



Office of the Development Commissioner (MSME)
(Ministry of Micro, Small & Medium Enterprises)
Nirman Bhawan, New Delhi - 110108

Guidelines

for

**Up-scaled Entrepreneurship and Skill Development Programme
a sub-component**

under

“Development of MSMEs” vertical

of

Office of DC(MSME) schemes

(As amended on 20.11.2019)

File No.: Trg/01(01)/17-18/SD(Part-2)
Government of India
Ministry of MSME
Office of the Development Commissioner
(Knowledge Services Division)

7th Floor, Nirman Bhawan,
Maulana Azad Road New Delhi
Date: 21.11.2019

Office Memorandum

Subject: Approved scheme guidelines on up-scaled "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 for up-scaled "**Entrepreneurship Skill Development Programme (ESDP)**", a component of main scheme on "**Development of MSMEs**" (Entrepreneurship and Skill Development Programme), approved by Hon'ble Minister of MSME, to all SFC committee members and concerneds for their kind reference/compliance. The approved scheme guidelines will be effective w.e.f. 21.11.2019 for implementation. A copy of scheme guidelines is enclosed herewith for ready reference.

2. Quarter wise training proposals by Implementation Agencies (IAs) to be uploaded on ESDP-MIS on web-portal 'My MSME'. After the approval of Empowered Committee, programmes will be allocated to the programme conducting organizations/IAs.

This issues with the approval of Competent Authority.



(Vikas Gupta)
Deputy Director

Encl.: A copy of the approved 'Up-scaled ESDP Guidelines'

To

1. Secretary, M/o Skill Development and Entrepreneurship, Shram Shakti Bhavan, New Delhi.
2. Secretary, M/o Social Justice & Empowerment, Shastri Bhawan, New Delhi-01.
3. Secretary, M/o women & Child Welfare, Shastri Bhavan, New Delhi -01
4. Secretary, M/o Tribal Affairs, Shastri Bhavan, New Delhi-01
5. Secretary, Department of North Eastern Region, Vigyan Bhavan Annexe, New Delhi
6. Secretary, DPIIT, M/o Commerce and Industry, Udyog Bhavan, New Delhi.
7. Secretary, M/o Labour & Employment, Shram Shakti Bhavan, Rafi Marg, New Delhi.
8. Secretary, M/o Rural Development, Rajpath Area, Central Secretariat, New Delhi.
9. Secretary, Department of Science & Technology, Technology Bhavan, New Mahrauli Road, New Delhi-16
10. Secretary, Department of Agriculture Research and Education, M/o Agriculture & Farmers Welfare, Krishi Bhavan, New Delhi.
11. Secretary, Higher Education, Shastri Bhavan, New Delhi-01.
12. Secretary, M/o Panchayat Raj, 11th Floor, IP Building, Kasturba Gandhi Marg, Connaught Place, New Delhi.
13. SS&FA, M/o MSME, Udyog Bhavan, New Delhi.
14. JS(SME), M/o MSME, Udyog Bhavan, New Delhi.
15. JS (PF-II) Department of Expenditure, M/o Finance, North Block, New Delhi.
16. Sr. Advisor (Industry), NITI Aayog, Parliament Street, New Delhi.
17. CMD, NSIC, NSIC Bhavan, Okhla Industrial Estate, New Delhi.

Contd. /2

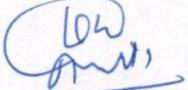
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Copy for information to:

1. Economic Advisor, M/o MSME, Udyog Bhavan, New Delhi
2. Under Secretary (DN) (IFW), M/o MSME, Nirman Bhawan, New Delhi
3. Under Secretary (SC) (IFW), M/o MSME, Udyog Bhavan, New Delhi
4. Sr. PPS to Hon'ble Minister of MSME, Udyog Bhavan, New Delhi
5. PS to MoS, Ministry of MSME Udyog Bhavan, New Delhi
6. PPS to Secretary, MSME, Udyog Bhavan, New Delhi
7. PS to AS&DC, MSME, Nirman Bhawan, New Delhi.
8. SENET for uploading on DC MSME, M/o MSME & My MSME websites.
9. NIC for uploading on DC MSME, M/o MSME & My MSME website.

Copy for necessary compliance to:

All the Directors/Officers In-charge
MSME-DIs/MSME-TCs


(Vikas Gupta)
Deputy Director

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Abbreviations

AB: Autonomous Body
ASPIRE: A Scheme for Promoting Innovation, Rural Industry & Entrepreneurship
Br. MSME-DI: Branch MSME Development Institute
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
E-SDP: Entrepreneurship-cum-Skill Development Programme
EFC: Enterprise Facilitation Centre
EMS: Environmental Management Systems
HQ: Head Quarter
IA: Implementing Agency
ITI: Industrial Training Institutes
ISO: International Organisation for Standardisation
IPR: Intellectual Property Rights
IMC-Y: Industrial Motivational Campaign for Youth/Prospective Entrepreneurs
IMC-C: Industrial Motivational Campaign for Clusters/Industry Associations/Chambers
KVI: Khadi and Village Industry
KVIC: Khadi and Village Industry Commission
MDP: Management Development Programme
MIS: Management Information System
MSME: Micro Small and Medium Enterprises
MSME-DI: Micro Small and Medium Enterprises Development Institute
M/o MSME: Ministry of Micro Small and Medium Enterprises
MUDRA: Micro Units Development & Refinance Agency Ltd.
NER: North Eastern Region
ni-msme: National Institute for MSMEs
PAO (MSME): Pay and Account Office/Officer (MSME)
PMEGP: Prime Minister's Employment Generation Programme
PMMY: Pradhan Mantri Mudra Yojana
PSU: Public Sector Undertaking
QMS: Quality Management Systems
R-SETIs: Rural Self Employment Training Institutes
SC: Scheduled Casts
ST: Scheduled Tribes
SPV: Special Purpose Vehicle
TC: Technology Centre
TCSP: Technology Centre System Programme
TDC: Technology Development Centre
TR: Tool Room
WTO: World Trade Organisation

REVISED 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 up-scaled 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 youth representing different sections of the society including SC/ST/Women, differently abled, 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 Facilitation Centres (EFCs):

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 Facilitation Centre (EFC)’ has been conceptualized to provide impetus to the entrepreneurship development initiatives and business incubation through hand holding support to new and budding entrepreneurs in the country.

1. EFCs can be set up by any of the Implementing Agencies (IAs) out of their own funds. O/o DC MSME shall provide funds for conducting programmes under ESDP within the existing financial limits of each programme.
2. The EFCs would primarily have two verticals viz, Enterprise Facilitation 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 Facilitation 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 EFCs shall be connected to the National Resource centre to be set up in the office of DC MSME.

D. Activities under the ESDP Scheme

1. 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. Above mentioned activities/programmes will be conducted through Implementing Agencies (IAs) i.e. Office of DC MSME & its field offices, all field organizations of M/o MSME, Ministries/Departments/organizations/Corporations/PSUs/Agencies under the administrative control of Central/State Governments, as approved by the Empowered Committee headed by AS & DC(MSME) from time to time. Respective IAs (other than MSME-DIs) will be responsible for submitting utilization certificates for grants/funds issued to them within the financial year.
3. Overall 40% of the targeted beneficiaries of EAPs and E-SDPs should be Women. If needed, special programmes for women beneficiaries can be organized. The qualification of the participants and structure of the fees will be decided by the Implementing Agencies. The age of the participants will be 18 years and above.
4. A provision has been made to allocate upto 5% towards Admin Expenses and training aids.

E. Procedure for selection of candidates

1. Web base MIS shall be used for developing an integrated database of the existing and potential entrepreneurs. Implementing Agencies (IAs) shall upload their progress data on MIS under ESDP on real time basis and each IA shall develop its own MIS for the said purpose and integrate the same with MIS under ESDP managed by O/o DC MSME. AADHAR authenticated attendance is mandatory to prevent duplication of beneficiaries under the scheme. Candidates will be identified by the implementing agencies 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. Implementing Agencies (IAs) shall submit proposals to the O/o DC MSME. Empowered Committee under the chairmanship of AS&DC may consider or reject the proposal submitted by IAs.
2. IMCs (Industrial Motivational Campaign) will be allocated keeping in view that at least one IMC per district to be organized in association with Industry Clusters/Associations and social enterprises.
3. 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. .
4. MDP will be conducted for existing entrepreneurs/enterprises/Industrial Clusters as a tool for their capacity building and HR development.
5. State Government Industry Department/DICs and other Government industrial development agencies and financial institutions/KVI/Panchayati Raj Institutions including industrial/cluster associations, social enterprises/Udyam Sathi & Udyam Sakhi Volunteers will be associated to the possible extent.

6. Product-cum-Process Oriented E-SDP or Livelihood Driven E-SDP of six week duration allocated by HQ office will be planned by EFCs/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.
7. 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 or legal experts, Master Craft-persons and Govt/Semi-govt/PSEs/Bank officials. The guest faculty would be provided honorarium as per rules.
8. For delivering the lecture/demonstration/talk, there is a provision of honorarium maximum up to Rs.1000/- for the session of 90 to 120 Minutes for EAP/E-SDP and IMC. For MDP maximum up to Rs.1200/- will be payable as honorarium for a session of 90 to 120 Minutes.
9. A data base of the guest faculty shall also be maintained on the integrated MIS.
10. A certificate of participation shall be issued to the participants from MIS database, who have 80% or more attendance.
11. 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 IAs.

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

1. INDUSTRIAL MOTIVATIONAL CAMPAIGN (IMC-Y) 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/-

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

In addition to 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/-. Total 3 to 4 Plenary Sessions besides the inaugural session will be organized.

3. ENTREPRENEURSHIP AWARENESS PROGRAMMES (EAPs)

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 EFCs, 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. 4 Sessions per day is mandatory.

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. 4 Sessions per day are mandatory.

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. 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, Small & Medium Enterprises. These training programmes will be designed keeping in view the demands of the area and the local requirements of the industries/ clusters. 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 & Procedures, Materials Management, Financial/Working Capital Management, Information Technology, Digital Marketing, Quality Management/QMS/ISO 9000/EMS, WTO, IPR, Supply Chain Management, Retail Management, Logistics Management etc. The list is illustrative only.

6. Empowered committee may in the 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 Hyderabad, IDEMI Mumbai, EDII Ahmedabad or any other specialized organisation may also 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. Online Monitoring and Evaluation Portal: The progress on training programme will be monitored on real time basis through the Web based MIS. IAs shall develop their own MIS for the said purpose and integrate the same with MIS under ESDP managed by O/o DC MSME. AADHAR authenticated attendance is mandatory to prevent duplication of beneficiaries under the scheme. Candidates will be identified through inviting applications.
3. Implementing agencies has to ensure that, the data/details of each activity/programme, including that of participant, is captured for further follow-up, hand-holding and later on for performance audit.
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 differently abled 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 be 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 by MSME-DIs 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.