

**Government of Himachal Pradesh**  
**Department of Agriculture**

Modified Document for promotion of organic farming – Area Expansion & organic certification in the state

**Annexure A**

**Guidelines for selection of service provider and signing of agreement**

**1 Background**

- 1.1 Service provider has to play active role in organic agriculture adoption and certification by providing services regarding selection, motivation, registration of farmers, transfer of technology, internal control system (ICS), on farm organic input production and marketing linkage.
- 1.2 For the purpose of organic agriculture, NGOs/societies/farmer groups /companies may act as service provider.
- 1.3 State organic farming policy vide Para 6.5.4 envisages for creation of local service providers to ensure ICS, Input supplies, skill development of farmers. As practicing organic farmers have been organized in to societies and necessary training has been imparted to them through departmental organic farming projects, these societies so formed under organic farming projects of the department will also be involved as service provider on priority, in implementation of organic farming projects.
- 1.4 Service provider will act as facilitator and not as operator. However Societies formed under State Organic Farming programme can also act as operator in their local area only i.e. Development block.

**2 Scope**

- 2.1 In principle all farmers can be covered under group certification. Farmers are to be organized into group as per requirement of certification. Objective is to reduce cost of certification without compromising quality. Selection of certification agency shall be done purely as per advice of department of agriculture and the service provider shall not engage any agency at their own.

### 3 Eligible Agencies

- 3.1 The service provider may be state government agencies, Societies, SAUs, KVKs, NGOs, private agencies/companies. Preference will be given to local organic farming societies formed under State Organic farming projects.

### 4 Qualification and experience

- 4.1 Must be familiar with the principles of organic agriculture.
- 4.2 Must be familiar with internal control system and efficient in documentation.
- 4.3 Must have one agriculture graduate trained in organic agriculture/ inspection and certification or 5 practicing organic farmers as office bearers who hold valid scope certificate under NPOP.
- 4.4 Must have knowledge of local culture and dialect.
- 4.5 Must be knowledgeable in local resource management/ inputs/ITKs.
- 4.6 Knowledge of marketing of organic produce and must not have conflicts of interest.

### 5 Role and responsibility of service provider

- 5.1 Service provider will identify the area and motivate the farmers to adopt organic farming and will prepare map of the selected area and for individual farms.
- 5.2 Farmers of area selected will be organized in to group keeping in view the contiguity of area and requirement of group certification.
- 5.3 Groups so formed will be organized in to registered society block wise or contiguous area wise. Society so formed will be responsible for management of organic programme from second year and will work with service provider right from beginning of programme.
- 5.4 *For sustainability, each member of the society i.e. organic farmer will contribute minimum @ Rs 10 per month up to one bigha. Rs 10 will be added for each bigha or fraction and maximum amount will be Rs 125/bigha per month. Necessary provision is to be made in society byelaws as well in ICS manual. Society may devise suitable method of fee collection under proper receipt but frequency of collection should not be more than 3 months. Expenditure norms may also be decided by the society vetted by general house. Annual social audit is to be performed by the general house for ensuring transparency.***

- 5.5 Service provider and society will develop ICS manual of society for organic agriculture.
- 5.6 Society will identify the resource persons from the member groups – atleast one from each member group, who will act as field supervisor, ICS inspectors, input managers, store/stock manager, marketing manager etc. as defined in the manual.
- 5.7 Society formed will act as operator and service provider will provide hands on training to the selected members of society and capacity building of society for organic agriculture as per role decided i.e. field supervisor, ICS inspectors, input handlers etc.
- 5.8 Service provider will provide training to resource persons as identified by society.
- 5.9 Service provider will provide training to farmers on concept of organic agriculture, on farm input preparation, do's and don'ts in organic agriculture, NPOP, NOP standards and minimum one training per season per group will be organized. For the purpose of training one or more groups of contiguous area can be clubbed and minimum 50% of group members should attend the training.
- 5.10 Farmers of group will be registered with society as organic grower and will follow the manual of society. New farmers in same area/block are to be linked to existing society. For the purpose of ICS, they may be added to existing ICS group indicating their organic status or new ICS group can be formed. But all groups in a block shall be linked to society.
- 5.11 Name of society will be the name of ICS group. If there are more than one ICS group, numbering system or year may be used to differentiate the ICS groups.
- 5.12 Service provider will ensure submission of application packet to certification body through society. For the purpose, resource persons of society will be trained.
- 5.13 As organic system plan (OSP) is to be prepared yearly well before beginning of crop season, service provider will facilitate and ensure preparation and submission of OSP timely.
- 5.14 Service provider will impart training to resource group as selected by society and will facilitate filling of farmer diary, preparation of ICS document, Internal audit, submission of document to certification body, conduct of external audit and any other document required for the purpose by certification body or any other related agency. Farm diaries will be designed

- and supplied by service provider and individual farmer field map will be ensured on each diary.
- 5.15 Service provider will ensure data entry on TRACENET and will impart training to resource group on the aspect.
  - 5.16 Society may select resource persons from members of group which are likely to stay in village/area and likely will not move for any job outside. Women folk of the area can be best suitable resource persons as are actively participating in agriculture activities.
  - 5.17 Service provider will provide assistance in grading, packaging, labeling, storage and marketing of organic produce.
  - 5.18 Service provider will prepare farm inspection check list and notes on training to farmers.
  - 5.19 Service provider will ensure documented purchase system with sample of all documents for off farm inputs including receipt and exit details in/from store.
  - 5.20 Service provider will prepare basic questionnaire including last use of prohibited inputs and ensure its availability to CB at the time of inspection.
  - 5.21 Service provider will ensure display of signboard in each ICS group. Subject matter to be approved by competent authority.

## **6 Terms and conditions**

- 6.1 Service provider should have atleast three years experience of working in the field of organic agriculture and certification authenticated by copy of last scope certificates issued by accredited certification body. Progress of last project handled indicating date of signing the MoU, duration of project, date of completion of work and end result with documentary evidence is to be submitted..
- 6.2 Service provider will submit date on which agency came in to existence and started work of organic agriculture and certification. Total volume of ICS conducted i.e. number of farmers and area certified/ under conversion with documentary evidence.
- 6.3 Service provider should have an experience and expertise on the new requirement of TRACENET launched by APEDA as a tool for traceability through online data entry.
- 6.4 A profile of organization with details of technical manpower and past performance/experience of project implementation.
- 6.5 Service provider has to set up a project office in the state with required manpower.

- 6.6 Applicable income tax/GST has to be paid by the service provider and certificate in this regard has to be submitted by service provider annually before release of last annual installment.
- 6.7 Funds for the work awarded shall be released by the work awarding authority subject to completion of job assigned and no advance shall be admissible.
- 6.8 **During second year project is to be handed over to the society formed or existing society who will run the project with the help of service provider (Not applicable if society itself is a service provider). Funds shall be released after handing over of project, submission of complete progress report for the previous year and submission of Utilisation certificate during second and third year.**
- 6.9 During third year, complete project report for three years has to be submitted before release of final installment and UC has to be submitted within one month of release of final payment.
- 6.10 Service provider shall furnish bank guarantee @ Rs 5000/ ha. from scheduled bank **before release of first installment by funding agency**, valid for a period of 42 months. **Rate will be Rs 100/ha for local societies formed under state organic farming projects.**
- 6.11 Entire project shall be monitored by concerned officers of the department from time to time. The job should meet the prescribed standards and if found substandard necessary appropriate action shall be initiated which may lead to hold payment till it is rectified/ corrected. The service provider should submit its report every month in compulsory monthly meetings. Record shall be submitted in duplicate to block SMS who will forward it to district authorities after verification.
- 6.12 The department is also entitled to rescind the agreement in the event of service provider infringing the terms and conditions of agreement and in that eventuality, department shall be entitled to encash the bank guarantee furnished by the service provider and appropriate the proceeds thereof under intimation to the service provider. Besides this service provider shall also be liable to compensate the department/farmers for the losses which may be suffered, incurred, undergone and or sustained by the department due to infringement of terms and conditions of the agreement by the service provider. In such case the department shall be at liberty to allot the work for remaining period to other service provider.
- 6.13 The courts of Himachal Pradesh shall have the jurisdiction in case of any dispute arising between the parties in respect of interpretation of agreement as well as to the implementation of the programme of project.

## MODEL AGREEMENT

This agreement for internal control system and certification is signed on (date) for the period of three years for organic programme in District ( ) under ( scheme) amongst:-

Department of Agriculture, Government of Himachal Pradesh through the Deputy Director Agriculture District ( ) here after called "First Party "expression, unless repugnant to the context a meaning thereof, shall includes its successor(s) or permitted assigned,

AND

M/S (Service provider with complete address) registered under ( Act ) with registration number through (Name and address of authority on behalf of service provider)) here after called "Second Party" which expression, unless repugnant to the context a meaning thereof, shall includes its successor(s) or permitted assigned,

Where as the first party on the basis of experience, past performance and manpower availability and their qualification with service provider, has been allocated ha area of land for organic certification.

### NOW THEREFORE THE PARTIES HERETO HAVE AGREED TO THE FOLLOWING TERMS AND CONDITIONS

The second party shall implement the project through its trained manpower by identifying the area with the help of field staff of department of Agriculture where the project shall be implemented, organize farmers of the area in to groups and block wise / area wise society, identify resource persons from groups/society, provide hands on training to these resource persons in all aspects of organic certification step by step to make society effective entrepreneur. The service provider shall implement the project through step by step process viz. organic adoption and organic certification.

### ORGANIC ADOPTION :

#### **First Party**

50 % of total expenditure will be paid to the second party on account of various activities enlisted for organic adoption. Service provider or farmers will bear the balance 50% expenditure. Payments shall be released in three years in the ratio of 40:30:30. Release of payment shall be exclusively against work/job completion and no advance shall be admissible. Maximum release per year will not exceed the norms fixed i.e. 40% of total during first year, 30% during second year and 30% during last year.

## Second party

Second party will undertake following activities in the selected area and will be eligible for 50% assistance on account of expenditure incurred on these activities as per norms subject to production of bills and relevant documents.

1 *Base line survey (cost norm Rs 3000/ ha, 50% assistance eligible is Rs 1500/ha). Activity is to be completed during first crop season of the project.*

a. Primary data collection

- i. Identification of area.
- ii. Village level meetings regarding the programme.
- iii. Selection of village, farmers and area.
- iv. Organisation farmers in to groups and groups in to society.
- v. Registration of farmers.
- vi. Farmers agreement.

b. *Secondary Data collection*

- i. Collection of revenue records of selected village/area and farmers selected.
  - ii. **Existing Cropping pattern and proposed cropping pattern of the area/group.**
  - iii. **Existing marketable surplus and expected marketable surplus as per proposed cropping pattern.**
  - iv. Label of Inputs being used by the farmer.
  - v. Basic facilities available with the farmers with respect to organic farming.
  - vi. Soil fertility status. Soil sample collection and issue of soil health cards.
  - vii. Interventions required i.e. construction of compost pits, infrastructure for biological/botanical preparations, change in cropping pattern etc.
- c. Preparation of village map depicting organic area of individual farmer and high risk area due to drift from conventional farms and buffer zones.
- d. Preparation of individual farm map depicting crop rotation and buffer zones.

*Service provider will submit compiled report analyzing all above points to first party along with copy of overview map, group wise list of farmers selected, their total acreage & area under organic, list of group management with contact numbers etc. while claiming reimbursement for the activity. First party will release the payment as per norms after receipt of these documents. SMS agriculture of concerned block will verify the detailed documents like agreement,*

registration forms, revenue records collected, meetings record, survey formats etc. and will record certificate regarding verification. Representative of Service provider will ensure production of record for inspection to the SMS. Copies of these records need not to be attached. Record shall remain in possession of service provider. Farmers participation in survey may be accounted as 50% contribution.

**2 Farmer meetings and orientation (cost norm Rs 1000/ha 50% assistance eligible is Rs 500/ha)**

**Activity is to be completed during first season of the project.**

- a. 100% selected farmers to be covered
- b. Issue of farm diary to all farmers
- c. Issue of documents to all members of the group- each member of group will be supplied with docket preferably in hindi language containing:
  - i. Copy of IQS manual,
  - ii. NSOP document and amendments from time to time till project period (Group level only)
  - iii. Definition of production unit.
  - iv. Farm entrance form
  - v. Package of practices.
  - vi. Description of steps involved in organic farming right from sowing to harvesting, cleaning, storage, packing, labeling and marketing, copy of agreement between service provider, society and farmer.
  - vii. Annual farm inspection checklist.
  - viii. Information on training process and farm advisory.

Service provider will submit copy of sample documents, copy of meeting attendance and copy of material distribution list (Receipt of farmer) to first party along with claim for reimbursement, verified by SMS block. First party will release the payment after receipt of verified documents to second party as per norms. Farmer's participation in the meetings will be accounted as 50% contribution.

**3 Farmer Trainings ( cost norms Rs 5000/ha, 50% assistance eligible is Rs 2500/ha)**

*These trainings\* will organised by service provider at cluster level of two days duration. Minimum **two farmers per hectare\*\*** will be covered. Cost of training two farmers for two days*



@ Rs 250 per day will be Rs 1000/ha. Five trainings will be organised at cluster level during project period with total cost of Rs 5000/ha. Funding norms will be Rs 250/farmer/day\*\*\*. This will include working lunch, tea, stationery, literature, inputs, Honorarium etc. Service provider will submit list of farmers attending the training, brief note on training imparted, list of resource persons and summary of expenditure for reimbursement. Department will reimburse the amount as per norms. Suggestive list of training topics is as follows:

- a. Organic crop production techniques.
- b. On farm input production and judicious use of natural resources.
- c. Pest and disease management by organic methods.
- d. Post harvest management,
- e. Packaging & labeling

**\*One session for practical training is mandatory. Learning by doing strategy may be followed. Training programmes are to be completed by end of second year.**

**\*\*Applicable if ratio of area covered and farmers is 1:2. If it is less than 1:2, actual no. of farmers may be covered. Savings if any can be used for supply of basic inputs and would be over and above approved norms/ha.**

**\*\*\*Farmer's presence in the training may be considered as 50 % share.**

**4 Popularisation of basic organic inputs ( cost norms Rs 6000/ha, 50% assistance eligible is Rs 3000/ha)**

Biofertiliser, biopesticides, traps, botanical pesticides/preparations, organic fertilizers etc. as per provisions in NSOP. Inputs amounting to Rs 2000/ ha will be supplied during each year in two season i.e. Rs 1000/ season. **Approved inputs (Liquid formulations of biofertilisers/bio-pesticides may be preferred if available ) will be arranged and supplied by farmer group/society formed, with the help of department/service provider. Labour cost in treatment and application will be borne by farmers as 50% share. Society/ group will submit list of farmers to whom material was provided along with copy of bill for reimbursement of expenditure as per norms.**

**5 Farm facilities for inputs generation & onfarm input production (cost norms Rs 3000/ha, 50% assistance eligible is Rs 1500/ha) Assistance @ Rs 1000/ ha. will be provided.**

Activity is to be completed in the first year. Incentive is meant for small infrastructure required for production of on farm inputs like vessels/pitchers for vermiwash production, portable tanks for herbal preparations, tanks/tubs for compost tea production etc. **Infrastructure Inputs will**

*be arranged and supplied by farmer group/society formed, with the help of department/service provider. Infrastructure cost is to be paid from project funds where as materials for input generation will be arranged by farmer as 50% share. Society/ group will submit list of farmers to whom material was provided along with copy of bill for reimbursement of expenditure as per norms.*

**6 Administrative cost to service provider and society (cost norm Rs 2000/ha, 50% assistance eligible is Rs 1000/ha)**

Administrative cost is admissible to service provider and society for three years. It will be shared by service provider and society in the ratio of 50:50. Administration cost shall be admissible during second and third year. Conversion of farmers to organic will be accounted for as 50% share).

**Above component wise allocations are indicative however as per field situation the district officers are allowed inter component reappropriation to the extent up to 20%.**

**7 Mode of payment**

50% of total expenditure will be paid by the department as assistance and balance 50% is to be borne by farmers and service provider. Payment schedule will be as under:

**First year**

Activity	Cost norm/ha (Rs)	Total cost eligible/ha during 1 <sup>st</sup> yr. (Rs)	50% assistance admissible (Rs)	Remarks
Base line survey	3000	3000	1500	After submission of baseline survey report
i) Farmer meeting & orientation	1000	1000	500	After submission of records
ii) Facilities for input generation	3000	3000	1500	After submission of distribution lists and bills as per schedule
Farmer training 1 <sup>st</sup>	5000	1000	500	After submission of training records
Total		8000	4000	

## Second year

Activity	Cost norm/ha (Rs)	Total cost eligible/ha during 2 <sup>nd</sup> yr. (Rs)	50% assistance admissible (Rs)	Remarks
i) popularization of basic organic inputs- 1 <sup>st</sup> season	6000	1500	750	After submission of distribution lists and bills
ii) Farmer training- 2 <sup>nd</sup>	5000	1000	500	After submission of training records
Farmer training 3 <sup>rd</sup>	5000	1000	500	After submission of training records
i) Popularisation of basic organic inputs- 2 <sup>nd</sup> season	6000	1500	750	After submission of distribution lists and bills
ii) Adm. Exp.	2000	1000	500	On completion of two year activities
Total		6000	3000	

## Third Year

Activity	Cost norm/ha (Rs)	Total cost eligible/ha during 3 <sup>rd</sup> yr. (Rs)	50% assistance admissible (Rs)	Remarks
i) Popularisation of basic organic inputs-3 <sup>rd</sup> season	6000	1500	750	After submission of distribution lists and bills
ii) Farmer training-4 <sup>th</sup>	5000	1000	500	After submission of training records
i) Farmer training 5 <sup>th</sup>	5000	1000	500	After submission of training records
i) Popularisation of basic organic inputs-4 <sup>th</sup> season	6000	1500	750	After submission of distribution lists and bills
ii) Adm. Exp.	2000	1000	500	On completion of third year activities
Total		6000	3000	

## ORGANIC CERTIFICATION

- 1 Service provider will act as team leader of internal control system during first year and society formed during second year onwards and will maintain liaison with certification agencies by coordinating internal inspection and external inspection.
- 2 That the service provider shall open local office, employ trained manpower, maintain records and make available all information related with the project as and when required.
- 3 Signboards should be displayed in each ICS cluster.
- 4 Farmers of contiguous area preferably panchayat wise should be organized in to organic grower groups. Group committee should be formed at group level to support farmers for record maintenance. These groups are to be organized in to society. Society so formed will act as operator.
- 5 Qualified personnel will be identified from society/groups and will be trained in ICS, data base management, requirement of NPOP (NSOP) etc. Separate training programmes are to be organized on each topic. List of personnel identified and trained is to be submitted to first party.
- 6 That the service provider shall on the basis of soil testing and on the basis of available farm wastes, prepare suitable technology package and shall disseminate to farmers so that their input management for soil fertility can be met from on farm itself.
- 7 That the service provider shall coordinate with the officials of department to ensure timely and quality construction of compost pits in the ICS villages and train farmers on manure production locally.
- 8 That the service provider shall design farm diary as per international norms which will contain all details about farmers, agriculture operations, including cattle. The said farm diary shall be maintained and updated with the help of field supervisor from society.
- 9 That the service provider shall design internal quality control system manual in Hindi and English as per NPOP, NOP standards.
- 10 **Internal Control System:** Internal Control System is integral part of organic certification and is basis for external audit by certification agency. ICS is to be established in participatory mode (Beneficiary participation) for sustainability and capacity building of farmers is essential.

- a. **Training:** (Cost norm Rs 950/ha)

**Certification:**

Training will be provided on organic certification, documentation and ICS by service provider. Cost norms will be Rs 250/farmer/day. These training will be organised at cluster level. Cost of training will include working lunch tea, honorarium to resource persons, literature, stationery etc. Component wise cost may be approved by concerned Deputy Director of Agriculture. Duration of training will be three days and one farmer for every 5 ha will be covered. One day may be kept for practical session in the field. Expenditure norm will be @ Rs 150/ha.

**Organic production:**

Module of training will be decided by HPKV. Selected farmers will be provided trainings at HPKV Palampur or KVKs of HPKV having required expertise. Total Duration of training will be four days including two journey days. Cost norm will be Rs 400/farmer/day. Approximately **one farmer per 2 ha** will be trained. Service provider will ensure participation of farmers from selected clusters and Department will ensure slots for training in university. Funds will be released to university by department. Expenditure on one farmer for 4 days @ Rs 400/day is Rs 1600. It is proposed to train one farmer per two hectare so cost for one hectare is Rs 800/

- b. **Setting up of Cluster and monitoring:** (Cost Norm Rs 2500/ha/for 3 years)

- i) Cluster of minimum 50 ha will be established and farmers will be organised in to groups. Group committee may be constituted to run day to day affairs.
- ii) **While selecting cluster/area it is mandatory to have marketable surplus in the area selected. On the basis of potential of the area selected and market demand, Cropping plan of the area will be formulated and to be submitted to the department. Cropping will be approved by the department and only after approval of cropping plan, other activities will be implemented. This will be the guiding document for marketing plan of the area and extension technology will be focused to implement the Plan. Cropping plan may be submitted along with basic survey report within three months of signing of MoU.**
- iii) For different type of trainings group committee and service provider will nominate active farmers. These groups formed will be further linked to existing

organic farming society of the block or if block level society do not exist, **society has to be formed within six months of signing of MoU.**

- iv) Name of society will be the name of ICS giving suitable identification to existing ICS groups in the society. If feasible new groups can be added to previous ICS with suitable organic status identity. For the purpose maximum number of farmers in the ICS and land holding of big farmers will be the consideration.
  - v) **First ICS report has to be submitted to department and Certification body within six months of signing of MoU.**
  - vi) Cost of setting up and monitoring will be released to service provider after submission of summary report per season. Report will include farmer wise land holding, area under organic , crops grown in organic area with acreage, GPS coordinates, estimated production, last date of use of prohibited inputs, organic inputs used etc. Cost norm is Rs 2500/ha. for three years and will be released in the ratio of 30:30:40 i.e Rs 750/ha during first and second year and Rs 1000/ ha during third year. **10% of the cost has to be reimbursed to society by the service provider in lieu of work done by selected members of society on annual basis.**
- c. **Documentation: (Cost norm Rs 2500/ for 3 y ears)** Documentation required for certification process has to be completed by Group under the guidance of service provider. Persons as field supervisors, internal inspectors, reviewer etc. as per requirement are to be selected by Group/society and service provider. These selected personnel will complete the documentation and service provider will provide hands on training to these personals. However it is the responsibility of service provider to complete the process as per schedule. Society may fix honorarium for the personals selected for documentation from their own funds to be collected as membership/programme fee. Cost of documentation will be reimbursed to service provider in the ratio of 30:30:40 in three years. **10% of the cost has to be reimbursed to society by the service provider in lieu of work done by selected members of society on annual basis.** For release of payment, service provider will submit summary of internal audit report to concerned Deputy Director. This report is different from report as per para (b), as it is validation of ICS summary. Internal Inspector will validate the data collected by field supervisor, package of practices being followed, provisions of ICS manual being followed or not, any non compliances etc. An additional report intimating

list of farmers recommended for external audit and list of sanctioned farmers has also to be submitted by approval authority. If there are NCs action taken report is also required. After submission of these documents, DDA will release the payment to service provider.

- d. **Data base management:** Cost Norm Rs 150/ for three years) Cost of data base management will be reimbursed to service provider @ Rs 50/ha/year or Rs 25/ha/season. Season wise data of ICS summary report and Internal inspection report has to be uploaded on TRACENET as per requirement of system. **Print out of uploaded data has to be submitted to concerned Deputy Director of Agriculture for release of payment.** Deputy Director of Agriculture may release the payment after submission of hard copy of data uploaded. Further information can be cross checked by logging in into web site through password provided to service provider by TRACENET.
- e. **Administrative cost:** Administrative cost of Rs 900/ ha will be allowed to service provider on account of services provided. This will be released subject to completion of all annual activities @ Rs 300/ year.

***Note: Report as per para b,c and d are season based and are to be submitted season wise for release of payment.***

- 11 The entire project shall be monitored by the concerned officers of the department from time to time. They should be involved in every activity and preferably monthly action plan may be submitted to block as well as district headquarter so as to facilitate attending the programme and monitoring. The job should meet the prescribed standards and if found substandard necessary appropriate action shall be initiated which may lead to hold payment till it is rectified / corrected. The service provider has to submit progress report monthly and attend monthly meetings compulsory.
- 12 That the total duration of the project is three years and service provider shall provide its services for the three years of the project.
- 13 Service provider will ensure linkage of organic grower society with domestic and international companies for procurement of organic produce from organic society.
- 14 First party will release payment in three years in the ratio of 30:30:40 to service provider.
- 15 Selection of certification agency shall be done purely as per advice of department of agriculture and the service provider shall not engage any agency at their own.
- 16 ***On account of work done by society through their resource persons, service provider will pay 10% of total allocation under component 'b' and 'c' of point number 10 to society as***

- honorarium at the end of year annually.*** Society will use 75% of this amount as honorarium to resource persons to be fixed in ICS manual and 25% for society affairs.
- 17 The service provider should ensure issue of scope certificate after completion of internal audit each year. In case too many non compliances are there after external audit, the payment shall be stopped till the NCs are cleared and scope certificate is issued.
- 18 That time being the essence in this project, the service provider shall implement the project according to the schedule and shall not in any case seek extension of time for completion of project. Delay shall be accounted for as infringement of terms and condition and penalty clause shall be invoked.
- 19 Service provider shall follow all guidelines, role & responsibility of service provider, qualification and experience and terms and conditions attached as annexure "A" for the purpose of this project and will be considered part of the agreement.
- 20 The department is also entitled to rescind the agreement in the event of service provider infringing the terms and conditions of agreement and in that eventuality, department shall be entitled to encash the bank guarantee furnished by the service provider and appropriate the proceeds thereof under intimation to the service provider. Besides the service provider shall also be liable to compensate the department/farmers for the losses which may be suffered, incurred, undergone and or sustained by the department due to infringement of terms and conditions of the agreement by the service provider. In such case the department shall be at liberty to allot the work for remaining period to other service provider.
- 21 The courts of Himachal Pradesh shall have the jurisdiction in case of any dispute arising between the parties in respect of interpretation of agreement as well as to the implementation of the programme of project.

In the witness thereof, the parties hereto have caused their presence to be signed and delivered by their dully authorized representatives today i.e.( date)

For and on behalf of  First Party	For and on behalf of
Witness	Witness



## **Annexure B**

### **Guidelines for selection of certification body and signing of agreement**

#### **1 Background**

- 1.1 Certification of farms/ farmers under organic farming, is essential for wide acceptability of produce. Thus farms/farmers registered under organic agriculture are to be certified and accredited agencies are to be engaged for the purpose. Minimum 50% of the certification work is to be assigned to the certification body accredited for the state.

#### **2 Scope**

- 2.1 In principle all farmers covered under organic farming are to be certified as per NPOP standards.

#### **3 Eligible Agencies**

- 3.1 Certification agencies accredited by APEDA having NPOP, accreditation status. Minimum 50% of the certification work is to be assigned to the certification body accredited in the state (50% of total area in the state during the year).

#### **4 Qualification and experience**

- 4.1 Agency should have experience of cluster/ group certification under NPOP, Govt. of India.
- 4.2 Agency should have experience and expertise on requirement of tracenet launched by APEDA .

#### **5 Role and responsibility of certification Agency.**

- 5.1 Certification agency will undertake certification of farms of grower groups clusters/societies. These groups/ clusters/societies will be organized by department with the help of service providers and necessary information shall be provided by department/service provider through grower group / society/ service provider. Only grower groups/ societies will work as operator and **in no case service provider will be registered as operator.**

#### **6 Terms and conditions**

- 6.1 Valid APEDA Accreditation.
- 6.2 Valid NPOP, NOP accreditation status (Direct or third party arrangement)
- 6.3 Minimum five years working experience in the state. Certification body accredited in the state is exempted.
- 6.4 Number of auditors and their qualification along with work experience as per accreditation rules.
- 6.5 Knowledge of local culture and dialect.
- 6.6 Certification will continue for three years.
- 6.7 Applicable income tax/GST has to be paid by the service provider and certificate in this regard has to be submitted by service provider annually before release of last annual installment.
- 6.8 Service provider shall furnish bank guarantee @ Rs 500/ha from scheduled bank valid for a period of 42 months.

## **7 Mode of payment**

Funds amounting to Rs 3000/ha shall be paid to certification body for three years i.e. Rs 1000/ha/year. Payments shall be released in two installments per year. First installment to the tune of 50% for first year will be paid after submission of inspection/audit schedule to department and operator. Second installment for the year will be released after completion of external audit, submission of audit report, and issuance of scope certificate in triplicate i.e. one copy each to operator, SMS block and district head. Payment shall be released for subsequent years in similar pattern. Bill of payment will be submitted to operator and operator after authentication will forward it to concerned authority for payment through SMS block. Authority will make payment to certification agency under intimation to service provider/ operator.

## MODEL AGREEMENT

This agreement for organic certification is signed on (date) for the period of three years for organic programme in District ( ) under ( scheme) amongst:-

Department of Agriculture, Government of Himachal Pradesh through the Deputy Director Agriculture District ( ) here after called "First Party "expression, unless repugnant to the context a meaning thereof, shall includes its successor(s) or permitted assigned,

AND

M/S (certification agency) through (Name and address of authority on behalf of certification agency) here after called "Second Party" which expression, unless repugnant to the context a meaning thereof, shall includes its successor(s) or permitted assigned,

Where as the first party on the basis of experience, past performance and manpower availability and their qualification with certification agency, has allocated ha area of land for organic certification to second party.

Where as the rate of Rs 3000/ ha for three years offered by first party was accepted by second party.

NOW THEREFORE THE PARTIES HERETO HAVE AGREED TO THE FOLLOWING TERMS AND CONDITIONS

1. The certification agency as per standards carries out inspection on or before the due inspection date as per requirements of the applicable standards (NPOP). If required certification agency may carry more than one inspection.
2. The certification agency will conduct the inspections on mutually agreed dates with the operator/service provider. The cancellation of the inspection visit by any of the parties is possible only under exceptional circumstances with the valid reasons.
3. Second party will help in capacity building of departmental staff and groups so as to take up certification in future timely. It will include complete calendar of events during the year and requirements for certification including data base management. Department will meet financial expenditure and Certification body will provide resource persons free of cost. **CB will not organize capacity building programme at its own but will provide resource persons free of cost for one day with mutual consent as and when demanded by the department once in a year per district.**
4. Certification body will also update the operator and department about latest amendments in certification procedure/standards/rules.
5. The certification agency reserves the right to conduct inspections without informing the operator as surprise check.
6. The certification agency after satisfying the ICS job executed by operator/service provider and completing all formalities will issue scope certificate as per prescribed rules of APEDA.
7. The first party shall pay certification fee of Rs 1000/ha for three years (Rs 1000/ha/year). First installment after submission of audit schedule and second after submission of audit report and

issuance of scope certificate. Payment for second and third year shall be released on similar pattern subject to submission of utilization certificate for previous year.

8. Applicable income tax/GST has to be paid by the certification agency and certificate in this regard has to be submitted by service provider annually before release of last annual installment.
9. Certification agency shall furnish bank guarantee @ Rs 500/ha from scheduled bank valid for a period of 42 months, before release of first installment.
10. The entire project shall be monitored by the concerned officers of the department from time to time. The job should meet the prescribed standards and if found substandard necessary appropriate action shall be initiated which may lead to hold payment till it is rectified / corrected.
11. That the total duration of the project is three years and certification agency shall provide its services for the three years of the project.
12. Service provider shall follow all guidelines, role & responsibility of service provider, qualification and experience and terms and conditions attached as annexure "B" for the purpose of this project and will be considered part of the agreement.
13. The department is also entitled to rescind the agreement in the event of certification agency infringing the terms and conditions of agreement and in that eventuality, department shall be entitled to encash the bank guarantee furnished by the certification agency and appropriate the proceeds thereof under intimation to the certification agency. Besides this certification agency shall also be liable to compensate the department/farmers for the losses which may be suffered, incurred, undergone and or sustained by the department due to infringement of terms and conditions of the agreement by the certification agency. In such case the department shall be at liberty to allot the work for remaining period to other certification agency.
14. The courts of Himachal Pradesh shall have the jurisdiction in case of any dispute arising between the parties in respect of interpretation of agreement as well as to the implementation of the programme of project.

In the witness thereof, the parties hereto have caused their presence to be signed and delivered by their duly authorized representatives today i.e.( date)

For and on behalf of  First Party	For and on behalf of
Witness	Witness