

## **1. Promoting Artisan Cluster**

### **Objective**

- Providing conducive environment through broad based and inclusive forms of development
- Enabling joint action among cluster stake holders
- Reaping opportunities beyond their reach
- Improvement of wages, turnover, employment, number of enterprises, exports, etc., through Need assessment, design development, market linkage, skilling, developing common infra.

### **Artisan cluster (Handloom and Handicrafts)**

It is a cluster of Micro enterprises (including formal/informal factory level/informal household level) defined as a geographic concentration of enterprises making same or similar range of products (goods/services), spread across a village or several villages in a block or district

### **Approach**

- Map the existing enterprise agglomerations
- Understand the economic potential of the cluster and
- Provide specific technical, capacity building, marketing, governance and infra support to transition them into remunerative clusters
- Enterprise that makes the cluster product shall be the principal enterprise
- Cluster must have a minimum of 100 principal enterprises
- Individual enterprises of SHG members running from their residence as part time, may also be considered as a principal enterprise for clustering purpose.
- Also subsidiary enterprises that provide support service like technical, financial and governance bodies are also shall be considered as part of the cluster enterprise.

## **Cluster Development**

- Soft interventions – design development, quality assurance, enterprise creation, market development, financing, technology upgradation, skilling, business interventions, strengthening local eco-system including development fo collective enterprises.
- Hard interventions are those the one for creation of common facilities

## **Key deliverables**

1. Should have minimum 100 micro enterprises
2. Maximum 10% may be from outside SHG fold
3. On boarding of TSA
4. Must do cluster scoping study
5. Scoping study, shortlisting, approval by NRLM and then Diagnostic study by SRLM and TSA.

## **Selection of clusters**

- Must consult NRLM
- Conduct scoping study engaging NRP/SRP
- State appointed committee should vet the scoping study
- NRLM should evaluate and communicate decision within 15 days
- SRLM should float RFP for selection of TSA with relevant sectoral skills
- TSA to make baseline, business plan, intervention plan as part of DSR
- State appointed committee to scrutinize DSR
- NRLM should approve the DSR
- NMMU to vet the DSR and submits to EC
- Post approval the funds will be released to SRLM
- SRLM and TSA to implement the project

## **Project funding**

A total project fund subject to a maximum of Rs. 5 crores are made available. The funding will be purely on case to case basis.

## **2. Micro Enterprise Development**

### **Objective**

- Provide Livelihood opportunities to unemployed rural youth
- Reduce migration of rural youth to urban areas in search of jobs
- Provide handholding support for 6 months after the formation of the enterprise and post enterprise grounding support

### **Micro Enterprise**

- Necessary capacity building of entrepreneurs should have been completed
- Minimum investment of Rs. 30,000 in the enterprise

### **Selection of blocks**

- MED blocks should be around SVEP/OSF blocks
- Such SVEP/OSF the implementation should have been completed

### **Implementation**

- Block is the unit
- Develop an initial eco-system for entrepreneurship development
- Prepare for the next level of entrepreneurship intervention like SVEP and OSF
- FI team of SRLMs should actively participate and support linking micro enterprise entrepreneurs with Credit institutions
- Setting up of eco-system for enterprise development through CRP-EP in the selected blocks
- Identifying business ideas, preparation of business plans, accessing loans from Banks, maintaining accounts and support in marketing through Business Support Services.
- Enterprises should be provided with handholding support for six months after grounding of the enterprises.
- 200 SHG entrepreneurs should be covered in each block under MED
- Mandatory to have a full time Block Project Manager

### **Project Period**

18 months from the date of approval of AAP

## **Project activities**

1. Provide support to 200 enterprises
2. Existing enterprises should be not more than 25% in the block
3. 75% should be new enterprises
4. 10 CRP – EP should be selected and trained in each block
5. CRP-EPs should be assessed and certified as per NSQF
6. Training cost should be optimized if existing CRPs are upgraded to CRP-EP

## **Source of fund**

- Minimum of 10% margin money is mandatory for all enterprise funding
- own fund uptoRs. 50000 can be used. Convergence of CIF fund and unused bank loan limits of SHGs shall also be used.
- For requirement of funds above Rs. 50000 upto1,00,000 contribution from SHG and bank loan (under Shishu category in Mudra) can be used
- Above 1,00,000 only bank loan shall be used

## **Project Funding**

- Only demand based funding
- No state-wise allocation of project funds
- Funding through submission of AAP proposals by SRLMs along with detailed plan for the project activities
- Project funding shall be made available to the tune of Rs. 20,00,000

### **3. Incubator**

#### **Objective**

To build knowledge and support eco-system for supporting SHG women owned enterprises

**Project duration** - 3 years

#### **Deliverables**

- Develop women led enterprises as formal enterprises and build them as legal entities with proper business models
- Increasing the incubated enterprise revenue by 15% from the baseline every year
- Improve the credit worthiness of these enterprises and enable increased credit access from financial institutions
- Develop partnership to catalyze the growth of rural enterprises
- Create business models such that 3 to 4 local employment is generated
- Enhance the entrepreneurial capacity to run the enterprise by themselves
- Create replicable models

#### **Implementing Agency**

SRLMs are the implementing Agency and the incubators are the execution agency.

#### **Incubators shall support**

- Manufacturing enterprises
- Trading enterprises
- Diversity of enterprise (Minimum 10 different types of enterprises should be supported).
- Registered large enterprises with an annual turnover of at least Rs.20 lakhs
- Unregistered enterprises shall be of group and individual enterprises having Rs. 15 lakh annual turnover and Rs. 10 lakhs respectively.

- SHG members or SHG members households necessarily owning the enterprise
- Husband of SHG member/unmarried son/unmarried daughter/unmarried brother/unmarried sister/parents
- Minimum 66% of the enterprises should be
  - Either women owned (Completely owned or managed)
  - Or women led with 50% of the members in decision making should be women
- SHG member should have completed minimum of 12 months membership
- 50% individual enterprises and 50% group enterprises of SHG
- PGs/PEs also can be supported if SRLM feels is they intend to launch or operate in future subject to conditions
- 10% of the enterprises must be from remote blocks which are 50 km away from town

### **Incubators shall not support**

- Agriculture, primary production systems and aggregation activities
- Back yard activities
- Trading and retail activities
- Enterprises not compliant with health, safety and environmental safeguard standards
- Enterprises operated by SRLM staff

### **Services provided by the Incubator to the Enterprise**

- Preparation of business plan with financials and mentoring support plan
- formulate strategy for growth and guide business operations to achieve growth targets
- Sourcing of funds from commercial sources – debt or equity
- Strategy for quality control, warehousing and supply chain
- Diversification of market linkages – both backward and forward linkages, market information and intelligence
- Input need assessment and market estimation
- Registration, certifications and licensing

- Handholding to grow the business
- Identify training gaps and provide capacity building
- Develop partnerships
- Reduce business risk and cover growth risk through soft loan or reward funding

## **4. One Stop Facility**

### **Objective**

- Support both new and existing enterprises
- Should be a center for business facilitation-cum-incubation at the sub-district level
- Provide holistic support to business development and promotion

### **Non-negotiable support - One Stop Facility**

1. Provide business ideation to new enterprises
2. Provide conceptualization for growth of existing enterprises
3. Hand hold to initiate and grow businesses
4. Prepare business plan to enterprises
5. Facilitate setting up and running
6. Train the entrepreneurs
7. Facilitate marketing and business linkages
8. Provide mentor support
9. Facilitate access to institutional finance

### **Also provide need bases support to enterprises**

10. Access to technology and skills
11. Regulatory compliances
12. Market intelligence
13. Linkages and convergence
14. Packaging solutions

### **Types of enterprises supported by OSF**

1. Micro – Investment in plant and machinery does not exceed Rs. 1 crore and the annual turnover does not exceed Rs. 5 crore
2. Small - Investment in plant and machinery does not exceed Rs. 10 crore and the annual turnover does not exceed Rs. 50 crore
3. Medium - Investment in plant and machinery does not exceed Rs. 50 crore and the annual turnover does not exceed Rs. 250 crore
4. Nano – Annual turnover more than Rs. 3 lakhs per annum that has the potential to grow



## **5. Sectoral Cluster**

### **Objective**

- Recognize and support existing non-farm activities Tap new opportunities
- Consider possibilities of customizing and transferring models
- Ensure increase in income, employment, number of enterprises, tapping of market opportunities

### **Development methodology**

- Provide soft interventions including design development, quality assurance, enterprise creation, market development, technology upgradation, finance, skilling, promoting business interventions, strengthening local eco system
- Provide hard interventions like creation of common facility centers, common production centers and common service centers

### **Key deliverables**

- Each sectoral cluster should have a potential to engage minimum 50 micro enterprises over the period of intervention
- Maximum 10% of the members may be outside SHG fold
- On-board of Technical Support Agency with specific experience in the sector
- Scoping study should be conducted
- Based on the data collected screen few clusters for preparation of business plan, implementation plan.
- TSA should prepare the DPR and implement the project accordingly the financial quote should be obtained
- Preference should be given to SC/ST entrepreneurs

### **Fund provision**

- Engaging NRPs/SRPs for the preparation of scoping study Rs. 1.50 lakhs
- Preparation of business plan and implementation plan to clusters Rs. 5 lakhs
- For preparation of business plan and implementation plan to benefit 50 micro enterprises R. 8 lakhs

## **Process of Selection, approval of sectoral clusters**

- SRLM should consult NRLM for selection of cluster
- Scoping study must cover all aspects of selection
- Scoping study should be vetted by the committee appointed by state comprising of sectoral experts
- NRLM should evaluate the DSR and approve
- Post approval it will be placed in the EC of NRLM
- SRLM and TSA should implement the project

## **Funding**

- A maximum of Rs.5 crore is available as project funding
- Additional funds can be leveraged through convergence
- Exceeding 40% should not be utilized for infrastructure
- Not permitted for civil construction.
- Infrastructure fund should be utilized for operational expenses and assets related to operations and production

## **Monitoring and Evaluation**

- Monitoring and reporting at NMMU and SMMU level will be done
- Evaluation will ensure meeting the required parameters indicated in the DPR
- To check whether the cluster is able to meet the physical and financial targets
- 1% shall be the charge for Monitoring and Evaluation