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"Philippi Development

**facilitating
growth**

Philippi Economic Development Initiative

MEMORANDUM OF UNDERSTANDING

Between

PHILIPPI ECONOMIC DEVELOPMENT INITIATIVE NPC

(PEDI)

1998/023565/08

And

DHLADHLA FOUNDATION

1999/027185/08

•73 Stock Road, Beautiful Gate Security Complex, Philippi East 7755 •
• PO BOX 890, Westridge Mall, Westridge Mitchells Plain, 7802 •
• TEL: +27(21) 371 9824 • FAX: +27(86) 612 4799 •
• COMPANY REGISTRATION NO: 1998/023565/08 •
Directors: A Serritslev, X Gwangxu, B Herron, M C January
www.pedi.org.za • info@pedi.org.za

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1. PREAMBLE

- 1.1. Whereas the Dhladhla Foundation through its network structures and or partnership(s) with its various implementing agents, herein referred to as the SERVICE PROVIDER, delivers high quality outcomes in the fields of agricultural, agro-ecological, socio-economic and holistic sustainable development, including provision of post-settlement support to beneficiaries.
- 1.2. Whereas the Philippi Economic Development Initiative (PEDI) herein referred to as the COOPERATIVE, has been charged with the responsibility to implement a successful sustainable development model in the fields of agriculture, agro-ecology and local socio-economic development.
- 1.3. Whereas the above two entities, hereinafter referred as the Parties, recognise the potential of their different and complimentary mandates, roles, duties and responsibilities within such a model as explained above generally, and recognise the need for combining their efforts in joint interventions in order to achieve a sustainable model in the Philippi area.
- 1.4. Whereas the two Parties herein and herewith record their decision to establish a formal cooperation agreement, working with all relevant stakeholders cooperatively within the available human and financial resources.
- 1.5. Therefore the two Parties to this agreement now wish to record the terms and conditions to regulate the relationship between them with regard to the identified programme.
- 1.6. The two Parties further commit themselves to act as stipulated in this agreement in the spirit of mutual trust, respect and co-operation at all times in terms of the identified projects.

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2. DEFINITIONS

- 2.1. "SERVICE PROVIDER" Means the Dhladhla Foundation
- 2.2. "COOPERATIVE" means the business entity comprising PEDI as established in terms of the Cooperative Act of 2005
- 2.3. "Financial Year" means the period commencing 1st July and ending 30 June;
- 2.4. "the Parties" means SERVICE PROVIDER and the COOPERATIVE in this agreement
- 2.5. "This agreement" means this document being an agreement between the parties and the annexures thereto

3. THE PARTIES TO THE AGREEMENT

- 3.1. The Service Provider seeks to accelerate the implementation of a sustainable development model in the fields of agriculture, agro-ecology and local socio-economic development in an integrated, coordinated manner and in Partnership with relevant stakeholders.

3.1.1. Priorities of the Service Provider.

- Conduct a Site visit
- Provide critical baseline institutional support to the beneficiaries
- Align with the national and provincial priorities for integrated development, economic growth and poverty eradication
- Solicit required project support and Partnerships for sustainability
- Review the current Business Plan
- Conduct a skills audit to ascertain skills development needs
- Develop an implementation plan
- Develop appropriate funding model and financing mechanism

3.1.2. Strategic objectives

- To provide targeted support to project(s) of high economic potential
- Access economic information on behalf of beneficiaries and support infrastructure development
- Mobilise and facilitate value adding, strategic management and partner stakeholders for sustainability and wealth creation
- Support food sovereignty projects

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- Support settlement projects

3.1.3. Service Provider Strategic Goals

- To provide overall strategic project management services throughout the implementation phases, including enterprise development and mentorship
- To facilitate access to agricultural resources by Previously Disadvantaged individuals (PDI)
- To improve the performance of the agricultural production of the area
- To promote and manage sustainable use of bio-diversity and natural resources
- To develop and promote alternative and appropriate technologies

3.1.4. Values of Service Provider

- The service provider is committed to render services that are:
- Development oriented, fair, just and accessible to all
- Value adding, effective and efficient
- Guided by principles of openness, transparency, equity and respect for human dignity
- Particularly sensitive to the needs of all segments of the community, especially the poor, women, youth and the disabled
- Promote environmental and economic sustainability

4. THE OBJECTIVES OF THE AGREEMENT

4.1. The objectives of this agreement are to:

- 4.1.1. Outline a framework for cooperation, providing distinct complementary and respective roles and responsibilities to the SERVICE PROVIDER, and the COOPERATIVE to achieve the objectives outlined herein
- 4.1.2. Ensure that all legislative and policy guidelines are adhered to in the implementation of the model
- 4.1.3. Ensure the alignment of funds and activities in respect of financial years, dependent on the financial resources and priorities of the COOPERATIVE and SERVICE PROVIDER



- 4.1.4. Ensure that the beneficiaries of the model receive the necessary support in the design of project plans / business plans, mentoring, training, extension support, marketing support and other support services required to successfully engage in sustainable development activities
- 4.1.5. Provide a legal framework and basis to regulate the relationship between the two Parties to this Agreement
- 4.1.6. Provide the basis for a formal Service Level Agreement (SLA) to be entered into by the two Parties, in order to outline the detailed, technical tasks, assignments, roles, responsibilities and duties of each. These parameters will be agreed by both Parties.

5. OBLIGATION OF THE PARTIES

5.1. Obligations of SERVICE PROVIDER:

- 5.1.1. Provide legislative, policy and operational guidelines to members of the COOPERATIVE relating to the sustainable development model
- 5.1.2. Provide the COOPERATIVE with an operational plan at the beginning of each financial year
- 5.1.3. Provide the COOPERATIVE with an operational plan outlining the main phases of the multi-year, multi-phased project
- 5.1.4. Adhere to the principles of the generic project implementation procedures as per annexure A. (Annexure A still to be created). The implementation procedures will be mutually agreed by both Parties once the detailed scope of the projects is determined.
- 5.1.5. Use the Monitoring Tool as per annexure B. (Annexure B still to be created). The monitoring tool is a cloud-based portfolio management system called Clarizen. PEDI will be responsible for the inputs to the Monitoring Tool. The Dhladhla Foundation will have access to the output/findings generated by the Monitoring Tool.
- 5.1.6. Render support to all aspects of the projects, as outlined herein and the SLA. The SLA will be compiled once the project parameters are defined and agreed by both Parties.
- 5.1.7. Ensure that the limited financial resources are used optimally in line with identified priorities

5.2. Obligations of the COOPERATIVE:

- 5.2.1. Provide the SERVICE PROVIDER with the required legal documents indicating its legal status, its legal access (right of use) to the land and other natural resources (lease or similar contract)

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- 5.2.2. Provide input to the SERVICE PROVIDER during an annual review session of the operational plan indicating projects requiring support
- 5.2.3. Participate in the project design, formulation and implementation to safeguard the broader community interests
- 5.2.4. Declare all funding and other resources already allocated to, or in the process of being allocated to, it
- 5.2.5. To adhere to the principles of the generic project implementation procedures as per annexure A. (Annexure A still to be created). The implementation procedures will be mutually agreed by both Parties once the detailed scope of the projects is determined.
- 5.2.6. To use the Monitoring Tool as per annexure B. (Annexure B still to be created). The monitoring tool is a cloud-based portfolio management system called Clarizen. PEDI will be responsible for the inputs to the Monitoring Tool. The Dhladhla Foundation will have access to the output/findings generated by the Monitoring Tool.
- 5.2.7. Deploy skilled and competent staff that will be responsible for the post transfer implementation of projects
- 5.2.8. Ensure that the limited financial resources are used optimally in line with identified priorities
- 5.2.9. Develop an effective communication strategy in conjunction with SERVICE PROVIDER and other stakeholders

6. Commitment by Parties

6.1. The parties further commit themselves as follows:

- 6.1.1. To participate fully in the project:
- 6.1.2. To jointly explore and use relevant structures / mechanisms for full participation and decision making
- 6.1.3. To fully allow the participatory process in an open and transparent manner
- 6.1.4. To co-operate with each other in mutual trust, assisting and supporting one another
- 6.1.5. Endeavour at all times to agree on the interpretation and application of this agreement, and shall make every attempt through co-operation and consultation to resolve any matter that might affect its implementation
- 6.1.6. Set up structural mechanisms for regular consultations and communication of this MOU

7. AMENDMENTS

7.1. This MOU constitutes the working agreement between the parties. Neither party shall be bound by any condition, warranty, representation nor understanding whether expressed or implied except as set forth in this agreement.

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7.2. The parties may agree on any modifications of or addition to this Agreement. When so agreed and approved in accordance with the applicable legal procedures, a modification or addition shall constitute an integral part of this agreement if it is reduced to writing and signed by all parties.

8. DOMICILIA AND NOTICES

8.1. Each party designates a point of contact for communication between the parties related to the implementation and further elaboration of this agreement.

8.1.1. The points of contact so designated are as follows:

COOPERATIVE

Postal Address

PO BOX 890
Westridge Mall,
Westridge Mitchells Plain,
7802

Street Address

73 Stock Road,
Beautiful Gate Security Complex,
Philippi East
7755

THE SERVICE PROVIDER

Postal Address

13 Cyclonite Road

The Interchange

Somerset Mall

7140

Street Address

13 Cyclonite Road

The Interchange

Somerset Mall

7140

8.2. Either party may by notice in writing to the other party designate another point of contact for such communications.

9. CONSULTATION

9.1. The parties shall at all times endeavour to agree on the interpretation and application of this agreement and shall make every attempt through cooperation and consultation to resolve any matter that might affect its operation.

10. COMMENCEMENT

10.1. The parties agree that this MOU will commence on the date of signing of this document.

10.2. The content and obligations emanating from this MOU may be extended by mutual consent between the parties through signature of an addendum.

11. CONFIDENTIALITY CLAUSE

- 11.1. In so far as this MOU describes intellectual property, copy right protected model and any other industry related sensitive material, the confidentiality of the provisions of this MOU and the ongoing negotiations and discussions are of critical importance to both parties.
- 11.2. The parties therefore agree:
- 11.2.1. not to disclose, publish, utilise, employ, exploit or by any other means use the confidential information in any manner, for any reason or purpose whatsoever without the prior written consent of the disclosing party, which consent maybe withheld in the sole and absolute discretion of the disclosing party
 - 11.2.2. to restrict dissemination of all confidential information to only those of their members/personnel who are actively involved in the particular aspect of the project and then on a "need to know basis"
 - 11.2.3. that the receiving party shall protect the confidential information of the disclosing party in the same manner and with the same effort which a reasonable person would use to protect his/her own confidential information.

12. EARLY WARNINGS

- 12.1. Both parties undertake to give prior notice as soon as either one of the parties become aware of a situation that could:
- 12.1.1. Negatively affect the agreed service levels
 - 12.1.2. Change the agreed scope of work or time frame for the delivery of services
 - 12.1.3. Impair the usefulness or lower the quality of service rendered by either party
 - 12.1.4. Any other situation or issue that can undermine the integrity of the service relationship

13. SERVICE VARIANCE MANAGEMENT

- 13.1. The parties commit to working together to refine their processes in order to avoid repetition of errors and service variances. In instances where recurring errors and service variance occur, they shall be reported to the responsible Project Manager within 10 working days to rectify the problem. Both parties agree to work together to resolve deficiencies in the service levels before raising formal disputes in terms of the formal dispute resolution mechanism.
- 13.2. Where parties disagree or fail to resolve an issue, the aggrieved party shall lodge a formal dispute with the office of the signatories of this MOU within 10 (ten) working days.

14. SETTLEMENT OF DISPUTES

- 14.1. Settlement

14.1.1. The parties shall negotiate amongst themselves in good faith with regards to any disputes between the parties.

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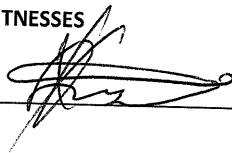
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15. SIGNATURE WARRANT

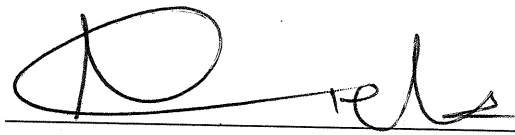
15.1. The person signing this agreement warrants that he/she has been duly authorised to do so.

Signed at SOMERSET WEST on this 22 day of JANUARY ¹⁰2016 in the presence of the undersigned witnesses.

WITNESSES

1  _____

2  _____

 _____

(for and on behalf of The Dhladhla Foundation)

15.2. The person signing this agreement warrants that he / she has been duly authorised to do so.

Signed at _____ on this _____ day of _____ 2015 in the presence of the undersigned witnesses.

WITNESSES

1 _____

2 _____

(for and on behalf of the Philippi Economic Development Initiative)