

**MEMORANDUM OF UNDERSTANDING BETWEEN THE MINISTRY OF  
SMALL SCALE INDUSTRIES OF INDIA AND THE NATIONAL AGENCY  
FOR SMALL AND MEDIUM-SIZED ENTERPRISES AND CO-OPERATIVES  
OF ROMANIA**

The Ministry of Small Scale Industries of India and the National Agency for Small and Medium-Sized Enterprises and Co-operatives of Romania, hereafter termed the "Parties";

With a view to promoting and developing the small and medium sized enterprises, as part of the economic policies set by the Government of India and the Government of Romania, in order to foster the potential of these enterprises and enhance their productivity and economic performance, in a globalised economy based on knowledge;

In order to promote modern technologies, quality management and development of human resources necessary to bring about growth of these enterprises and their competitiveness at both the national and international levels; and

In view of the need of harmonising the society with the in-depth transformations occurring in the economy, and with the requirements of the global market,

Have reached the following understanding:

**1. Objectives**

The Parties shall jointly promote the following objectives, in accordance with the legislation in force in the State of each Party:

**1.1 General Objectives**

To stimulate entrepreneurship and develop small and medium sized enterprises, (SMEs), both public and private.

To further initiate cooperation among the SMEs in the two countries, in consonance with the criteria of economic, financial and social efficiency as well as of environmental protection.

**1.2 Specific Objectives**

- (a) To stimulate co-operation amongst employer-owned/professional enterprises and organizations with a view to evolving and strengthening lasting economic relationships;
- (b) To train the human resources of public and private organisations involved in the development of SMEs;

(c) To work out, carry into effect and assess jointly programmes designed to expand business infrastructure and services targeted towards business incubators and centres and industrial parks;

(d) To foster SME co-operation in the sphere of innovation and technology transfers, in partnership with universities and research institutes;

(e) To develop SMEs in the rural areas, by preserving traditional arts, handicrafts and tourism;

(f) To increase SME incomes by facilitating their access to regional and international markets;

(g) To promote and facilitate business opportunities;

(h) To encourage SMEs to channelise their activities towards international trade and co-operation, by providing them with relevant information and by facilitating contacts and participation in trade delegations and international fairs; and

(i) To organize, promote and achieve jointly bilateral and international events involving SMEs.

## **2. Forms of Collaboration**

In order to attain the objectives contained in the present Memorandum, collaboration shall be conducted in the following forms, in compliance with the legislation in force in the State of each Party:

(a) Mutual support in the preparation and implementation of development programmes for SMEs.

(b) Mutual support in training human resources.

(c) Joint participation in preparing and taking up studies and analyses of common concerns.

(d) Joint participation in national and international events and fairs.

(e) Facilitating permanent link between the SMEs of India and Romania respectively, so that they may have access to the markets of the two States or of third States as well as to state-of-the-art technologies evolved in the two partner States.

### **3. Procedures of Collaboration and Execution**

- 3.1 Activities conducted under this Memorandum of Understanding shall be programmed by common agreement on objectives, responsibilities and necessary resources.
- 3.2 Implementation of this Memorandum of Understanding shall be coordinated by persons appointed by the two Parties, their tasks being to watch over the activities under way in the framework of the annual programmes and to act as liaison factors with the authorities of their respective States.
- 3.3 The two Parties have agreed to accept support from third parties, whether natural or legal persons residing in their two States or in third States, or from multinational corporations, provided it is in keeping with the goals and objectives of this Memorandum of Understanding.
- 3.4 For the purpose of carrying into effect this Memorandum of Understanding, the two Parties shall define the priorities and available tools thereof, in compliance with the legislation and rules of procedure prevailing in the States of each Party.

### **4. Joint Committee**

A joint committee, hereinafter referred to as the "Committee" shall monitor this Memorandum of Understanding (MoU).

- 4.1 The Committee shall be composed of representatives of National Agency for Small and Medium-Sized Enterprises and Co-operatives of Romania on the Romanian side and representatives of Ministry of Small Scale Industries on the Indian side.
- 4.2 The Committee would meet periodically for review, planning and oversight of specific activities and shall propose from time to time measures aiming at improving relations and partnership between the two countries.
- 4.3 The Committee shall meet in ordinary session in Romania and India alternatively, and in extraordinary session at the request of either party at any time when necessary.

### **5. Mutual Acknowledgements**

The Parties shall mutually acknowledge the contributions of the other Party in carrying out the provisions of this Memorandum of Understanding, more particularly those dwelling on courses, preparation of materials and initiation of activities involving SMEs, both in the national and international spheres.

**6. Other Activities**

In the above-mentioned fields, and under the provisions of the present Memorandum of Understanding, connected activities may be conducted, in the form of specific contracts or in any other forms of mutually advantageous collaboration.

**7. Entry into Force, Validity and Modification of the Memorandum**

7.1 The present Memorandum of Understanding shall enter into force on the date of the last notification regarding the fulfilment of the internal procedures under the legal stipulations of their respective States.

7.2 The present Memorandum of Understanding shall be valid for a period of 3 years. The Memorandum of Understanding shall be automatically extended for a further period of 3 years, if neither of the two Parties notifies in writing the other Party, at least 6 months in advance, its intention to terminate it.

7.3 Cessation of the present Memorandum of Understanding shall not impair projects already commenced under its provisions, until their implementation has been completed.

7.4 The present Memorandum of Understanding may be modified by agreement of the two Parties. The modifications shall be included in an Addendum, which shall form an integral part of the Memorandum of Understanding. The modifications shall enter into force in accordance with the procedure stipulated in Paragraph 1 of this Article.

The undersigned have signed in good faith, the present Memorandum of Understanding on the 25<sup>th</sup> day of the month of October in the year 2006 in two original copies, in English, Hindi and Romanian languages, all texts being equally authentic. In case of any divergence of interpretation, the English text will prevail.

**For  
Ministry of Small Scale Industries of  
India**

**For  
National Agency for Small and  
Medium-Sized Enterprises and  
Co-operatives of Romania**