Appendix E

Memorandum of Understanding - A Checklist

While drawing up MOU check the following:-

1. Does it contain a clear statement of agreed objectives between the public sector undertaking and the Ministry?
2. Are these objectives related to the mission of the organization?
3. Do these objectives cover both quantitative as well as the qualitative aspects of the public sector undertaking's performance?
4. Are these objectives too many in number? If so, reduce the number to a manageable size.
5. Do these objectives contradict one another? If so, eliminate the contradictions or highlight the trade-off.
6. Have these objectives been listed according to the priorities?
7. Have the targets to be achieved by the public sector undertaking been stated in clear terms?
8. Have the performance evaluation criteria been selected after due discussion between the two signing parties? Have these criteria been defined clearly?
9. Do the performance criteria cover all the objectives stated in Part I?

10. Is there any duplication in the criteria listed?
11. Do the weights assigned to the criteria correspond with the stated priorities in the objectives?
12. Have the qualitative indicators been given due weightage in the evaluation criteria depending upon the nature of the activities of public sector undertaking's?
13. Is the target setting realistic and growth oriented?
14. Is the delegation of power asked for relevant and related to agreed performance targets?
15. Is the modality of information flow and the frequency of evaluation clearly mentioned in the MOU?
16. Is the MOU precise, clear and simple?