTANDING FOR THE OPERATION AND  
MANAGEMENT OF THE AGRO PROCESSING AND TRAINING  
CENTER LOCATED IN KANGI, WAU STATE**

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This Memorandum of Understanding (the "MOU") is effective this **20** day of **February, 2017**,

- AMONG:**     **THE STATE MINISTRY OF AGRICULTURE, ANIMAL RESOURCES  
AND FISHERIES OF WAU STATE** (hereinafter referred to as "the  
Ministry"), duly represented by **Mr. Edward Lino Nyiyuo, Director General**
- AND:**       **THE KANGI COUNTY** (hereinafter referred to as "the County") duly  
represented by **Mr. Philip Juma Yunis, Executive Director**
- AND:**       **UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION  
(UNIDO) ZEAT-BEAD PROJECT** represented by **Mr. Daniel Ruben  
Ateng, Project Coordinator**

**BACKGROUND:**

The European Union (EU) has funded a comprehensive rural development programme entitled "Improved Food Security and Income for Rural Smallholders" in the Greater Bahr El Ghazal Region of South Sudan to improved food security and income for the rural smallholders in the target areas. The specific objectives of the UNIDO action under the Zonal Effort for Agricultural Transformation-Bahr El Ghazal Effort for Agricultural transformation (ZEAT-BEAD) Programme are '*Upgrading value chain strategies developed and implemented and actors capacitated and operating in value chain and practicing scaling up technological and entrepreneurial features*'. Through this action UNIDO is focusing specifically on small household producers and small private business owners to create a sustainable and simple marketing network by developing and implementing upgrading value chain strategies. In addition, project is focusing to build capacity of the different actors to operate in the value chain and tune to technological and business features for more value addition of their production asset. To improve mechanization and value addition of the identified commodities in the target areas project is planning to introduce appropriate technologies for harvesting, threshing and milling of rice, sorghum and groundnut crops.

In order to promote local value addition and processing activities at the identified trading centre, UNIDO has constructed agro processing and training centre at Kangi trading centre in Jur River County of Wau State. UNIDO is equipping the agro processing centre with basic equipment and machinery for value addition of sorghum. It is expected that the centre will be primarily used for value addition and processing of selected commodities being produced in the area. However, it can also be used for training of other producer groups on post harvest management and other income generating activities.

## **THIS AGREEMENT WITNESSES AS FOLLOWS:**

### **ARTICLE 1- PURPOSE OF THE MOU**

- (1) The purpose of this MOU is to document the collaborative efforts by the three parties (the Ministry, the County and UNIDO) towards the sustainable use of the facility and operation and management of the Kangi agro processing and training centre.
- (2) The operation of the Kangi agro processing and training centre is realized through a Public Private Partnership (PPP) mode.

### **ARTICLE 2- MUTUAL RESPONSIBILITIES**

The Ministry, the County and UNIDO understand that:

- (1) They will jointly form a Management Board (MB);
- (2) The details of this MOU shall be jointly planned and executed by all parties; and
- (3) This MOU is not a funds obligation document. Any endeavor involving reimbursement or contribution of funds between the parties to the agro processing and training centre will be outlined in separate agreements that shall be made in writing by representatives of the parties.

### **ARTICLE 3-RESPONSIBILITIES OF THE MINISTRY**

The Ministry will:

- (1) Develop appropriate policy and guidelines for promotion of sorghum and other staple crops in the Jur River County;
- (2) Collect data and statistics on production and productivity of different crops grown in the county on a regular basis;
- (3) Enhance the cooperation among stakeholders.

### **ARTICLE 4- RESPONSIBILITIES OF THE COUNTY**

The County will:

- Provide security for the agro processing and training centre facilities and workers;
- Monitor the availability of water in the agro processing and training centre;

- Promote hygiene and sanitation in and around the agro processing and training centre;
- Raise awareness on importance of hygienic and sanitation among public;
- Enter into a contract with a private operator selected for operation and management of the agro processing and training centre;
- Be responsible for technical supervision of the private operator;
- Ensure that the facility and equipment are kept and used according to agreed standards; and
- Monitor and evaluate the agro processing and training centre activities according to the contract with the private operator and report to the Board.

#### **ARTICLE 5- RESPONSIBILITIES OF UNIDO ZEAT-BEAD PROJECT**

UNIDO ZEAT-BEAD will:

- (1) Arrange construction of the agro processing and training centre building together with a toilet block and fencing of the centre;
- (2) Provide a set of tools and equipment for processing of sorghum;
- (3) Provide a set of office equipment for the agro processing and training centre;
- (4) Identify training needs of the various actors;
- (5) Provide training according to the needs;
- (6) Support the development of a business plan for the agro processing and training centre; and
- (7) Assist the owner of the agro processing and training centre to draft the contract with a private operator according to PPP principles.

#### **ARTICLE 6- FORMATION OF THE MANAGEMENT BOARD**

- (1) There shall be a Management Board (MB), comprising of six (06) members appointed by the parties to this MoU as follows:
  - (a) 2 representatives from the Ministry,
  - (b) 2 representatives from the County
  - (c) 1 representatives from the Chamber of Commerce and
  - (d) 1 representative from the UNIDO.

- (2) Members of the Management Board shall elect a chairperson, deputy chairperson and secretary from among themselves.

#### **ARTICLE 7- REMUNERATION**

- (1) Members of the Management Board shall not be entitled to remuneration.
- (2) Each party to this MOU shall meet the expenses of allowances for Board meetings.

#### **ARTICLE 8- RESPONSIBILITIES OF THE BOARD OF TRUSTEES**

The Management Board shall:

- (1) Develop policies and directives for the operation of the agro processing and training centre;
- (2) Select a private operator;
- (3) Develop the contents of the agreement between the owner and the private operator;
- (4) Recommend legal steps against the private operator in case of breach of contract;
- (5) Oversee the implementation of the contract agreement with the private operator;
- (6) Determine a fees and rent structure for the agro processing and training centre operations;
- (7) Ensure that funds are set aside for future investments; and
- (8) Approve Terms of Use of the agro processing and training centre by the private op.

#### **ARTICLE 9- FUTURE INVESTMENTS**

- (1) The management board shall be the treasurer of funds put aside for necessary future investments for infrastructural development and major maintenance of the equipment.
- (2) A separate bank account shall be opened by the owner for the purpose of keeping the funds mentioned in Sub-Article (1) above.
- (3) Signatories to the bank account opened in Sub-Article (2) above shall be the Ministry and the County.
- (4) Decisions on how and where to use the funds shall be made unanimously by the members of the management board.

## **ARTICLE 10- OPERATIONAL PROCEDURES OF THE MANAGEMENT BOARD**

- (1) Members of the management board shall regulate their meetings as they think necessary.
- (2) Decisions of the management board shall be made collectively and unanimously.
- (3) The quorum necessary for the transaction of the business of the management board shall be a minimum of 4, with representation from all the three parties to this MOU.
- (4) The parties to this MOU may appoint alternates to the board meetings in the event of absence of the members appointed.
- (5) Any resolution in writing, signed by all the members of the management board for the time being entitled to receive notice of meetings, is valid and effectual as if it had been passed at a meeting of the management board duly convened and held.
- (6) A member of the management board shall not vote in respect of any transaction in which he or she is interested, and if he or she does so, his or her vote shall not be counted, nor shall he or she be counted in the quorum present at the meeting in respect to considering such contract of arrangement.
- (7) The management board shall formulate further rules and regulations governing their activities when the need arises.

## **ARTICLE 11- AMENDMENT**

This MOU may be amended at any time by mutual agreement of the parties in writing.

## **ARTICLE 12- EFFECTIVE DATE AND DURATION**

- (1) This MOU shall become effective upon the date of final signature and shall continue until 31st December 2017.
- (2) The parties to this MOU may mutually agree in writing to terminate it before the end date.
- (3) In the event of force majeure, the affected party shall immediately notify the other parties to the MOU about the existence of such a condition and have the MOU terminated.
- (4) The parties to this MOU may agree to renew it annually if they so deem fit.

**IN WITNESS WHEREOF** the authorized representatives of the parties to this MOU have signed it in 3 copies on the date and the year mentioned above.


Signed:

**Edward Lino Nyiyuo**

For and on behalf of

**THE STATE MINISTRY OF AGRICULTURE, ANIMAL  
RESOURCES AND FISHERIES OF WAU STATE**

**Title: Director General**

  
21/2  
2017

Witness:

**Caitano Guido Akwang**

Title: Director of Agriculture

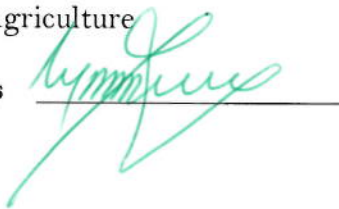


**Philip Juma Yunis**

For and on behalf

**THE KANGI COUNTY**

**Title: Executive Director**



Witness:

**William Bol**

Title: Administrative Officer



**Daniel Ruben Ateng**

For and on behalf

**UNITED NATIONS INDUSTRIAL DEVELOPMENT  
ORGANIZATION (UNIDO) ZEAT-BEAD PROJECT**

**Title: Project Coordinator**



Witness:

**David Emerio Mazion**

**Title: Project Driver**

