File No.2 (1011)NGO/EAD/2021
GOVERNMENT OF PAKISTAN
MINISTRY OF ECONOMIC AFFAIRS

Section Officer(INGOs/NGOs)
Phone: 051-9216821

Islamabad, the 8th November, 2021

SUBJECT:- **SIGNING OF MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN GOVERNMENT OF PAKISTAN AND M/S GENERATING EMPLOYMENT ALTERNATIVES FOR SELF RELIANCE-GEAR**

Dear Sir,

This is to inform you that that the Government of Pakistan is pleased to register and sign MoU with M/S Generating Employment Alternatives for Self Reliance-GEAR for a period upto 7th **November, 2023** for the project **"Self-Employment"** located in **Karachi** with the following conditions;

i. Annual Action Plan (APA) of every new Activity/Project involving foreign funding will be required to be submitted to EAD along with the Project and Financing Agreement with the Donor/INGO well in time before commencing the project
ii. Organization will seek concurrence of EAD if it changes its thematic area of working and expands geographical location of its activities other than that given in the signed MoU.
iii. Organization will work with registered INGOs.
iv. Not to use controversial terms like "Peace & Conflict Resolution, IDPs etc in your annual reports or any other Documents/Correspondence/Agreements.
v. Organization will not employ any individual of Indian and Israeli nationality/origin.
vi. The organization will declare to the Government all foreign contributions, along with the terms and conditions of those contributions, as well as details of all bank accounts maintained by it. The organization will maintain accounts under internationally recognized accounting standards, get these accounts audited on an annual basis by a registered Chartered Accountancy firm and will provide to the Government a copy of the audited annual statements, alongwith a certificate from the Auditors to the effect that the foreign contributions have been utilized for the objectives of the organization as specified in the MOU.
vii. Organization shall receive foreign contributions through banking channel only. However, while doing so, it will have to comply with the Anti Money Laundering and other relevant rules as per applicable in Pakistan
viii. Limit your work to concrete socio-economic activities.
ix. **NGO will not indulge in any advocacy related activity during project execution.**
x. **NOC for current project only; completion report will be forwarded by NGO to EAD.**
xi. **No deviation from stated project and location without security clearance from EAD.**

2. Duly signed MoU, in original, is enclosed herewith.

With regards,

(Abdullah Jan)

Mr. Ekhlaque Ahmed
Chairman
M/S Generating Employment Alternative For Self Reliance
1st Floor, Dime Centre, BC-4, Block-9, Clifton
Karachi

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MEMORANDUM OF UNDERSTANDING
BETWEEN
THE GOVERNMENT OF ISLAMIC REPUBLIC OF PAKISTAN
AND
Generating Employment Alternatives for Self Reliance (GEAR)

This MOU is made between the Government of Pakistan through the Economic Affairs Division, (hereinafter referred to as "the Government") and Generating Employment Alternatives for Self Reliance (GEAR) (hereinafter referred to as "the Organization"), a not-for-profit organization registered under Office of the Sub Registrar Clifton Town, Karachi and office at Room No.336, 3rd Floor HBL Building City Campus, Institute of Business Administration, Garden/Kiyani Shaheed Road, Karachi.

Whereas the Organization **Generating Employment Alternatives for Self Reliance (GEAR)** desires to undertake work for the project **"Self-Employment"** located in **Karachi** and for this purpose has submitted an application for registration accompanied by requisite documentary information. Now, the Government is pleased to allow the organization to carry out its work on the following conditions:-

1. This MOU shall be governed by laws and policies of the Government of Pakistan.

2. **The Government may**:

   2.1. Allow **Generating Employment Alternatives for Self Reliance (GEAR)** to receive foreign contributions including funds, materials and services, emanating from declared sources, through legal channels, subject to reporting requirements.

   2.2. Allow **Generating Employment Alternatives for Self Reliance (GEAR)** to open, maintain and operate accounts for the execution of its work.

   Provided that for opening and operating foreign currency accounts, **Generating Employment Alternatives for Self Reliance (GEAR)** *shall seek permission of the State Bank of Pakistan, under the applicable law and rules;*

   2.3. Allow **Generating Employment Alternatives for Self Reliance (GEAR)** to maintain its Room No.336, 3rd Floor HBL Building City Campus, Institute of Business Administration, Garden/Kiyani Shaheed Road, Karachi and to open other offices, if required, with prior written approval of the Government, subject to the concurrence of the Provincial Government / local government and compliance with applicable law / rules.

3. **Import / Tax Regulations**

   3.1. The **Generating Employment Alternatives for Self Reliance (GEAR)** may avail 100% tax credit subject to the provisions of the Section 100C and approval of the Commissioner Inland Revenue concerned, under Section 2(36) of the Income Tax Ordinance 2001.

4. **Obligations of the Organization**

   The Organization shall:-

   4.1. Use funds, materials and services received by it as foreign contribution or foreign economic assistance from declared sources, through legal channels, for its specified work, and provide to the Government every six months complete information regarding flow of such funds, materials and services and when required by the Government.

   4.2. Obtain prior concurrence of the Government for any additional funding or different source of funding other than that specified by the (**Generating Employment Alternatives for Self Reliance (GEAR)**)

   4.3. Appoint and employ a representative and other senior management personnel as appropriate, who will manage the work and supervise the staff on behalf of the **Generating Employment Alternatives for Self Reliance (GEAR)** and liaise with the Government, and the Provincial / local Governments.

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4.4. Make payment above Rs.20,000/- (Twenty Thousand) in Pakistan through banking channels and to provide complete details in this respect to the Government every six months.

4.5. Ensure that all staff shall pay applicable taxes.

4.6. Ensure withholding of tax, wherever applicable, and deposit of the same in Government treasury.

4.7. Ensure that the administrative expenses do not exceed 30% of the project cost.

4.8. Ensure filing of Income Tax Return and withholding statements.

4.9. Submit to the Government when required, written reports covering its activities and progress on the projects, funds received from abroad and their expenditure in Pakistan.

4.10. Have its performance audit done from a panel of Auditors approved by the NGO Committee.

4.11. Ensure that its entire work is undertaken in accordance with the laws and policies of Government of Pakistan.

4.12. Inform respective Provincial Governments and concerned Local Governments / district authorities regarding its programs / projects in their area and obtain their approval/permission/NOC for carrying out permissible activities.

The Organization shall not:-

4.13. Engage in money laundering, terrorist financing, weapon smuggling, anti-state activities and maintaining links with proscribed organizations.

4.14. Take part or assist in any kind of political activity; conduct research or survey unrelated to their TORs unless sanctioned by the Government; carry out missionary work in Pakistan or any other unauthorized or prohibited activities.

4.15. Transfer or rent / lease out its possessions or allow their use for purposes other than those specified and agreed upon between the Parties in this MOU.

4.16. Indulge in distribution of any material or pamphlet causing or likely to cause religious resentment in the area of its activities.

5. Termination of MOU

5.1. The Government reserves the right to immediately terminate this MOU and cancel registration of the GEAR in case of non-compliance with any provision of this MOU.

5.2. The Government may also terminate this MOU on the following grounds:-

5.2.1. The GEAR has been found to be working in a geographical area other than the areas authorized.

5.2.2. The non-cooperation or breach of security or participation in any activity inconsistent with national interests, and religious sentiments of the people.

5.2.3. The objectives stated by the GEAR are not being pursued.

5.2.4. False, incomplete or misleading information has been furnished to the Government.

5.2.5. No reasonable activity has been undertaken by the GEAR for a period of one year after signing of this MOU.

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5.2.6. The GEAR has ceased to exist.

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5.3. In case of termination of this MOU, the registration of the GEAR will stand cancelled and it shall cease all its activities forthwith.

6. The GEAR may file a written request for cancelation of its registration and closing of its activities with 3 months prior notice to the Government for its approval and clearance in accordance with the laid down procedure.

7. **Entry into Force and Duration of MOU**

This MOU shall enter into force on the date of signatures and shall remain valid up to ~~2 years~~ Two years --.

In witness whereof, the undersigned representatives, duly authorized by the Government and the GEAR, have signed this Memorandum of Understanding.

Done at Islamabad, on this.....08th.....day of...November 2021, in English language in two originals, the signatories to retain a copy each.

03-11-2021

Joint Secretary
For the Government of the
Islamic Republic of Pakistan

(Mohammad Ekhlaque)
Designation: Chairman
NGO: GEAR

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