Office Memorandum

Subject: Approved scheme guidelines on “Entrepreneurship Skill Development Programme (ESDP)” a component of scheme Development of MSMEs (Entrepreneurship and Skill Development Programme), vertical 4 – circulation - reg.

I am directed to circulate approved scheme guidelines on “Entrepreneurship Skill Development Programme (ESDP)” a component of main scheme on “Development of MSMEs” (Entrepreneurship and Skill Development Programme), which has been approved by Hon’ble MoS (II/c) MSME, to all SFC committee members for their kind reference. The approved scheme guidelines will enforced w.e.f. 12.11.2018 for the 14th Finance Commission. Copy of scheme guidelines are enclosed herewith for ready reference.

2. Quarter wise training proposals to be uploaded on MIS web portal My MSME. After the approval of Empowered Committee, programmes will be allocated to the programme conducting organizations.

3. Details of the guest faculty to be uploaded on MIS web portal for approval of Empowered Committee.

4. Name of partner industry association/ institution will also be uploaded on MIS portal.

This issues with the approval of Competent Authority.

Encl.: As above

To,
All the Directors/In-charges
MSME-DIs/TCs/EDCs

Copy for information to:
1. Economic Advisor, M/o MSME, Udyog Bhavan, New Delhi
2. Under Secretary (DN) (IFW), M/o MSME, Udyog Bhavan, New Delhi
3. PPS to MoS (II/c), Ministry of MSME Udyog Bhavan, New Delhi
4. PPS to Secretary, MSME, Udyog Bhavan, New Delhi
5. PS to AS&DC, MSME, Nirman Bhawan, New Delhi.
6. SENET for uploading it on DC MSME, M/o MSME & My MSME website.
7. NIC for uploading it on DC MSME, M/o MSME & My MSME website.

(Dr. R. K. Bharti)
Deputy Director
Guidelines

for

Entrepreneurship and Skill Development Programmes
a sub-component
under
"Development of MSMEs" vertical
of
Office of DC(MSME) schemes
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Abbreviations

AB: Autonomous Body
ASPIRE: A Scheme for Promoting Innovation, Rural Industry & Entrepreneurship
Br. MSME-DI: Branch MSME Development Institute
B. Tech.: Bachelor of Technology
DC (MSME): Development Commissioner Micro Small and Medium Enterprises
DDO: Drawing and Disbursing Officer
DIC: District Industry Centre
DRDA: District Rural Development Agency
EAP: Entrepreneurship Awareness Programme
ESDP: Entrepreneurship and Skill Development Programme
EDC: Enterprise Development Centre
EMS: Environmental Management Systems
HQ: Head Quarter
ITI: Industrial Training Institutes
ISO: International Organisation for Standardisation
IPR: Intellectual Property Rights
IMC: Industrial Motivational Campaign
J&K: Jammu and Kashmir
KVI: Khadi and Village Industry
KVIC: Khadi and Village Industry Commission
MDP: Management Development Programme
MSME: Micro Small and Medium Enterprises
MSME-DI: Micro Small and Medium Enterprises Development Institute
MSME-TI: Micro Small and Medium Enterprises Training Institute
M/o MSME: Ministry of Micro Small and Medium Enterprises
M. Tech.: Master of Technology
MUDRA: Micro Units Development & Refinance Agency Ltd.
NEDI: National Enterprise Development Initiatives
NER: North Eastern Region
Ni-MSME: National Institute for MSMEs
NRC: National Resource Centre
PAO (MSME): Pay and Account Office/Officer (MSME)
PMEGP: Prime Minister’s Employment Generation Programme
PMMY: Pradhan Mantri Mudra Yojana
PMU: Project Monitoring Unit
POL: Petrol, Oil and Lubricant
QMS: Quality Management Systems
R-SETls: Rural Self Employment Training Institutes
SC: Scheduled Casts
SRC: State Resource Centre
ST: Scheduled Tribes
Ver10 dt 31.10.18

SPV: Special Purpose Vehicle
TC: Technology Centre
TCSP: Technology Centre System Programme
TDC: Technology Development Centre
TE: Traveling Expenses
TMS: Training Management System
TR: Tool Room
WTO: World Trade Organisation
Guidelines for sub-component “Entrepreneurship and Skill Development Programme (ESDP)” under “Development of MSMEs” vertical of the O/o DC(MSME) schemes:

A. Background

Entrepreneurship development is the process of improving the skills and knowledge of entrepreneurs, enhancing the capacity to develop, manage and organize a business venture while keeping in mind the risks associated with it. The whole point of entrepreneurship development is to increase the number of entrepreneurs.

Ministry of MSME has been organizing a number of Entrepreneurship and skill development programmes for the existing & potential entrepreneurs, in order to build their capacity to take up successful ventures. ESDP is an important component under the vertical of “Development of MSMEs”, which has been re-structured and re-designed now to bring it in consonance with the changing landscape of the MSME Ecosystem and its present challenges in India.

B. Aims and objectives

The objective of the programme is to motivate young persons (Men and women) representing different sections of the society including SC/ST/Women, physically handicapped, Ex-servicemen and BPL persons to consider self-employment or entrepreneurship as one of the career options. The ultimate objective is to promote new enterprises, capacity building of existing MSMEs and inculcating entrepreneurial culture in the country.

C. Enterprise Development Centres (EDCs):

Office of DC(MSME) through its field offices i.e. Micro Small and Medium Enterprises Development Institutes (MSME-DIs) and Technology centres (TCs) not only caters to the needs of aspiring entrepreneurs across the country but also imparts skill sets to the youth to equip themselves for the job market. However, due to presence of MSME-DIs and TCs only in the state capitals and few cities, their outreach is very limited. To enhance outreach and to further consolidate the enterprise facilitation process, the ‘Enterprise Development Centre (EDC)’ has been conceptualized to provide impetus to the entrepreneurship development initiatives and business incubation of the Office of DC(MSME) through hand holding support to new and budding entrepreneurs in the country.

1. The EDCs will be set up at District level, within the administrative control of the MSME Development Institutes/ Technology Centre, under whose jurisdiction they fall.
2. The EDCs would primarily have two verticals viz, Enterprise Development Vertical and Skill Development Vertical. The two verticals will ensure that aspirations of the youth are well addressed in terms of hand holding support to those who aspire to be self employed and create business enterprise and imparting Skill training to those who intend to get employed.

3. **Enterprise Development Vertical** inter alia among other thing would focus primarily on:
   a. Ideation;
   b. Mentoring and incubation;
   c. Credit facilitation & Market accessibility; and
   d. Enterprise Clinic: Diagnostic studies in the event of sickness, counseling and other facilities.

4. The Skill Development Vertical would primarily provide information such as potential jobs availability in the market based on in-depth market intelligence and advise the potential job seekers to get relevant skill sets through prominent institutions/agencies in pertinent sector(s).

5. These EDCs shall be connected with National Resource Centre to be set up in the office of DC MSME.

**D. Assistance under the ESDP Scheme**

The programme includes the following modules:

1. Industrial Motivational Campaign (IMC)
2. Entrepreneurship Awareness Programme (EAP)
3. Entrepreneurship-cum-Skill Development Programme (E-SDP)
4. Management Development Programme (MDP)

2. 40% of the targeted beneficiaries of EDPs and E-SDPs should be from weaker sections of the Society (SC/ST/Women/Physically Handicapped). No participation fee will be charged from SC, ST, Physically Handicapped, Below Poverty Line (BPL) participants and women.

3. Above mentioned activities/programmes will be conducted through different field offices of the office of DC (MSME) i.e. EDCs, MSME-Dls and Technology Centres, as approved by the Empowered committee headed by AS&DC, MSME from time to time.

4. Upto 5% (or more as deemed fit by DC MSME) of annual budget under the Scheme will be utilized for providing training aids, equipments and other related infrastructure to strengthen the quality of training activities in the EDCs, MSME Dls and TCs also and training activities at HQ level.
5. In addition to above, a provision has been made to allocate up to 10% (or more as deemed necessary by the Empowered Committee of the budget for scheme) to the EDCs/MSME-Dls/TCs and HQ office for incurring essential expenditure towards organizing interactive meetings including National/Regional workshops, hiring manpower and vehicles etc. for the HQ for ESDP activities, obtaining expert guidance for the trainees, hand holding at the district level.

E. Procedure for selection of candidates

1. Webbase MIS shall be developed for developing an integrated database of the existing and potential entrepreneurs. All the field offices of DC MSME shall be involved in identifying the candidates for the programme, through inviting applications.

2. The minimum age of participants in the programmes should be 18 years. However, head of the programme conducting organization may grant relaxation in special cases like school drop-outs etc. based on his/her judicious discretion. Generally, there would be no upper age limit. The qualification for the participation into a particular programme shall be mentioned in the programme notification taking into consideration the subject of the training programme.

3. Preference would be given to the candidates from SC, ST, Women, Ex-Service Persons of Defence Forces, Differently Abled and BPL category persons.

F. Implementation of the Scheme

The process of implementation of the Scheme will be as follows:

1. Every EDC/DI/TC shall upload its quarterly calendar of programmes after need assessment of the industries.

2. This calendar shall be approved by the Empowered committee.

3. IMCs (Industrial Motivational Campaign) will be allocated keeping in view that at least one IMC of one to two days duration to be organized in association with Industry Clusters/Associations and social enterprises.

4. Two week EAP (Entrepreneurship Awareness Programme) or Six week Product-cum-Process focused Entrepreneurship-cum-Skill Development Programme E-SDPs may be organized need based, at places having potential for Enterprise/Industrial development, in association with Industry Associations and Social enterprises active in that district.

5. MDP will be conducted for existing entrepreneurs/enterprises/Industrial Clusters as a tool for their capacity building and HR development.
6. State Government Industry Department/DICs and other Government industrial development agencies and financial institutions/KVI/Panchayati Raj Institutions including industrial/cluster associations, social enterprises will be associated to the possible extent.

7. Product-cum-Process Oriented E-SDP or Livelihood Driven E-SDP of six week duration allocated by HQ office will be planned by EDCs/DIs/TCs in such a fashion that there is always a programme in progress in every field organization. If infrastructure and allocated programmes permit, even more than one programmes can run simultaneously.

8. The complete training calendar for each organization will be got approved from the office of DC MSME and uploaded in the website of each programme conducting organization and also DC MSME in the beginning of the quarter, in the following indicative format.

<table>
<thead>
<tr>
<th>Tentative date of start of the programme</th>
<th>Programme/Topic of training</th>
<th>Duration</th>
<th>Target group</th>
<th>Eligibility Criteria</th>
<th>Participation Fee</th>
<th>Venue, place &amp; district</th>
<th>Name &amp; Mob. No. of Nodal Officer</th>
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9. The panel of Guest faculty shall be selected in advance and shall be got approved with the programme calendar from DC Office. Guest faculty may be academicians, successful entrepreneurs, faculty of the technical institutions, financial or management experts. The guest faculty would be provided honorarium.

10. For delivering the lecture/demonstration/talk, there is a provision of honorarium of Rs.1000/- for the session of 90 to 120 Minutes for EAP/E-SDP and IMe. For MDP, Rs.1200/- will be payable as honorarium for a session of 90 to 120 Minutes.

11. A data base of the guest faculty shall also be maintained on the integrated MIS.

12. A certificate of participation shall be issued to the participants, who have 80% or more attendance.
13. In the MIS, there will be a feedback mechanism, where the participants of the training programme and the other stakeholders may post their comments on the training programmes organized. The Director/Nodal Officer shall be responsible for monitoring the feedback received and take appropriate action on the same. An action taken report of the feedback received and action taken shall be uploaded on the MIS on real time basis by the programme conducting organization.

G. Details of Programmes/ Activities (IMC, EAP, E-SDP & MDP)

1. INDUSTRIAL MOTIVATIONAL CAMPAIGN (IMC) FOR YOUTH/PROSPECTIVE ENTREPRENEURS

Two Day Industrial Motivational Campaign (IMC) is an activity to identify and motivate traditional / non-traditional entrepreneurs, having potential for setting up MSEs with an objective of leading them towards entrepreneurship/self-employment. First day shall be for formal inaugural and technical sessions and second day shall be for one to one discussion with interested participants for counseling and mentoring. At least One IMC should be organized in each district. The intake capacity for the programme will be 50 to 100 persons within expenditure limiting to Rs. 20,000/-. The age of the participants will be 18 years and above. The honorarium to guest speakers may be paid at the rate of Rs. 1,000/- for a session of 1.30 hrs to 2.00 hrs duration. The qualification of the participants and structure of the fees will be decided by the Director/Officer In-charge of the programme conducting organization.

2. INDUSTRIAL MOTIVATIONAL CAMPAIGN (IMC) FOR CLUSTERS SPVS/INDUSTRY ASSOCIATIONS/ CHAMBERS

In addition above mentioned IMCs in Para 1 above, 25 to 50% of One Day IMCs may be organized in association with Industry Clusters/Associations/social enterprises. The intake capacity for the programme will be 30 to 60 persons representing MSME units. Programme Expenditure limit is Rs. 20,000/-. The honorarium to guest speakers may be paid maximum upto Rs. 1,200/- for a session of 1.5 to 2 hrs of duration. Total 3 to 4 Plenary Sessions besides the inaugural session will be organized. The qualification of the participants and structure of fees will be decided by the Director/Officer In-charge of the programme conducting organization.

3. ENTREPRENEURSHIP AWARENESS PROGRAMMES (EAP)

Two weeks Entrepreneurship Awareness Programmes to be organized to nurture the talent of youth by enlightening them on various aspects of setting up MSEs. These EDPs will generally be conducted in EDCs, ITIs, Polytechnics and other technical institutions or other colleges/institutes, where skill or knowledge is available, to motivate the students towards self-employment/entrepreneurship. The intake capacity for the programme will be 25 persons, within expenditure limiting to Rs. 50,000/-. For less than 25 participants the expenditure may be restricted on pro-rata basis, considering variable expenses @1,000/- per
participant. The age of the participants should be 18 years and above. The honorarium to guest speakers may be paid at the rate of Rs. 1,000/- for a session of 1.5-2 hrs duration. 4 Sessions per day is mandatory. The qualification of the participants and structure of the fees will be decided by the Director/Officer In-charge of the programme conducting organization. Payment of fee shall be exempted for SC, ST, Differently Abled Persons, Ex-Servicemen, BPL category participants and women.

4. ENTREPRENEURSHIP-CUM-SKILL DEVELOPMENT PROGRAMMES (E-SDP)
This six weeks activity is aimed at conducting special entrepreneurship development programmes for new livelihood enterprise creation and rural enterprise development. This is a product-cum-process oriented activity-based programme. Comprehensive training programmes will be organized to upgrade skills of prospective entrepreneurs coupled with specific skills hands on practice or demonstration relating to activities. The intake capacity for the programme will be 25 participants within expenditure limiting to Rs. 1,25,000/- i.e. For less than 25 participants the expenditure may be restricted on pro-rata basis, @ 2,500/- per participant. The age of the participants will be 18 years and above. The honorarium to guest speakers may be paid at the rate of Rs. 1,000/- for a session of 1.5 hrs to 2 hrs duration. 4 Sessions per day are mandatory. The qualification of the participants and structure of the fees will be decided by the Director/Officer In-charge of the programme conducting organization. Payment of fee will be exempted for SC, ST, Differently Abled Persons, Ex-Servicemen, BPL category participants and women.

Inputs specified for EAPs will be integral part of E-SDP. However the programme is to suitably tailored to the needs of trade or specific activity and the target group of trainees covered under the specific training programme. Some examples of courses conducted under ESDPs are in Agro Based Products, Herbal Cosmetics, Fashion Garments, Hosiery, Food & Fruit Processing Industries, Soap and Detergents/House-Hold Chemicals, Leather/Jute/Rexene Products/Novelties, Carpet Weaving, Mechanical Engineering Workshop/ Machine Shop, Heat Treatment, Electroplating, Basic/Advance Welding/Fabrication/Sheet metal work, Basic/Advance Carpentry, Glass & Ceramics, Industrial & Art Wares, Servicing/Repairing of Household Electrical Appliances and Electronic Gadgets, TV Repairing, Washing Machine Repair, Stereo/Sound System/Speaker Assembly & Repair, Gem Cutting & Polishing, Engineering Plastics, Solar/Non-Conventional Energy Equipment Installation/Maintenance, Plumber Work, Information Technology, Computer Hardware Maintenance, Computerized Accounting, DTP and Screen Printing, Tour operators, Mobile Repairing, etc. The list is illustrative only.

5. MANAGEMENT DEVELOPMENT PROGRAMMES (MDP)
This one week activity is aimed at capacity building of MSMEs through inputs on management practice system is to improve their decision-making capabilities resulting in higher productivity and profitability of existing and potential entrepreneurs and developing new enterprises. Inputs on a variety of topics of managerial functions will be provided to the participants by experts, which aim at dissemination of knowledge of scientific/modern
management techniques/practices. The intake capacity for the programme will be 25 participants within expenditure limiting to Rs. 50,000/-. For less than 25 participants, the variable expenditure may be restricted on pro-rata basis @1,000/- per participant. The age of the participants will be 18 years and above. The honorarium to guest speakers may be paid maximum at the rate of Rs. 1,200/- for a session of 1.5-2 hrs of duration. 4 Sessions per day are mandatory. Participants will be MSME entrepreneurs and/or their managerial and supervisory staff. Structure of fees shall be decided by the programme conducting organization.

Management Training course on various areas of industrial management will be devised for owner-cum-manager and supervisory level personnel of micro and small scale industries. These training programmes will be designed keeping in view the demands of the area and the local requirements of the industries. The nature of target groups and its profile determines the course content to be made in order to make them suitable for contemporary management practices which may be used by MSME executives for attaining desired strength of managerial action.

The examples of some topics suitable for MDPs are Industrial Management, Human Resource Management, Marketing Management, Export Management/Documentation, Materials Management, Financial/Working Capital Management, Information Technology, Digital Marketing, QMS/ISO 9000/EMS, WTO, IPR, Supply Chain Management, Retail Management, Logistics Management etc. The list is illustrative only.

6. Empowered committee may in suitable cases, where a mega event is considered to be organized for a larger audience, covering many states or at national level, enhance the above limit of expenditure.

H. Programme Monitoring & Evaluation

1. Services of Specialized/ Professional Institutes like PPDC Agra, Ni-MSME, IEDMI Mumbai or any other specialized organisation shall be utilized for developing industry specific training content, training manuals and trainers’ manual and organizing National/Regional workshops/seminars for experience sharing and capacity building of the field institutes.

2. There will be a Project Monitoring Unit (PMU) set up in the office of the Development Commissioner, for the purpose of effective implementation of the scheme envisaged under the guidelines. PMU inter-alia would oversee and monitor the following activities on regular basis:-

a) Development of training modules.

b) Empanelment of training institutes.

c) Identification of resource persons within the existing field organizations of M/o MSME or other technical/ managerial institutions of repute.
d) Development of Training of Trainer (ToT) programmes i.e. capacity building for the EDCs/DIs/TCs.
e) Development of pool of social enterprises working in that areas/sectors and integration of that resources in the programme.

3. **Online Monitoring and Evaluation Portal:** The progress on training programme will be monitored on real time basis through the Web based MIS.

4. **Empowered committee under AS&DC MSME with the concerned, ADC, JDC, a nominee of IFW, representatives of Industry Associations** shall be responsible for overall monitoring and evaluation.

I. **General Guidelines/Instructions**

1. Programmes allocated under SC/ST fund may be organized only when at least 40% of the participants are from the relevant i.e. SC/ST category.
2. The Part time programmes may also be held on holidays in such a manner that total hourly duration of the programme is equal to the full time programme.
3. In the EAP and E-SDP there should be overall 40% Women participation. If needed, some EAPs & E-SDPs may be organized exclusively for women and Physically Handicapped persons.
4. Utmost care be taken in selecting the right candidates and train them as entrepreneurs by providing handholding and mentoring support. Serious candidates with business attitude should only be selected.
5. Based on the participants area of interest and keenness to start his own business, the programme conducting organization must do the necessary hand holding in terms of preparation of DPR, linking them with the financial institutions etc. Such information has to reported through MIS for further support under other schemes.
6. Information on flagship programmes/schemes such as MUDRA, Start-up India and Stand-up India, ASPIRE, PMEGP and SC/ST Hub shall be provided to the participants.
7. While providing in-puts on financing, a couple of sessions on alternate sources of funding like Angel Funding, Venture Capital, Crowd Funding etc may be included in the programme syllabus.
8. Some State Governments have introduced schemes for new entrepreneurs. Adequate care should be taken to provide information on these schemes as well.
9. Special programmes should be organized in NER region based on the local strength and potential.
10. Endeavour should be made to organize the programmes/activities also in ITIs, Polytechnics etc in addition to other colleges/institutes.
11. An upwards variation of 10 to 15% may be allowed in expenditure heads within the overall programme/activity expenditure limit.
J. Guidelines/Instruction for drawl and settlement of advance amount for organizing activities/programmes

1. Advance for each programme may be drawn by the Director/ officer in charge of the programme conducting organization.
2. 30% of the sanctioned amount for each sanctioned programme will be allowed as advance to the DDO.
3. DDO should further pass on advance to coordinating officer(s) on need basis.
4. Advance is to be utilized for onsite petty/miscellaneous expenses and smaller amount of honorarium to guest faculty/resource persons.
5. Honorarium to guest faculty shall be paid as per FR/SR.
6. Advance sanctioned to a particular coordinating officer for a particular programme/activity shall be settled in a single bill, along with the programme expenditure bill as early as possible, latest within 15 working days of the conclusion of the programme/activity.
7. An upwards variation of upto 15% may be allowed in expenditure heads within the overall programme/activity expenditure limit.
8. In addition to above, provisions laid down in GFR in respect of expenditure incurred out of advances should be strictly adhered to by the officer taking advance, DDO concerned as well as PAO.

These guidelines have been issued with the approval of the competent authority.