

S-11057/10/2016/NRLM (SVEP)
Government of India
Ministry of Rural Development
Department of Rural Development
National Rural Livelihoods Mission (Aajeevika)

6th Floor, Hotel Samrat
Kautaliya Marg, Chanakaya Puri, New Delhi
Dated the 23rd September, 2016

Office Memorandum

I am directed to share the Master Circular for Start-up Village Entrepreneurship Programme (SVEP), a sub scheme of NRLM of the Ministry of Rural Development.

This master circular subsumes and overrides all the guidelines, FAQs and other communication issued with reference to the implementation of the SVEP, prior to the date of this letter, i.e 21st Sep 2016.

This master circular issues with the approval of the Secretary RD.


(T.C.Nautiyal)
Deputy Secretary (RL)
Telefax: 24122935

To

All States, All NRO's, All state anchors, NMMU – Thematic leads, and website

Master circular for the Start-Up Village Entrepreneurship Programme

**A sub-scheme under National Rural Livelihoods Mission,
Ministry of Rural Development
(Government of India)**

This master circular subsumes and overrides all the guidelines, FAQ's and circulars issued for the Start-Up Village Entrepreneurship Programme till date – 26th July 2016.

Table of Contents

Chapter I.....	4
Background	4
Nature and status of Rural Self – Employment: A statistical perspective.....	4
Chapter II.....	6
Objectives and expected outcomes	6
1. Vision and Scope	6
2. Objectives of SVEP	6
3. Key Deliverables and Features	7
Chapter III.....	12
Programme Structure and Management.....	12
NRLM Strategy and Start-up Village Entrepreneurship Program.....	12
Key Elements of the programme	12
How can states apply for the SVEP	12
Value Chain Studies under SVEP	15
Chapter IV.....	16
National Resource Organizations (NRO’s) role & responsibilities and support to NRO for the NRO Head Office costs.....	16
Chapter V.....	18
Fund Release Process and usage of Community Investment Fund	18
The broad guidelines for the usage of the CIF by the blocks.	18
Chapter VI.....	20
Monitoring, reporting and audit requirements under SVEP.....	20
I. State Level:	20
II. Central Level:.....	21
Submission of progress reports:	21
Certifications of the CRP-EPs and mentors:	21
Audits:	21
Kind of expenses not allowed under SVEP.....	22

Use of the administrative cost under SVEP.....	22
The KRA's, KPI's and competencies of BPM position.....	23
Annexure 1.....	25
Details of the activities under SVEP and the role of each participant.....	25
Annexure 2.....	28
Breakup of the costs per block into fixed and variable costs and calculation of costs per block based on the number of enterprises to be supported in the block.....	28
Annexure 3.....	34
Funds release pattern under SVEP to the SRLMs to be in three instalments of 25%, 50% and 25%.	34
Annexure 4.....	37
Framework for funding the Head Office costs of the National Resource Organizations (NROs) under Start-up Village Entrepreneurship Program (SVEP).....	37
Annexure 5.....	41
Guidelines for Value Chain Studies under National Rural Livelihoods Mission.....	41
Annexure 6.....	45
ANNUAL ACTION PLAN for Start -up Village Entrepreneurship Programme – SVEP.....	45
Annexure 7 MOU between State and PIA/MOU.....	55

Chapter I

Background

In India, more than 90% of the working population is engaged in the unorganized sector. In the case of rural areas, a large section is self-employed and agriculture has served as one of the major sources of income for villages. However, agriculture comes with many uncertainties and is not an income source for landless households. It has been experienced that, poor families require 3-4 different income sources to get out of poverty. Amongst these the non-farm livelihoods, skill based work and small enterprises are important sources of income.

It has been realized that in the absence of adequate business skills like understanding of market, domain knowledge, accounting, costing skills and lack of financial support, these micro/nano enterprises struggle to survive and often either fail or become stagnant generating sub optimal incomes. The plight increases in case of the poor as they do not have linkages with financial institutions.

In order to solve this problem and to provide support to small enterprises and skill based workers, both in terms of training and credit support, in the Budget session of 2014-15 on July 10th, 2014 the Honorable Finance Minister initiated the idea of Start-up village entrepreneurship programme. As stated, "I also propose to set up a "Start-up Village Entrepreneurship Programme" for encouraging rural youth to take up local entrepreneurship programs. I am providing an initial sum of Rs. 100 crore for this."

Nature and status of Rural Self – Employment: A statistical perspective

- i. Almost half of the rural youth are self-employed¹. Cumulatively, 53% of the rural male and 55.8% of the rural female in the age group of 15-59 years are Self-employed.
- ii. The unemployment rate among rural males in India is 8.02% and 6.05% among rural females. (NSSO 2011).
- iii. Rural livelihoods are not only agriculture based. The number of households that depend on rural non-farm employment (RNFE) as their primary source of income has increased from nearly 32% in 1993–94 to over 42% in 2009–10 (NSSO 2011), but still a huge 58% households are dependent on agriculture as their primary source of income.
- iv. The employment related reasons figure the highest behind migration from rural to urban areas. The migration rate per 1000 persons in rural areas is 26.

¹Self Employed workers include individuals working in household enterprises as own-account workers, in household enterprises as employers; and in household enterprises as helper as well etc.

- v. Micro Enterprises² constitute a significant proportion i.e. (99.8%) of the existing unregistered³ enterprises in the country. Currently the Rural Micro Enterprises employ 232.95 lakhs people in 119.60 Lakh units.
- vi. 93.94% (112.36 lakhs) of the rural micro enterprises have an investment up to Rs. 1 Lakh and below.
- vii. 67% (71.7 lakhs) of the rural micro enterprises have an investment below Rs 25,000.
- viii. Altogether, 202.86 Lakh persons are employed in Rural Micro Enterprises with investment up to Rs 1 Lakh and below. (Average Employment is 1.80 per unit).
- ix. Rural Micro Enterprises with Investment size below Rs 25,000 employ 132.42 Lakh people. (Average employment per unit is 1.65).
- x. Manufacturing sector constitutes 61.4%; Services account for 33.8% while Repair and maintenance 4.7% of the total number of rural micro enterprises.
- xi. 10.4% enterprises are owned by women in rural areas where as 12.46, 6.9, 45.07% enterprises are found to be owned by SC, ST and OBC in rural areas respectively.

Some of the field based observations on rural micro enterprises:

- a. The enterprises of the poor often seem more a way to buy a job (Necessity Entrepreneurship) when a more conventional employment opportunity is not available. Many of the businesses are run because someone in the family has (or is believed to have) some time on hand and every little bit helps. This person is often a woman, and she typically does it in addition to her housework. These enterprises are one of the multiple livelihoods of the poor.
- b. However, very few individuals from the Poorest of the Poor segment manage to start their own enterprise. This is due to issues such as lack of access to skills and finance.

²MSME survey for unregistered enterprises [Fourth census] has been considered for reference.

³Most of the Micro Enterprises in India are not registered. As the number of micro enterprises with investment of up to Rs 1 Lakh and below are significant, the analysis of various other economic variables has been restricted to these kind of enterprises alone.

Chapter II

Objectives and expected outcomes

1. Vision and Scope

To help the rural poor come out of poverty by helping them set up enterprises and provide support till the enterprises stabilize. To provide them with business skills, exposure, loans for starting and business support during the first critical six months of the enterprises by using the NRLM SHGs and their federations. This skills shall be imparted by local youth who shall be trained in business management, monitoring and support using ICT and audio-visual aids. These local CRP-EPs shall also provide support to the enterprises.

In its first phase of validating the concept, SVEP is expected to support creation and strengthening of about 1.82 lakh village enterprises in 125 Blocks across 24 States in the targeted four years i.e. 2015-19. This is expected to create employment for about 3.78 lakh persons.

The SVEP shall benefit the households and communities even beyond the financial gains it provides. It shall help rural people specially the marginalized sections, women, and SC and ST communities to gain a sense of dignity and self-reliance leading to great social changes. Similarly, the wealth generated in the local economy shall have a multiplier effect resulting in strengthening the local economy and reduction in distress migration. People engaged in a range of enterprises shall create further employment and improve the market. It shall also encourage new age enterprises in ICT/infotainment. It shall promote enterprises in the field of sanitation, drinking water, renewable energy etc. This shall offer more economic opportunities for the rural areas and bring people out of poverty.

2. Objectives of SVEP

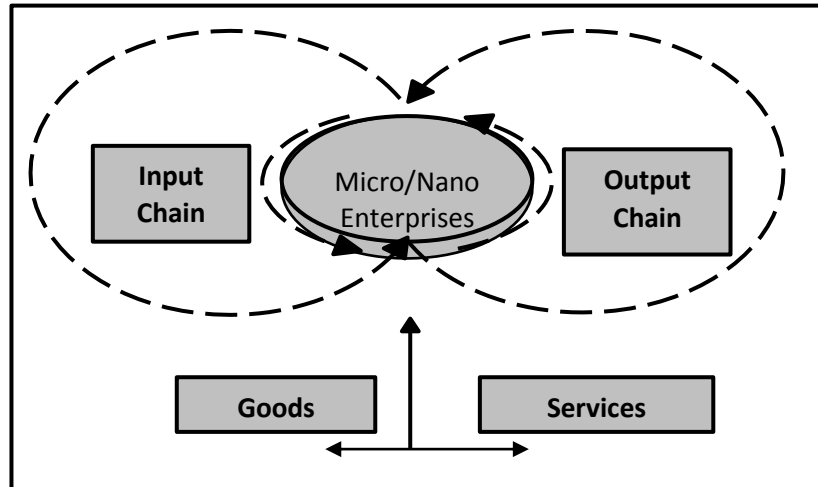
The overall objective of SVEP is to implement the Government's efforts to stimulate economic growth and reduce poverty and unemployment in the villages by helping start and support rural enterprises.

The key objectives of SVEP are:

- a. To enable rural poor to set up their enterprises, in its proof of concept phase, by developing a sustainable model for Village Entrepreneurship promotion through integrated ICT techniques and tools for training and capacity building, enterprise advisory services and to provide loans from banks/SHG & federations.
- b. Develop local resources by training a pool of village level community cadre (CRP EP) and build the capacity of the NRLM and SHG federations to monitor and direct the work of the CRP EPs.

- c. Help the rural entrepreneurs to access finance for starting their enterprises from the NRLM SHG and federations, the banking systems including the proposed MUDRA bank.

The SVEP should also work with the input and output supply chains for farm produce, artisanal products and other goods& services to help increase rural incomes.



3. Key Deliverables and Features

Apart from the outcomes and overall development SVEP is expected to have the following deliverables: As mentioned above, the program is expected to promote 1.82 lakh enterprises in 125 resource blocks in 24 states in four years and create employment for 3.78 lakh rural poor in four years from 2015-2019. The total budget outlay for the program is Rs. 485 crores with a unit cost of Rs. 26,526 per enterprise with a cost benefit ratio of 7.38:1. However, the current programme is approved for the next two years (current plan period, 2015-16 and 2016-17), targeting 45 blocks in 12 states initiating 34,000 enterprises and generating employment for 70,380 rural poor. Thus, the plan shall be taken upto 2016-17 at an estimated cost of Rs. 158.21 crores with a central share of Rs. 97.79 crores.

- i. A detailed review by a third party shall be conducted at the end of the current plan period before continuing the scheme into the 13th Five Year Plan.,
- ii. The programme should converge with the existing schemes of other ministries such as MSME, Ministry of Textiles, etc. The modalities for convergence shall be decided in consultation with the concerned ministries to avoid overlap.
- iii. The resource blocks in North Eastern states shall be given adequate priority in implementation.
- iv. The programme shall provide a specific segment for entrepreneurial support to rural youth in non-intensive blocks in convergence with the programmes of other departments. The knowledge

products and ICT support of the programme should be made available to rural youth outside the SHG fold.

- v. While selecting entrepreneurs under SVEP, priority shall be given to the highly vulnerable beneficiaries under MGNREGA.
- vi. Backward and forward linkages for farm livelihoods would be supported under the programme.
- vii. The programme should encourage enterprises of rural artisans.
- viii. The programme should ensure convergence with clusters identified under RURBAN mission.
- ix. Possibility of linkage of SVEP with MUDRA Bank proposed to be set up for refinancing microfinance institutions to SC/ST enterprises should be examined.
- x. Enterprises in the field of IT/infotainment and other similar newly emerging enterprise opportunities should be encouraged under the program.
- xi. Under this program there should be targeted attempts for enhancing credit limits for successful entrepreneurs from banks.
- xii. The program should track and report progress of the number of households under this program of NRLM, through the process of upgrading of skills and creating opportunities of employment.
- xiii. The program should conduct a baseline and micro-plan for each block and accordingly measure and report progress for the number of enterprises supported.
- xiv. Separate books of accounts for the CIF released under SVEP should be maintained – which shall be one of the basis of measurement of the progress of the program.
- xv. NRLM shall take adequate steps towards supporting development of appropriate technology and innovations especially for promoting enterprises in the field of sanitation, drinking water, renewable energy etc.

Selection of Beneficiary under SVEP:

There are 2 types of beneficiaries under SVEP

- a. The Community Resource Person –Enterprise Promotion (CRP-EP)
 - b. The entrepreneur
-
- a. Selection criteria for the CRP-EP beneficiary

The CRP-EP shall be getting detailed training and the eligibility criteria for selection of the CRP-EP shall be decided jointly between the PIA and the SRLM. Some suggested criteria are – this person should be literate, should be fluent in the local language, ideally should be a resident of the block, should have a working knowledge of / aptitude for mathematics and business understanding, should be willing to travel and interact with potential entrepreneurs, ideally should be a member of, or should be from the family of a member of a SHG. The age criteria can be defined by the SRLM, but ideally should be between 18 to 45 years old.

The process of applying for becoming a CRP-EP is an open process by which any person meeting the base eligibility criteria can apply.

This CRP-EP shall be selected after a due process of selection, which has a written test and some team activities. This CRP-EP post training is expected to clear a certification process, only after which he/she shall be eligible to operate as a CRP-EP.

b. Selection criteria for the entrepreneur beneficiary

There shall be 2 stages of the selection of the entrepreneur beneficiary –

1st stage

- i. When the potential entrepreneur expresses interest for starting an enterprise
- ii. At this point of time the beneficiary gets only training and support.

This beneficiary selection may be done by the community organization, based on the need and poverty of the person, and also the potential capability of the person to run an enterprise.

There is no age limit nor is the beneficiary expected to be a woman only.

2nd stage

i. Post the training and completing the viability test by the potential entrepreneur; the potential entrepreneur may seek a loan from the dedicated CIF under this scheme (applicable only for entrepreneur beneficiaries who are part of the SHG eco-system).

ii. This loan shall be recommended by the CRP-EP based on the assessment of the viability of the enterprise and the potential entrepreneur's ability to run the enterprise viably.

Both the selection decisions are to be taken by the community based organizations, after evaluating the recommendation of the Community Resource Person, about the viability of the proposed enterprise and the capability and readiness of the potential entrepreneur for running the enterprise viably.

The guideline specifies that preference should be given to the highly vulnerable beneficiaries under MGNREGA, marginalized sections, women, SC and ST communities and should also include rural artisans.

There is no provision of grant under the scheme, the only benefit the beneficiary shall get are training and a loan for starting/running the business.

Budget for the SVEP and average costs per enterprise (For 4 years)			
Total number of Enterprises supported	182,350		
	Average cost per entrepreneur supported	Total cost	State share in the funds
	Rs.	Rs. Crores	
Cost of Skill building of entrepreneurs including the Block level Professional support costs (incl CRP-EP costs /BRC set up costs/Baseline and evaluation costs etc)	Rs.14,293	Rs.260.63	Yes
Community investment fund	Rs.9,591	Rs.174.89	Yes
Adminstration cost of SRLM	Rs.1,023	Rs.18.65	Yes
Total Block costs for SVEP	Rs.24,907	Rs.454.18	
Total Centralised support / NRO support, PIA training	Rs.1,131	Rs.20.62	No
Value chain studies and R&D costs	Rs.548	Rs.10.00	Both options possible
Total Centralised costs	Rs.1,679	Rs.30.62	
Total SVEP cost	Rs.26,586	Rs.484.80	

The budget for SVEP has been estimated per enterprise per block. For the budgeting process of the AAP, we need to assume Rs.24, 907 per enterprise and 2400 enterprises per block. The total budget per block is Rs.5, 97, 76, 800 (Rupees 5 crores, ninety seven lakh seventy six thousand eight hundred only) per block. The first instalment of funds shall be released based on this figure (Rs.5, 97, 76,800) per block.

Estimated Upper limit Budget for the SVEP per block

Figures in Rs. lakhs

	Per enterprise cost Rs.	Year 1	Year 2	Year 3	Year 4	Total
No of enterprises estimated to be supported		600	950	650	200	2400
Cost of skill building of entrepreneurs including block level professional support costs (incl. PIA/CRP costs and baseline cost etc.)	14,293	85.76	135.78	92.90	28.59	343.03
Community Enterprise Fund	9,591	57.55	91.11	62.34	19.18	230.18
Administrative cost	1,023	6.14	9.72	6.65	2.05	24.55
Total	24,907	149.44	236.62	161.90	49.81	597.77

Under the Skill Building cost, baseline budget cost shall not exceed Rs. 10 lakh per block.

Since, the number of enterprises that can be supported in a block is determined by the number of villages, the number of enterprise supported may vary from block to block as per the outcome of the baseline study. The scheme envisages support to maximum of 2400 enterprises per block over a period of four years

Apart from these costs per enterprise, there is also a provision for innovations and value chain studies and centralized support to the SRLM's and PIA, in the form of standardized training content, software for baseline, monitoring and enterprise support etc. This amount shall be retained in the NRLM centrally for providing common services to the States. Any of the above activities (software, ICT tools, training content, certification process, etc.) done by any PIA/NRO for supporting the implementation of the program shall be made available to all, in public domain, by MoRD for use by any SRLM/PIA.

Seminar & Workshop: NMMU would organize Central/Regional/State level workshops to familiarize the States with the SVEP guidelines.

In case the number of enterprises that can be supported change after doing the baseline and market potential studies, the budget for the block may be revised downwards at the time of submitting the DPR. The calculation of the working of the budget for the block based on the number of enterprises to be supported under SVEP, arrived at as a result of the baseline and market potential study, would be based on the fixed and variable costs per enterprise, as detailed in annexure 2.

Chapter III

Programme Structure and Management

NRLM Strategy and Start-up Village Entrepreneurship Program

The NRLM SHG's and federations are a critical pre-requisite for the implementation of the SVEP project. These community based institutions provide help in the identification of the potential entrepreneurs and the common resource persons (CRP EP)s, help in doing the due diligence for their credit worthiness and also monitor the work of the Community Resource Persons (CRP-EP's). Post the starting of the enterprise and providing credit to it, the community based institutions also monitor the progress of the enterprise and its repayment along with the CRP-EP.

Key Elements of the programme

- i. Create a Block Resource Centre – Enterprise Promotion (BRC-EP); The BRC should act as a nodal centre to implement SVEP. Block Level Federation (BLF) to come up under NRLM shall be the institutional platform for BRC.
- ii. Cluster Level Federation (CLF) /VO's shall hold the entity till BLF comes into existence. BRC should follow a self -sustaining revenue model.
- iii. BRC to be assisted by CRP-EP and the Bank Coordination System (Bank Mitra). BRC to provide resource and reference material including videos, manuals etc.
- iv. Help enterprises get bank finance using the tablet based software for making the business feasibility plan, doing credit appraisal and tracking business performance.
- v. Use the Community Investment Fund (CIF) to provide seed capital for starting the business till it reaches a size where bank finance is needed.
- vi. Implementation of SVEP shall be managed by NRLM through the State Rural Livelihood Missions.

How can states apply for the SVEP

The states can apply for the SVEP as part of their Annual Action Plans. In case they wish to apply for the SVEP in the middle of the financial year, they may submit a Supplementary Annual Action Plan in the defined format (Annexure 6) to the JS (RL).

Any state can apply for a maximum of 2 blocks while making the first application for SVEP in the AAP route.

States which have spent less than Rs. 4.5 crores in implementing NRLM in 2015-16, should be sanctioned only 1 block. This is because the funds that will be released for SVEP (including state share) in the 1st full year of program implementation would be Rs.4.5 crores.

States which have not spent this amount in the entire NRLM, would not have the required processes and maturity at both the state and the Community based organizations to handle funds of this quantum. Hence, the program sanction and fund release should be commensurate with the demonstrated experience of the state SRLM of handling program funds.

These limitations have been kept to ensure that an equitable distribution of the limited funds available is made to the states and also to ensure that the program is implemented effectively.

The limitation on the number of blocks which a state can apply for can be waived off with the approval of the Additional Secretary (RD).

Two routes for implementation shall be followed:

- a. **NRO route** – National Resource Organizations (NRO) recognized by NRLM that have entered into partnerships with SRLMs for taking up pilot enterprise development initiatives to implemented SVEP in select areas. The NROs under SVEP shall be Kudumbashree (Kerala State Poverty Eradication Mission) NRO, OMPLIS (Orvakkal Mandal Samakhya) NRO, EDII (Entrepreneurship Development Institute, India) NRO and the NAR (National Academy of RUDSETI) NRO.

The states may choose any one of the four designated NROs for the implementation of the pilot phase based on their comfort of working with the NRO and their estimation of the ability of the NRO to deliver results on the ground. The NRLM does not define any criteria for the states.

- b. Steps would be taken to identify more such best practitioners and recognize these organizations as NROs across the country by the NRLM.
- c. **PIA route** – SRLMs should identify Project Implementation Agencies (PIAs) from among qualified non-governmental organizations, civil society organizations, technical institutions, and community based organizations etc., to take up implementation in select areas. Selection of PIA shall be done in an objective and transparent manner, following process prescribed by NRLM.

The SRLM may select a PIA from among the finalists of the Innovation forums held by the states and who have been notified by the Ministry of Rural Development. The Ministry of Rural

Development is also in the process of shortlisting and empanelling organisations for implementing SVEP in the states. The states may also select PIA's from this list.

The SRLM may also select a PIA based on the following criteria and get the same approved from the appropriate authority at the state level after conducting a desk and field appraisal of the PIA.

A. Suggestive Minimum Essential qualification required in the potential partner (the state can add to this list, but cannot reduce from the list):

1. PIA should be registered, non- political and secular in nature.
2. PIA should not be black listed by any government department.
3. The PIA should have at least 2 years of relevant experience of implementing enterprise - promotion related livelihood activities, with the poor, especially in the state for which it is being proposed. The PIA should also have experience in promoting enterprises in the non-farm sector. Experience of working with community participation, in the rural areas, where the PIAs propose to work, under SVEP, would be an advantage.
4. The PIA should have minimum annual turnover of Rs.100 lakhs in the past two years [as evidenced in the past two years audited financial statements].
5. The PIA should have supported at least 500 enterprises / or members of producer groups in the last 2 years.
6. The PIA should have transparency in financial matters, material handling, benefit sharing and fulfilment of legal compliances and should have processes and people in place to ensure the same.
7. The PIA should have adequate infrastructure and human resources with respect to the proposed project and should be willing to provide the undertaking for continuing working in the area for the project duration.

B. Preferred qualities in the PIA:

1. PIA should have domain knowledge of and experience in community mobilization, SHG and Microfinance, Livelihoods Enhancement, market linkages etc.
2. Should have experience in forward and backward linkages in NTFP, artisanal products and other rural produce.
3. The PIA should preferably have worked with the state government in any other project and successfully completed the same in the last 3 years.

C. Suggestive List of documents that applicant PIA need to submit along with application:

1. Application
2. Copy of the registration certificate
3. Copy of the certificate from the IT department recognizing the PIA as a not for profit organization
4. Copy of the audit statement of PIA for last two years

5. Copy of the annual report of PIA for last two years
6. Affidavit that PIA is not currently black listed by any government department or agency
7. Complete information about its work –
 - a. Basic information: Name of the organization, its full postal address, email ids and landline and mobile telephone numbers.
 - b. Profile of Project Proposer- names of the head of the organization and project-coordinator, their background, academic qualifications, experience, previous responsibilities held, duration in present organization and nature of duties handled.
 - c. If the organization is a part of or sister concern of a larger entity, details may be given for the same.
 - d. Details of specialization of the organization, its primary activities, projects handled and duration of exposure to the subject. The total project size handled so far may be given.
 - e. Similar work handled in the past along with its size should be clearly mentioned.
 - f. Evaluation/Completion /Impact assessment reports of their past projects – completed in the last 2 years.
 - g. Any Rewards or recognition received in the last 2 years.

The process followed by the state for selecting the PIA (including details of desk and field appraisal conducted by the state), along with the approval of the appropriate authority at the state level may please be submitted with the proposal to NRLM in case the state has selected an PIA to implement the program.

Value Chain Studies under SVEP

As part of SVEP, the states are encouraged to support individual or group enterprises on Value chain interventions. For supporting these interventions, value chain studies could be conducted under SVEP for selected commodities. The states may seek funding under the funds window available with the schemes of NRLM like SVEP, Special Livelihoods funds for NRLP states, states allocation under NRLM etc. These proposals would be funded by the center and state in 60:40 ratio. (The ratio would be 90:10 for the NE and Himalayan states). The detailed guidelines are attached in annexure V.

Chapter IV

National Resource Organizations (NRO's) role & responsibilities and support to NRO for the NRO Head Office costs

1. The NRO's are expected to have a two pronged role in the implementation of the SVEP :

1.1 Implementation Role: Directly implement the SVEP in the blocks as implementing partners with the states – to establish proof of concept of the program in the states.

In this role the NROs need to deploy a team of senior professionals at their head office level, who are expected to do the following:

- 1.1.1 Ensure mid-term course corrections are done wherever required and document the best practices, identified during implementation.
- 1.1.2 Develop the processes - including written test, personality assessment tools etc. for the selection of Community Resource Persons for enterprise promotion (CRP-EP).
- 1.1.3 Develop a module for doing a baseline and market potential study in the blocks.
- 1.1.4 Develop a process for market scoping studies for new enterprises which be seeded in the blocks – based on the existing consumption and production of the block, the emerging opportunities of consumption and the opportunities based on government schemes and spends etc.
- 1.1.5 Create a process of doing a financial feasibility analysis of the new enterprises proposed to be set up under the SVEP.
- 1.1.6 Help create software for the support of the CRP-EP, the entrepreneur and also to maintain a transaction based MIS for the SVEP.
- 1.1.7 Help establish processes of support to the enterprises using regional performance benchmarks based on the data captured in the software being developed for the SVEP.
- 1.1.8 Along with NRLM, conduct the training and immersion of the Programme Implementation Agency's (PIA's) who are the implementation partners of some states for SVEP, in the first phase. The training shall be done to help the PIA's understand all the aspects of SVEP.
- 1.1.9 Help develop the parameters for monitoring the progress of the program
- 1.1.10 Partner in the process of all activities to be done for ensuring that the SVEP can be scaled up, including participating in review meetings and workshops.
- 1.1.11 Drive the implementation of the SVEP for the project duration to ensure all the targets and timelines as specified in the DPR are met.

- 1.2 **Programme Scale-up Role** : Based on the experience of implementation of the SVEP in the blocks and their prior experience on implementation of entrepreneurship development programmes and working with the NRLM structures, do the following activities :
- 1.2.1 Create standardised content and training pedagogy for training of the various stakeholders for the implementation of the SVEP - Programme Implementation Agency's (PIA) management, Mentor Community Resource Person for Enterprise Promotion (CRP-EP), CRP-EPs, members of the various community based organisations (CBO's) viz. Self Help Groups (SHG's) , Village Organisations (VOs) and Cluster Level Federations (CLF) , Entrepreneurs, bank officials, State Rural Livelihood Missions (SRLM) employees at the state, district and block level etc.
 - 1.2.2 Create a repository of training material and ICT material for the implementation of the program.
 - 1.2.3 Create a process of certification of the mentor CRP-EP's and the CRP-EPs.
 - 1.2.4 Support creation of a process and criteria of identification and selection of PIA's who have the competence and ability to implement the SVEP across the country.
2. While the cost of direct implementation of the SVEP in the blocks are covered in the SVEP costs being given to the SRLM's, the HO and other costs of NRO's for doing the tasks for the scale up and institutionalization of the SVEP processes as detailed above are not funded. The framework for providing support to the NRO's for these costs is detailed in annexure 4. These costs are part of the Rs 20 crores budgeted and approved by the SFC for this activity and for providing other centralised support by the NRLM.
- vii. SVEP implementation at the block level to consist of the following sets of processes:
 - i. New Enterprise Development
 - ii. Support for existing enterprises
 - iii. Block level activities
 - iv. Other project activities
 - viii. SVEP to be implemented in the Resource/Intensive Blocks in line with the community institution building plan of NRLM. The selection of SVEP blocks shall be done by the respective State Rural Livelihood Missions.

For the detailed implementation process, the Community Operational Manual (COM) shall be referred. A summary of the flow of work is also shown in annexure 1.

Chapter V

Fund Release Process and usage of Community Investment Fund

The SRLM's will submit the Annual Action Plan (AAP) for implementation of the programme along with budget estimates which will be considered and approved by the NRLM Empowered Committee set-up under the Chairmanship of Secretary (Rural Development) with Financial Advisor as one of the members. The Empowered Committee will co-opt members from other Departments and Organisations dealing with Entrepreneurship development. The release of funds to the SRLMs would be in three instalments of 25%, 50%, 25% as detailed in the annexure 2. The fund releases to the NROs in two instalments of 50% each and all releases would be subject to the procedures and processes prescribed in the Framework document of NRLM.

Funding pattern under the scheme is currently 60% centre and 40% state. (Exception being 90% centre and 10% state for the North eastern states and Himalayan states). However, the same may change in case any new set of guidelines are notified by the government of India.

The project execution period has been estimated to be 4 years (48 months) from the date of release of the first instalment after the submission report of the baseline and market potential study and DPR.

However, the Ministry of Rural Development has the mandate to fund the program for the years 2015-16 and 2016-17 (current plan period) only. After the completion of the first 2 years of the program, there shall be a mandatory review by a third party, and the program may be extended post the outcome of this review exercise.

The broad guidelines for the usage of the CIF by the blocks.

- a. Rate of interest to be charged to the entrepreneur borrower, who will borrow money from the CIF under SVEP.

The rate of interest charged by the SHG from the loans given using the CIF of SVEP, to the entrepreneur should ideally not exceed 1% per month on a reducing balance basis (or 12% per annum on a reducing balance basis). The rate of interest should be decided and agreed by the CBO and CRP-EP facilitated by the SRLM and PIA. The rate of interest should be decided ensuring that the enterprises supported are financially viable at that rate of interest. Ideally the same rate of interest should be charged to all the entrepreneurs in the block. But the rate of interest charged from the enterprise may vary among different blocks in the state.

- b. Repayment schedule for loans and scope for a moratorium period for the loans granted from the CIF of SVEP.

The terms of repayment terms and schedule including moratorium if any, should be decided by the CBO and CRP-EP with facilitation from SRLM. This repayment schedule has to be decided based on the need of the enterprise being promoted and may vary depending upon the type of enterprise being supported. There is no need for all the entrepreneurs in a block to have the same repayment schedule.

- c. Maximum amount that can be lent from the CIF to an individual entrepreneur and to a group enterprise

To ensure equity in the usage of the CIF and to prevent cornering of the CIF funds by a few, it is suggested that the maximum amount of loan from the SVEP CIF that can be given to one individual entrepreneur be fixed at Rs.1 lakh. Similarly, in the case of a group enterprise, the maximum amount that can be given as loan to a group enterprise is Rs. 5 lakhs and the maximum loan per member of a group enterprise cannot cross the individual threshold of Rs.1 lakh. In case any enterprise repays the first tranche of loan, then the subsequent tranches of loan to the same enterprise for business expansion can be enhanced by a factor of 25% for each round of loan repayment. However, the state may take a call on these number based on the local conditions and the number of enterprises to be promoted. However, the underlying principle of equity should be adhered to.

Chapter VI

Monitoring, reporting and audit requirements under SVEP

Monitoring and review of the Projects sanctioned and implemented will be done at two levels i.e. at the Central level by a designated agency or the NMMU and at the State level by the SRLM.

I. State Level:

For monitoring and periodic review of the sanctioned project, a Committee should be formed at the State level, headed by the Mission Director, SRLM. The State Committee should have participation from the relevant state departments like Forest and Environment, tribal development, Women and Child Development, MSME, KVIC, textiles, and domain experts etc.

The Committee should undertake quarterly reviews with the PIAs/NROs. The State governments may also constitute a State Level Technical Project Support Group to assist the PIAs in the implementation of the Projects.

The minutes of such monitoring committee meetings must be shared with the NRLM within 10 days of the meeting being held.

Apart from the committee, the SPM in charge of SVEP and the SMD (whenever possible) should review the progress of the program and its physical and financial achievements every month.

The SRLM should own the project and should develop capability to roll-out the program in all blocks of the states, using its own human resources after the establishing the success of the pilot.

The SRLM also has to play a facilitating role in setting up state level benchmark setting committee which shall comprise members from SRLM including the SRLM (SPM/BPM-SVEP), other SPM (livelihoods), and expert practitioners of the trade and industry experts. This committee shall validate the business performance benchmarks for each group of enterprises for the blocks, as generated from collating data, by the MIS software. This committee is also expected to send out seasonal advisories to various kinds of enterprises – to help them maximize incomes based on seasonal demand and minimize losses due to seasonal stocks left with them, due to the end of a seasonal demand.

Apart from these activities, the committee is also expected to facilitate consolidation of demand and supply of all the enterprises in the block/ district /state and use the same for facilitating better trade terms for the enterprises capitalizing on collective bargaining power.

II. Central Level:

At the Central Level, the NMMU and the monitoring committee of the NMMU will periodically review and monitor the SVEP projects (minimum at quarterly intervals), sanctioned under the scheme. This monitoring and advisory body including the representatives from private organizations, industries, marketing firms etc. would be constituted at the Central Level to give necessary advice to the Ministry of Rural Development on the implementation of SVEP.

Submission of progress reports:

The implementing agency/coordinating agency shall submit the progress report of the project by 15th of the month succeeding every quarter in the format prescribed by the Ministry. Failure to furnish the progress report would make implementing/ coordinating agency liable to refund the Central funds released for the Project along with interest.

It shall be open to the Ministry of Rural Development to prescribe such conditions, as it deems fit, from time to time to ensure proper execution of the project.

The progress reports shall cover achievement of physical targets and financial targets, and shall also include, mandatorily updating the relevant data, by the PIA, after the same is vetted by the SRLM, in the centralized MIS and operating software, to be provided by the Ministry of Rural Development, on a regular (monthly and quarterly) basis.

Certifications of the CRP-EPs and mentors:

All the mentors placed in the block by the PIAs, the CRP-EPs trained by the PIA, the block project managers placed in the block for the implementation of the SVEP by the SRLM and the PIA, shall have to be certified by an independent certification process approved by NRLM, and this shall be a critical milestone in the implementation of the project.

Audits:

There are two kinds of audits envisaged under the SVEP:

- i. The Ministry of Rural Development retains the right to carry out internal audit of funds and financial implications of the project, if deemed necessary.

ii. Regular Financial audit is to be carried out by the Chartered Accountant of the Project Implementing Agency or any other authority appointed by the State Government. The audit report together with action taken on the auditor's observations and physical progress under the project shall be furnished at the time of release of 2nd / 3rd instalment of the Central funds and at the end of every financial year. These audit reports would clearly state that the grant funds utilized under SVEP have not been used to create any individual assets or for purchase of vehicles or used for any activity prohibited under the NRLM. Only funds loaned to the entrepreneurs from the CIF under the SVEP, can be used to create individual assets required for the running of the enterprise, including vehicles if required for the running of the enterprise being set up.

The accounts of the BRC (Block resource center) specially the accounts of the CIF under SVEP, would be maintained separately and should be audited by the SRLM or its deputed auditors. These audit reports have to form the part of the SRLM's audit report for the SVEP to be submitted at the same frequency as discussed above. The accounts of the BRC shall also have to be supported by certificates from the VO's/SHGs, clearly stating the SVEP CIF funds borrowed by the SHG/VO's have been used only for on-lending to SVEP supported entrepreneurs.

[Kind of expenses not allowed under SVEP](#)

No individual assets can be created from the funds under SVEP, apart from the funds specified for the CIF. (CIF funds, which are given to the entrepreneur as repayable loans, can be used to buy individual assets, but which are needed for running the enterprise.)

Only funds loaned to the entrepreneurs from the CIF under SVEP, can be used to create individual assets required for the running of the enterprise, including vehicles if required for the running of the enterprise being set up.

Any assets created using the funds of the SVEP, (e.g. computer, tablets, printer, office furniture etc.) shall be owned by the individual/ community organizations and not by the PIA/ SRLM /CRP-EPs.

For the administrative funds under SVEP, the extant guidelines for NRLM to be followed by the SRLM.

[Use of the administrative cost under SVEP](#)

The administrative cost under SVEP is supposed to be used by the SRLM to depute an officer as Block Program Manager-SVEP. This person shall be a dedicated Program Manager for SVEP- to be placed at the blocks where the SVEP is being implemented in the state. This Manager shall co-ordinate the implementation of the SVEP in the pilot blocks of the state for the period of implantation of the SVEP.

The KRA's, KPI's and competencies of BPM position

Position: Block Program Manager – SVEP

Purpose of the position – To co-ordinate between the PIA/NRO and the SRLM project team, and the community organizations (SHGs/VOs/CLFs) and ensure the SVEP gets implemented as per the plan and schedule (on all parameters – physical, financial and timelines).

To be involved in the implementation and monitoring the progress of the SVEP in the two blocks and help to scale up the same after incorporating mid-course corrections, if any.

To document and share best practices, identified in the implementation of SVEP in the initial 2 blocks.

Reporting To – Administratively to the District Program Manager (SRLM) of the district chosen by the SRLM, and functionally to the State Program Manager (SVEP). He/she shall be based /posted in the block where the SVEP is being implemented.

Key Responsibilities -

1. To ensure rollout of the SVEP program across all the pilot blocks, including completion of the baseline and market potential study and preparation of the DPR.
2. To co-ordinate and act as a bridge between the PIA/NRO, the community organizations and the Block and the village level project staff.
3. To participate in all the processes of implementation of the SVEP.
4. To help operationalize the MIS for SVEP, monitor progress of the SVEP and share the same with all the stakeholders – SRLM/PIA/NRO/ NRLM.
5. To ensure adherence to norms and completion of processes related to procurement of tablets and other equipment for the BRC.
6. To help institutionalize the Block Resource Centre and make it part of all the SRLM processes in the block.
7. Create and operationalize a course correction mechanism and a process for documenting and sharing best practices.
8. To help create a repository of business logics and training material at the BRCs.
9. To be part of the State level business advisory team for creating local benchmarks for enterprises and for giving seasonality based business advisories.

Key Performance Indicators –

1. Rollout of SVEP physical activities as per the timeline.
2. Number of community organizations' members trained effectively on the SVEP vs targets.
3. Number of MIS reports sent timely per month.
4. Number of monthly reviews of the progress of the program with the PIA/NRO and the District Program Manager facilitated.
5. Ensuring timely reporting of the work done by the PIA, and any deviation from plan is addressed or taken up at appropriate levels within the SRLM, with respect to:
 - a. Number of CRP-EPs selected, trained and retained vs targets, for the period under review.
 - b. Number of Enterprises trained, supported to start /grow their business and increase in their incomes vs targets, for the period under review.
 - c. Number of enterprises linked to banks for loans for the business vs targets for the period under review.
 - d. Number of enterprises given loans (from banks or SHGs) and repayment of the loans from business profits vs targets, for the period under review.
6. Number of regional and village category wise benchmarks created for various groups of enterprises created.
7. Number of best practices and training materials, including ICT trainings documented and added to the repository.

Educational Qualifications: Post graduate/Graduate in any subject with mathematics as a subject till class XII. Preferably from a management/ commerce or engineering background. Should have strong numeracy skills and business skills.

Core Competencies -

1. Understanding and hands-on experience of the non-farm livelihoods sector and its issues – having worked with either a business or a producer organization that has been successful, or having worked with the SRLM in a livelihoods profile or having worked with a SVEP-like project. The person should have at least 2 years of work experience.
2. Should have numerical and business finance understanding and skills.
3. Good team player, strong ability to work with teams and with people with no direct reporting relationships
4. Data driven, open to learning and adaptable, should be willing to adapt to ground realities.
5. Should be compassionate for the poor and should be willing to look at issues from their lens. Also, should be honest, fair and objective in work. The person should not discriminate anyone based on gender, caste, class, region or any other identity mark.
6. Should have a training and development orientation.
7. Should be self-driven and should be motivated by social change and impact at scale.
8. Should be willing to travel extensively in the field and be willing to stay in a village for approx. 10 to 15 days a month.

After 2 years of implementation of the SVEP in the block, the state may, based on the performance and capability of this BPM (SVEP) depute him/her to look after the implementation of SVEP in more than one block of the state.

Annexure 1

Details of the activities under SVEP and the role of each participant.

I. Preparatory Phase

Activity	NRO	Bank-BRC/RSETI	SHGs/NRLM institutions
Block Resource Centre set up at the Block Level	✓	✓	✓
Identify Master CRP-EP	✓		
Train Master CRPs –EP	✓		
Position the Master CRP-EPs in the implementation blocks	✓		
Master CRP-EPs identify potential CRP-EPs in the blocks	✓		✓
The potential CRP-EPs screened	✓		✓
The potential CRP-EPs trained	✓		
The Potential CRP-EPs do baseline study of the existing enterprises in blocks to build database and understand businesses/market	✓	Link the Program with the Districts' RSETIs	✓

II. Enterprise Selection & Start-Up Phase

Activity	NRO	Bank-BRC /RSETI	SHGs/NRLM institutions
Triggering meetings with potential entrepreneurs	✓		✓
Interested potential entrepreneurs apply for starting enterprises/existing enterprises apply for scaling up	✓		SHGs/Village Organizations evaluate potential proposals for funding-based on local knowledge plus past SHG repayment history
Interested potential entrepreneurs screened by giving field test and their business model gets evaluated	✓		
Potential entrepreneurs with feasible business models shortlisted & trained	✓	✓	✓
Potential entrepreneurs with feasible business models linked for finances with SHGs/Banks	✓	✓	✓
Potential entrepreneurs with feasible business models helped to start enterprises. These new start-ups gets handholding support for 6 months by the CRP-EP	✓		CLF/VOs monitor work of the CRP-EPs through BRCs

III. Enterprises Sustenance Phase

Activity	NRO	Bank-BRC/RSETI	SHGs/NRLM institutions
Business P & L, Cash Flow for all the enterprises tracked in the VE-IT, so that business history and credit history can be created for both the entrepreneur to monitor his enterprise and for the bankers to get some comfort on the entrepreneurs'/enterprise's ability and intent to repay loans	✓	Bankers access data to monitor borrowers' enterprises. RSETI Directors involved in the monitoring of the enterprises and loan repayments.	✓
In case of a few selected enterprises with growth and finance needs linked to banks for funding	✓	Bankers evaluate and fund potential enterprises, bankers' access data to monitor borrower enterprises. RSETI Director involved in ensuring bank linkages	
CRP-EPs continue to provide business monitoring support and are paid by the VOs/Entrepreneurs for this support	✓		CLFs/VOs monitor borrower enterprises with the CRP-Eps

Annexure 2

Breakup of the costs per block into fixed and variable costs and calculation of costs per block based on the number of enterprises to be supported in the block

The success of the SVEP is based on the success of the enterprises supported under the programme.

The budget for SVEP had been estimated per enterprise per block. For the budgeting process it was assumed that the cost would be Rs.24, 907 per entrepreneur and the program would support 2400 entrepreneurs per block. Accordingly the total budget per block worked out to Rs.5, 97, 76,800 (Rupees 5 crores, ninety seven lakh seventy six thousand eight hundred only) – details are given below:

Table 1 Estimated Upper limit Budget for the SVEP per block Figures in Rs. lakhs

	Per enterprise cost Rs.	Year 1	Year 2	Year 3	Year 4	Total
No of entrepreneurs estimated to be supported		600	950	650	200	2400
Cost of skill building of entrepreneurs including block level professional support costs (incl. PIA/CRP costs and baseline cost etc.)	14,293	85.76	135.78	92.90	28.59	343.03
Community Enterprise Fund	9,591	57.55	91.11	62.34	19.18	230.18
Administration cost	1,023	6.14	9.72	6.65	2.05	24.55
Total	24,907	149.44	236.62	161.90	49.81	597.77

However, not all blocks in the state are similar and there are wide variations across states in terms of topography, distance from markets, income levels etc. To cater to this variance in the potential of the block to support number of entrepreneurs, we had asked the states, in the guidelines, to conduct a baseline and market potential study of the block.

Based on the outcome of this baseline and market potential study, the final number of entrepreneurs that can be supported in the block shall be estimated.

The EC has also approved this process and accordingly we are releasing Rs. 30 lakhs per block to the states for carrying out the baseline and market potential studies using the services of the PIA/NRO selected for the implementation of the SVEP and the CRP-EPs being trained under the project.

Based on this estimate of the number of enterprises, the final budget per block and the physical targets of the number of entrepreneurs that can be supported, would be arrived at. This number and budget shall form part of the Detailed Project Report (DPR) to be submitted by the SRLM.

In case the number of entrepreneurs the block can support arrives at a figure of lesser than 2400, then in that case the budget for the block would have to be revised downward.

For this recalculation of the budget, rather than just multiplying the targeted entrepreneurs to be supported multiplied by the unit cost of Rs.24,907, we are suggesting that the unit cost of support of the entrepreneur, be broken down into fixed and variable cost components and the revised budget for the SVEP for the block be calculated accordingly.

Thus in the case of a block which can support 2000 entrepreneurs, the budgeted cost per block would come down from Rs.5.97 crores to Rs.5.56 crores, but the unit cost per entrepreneur would go up to Rs. 27,809 (as the fixed costs would be spread over a lesser number of entrepreneurs – please see table 3 below).

This change in the calculation is proposed so that the quality of support offered to the remote and poorer blocks does not suffer due to funds constraints, or the process of selection of subsequent blocks is not skewed towards only those blocks which have potential to support 2400 entrepreneurs.

The costs per enterprise, per block have been broken down into fixed costs and variable cost components. The same is as given below (Table 2):

Table 2

S No.	Particulars	Fund to be given to/routed through	Fixed Costs for Block	Variable Cost per Enterprise	Variable Cost Per Block @2,400 Enterprises	Total Cost Per Block @2,400 Enterprises	Amount to be reduced from budget in MEC Blocks
1	Skill Building of Entrepreneurs	PIA		₹ 7,000 **	₹ 16,800,000		
2	Training of Community Institutions	PIA	₹ 1,000,000				
3	Handholding Support by CRP-EP	CRP		₹ 3,395	₹ 8,148,000		No. of MECs *subsistence allowance for the balance

							period of MEC project
4	Training and Capacity Building of CRP-EPs	PIA	₹ 700,000				100%
S No.	Particulars	Fund to be given to	Fixed Costs for Block	Variable Cost per Enterprise	Variable Cost Per Block @2,400 Enterprises	Total Cost Per Block @2,400 Enterprises	Amount to be reduced from budget in MEC Blocks
5	Setting up of BRC-EP (incl. all assets)	CBO's thru PIA	₹ 500,000				
6	Working Capital for BRC-EP for operating expenses	CBO's	₹ 180,000				
7	M&E and PIA Support Cost						
7a	Baseline (including tablets for CRP-EPs)	PIA	₹ 1,000,000				
7b	Evaluation	SRLM	₹ 500,000				
7c	Mentor and Block Support	PIA	₹ 2,976,000				No. of Mentors* unit cost for the balance period of MEC project
7d	Block RSETI Cost* (if applicable)	CBOs/ RSETI	₹ 2,500,000				
8	CIF and Credit Guarantee Fund	CBO's	₹ 23,017,600				
9	Admin. Cost	SRLM	₹ 2,455,200				

	Total cost per block	₹ 34,828,800		₹ 24,948,000	₹ 59,776,800	
	Total Per Enterprise	₹ 14,512	₹ 10,395		₹ 24,907	

*In case a block RSETI does not come up in a block the funds allocated for the Block RSETI's cost (Rs.25 lakhs) shall be added to the CIF and the credit guarantee fund.

Accordingly, a table is shared of the cost per enterprise and the budget per block for a few illustrative cases in the table below:

Table 3. Per enterprise variable cost ₹ 10,395

No of enterprises to be supported in the block	Fixed costs per block	Variable costs	Total costs/block	Cost/enterprise
2400	₹ 34,828,800	₹ 24,948,000	₹ 59,776,800	₹ 24,907
2000	₹ 34,828,800	₹ 20,790,000	₹ 55,618,800	₹ 27,809
1600	₹ 34,828,800	₹ 16,632,000	₹ 51,460,800	₹ 32,163
1200	₹ 34,828,800	₹ 12,474,000	₹ 47,302,800	₹ 39,419
1000	₹ 34,828,800	₹ 10,395,000	₹ 45,223,800	₹ 45,224

The rationale for treating the costs as fixed cost is as under:

a) Training of Community Institutions

Irrespective of the number of enterprises supported under SVEP, these costs would be incurred as the number of Community institutions (SHG's and VO's) per block, would remain more or less similar in a block which has more business potential and in a block which has less potential.

b) Training and Capacity Building of CRP-EPs

Though the number of CRP-EP's may reduce based on the number of enterprises supported under SVEP, but since the training cost would remain more or less the same, as the cost would not vary much whether there are 80 or 60 CRP-EP's in the batch.

c) Setting up of BRC-EP (incl. all assets) and

d) Working Capital for BRC-EP for operating expenses

Irrespective of the number of enterprises supported under SVEP, one Block Resource Centre per block would have to be set up.

e) Baseline (including tablets for CRP-EPs) and

f) Evaluation

Irrespective of the number of enterprises supported under SVEP, the baseline and Market potential study and the evaluations study at the end of 2 years of the project would have to be carried out.

g) Mentor and Block Support costs

Irrespective of the number of enterprises supported under SVEP, the mentors and block project manager from the PIA shall have to spend time in the block and support and handhold the implementation of the project and the CRP-EPs'.

h) Block RSETI Cost* (if applicable)

Irrespective of the number of enterprises supported under SVEP, one block RSETI manager shall have to be placed in the block RSETI. This block RSETI shall primarily facilitate in providing bank linkages to the entrepreneurs promoted under SVEP. In blocks where the block RSETI is not set up (due to the banks not being able to spare officers for the block RSETI), the funds allocated in this head, shall be transferred to the Community Enterprise Fund, as the fund shall need to be enhanced to whatever extent possible, as bank linkages in such blocks would be slower to fructify.

i) CIF and Credit Guarantee Fund

This is treated as fixed, as the blocks where the market potential is lower for enterprises, the same would hold true for banks also. Empirically it has been noticed that the bank branches in the remote and poorer blocks are lesser than the bank branches in the more prosperous towns. The remote and poorer blocks hence would have greater difficulty in access to bank branches and consequently bank loans.

j) Administrative Cost

Under the SVEP, we are asking the SRLM to provide a dedicated manager for the SVEP at the block level. This manager has to have experience and skills in enterprise promotion. Irrespective of the number of enterprises supported, this one person shall have to be posted at the block by the SRLM, hence this cost is treated as fixed.

This is the amount given to the SRLM for meeting its administrative costs and it is approximately 4.1% of the project cost in a block with 2400 enterprises.

Variable costs

The costs of trainings of the entrepreneurs of Rs.7000, includes the costs of organizing meetings and seeding the concept of entrepreneurship, selecting the entrepreneurs based on their willingness and readiness for the enterprise that they propose to start, the feasibility analysis for the enterprise proposed to be started by the entrepreneur and the training to the entrepreneur to start and run the enterprise. These costs have been estimated at an average of 35 days @ Rs.200 per day- which is as per NRLM norms

for trainings under RSETI. (The actual number of days spent on training of an entrepreneur shall depend upon the type of enterprise being started and the existing level of skills of the entrepreneur).

The CRP support costs to the entrepreneur which are estimated for approximately 17 days – these include support for setting up the enterprise and then support for a minimum period of 6 months from the start of the enterprise.

How to deal with very small size blocks?

The unit of implementation and the estimated costs per block were estimated assuming that each block would have the following minimum criteria.

Parameters	Minimum size for a Block under SVEP
No of villages	> 50
Population	> 48000
Area	> 300 sq km

In case any block proposed by the state is smaller and does not meet any of these minimum criteria, then the state shall have to club more than one adjacent blocks and that combined entity shall be entitled to the fixed block costs under SVEP.

Andhra Pradesh and Telangana have mandals and hence they have combined 3 mandals to make up a block equivalent for SVEP. Other states with smaller blocks shall have to do the same.

MEC program and costs thereof

There are some states where the blocks chosen for the SVEP program, already have the MEC program of NRLM being implemented. The table 2 above, shows the costs of the SVEP project which are already funded under the MEC program and which have to be reduced from the budgeted cost of the SVEP in the blocks where MEC project is being implemented. This is being done to ensure that the MoRD does not release funds for the same activity twice, under different projects.

Annexure 3

Funds release pattern under SVEP to the SRLMs to be in three instalments of 25%, 50% and 25%.

The funds releases to SRLMs for the implementation of the SVEP, shall be released in three instalments of 25%, 50% and 25% prescribing to the following procedures.

1st Instalment

1st tranche of 1st Instalment

The 1st tranche of 1st instalment will be released by Ministry of Rural Development to the designated agency on the in principle approval of the project by the Empowered Committee (EC). The SRLMs are the Designated Agency for their respective states and PIA/NRO has to sign an MOU with SRLM. (Draft MOU is attached as annexure 7) This amount shall be an advance of Rs. 30 lakhs per block for conducting the baseline and market potential study using the CRP-EPs to be trained under this program. The states are expected to contribute corresponding state share for this amount.

2nd tranche of 1st instalment

Post the baseline and market potential study being carried by the SRLM and FIA, the FIA would submit Detailed Project Report (DPR) to the Ministry of Rural Development through the respective SRLM.

The final project cost would be calculated based on this DPR subject to the maximum cap of Rs.5.97 crores per block.

Funds release in the 2nd tranche of the 1st instalment shall be based on this estimated number of entrepreneurs that can be supported and the project budget for the block based on the market potential study as detailed in the DPR. The advance released as the 1st tranche of the 1st instalment, shall be adjusted while releasing the 2nd tranche of the 1st instalment.

The 2nd tranche of 1st instalment of 25 % of the central share of the approved budget will be released upon the following:

- a. Submission of DPR, baseline and the market potential study for the selected blocks. Based on the outcome of this baseline and market potential study, the final number of enterprises/entrepreneurs that can be supported in the block shall be estimated. Based on this estimate of the number of enterprises, the final budget per block shall be arrived at and approved by the Chairman of the EC. The estimate of the funds per block shall be done using the fixed and variable cost formula of costs per block, except for very small blocks.
- b. Funds release for the 2nd tranche of 1st instalment, as well as the physical targets shall be based on this estimated number of entrepreneurs/enterprises that can be supported as approved by

the Chairman of the EC as above. Funds released in the 1st tranche of 1st instalment, shall be adjusted while releasing the 2nd instalment.

- c. All financial documents (UC, Audit report etc.) and the project report submitted by the Project Implementation Agencies should be scrutinized and authenticated by the SRLM before they are forwarded to the Ministry of Rural Development.

2nd Instalment

The 2nd instalment of Central share for 50 % of the project cost will be released upon the following:

- a. Release of proportionate state share for all the funds released so far.
- b. Submission of a Utilization certificate along with an expenditure statement for at least 60% of the released 1st instalment funds and contribution from state government and achievement of corresponding physical targets as specified in the DPR of the project. The UC should have a narrative clearly detailing the convergence achieved in financial terms, for the project.
- c. Submission of year-wise audit reports of the funds utilized, if due (Audited reports for the previous year required only if the subsequent instalment is being sought after the 30th June of the following year)
- d. Quarterly reporting of progress in the prescribed formats.
- e. A certificate from the Designated Agency that the project is being implemented as per the approved project proposal.
- f. All financial documents (UC, Audit report etc.) and the project report submitted by the Project Implementation Agencies should be scrutinized and authenticated by the SRLM before they are forwarded to the Ministry of Rural Development.

3rd Instalment

The 3rd instalment shall be released in 2 tranches – 1st tranche of the 3rd instalment of central share for 20% of project cost will be released upon the following:

The 1st tranche of the 3rd instalment of 20% of central share will be released upon the following:

- a. Release of proportionate state share for all the funds released so far.
- b. Utilization of 80% of the total funds released so far and achievement of corresponding physical targets as specified in the DPR.
- c. Submission of year-wise audit reports of the funds utilized (Audited reports for the previous year required only if the subsequent instalment is being sought after the 30th June of the following year)
- d. Quarterly reporting of progress in the prescribed formats;
- e. A certificate from the Implementing/Coordinating Agency that the project is being implemented as per the approved project proposal.

- f. All financial documents (UC, Audit report etc.) and the project report submitted by the Project Implementation Agencies should be scrutinized and authenticated by the SRLM before they are forwarded to the Ministry of Rural Development.

The final instalment or the 2nd tranche of the 3rd Instalment

The final instalment or the 2nd tranche of the 3rd Instalment of 5% shall be released on the following:

- a. Utilization of 100% of the total funds released so far and expenses for the central share for the balance 5% of project cost to be released by the centre has already been done by the state using its own funds. Also all physical targets mentioned in the DPR of the project have been achieved.
- b. Quarterly reporting of progress in the prescribed formats;
- c. A certificate from the Implementing/Coordinating Agency that the project is being implemented as per the approved project proposal.
- d. Before the release of the final instalment, it will be open to Ministry of Rural Development to have verification of the progress of the project by a third party / independent agency.
- e. All financial documents (UC, Audit report etc.) and the project report submitted by the Project Implementation Agencies should be scrutinized and authenticated by the Co-coordinating Agency before they are forwarded to the Ministry of Rural Development.
- f. On completion of the target/project, a **Completion report** will be furnished to the Ministry indicating the physical achievements and utilization of funds supported by utilization certificate and audit report.

Utilization of Interest earned on Central release (s):

The interest amount accrued on Central Government releases, if any, shall be adjusted against the Central Government share of the Project cost at the time of release of the final instalment.

Only in the case of the Community Investment Fund for enterprise promotion under SVEP, which shall be given to the Community based organization (CBO) – either the Cluster Level Federation (CLF) or a designated Village Organization (VO) in the block, any unutilized funds shall necessarily be kept by the CBO in a Fixed Deposit with a bank, and the interest income so earned, would be utilized by the CBO to supplement the corpus of the community credit guarantee fund, under the SVEP. These details should form part of the yearly accounts of the CBO which should be audited and submitted to the NRLM, for the duration of the project.

Releasing of Matching Share:

The State Government/other donor agency is required to release its corresponding matching share within a month of receipt of the respective instalment of the central share. The release of 2nd and 3rd instalment of central share will be subject to release of state share against the central release already made.

Annexure 4

Framework for funding the Head Office costs of the National Resource Organizations (NROs) under Start-up Village Entrepreneurship Program (SVEP).

3. In the Standing Finance Committee (SFC) memo for the SVEP, circulated on the 22nd Dec 2014, which was approved in the SFC meeting held on 3rd Feb 2015, it was stated “...**Rs.30 crore for meeting the costs of National Resource Organisations (NRO’s) will be available**”
4. This framework seeks to provide a basis for supporting the Head office (HO) costs of the NRO’s based on the number of states and blocks supported by the NRO, for the implementation of the SVEP, as direct implementing partners with the states.
5. The NRO’s are expected to have a two pronged role in the implementation of the SVEP :
 - 5.1 **Implementation Role:** Directly implement the SVEP in the blocks as implementing partners with the states – to establish proof of concept of the program in the states.
In this role the NROs need to deploy a team of senior professionals at their head office level, who are expected to do the following:
 - 5.1.1 Ensure mid-term course corrections are done wherever required and document the best practices, identified during implementation.
 - 5.1.2 Develop the processes - including written test, personality assessment tools etc. for the selection of Community Resource Persons for enterprise promotion (CRP-EP).
 - 5.1.3 Develop a module for doing a baseline and market potential study in the blocks.
 - 5.1.4 Develop a process for market scoping studies for new enterprises which be seeded in the blocks – based on the existing consumption and production of the block, the emerging opportunities of consumption and the opportunities based on government schemes and spends etc.
 - 5.1.5 Create a process of doing a financial feasibility analysis of the new enterprises proposed to be set up under the SVEP.
 - 5.1.6 Help create software for the support of the CRP-EP, the entrepreneur and also to maintain a transaction based MIS for the SVEP.
 - 5.1.7 Help establish processes of support to the enterprises using regional performance benchmarks based on the data captured in the software being developed for the SVEP.
 - 5.1.8 Along with NRLM, conduct the training and immersion of the Programme Implementation Agency’s (PIA’s) who are the implementation partners of some states for SVEP, in the first phase. The training shall be done to help the PIA’s understand all the aspects of SVEP.
 - 5.1.9 Help develop the parameters for monitoring the progress of the program
 - 5.1.10 Partner in the process of all activities to be done for ensuring that the SVEP can be scaled up, including participating in review meetings and workshops.

5.1.11 Drive the implementation of the SVEP for the project duration to ensure all the targets and timelines as specified in the DPR are met.

5.2 Programme Scale-up Role : Based on the experience of implementation of the SVEP in the blocks and their prior experience on implementation of entrepreneurship development programmes and working with the NRLM structures, do the following activities :

5.2.1 Create standardised content and training pedagogy for training of the various stakeholders for the implementation of the SVEP - Programme Implementation Agency's (PIA) management, Mentor Community Resource Person for Enterprise Promotion (CRP-EP), CRP-EPs, members of the various community based organisations (CBO's) viz. Self Help Groups (SHG's) , Village Organisations (VOs) and Cluster Level Federations (CLF) , Entrepreneurs, bank officials, State Rural Livelihood Missions (SRLM) employees at the state, district and block level etc.

5.2.2 Create a repository of training material and ICT material for the implementation of the program.

5.2.3 Create a process of certification of the mentor CRP-EP's and the CRP-EPs.

5.2.4 Support creation of a process and criteria of identification and selection of PIA's who have the competence and ability to implement the SVEP across the country.

6. While the cost of direct implementation of the SVEP in the blocks are covered in the SVEP costs being given to the SRLM's, the HO and other costs of NRO's for doing the tasks for the scale up and institutionalization of the SVEP processes as detailed above are not funded. This framework seeks to define the processes of providing support to the NRO's for these costs and are part of the Rs.30 crores budgeted and approved by the SFC for this activity and for providing other centralised support by the NRLM.

7. There are the costs of the senior professionals of the NRO, who'll need to be involved in the planning, execution and seeking learnings from the implementation of the program at the block level and ensuring leadership to drive and deliver the outcomes defined in points 3.1 above.

8. The costs for the following people and heads are sought to be supported under SVEP :

8.1 Programme Lead: S (he) is senior professional, who shall drive the implementation of the SVEP in the states where the NRO is implementing the program and also provide conceptual and leadership for the support role of the NRO. S (he) shall be responsible for the execution of the program in the states as per timelines. S (he) shall also ensure that whatever mid –term course corrections and decisions are needed to be taken are taken and the same are shared with all the states through the drive and create best practices, and shall be the one point contact for the NRLM for the implementation of SVEP by the NRO in the states, as a technical support agency.

8.2 Office and administrative support for the Programme Lead: This is the secretarial support for the Program Lead to help him/her track the progress of the SVEP implementation, documentation, MIS as well as co-ordinate other office and administrative work for the Programme Lead.

8.3 **Programme Manager:** These are mid to senior level professionals from the NRO who'll be expected to guide and monitor the implementation of the SVEP at the block level. Each person is expected to be able to provide support for implementation for 5 states or 10 blocks.

8.4 **Travel, communication and office overheads for the NRO head office team:** This shall cover the costs of travel of the team to the states where implementation is taking place, as well as travel to NMMU for 4 visits a year for review of the progress of the SVEP.

8.5 Specific tasks apart from the implementation of the programme in the blocks like the activities mentioned in points 3.2 above.

9. The basis for funding of the costs for items 6.1 to 6.4 as mentioned above, which are largely programme monitoring and implementation roles, would be based on a matrix of the number of blocks/states supported for implementation by the NRO. The more the number of blocks/states supported, the more the people at the Head Office of NRO would be supported. The matrix of the number of people to be supported, the % of their cost which'll be supported and the maximum cost which can be supported as per NRLM norms, is detailed below:

No of states supported		1-3	4-9	10-15	16-21	>21	1-3	4-9	10-15	16-21	>21	
No of blocks supported		less than 7	7-19	20-31	32-42	>42	less than 7	7-19	20-31	32-42	>42	
Reimbursement to be made on whichever of the 2 above mentioned criteria is higher												
Manpower and admin travel costs to be supported	Experience	per annum costs Rs. Lakhs	% of cost to be supported	% of cost to be supported	% of cost to be supported	% of cost to be supported	% of cost to be supported	Amount to be paid Rs. Lakhs	Amount to be paid Rs. Lakhs	Amount to be paid Rs. Lakhs	Amount to be paid Rs. Lakhs	Amount to be paid Rs. Lakhs
Fixed HO costs support												
Program Lead	20 years exp	18.00		75%	90%	90%	90%	-	13.50	16.20	16.20	16.20
Program Lead	10 years exp	12.00	75%					9.00	-	-	-	-
Program Lead - Office Secretarial & admin. support cost	5 years exp	3.60	0	50%	75%	100%	100%	-	1.80	2.70	3.60	3.60
Program manager No's	10 years exp	12.00	0	1	1	1	1					
Program manager No's	5 years exp	6.00	0	1	2	3	4					
Program manager	10 years exp	12.00	0	100%	100%	100%	100%	-	12.00	12.00	12.00	12.00
Program manager	5 years exp	6.00	0	100%	100%	100%	100%	-	6.00	12.00	18.00	24.00
Total support for manpower cost								9.00	33.30	42.90	49.80	55.80
Travel, Comm and office costs		40% of salary cost						3.60	13.32	17.16	19.92	22.32
Total support for NRO HO Support costs per year								12.60	46.62	60.06	69.72	78.12

These costs shall be supported with effect from 1st Oct 2015 onwards. For FY 2015-16 these costs shall be reimbursed on a pro-rata basis (for 6 months instead of 12 months) and for on this logic for the entire year from FY 2016-17 onwards.

8. For the tasks mentioned in point 3.2 above, there would be separate costs for each of the 4 tasks mentioned above and the cost of each task shall be estimated based on the number of man-days required for doing the task and the reimbursement of the cost of the people involved in the completion of the task based on the NRLM norms for retainer consultants. Separate proposals would be received for each of the tasks and approval would be sought from the JS for the each proposal, as and when they are received.

[Annexure 5](#)

[Guidelines for Value Chain Studies under National Rural Livelihoods Mission](#)

[Background](#)

The National Rural Livelihoods Mission (NRLM) since 2011 has worked in a mission mode to stabilize, strengthen and promote existing livelihoods of the poor households with a focus on targets, outcomes and time bound delivery. The mission has accomplished its targets through continuous capacity building, imparting requisite skills and creating linkages with livelihoods opportunities for the poor households through its community based organizations of women.

Currently, NRLM with the State Rural Livelihood Missions (SRLM) is operating with some key themes i.e. Institution and Capacity Building, Social Inclusion and Development, Financial Inclusion, Livelihoods Promotion, Monitoring & Evaluation and recently Convergence.

Under these themes NRLM now has a well-established proof of concept and its multiple level interventions have shown success on the ground. There is several data and examples to show that a great amount of livelihood promotion through women empowerment and financial linkages has happened within rural marginalized communities through SHGs and NRLM structures. The department has now also initiated convergence at various levels with other departments for a holistic process of social change and poverty alleviation.

[Rationale for conducting value chains studies and its objectives](#)

Despite, the successes mentioned above, it has been realized that rigorous livelihoods interventions are need of the hour. For the same MKSP and SVEP were launched within the NRLM which is being successfully implemented across the states. In order to reduce risks on the poor and have a proper income assessment in various livelihoods amongst poor households and also to identify intervention areas, a strong need has been felt to initiate value chain studies with the State Rural Livelihoods Mission.

It has been realized that while the mission now has greater focus on livelihoods activities across farm, non-farm, skilling and creating market linkages, these livelihood interventions have to be replicated faster and more efficiently.

NRLM believes that value chain studies for interventions would be beneficial for income generation for poor and can successfully help in poverty eradication.

These studies will also help in avoiding risks for poor and avoid the states spending on commodities or livelihoods which have very less profit margins or have minimal scope of scale or are not the livelihoods of choice for many poor households.

Value chain proposals should include justification on the commodities that have been proposed to study.

It should also include the processes, value chain players, the costs and wages and the value addition at each stage of the value chain. The study should include the gaps, wastage and the challenges involved. Importantly, it should also include information on the market at local, state and national level. This, should include details on storage, value additions and other practices of value chain and the background of people involved in the particular livelihood.

The following principles or objectives are expected to be achieved through value chain studies:

1. To create solutions specific to the value chain intervention and have flexible structures to assist these interventions where most required. This requires states to prioritize the livelihoods for value chain interventions on few crucial parameters of number of poor households involved, income margins, individuals & groups involved, market scope, availability of resources, investment needed etc.
2. Value chain interventions are required to be done for creating effective and sustainable livelihoods for poor households, identify gaps and create solutions for the same and suggest incorporating with ongoing MKSP, SVEP and other state livelihoods activities. Thus, value chain studies should not be treated as a separate project.
3. The activities must have pro-poor focus and clearly support strategies to include vulnerable sections like SC/ ST / Women/ Minorities, etc. Thus, the proposal and the commodity/product/service selected must demonstrate strong bias to promote socio-economic empowerment of the poor.
4. It is crucial that the proposed value chain studies include the potential and state's ability to up-scale and adopt the same, at scale and in a cost-effective manner. Thus, the suggested interventions should be realistic for that particular rural setting. And it should help in better sustainable incomes for the poor.

The Value Chain studies must include the following components:

1. Value chain processes, commodity flow and mapping with geography.

2. Risk assessment across various levels of the value chain.
3. Price differentials in different markets and difference in input costs.
4. People involved (gender, poverty levels, caste, any other) and wages given for each task to both men and women – if there is any kind of occupational segregation.
5. Wastages involved in the value chain.
6. Indicators of cost reduction, better productivity, and higher realisation through value addition and market linkages.
7. Incremental average income or percentage increase of income, breakup of average increase income, if possible.
8. Value chain study must cover the understanding specific activities on value addition and market linkage within and outside the state and country. It should also list the large aggregating, value addition and consumption markets for the commodity/product/service being studied.
9. Value chains studies may include the possibility of convergence or existing convergence with other government line departments.
10. List all the middlemen and other stakeholders involved, their role, costs and value addition and profitability.
11. Loss involved in various practices, for instance – storage, processing etc. and if this wastage (financial and physical waste) could be reduced anyway.
12. What are the delays and the factors for delay in the value chain.
13. What are the malpractices/quality loss in the value chain.
14. If there are any good practices in the chain and if they can be replicated at scale.
15. What are the resources and assistance required for scaling up the practices and reaching economies of scale.
16. It should study the opportunity cost of time of the beneficiaries and their access to finance or credit sources.

Sources of funds:

The states may seek funding under the funds window available with the schemes of NRLM like SVEP, Special Livelihoods funds for NRLP states, states allocation under NRLM etc. These proposals would be funded by the center and state in 60:40 ratio. (The ratio would be 90:10 for the NE and Himalayan states).

Process of formulation of proposals:

1. Identify training organizations with prior experience of conducting value chain studies. States must submit the details of appraisal done for selecting the agency along with details of professional of the shortlisted agency.
2. Submit a proposal with the details of the livelihood (commodity/product or service) for which the state wants to conduct the study and the rationale and scale of the same.
3. Priority may be given to the blocks where the state is having some strong livelihoods interventions including SVEP/ MKSP/ Special funds for livelihoods for NRLP states etc.

Activities/ items that will not be financed under the Value Chain Funds

1. Assets/ services for individuals
2. General assets for SRLM office setups
3. Loans/ working capital to individual households
4. Purchase of land, construction of building, purchase of vehicle etc.
5. Activities already financed by SMMU
6. Activities for which financial support can be readily arranged through partnership/ convergence
7. Project/ initiative where majority of direct beneficiaries do not belong to NRLM target HHs

NATIONAL RURAL LIVELIHOODS MISSION**ANNUAL ACTION PLAN for Start -up Village Entrepreneurship Programme – SVEP**

(For Non-Farm/Off-Farm income generating activities for Year 2016-17)

A. Provide a brief analysis of current livelihoods scenario in the state.

1. List and describe the key livelihoods of the poor in the state; e.g. agriculture, NTFP based livelihoods, Non-farm livelihoods, artisanal or any other livelihood stream primarily among the most vulnerable/poorest of poor section of community like landless, SC/STs, PVTGs, women headed HHs, single women etc.
2. Also, include any relevant information that helps in understanding the context of self-employment and rural micro-enterprises development in the state.
Provide any relevant secondary data available to give clear idea. (Please refer to census data, MSME survey, SECC data, MGNREGA Job Card data, NSSO Consumption data, District GDP data, Bank deposits and Advances data, RSETI trainings data, DDU GKY training data, among others).
3. Give an analytical listing of key constraints and problems related to promotion of sustainable livelihoods of rural poor (e.g. issues related to access and control of productive resources, availability of raw material, production process, post production process, producers' organization, value addition, trading, providing services, marketing, realization of value/profit to the producers and any other issues, especially lack of training, distance from markets, low numeracy and business skills etc.). Please attach or refer to any relevant data/research or primary analysis done on this by SRLM or others.

B. Please explain livelihoods/enterprises promotion model/s and strategies of the state.

1. In reference to the existing livelihood opportunities and the issues, what is the overall strategy of the state to promote key livelihoods? How the state aims at addressing the constraints in the field of livelihoods and enterprise development. Also please explain the states strategy to create a holistic livelihoods promotion and enhancement plan, covering the multiple livelihoods of the poor across all streams – Agriculture, livestock, NTFP, off farm, artisanal manufacturing, skilling for employment, wage labour, enterprise promotion and support etc. Give a summary of past experiences (success and failures) and share learning with respect to enterprises development and self –employment activities in the state. Please support with any relevant source of information, hyperlinks or report.

2. What is the overall strategy of livelihoods promotion in the intensive blocks, and non-intensive blocks, how has livelihoods layering activities been taken up.
3. Please share the best practices or case studies of experiences/interventions in self-employment, micro enterprise development, and any other off farm intervention which helped in increase in income and improvement in standard of living of rural people. Please share insights on important factors, non-negotiables for such interventions realized by the state.
4. Please share briefly the process, steps and major components of initiating any livelihoods, income generation or enterprise development before, during and post implementation.
5. How the state is planning to integrate SVEP and SVEP with its' overall livelihoods promotion strategy.

C. Existing project management and monitoring of SRLM.

1. Readiness Indicators

Please describe the readiness of SRLM to implement the AAP on SVEP

- 1.1. What does SRLM aim to achieve through implementation of SVEP. What is the overall goal?
 - 1.1.1 Whether full time livelihoods team in place at the state level- Please give details of the team in the table at the end
 - 1.1.2 How does SVEP implementation fit into the overall livelihoods and employment generation activities plan of the state.
 - 1.1.3 Whether livelihoods' team is positioned in the proposed block for SVEP - Please give details of the team in the table at the end.
 - 1.1.4 Whether the livelihood team has undergone well designed and detailed induction training (specifically the team at the state and the proposed SVEP block) – PI give details of the training programs organized for the LH team and attended by them.

What are the strengths and weaknesses of the SRLM in planning and implementing SVEP? What are the potential opportunities and risks involved in the same vis-à-vis SVEP. (Please consider listed factors for analysis like human resources, availability of natural resources, population,

incomes, market potential, proximity to markets, , presence of traditional skill practioners (artisan) clusters, infrastructure, political, socio-cultural factors and so on).

D. SVEP Preparation Plan

2.1 Name of the blocks identified under SVEP.

- a. Please name the SVEP partner for implementation of SVEP chosen by the state. , if already chosen.
- b. Please explain the processes followed by SRLM (in congruence with SVEP framework and guidelines) to identify partners for SVEP implementation. Only if relevant as per 2.1 above.
- c. Please explain how the state SRLM proposes to monitor the implementation of the SVEP projects in the state, and what are the parameters planned to be used to evaluate the performance of the implementation by the PIA, as per their existing internal systems and planned systems (as per the SVEP framework and guidelines).

E. Please provide the following details for the two blocks selected under SVEP

1. Demographic details

2. Block Name	Block 1	Block 2
3. District Name		
4. District GDP and per capita income of the district		
5. IAP District / schedule V or schedule VI district		
6. Name of Block selected		
7. Is the block an IPPE block		
8. Name of the block headquarter		
9. Population of the block head quarter		
10. No of villages in the block		
11. Population of the block		
12. SC/ST population of the block		
13. Female population of the block		
14. No of females/1000 males in block		
15. Average population per village in the block		
16. Min. and Max. population of a village in the block		

17. Literacy level in block		
18. Female school enrolment % above 10 years		
19. Male school enrolment % above 10 years		
20. No of Gram Panchayats in the block		
21. Any artisanal cluster within the block, if yes, please give details		
22. Any cluster development program under any government program has been undertaken or are in progress in block, if yes, please give details		
23. Whether MKSP/CMSA projects have been undertaken, or are in progress in the blocks, if yes, please give details		
24. Whether any other non-farm projects have been undertaken, or are in progress in the blocks, if yes, please give details		
25. In case any of these projects are already taken up and a baseline survey of the block was done, please attach a copy of the baseline survey also		
26. Number of NREGA job card holders in the block		
27. Number of NREGA job card holders in the block who worked in 2014-15 and 2015-16 (till Jun'15)		
28. Number of NREGA man-days demanded in the block in 2015-16 and 2016-17 (till Jun'16)		
29. Number of NREGA man-days of work provided in the block in 2015-16 and 2016-17 (till Jun'16)		
30. No of SAGY villages in the block, if any		
31. No of households classified for automatic inclusion in SECC in block		
32. No of households with 4 or more deprivations in SECC in block		
33. Distance from the nearest town/trading centre		
34. Name of nearest town/trading centre		
35. Number of bank branches in the block		

36. Total deposit and advances of the banks in the block		
37. Major sources of livelihood for people in the block, please elaborate		
38. Please specify the reasons for choosing this block, is it representative of the majority of the blocks in the state?		

2. Details on Community Based Organizations (within the selected blocks –block wise)

1. Name of block	Block 1	Block 2
2. No of SHG's in the block		
3. No of SHG's in the block, following <i>panchsutra</i>		
4. No of members of SHGs in the block		
5. No of SC/ST SHG members in the block		
6. No of SHG's in the block, having bank accounts, and as % of total SHG's		
7. No of SHG's in the block, having bank linkages, and as % of total SHG's		
8. No of SHG's in the block, eligible for receiving CIF		
9. No of SHG's in the block, eligible for receiving CIF, and have received CIF.		
10. No of VO's in block		
11. Total amount lent by the VO's		
12. Total amount overdue to the VO's, by the SHG's		
13. Total amount borrowed by the VO's		
14. Total amount overdue by the VO's to the CLF/Banks/Others		
15. Total Unutilized balance in the VO's		

16. Amount lent by the CLF, in case CLF not there, please provide these details for the VO which is proposed to host the SVEP BRC		
17. Amount overdue to the CLF, in case CLF not there, please provide these details for the VO which is proposed to host the SVEP BRC		
18. Amount borrowed by the CLF, in case CLF not there, please provide these details for the VO which is proposed to host the SVEP BRC		
19. Amount overdue by the CLF, in case CLF not there, please provide these details for the VO which is proposed to host the SVEP BRC		
20. Unutilized balance in the CLF, in case CLF not there, please provide these details for the VO which is proposed to host the SVEP BRC		
21. What has been the top 3 livelihoods for which the borrowed funds have been used by the SHG members (please share % of users if possible)		

A. Contacts of Livelihoods Team in SRLM

S.no.	Name of the Livelihood head /Anchor person in SRLM for SVEP (Mention separately, if there are more than one official for different streams like MKSP/CMSA/other non-farm interventions/ SVEP / etc.)		Contact Number	Email Id.	Office Address
	Name of the state level livelihoods team members		Contact Number	Email Id.	Office Address

B. Please share the details of the SRLM staff currently posted in the block (Names, designation, thematic responsibilities, and date of expiry of contract).

Name	Designation	Thematic/Key responsibilities	Contract Period

*Explain the plan considered for fulfilling HR requirement for SVEP implementation.

C. Non-Farm, Off-Farm and self-employment activities planned under SVEP

Please provide summary of ongoing non-farm/off –farm projects below:

There may be some ongoing projects under micro enterprises, self-employment initiatives and other production/trading activities /others already being implemented in the state. A brief description of these projects needs to be provided. Also please clearly specify which all components of SVEP are already covered in the previous projects (in the blocks in which SVEP is proposed to be implemented) and which do not need to be funded under SVEP.

Table A

Name of project	Funding Source	Type of Project SVEP/MEC/Others	Total Project Cost (in lakhs)	Funding outlay (Rs Lacs)		
				Year 1	Year 2	Year 3
	MoRD/Central (Any other)					
	State share					

Table B

Non -Farm Project/Field Implementing Agency details/NRO (existing)

S.No.	Name of the Project	Name of the PIA	State share/share of other donor of the project (Rs)	Central share of the project (Rs)	Area (Districts & blocks Names)	Total No. of beneficiaries covered

Please mention how many of the blocks under these schemes intensive-blocks are. Also, in case 25% share had come from any other source than the state government, please mention the source.

Table C

Contact details of Existing Non-Farm Project/Field Implementing agencies/NROs

S. No.	Name of the PIA	Contact Details
		Contact Person/s Name Telephone & Mobile No. Email Id. PIA's Office postal address

D. SVEP Project Promotion Plan and Major Outputs

It is envisaged that the strategy to integrate SVEP with resource block would be two pronged- 1. CRPs identified from SVEP areas working in Resource Blocks to promote Non-farm LH practices and 2. SVEP blocks declared as resource blocks and intensive social mobilization and financial inclusion activities taken up. Keeping this broad strategy into consideration please elaborate:

- i. How the SRLM plans to initiate SVEP interventions in the field of Off Farm, partnering various organizations.

- ii. How the best practices will be identified by the state in each of the stream and the resource agencies to be identified by state to replicate and scale up those best practices and models (SVEP framework and guidelines to be followed).
- iii. Explain why and how the organizations fit in with the Objectives of SVEP (as per the framework and guidelines) and NRLM, in reference to their past experience in the proposed livelihoods sector (Non-Farm LH) and in women centric community institution promotion.
- iv. What are outreach/ coverage planned by the state through SVEP interventions, e.g., How many women entrepreneurs/and their families are envisaged to be covered. What are the geography where these pilots are planned and what are the basic rationale for selection of those areas and families?
- v. How many Community Resource Persons-EP trained in the livelihoods interventions are envisaged to emerge from the projects proposed in 3 years' time period?

E. Scaling up plan for the livelihood initiatives started under SVEP

- i. How the state plans to scale up these initiatives/ projects across the state in the intensive blocks and resource blocks planned under NRLM. How it envisages integrating the learning from the projects to the state livelihoods plan/ strategy.
- ii. How the state plans to integrate the livelihoods CRPs emerged and trained from the SVEP projects, into State's livelihood plan.

F. FINANCIAL PLANNING FOR LIVELIHOODS INITIATIVES

Table: Proposed funding for SVEP Plan

Components	Source	Total Project Cost (in lakhs)	Funding outlay (Rs Lacs)		
			Year 1	Year 2	Year 3

Total Budget Outlay for livelihood promotion plan under SVEP	MoRD /Central Share				
	State share				

Please note that the state contribution cannot be drawn from the allocation made to SRLMs under NRLM.

MEMORANDUM OF UNDERSTANDING BETWEEN
----- **STATE LIVELIHOOD MISSION** ----- **GOVERNMENT OF** -----

AND

Name of the NRO / PIA

This Agreement is made at _____ on this _____ of Two Thousand Fifteen. The ----- (Name of SRLM), a registered society promoted by the Government of ----- (State name) having its registered office at ----- (hereinafter referred to as the FIRST PARTY) which expression shall unless repugnant to the context of meaning thereof include its successors or assignees) of the FIRST PARTY.

AND

The ----- (Name of the NRO) having its office at -----, hereinafter referred to as the SECOND PARTY) which expression shall unless repugnant to the context of meaning thereof include its successors and assignees) of the SECOND PARTY.

AND WHEREAS FIRST PARTY has been set up by the Government of ----- (State name) to implement National Rural Livelihood Mission [NRLM]. The FIRST PARTY is also entrusted with the responsibility of Implementing Startup Village Entrepreneurship Program [SVEP] as a sub-scheme, with an overall objective to implement the government's efforts to stimulate economic growth and reduce poverty and unemployment in the villages by helping start and support rural enterprises.

AND WHEREAS Implementation of the SVEP shall be managed by NRLM through State Rural Livelihood Mission [SRLM].

AND WHEREAS In line with the Master Circular of SVEP /SVEP scheme guidelines vide letter no I-12011/28/2014-NRLM (RSETI) dated 15th June 2015, from the office of Additional Secretary, MoRD, Govt of India, New Delhi, the FIRST PARTY has selected SECOND PARTY and designated as NRO/PIA based on the selection criteria, referred to as SECOND PARTY for implementation of SVEP in the State of -----

-.

AND WHEREAS SECOND PARTY, the national resource organization [NRO]/PIA is working in the field of entrepreneurship, economic development, has been promoting and strengthening entrepreneurs in rural areas in India geared towards promoting and strengthening the entrepreneurial ecosystem.

In order to meet the requirement of the FIRST PARTY in concurrence with MoRD and to act as NRO for promoting new enterprises and performance improvement of existing enterprises for up scaling livelihood interventions under SVEP the SECOND PARTY will act as National Resource Organization to promote socio- economic development in _____ [Name Blocks] of _____ District, State ----- (Hereinafter referred to as the project)

NOW THEREFORE IN CONSIDERATION OF THE PREMISES AND CONTENTS AND CONDITIONS HEREIN CONTAINED, IT IS HEREBY AGREED BETWEEN THE PARTIES AS FOLLOWS:

ARTICLE I :Activities to be undertaken by the SECOND PARTY

The SECOND PARTY will undertake the following activities:

1. Implement the project in the selected Blocks identified by FIRST PARTY with an objective to pilot implementation of the Startup Village Entrepreneurship Program (SVEP).
2. Assist FIRST PARTY in developing Annual Action Plans for the duration of the programme.
3. Conduct Baseline and market potential study for the blocks to assess the potential of viable business opportunities.
4. Prepare Detailed Project Report in order to arrive at specific targets and micro plan of action.
5. Identify, train and nurture cadre of Community Resource Persons – Enterprise Promotion (CRP-EP) to promote, train, handhold and support the enterprises in critical business functions and to provide customized services required by entrepreneurs.
6. Ensure that the number of CRP-EPs trained are adequate to support all the entrepreneurs under SVEP for a minimum of 6 months after startup.
7. Drive the implementation of the SVEP for the project duration to ensure all the targets and timelines as specified in the DPR are met.
8. Support Block Resource Centers (BRCs) to function as resource center for accessing necessary information required by new entrepreneurs and also the existing ones wherein CRP-EP will carry out the following set of activities:
9. Conduct Baseline, benchmarking and market potential study in close association with the SECOND PARTY;
10. Triggering, selection, suitable training/orientation to the potential entrepreneurs for creation of new enterprises;
11. Identification of existing enterprises based upon the baseline information to provide for performance improvement inputs;
12. facilitate / Handhold establishment of new enterprises / upscale performance improvement for existing enterprises and financial linkages respectively;
13. Establish facilitating mechanisms for banks to recognize the performance tracking, credit appraisal processes developed in the program. Co-ordinate with the BRC, VO's and SHG's to help them assess the credit requirements of the entrepreneurs and to extend loans to the entrepreneurs from the community investment fund for the SVEP.
14. Provide business monitoring support and regular basis;

ARTICLE II: Duration of the project:

15. This MOU shall remain valid till the end of **four years** after the release of the 2nd Instalment of central share (the release which shall be made after the DPR is submitted).Based on mutual consensus, the MoU may be further extended for a mutually agreed period. The MoU will continue to apply for the project duration subject to the FIRST PARTY confirming approval of Annual Action Plans.

ARTICLE III :Scope of the partnership

16. FIRST PARTY has selected _____ [number] viz. ----- [Name of the block and district] for the pilot intervention of SVEP. The Empowered Committee of Ministry of Rural Development, GOI has provided an in principle approval for its implementation. The DPR for SVEP will be prepared after conduct of baseline and market potential study as mandated by the NRLM Empowered Committee. The DPR will contain the number of enterprises targeted to be supported under SVEP. The exact scope of the partnership will be as determined in the DPR which upon completion and acceptance shall form part and parcel of this agreement.

17. Expected outputs and outcomes of the partnership

18. Preparation of DPR post doing the baseline and market potential study for SVEP in the selected blocks;

19. One BRC will be made functional in each block;

20. As determined in the DPR:

- a. CRP- EPs will be trained and placed at each BRC;
- b. New Enterprises will be established and supported;
- c. Existing enterprise will be identified and supported;
- d. Processes of support to the enterprises using regional performance benchmarks would be set up; and
- e. Provide detailed Results Monitoring Framework with year wise plans.

21. Work Calendar & Budget

22. Annual work calendar [AWC & Annual budget] shall be prepared for the partnership and agreed by both parties. The AWC shall form the basis for review and reporting of progress. The schedule of AWC is as follows:

23. AWC 1: From the date of signing of this MOU to till preparation of DPR;

24. AWC 2: From the approval of DPR till the end of the first financial year;

25. AWC 3 onwards: Financial year wise;

26. Implementation arrangements

27. The following implementation arrangements will be made by the parties, for ensuring smooth implementation of the partnership:

28. Implementation arrangements to be made by SECOND PARTY;

29. Shall be responsible for coordinating and managing the activities under the partnership.

30. A State Nodal Officer, appointed by SECOND PARTY shall be the key point of contact for the partnership.

31. Shall identify a team of Mentor CRP-EPs and orient them appropriately. The services of the Mentor CRP-EPs shall be provided to FIRST PARTY to provide on-site mentoring support under the partnership.

32. Shall conduct baseline, benchmarking and Market Potential study and develop the baseline information and enterprise benchmarks for the pilot blocks;

33. Shall deploy a responsible person for the implementation of the project in the state, apart from the Mentor CRP-EPs

34. Implementation arrangements to be made by FIRST PARTY

- 35. Shall depute senior personnel for co-ordination of the partnership at the State-level;
- 36. Deploy one professional at the block level, to work closely with the Implementing NRO. This professional while initially coordinating between the SHGs ecosystem in the block and implementing agency, may eventually, based on the evaluation of his/her performance, as determined by the outcome of the mid-term review of the program to be carried out at the end of the 2016-17 and as per the norms of the state, lead the state’s Implementation of SVEP, in blocks other than the pilot blocks; this professional should have the competencies and experience as defined by the NRLM-MoRD (Annexure 1).
- 37. Prioritize promotion of Block Level Federation (BLF).
- 38. Take support from the SECOND PARTY in setting up a Block Resource Center(BRC). CLF / VOs shall hold the BRC till BLF comes into existence;
- 39. Shall engage its District and block level teams for the implementation of activities under the partnership;

40. Roles and responsibilities of parties

41. The role of the two parties for various activities under the partnership shall be as follows.

Activity	Role of FIRST PARTY	Role of SECOND PARTY
Project Initiation and preparatory activities	Organize workshops and meet the cost of venue, foods, accommodation, training material and such other expenditure required to conduct the workshops.	Support FIRST PARTY for conduct of workshops including facilitation of workshop, preparation of training manual and training material if required.
Organize and support establishment of BRC	Facilitate interactions with the VOs for establishment of the BRC. Reimburse operational and recurring expenditure of the BRC.	Establishment of one Block Resource Centre per block including provisioning of necessary infrastructure ⁴ .Such infrastructure provided to the BMC shall be the property of the BMC.
Conduct Baseline and market potential study	Field level support in conducting the baseline and market potential study & its validation (from secondary sources)	Conduct baseline and market potential study and submit a report and incorporate the actions to be taken up in the DPR.

⁴ Details of infrastructure to be provided to each BRC shall be decided in consultation with the FIRST party and the same may be agreed in the Annual Work Plan.

Activity	Role of FIRST PARTY	Role of SECOND PARTY
Identification & Selection of CRP – EP	Provide list of potential CRP-Eps	Facilitate identification; Provide selection tools and support its administration; Orient potential candidates to roles/expectations.
Preparation of DPR	Support in providing relevant data/information. The employee of the FIRST PARTY placed in the block for implementation of the SVEP, shall be involved in preparation of the DPR.	Provide the complete report upon potential enterprises and also the likely number of existing enterprises to be supported
Training & Capacity Building of CRP – EPs & CBOs	Conduct programs within State and support for logistics; supervision of training Programmes Logistics support; supervision of follow-up by mentor CRP – Eps	Provision of modules, trainers and training materials; Conduct of programs; Provide services of Mentors; All training costs related to Training & CB of CRP-EPs shall be borne by the NRO.
Performance tracking system	Interface with sources of secondary data; Logistics support	Developing formats, modules and training for IT based application for performance tracking of enterprises and ensuring that the same is shared and explained to the entrepreneurs, CBOs and other stake holders
Monitoring & Reporting	Regular review of business plan and detailed implementation plan; Quarterly joint-review with NRO	Regular review support through mentor CRP - EPs; Quarterly joint-review with FIRST PARTY and regular (monthly and quarterly) reporting as per defined MIS formats.
Evaluation & Learning	Mid-term and Final evaluation	Support FIRST PARTY for evaluation and conduct of scale-up planning workshop. Produce videos of best practices to help scale them up.
Policy & Support initiatives	Take up necessary policy initiatives. Ensure that while the NRO is implementing the SVEP, the ownership and responsibility of the implementation vests with the SRLM.	Support FIRST PARTY with inputs needed for policy formulation and dialogues

ARTICLE IV :Fund Flow and Financial Reporting

42. SECOND PARTY will maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to FIRST PARTY, both in a manner adequate to reflect the operations, resources and expenditures. SECOND PARTY will follow the cost norms prescribed by FIRST PARTY from time to time.
43. The fund flow and financial reporting arrangement under the MoU will be adequately articulated in the Detailed Project Report/ Program Management Framework jointly agreed by the Parties. However, the broad arrangements include (as detailed in points 44 to 52 below) :
44. The FIRST PARTY has a right to make an assessment of financial management and fiduciary mechanisms of SECOND PARTY and recommend the measures required, if any to be taken to comply with requirements for FIRST PARTY.
45. The expenditures under the Partnership will be classified into two categories viz. partnership costs to support technical assistance from SECOND PARTY and program costs like Community Investment Fund etc. to be spent directly by FIRST PARTY.
46. For the purposes of supporting the Partnership costs of SECOND PARTY:
 - a. SECOND PARTY will maintain a separate saving bank account with a nationalised bank for routing the funds for the purposes of this Partnership.
 - b. SECOND PARTY shall not park the funds released by the FIRST PARTY in a fixed or any such other form of deposits.
 - c. SECOND PARTY will give a requisition of funds to FIRST PARTY, in terms of the agreed Annual Work Calendar. FIRST PARTY will transfer the funds as advances to the SECOND PARTY which will be set-off against the actual expenditures reported through Statement of Expenditures (SOE) and audited financial statement submitted by SECOND PARTY.
 - d. SECOND PARTY will keep all relevant original records like vouchers, bills at its office for further audit purpose.
 - e. SECOND PARTY shall charge only the actual expenditure incurred to meet the cost of various activities approved under this programme.
 - f. In case of shared costs of the NRO, the SECOND PARTY shall agree with the FIRST PARTY the basis for apportionment of such shared costs if any.
 - g. In no case, the SECOND PARTY shall charge any notional expenditure or profit for offering the services under this MOU.

- h. SECOND PARTY shall submit statutory audit report after the completion of each financial year, by 30th June of the following year.
 - i. Statutory deductions as per Income tax act will be responsibility of SECOND PARTY
 - j. On its part, SECOND PARTY will transfer the funds to its State/District Unit and be responsible for the quality and timeliness of the financial reporting by the districts/blocks.
47. The funds meant for the community institutions in the form of small grants and CIF will be directly transferred by FIRST PARTY.
48. Requisite financial and physical progress reports will be sent to the FIRST PARTY State office on a monthly/quarterly basis by SECOND PARTY. SECOND PARTY will ensure adequate and timely staffing at block level to ensure financial reporting.
49. The SECOND PARTY shall use these funds purely for the purpose as laid out in the approved AWC. Any change in the manner in which the released funds are used need to be immediately intimated to the FIRST PARTY and approval taken before the change is made.
50. The interest earned out of funds received by the SECOND PARTY from the FIRST PARTY if any, shall belong to the SVEP and shall be adjusted while making the final payment.
51. At the end of the project, unspent funds if any shall be returned to the FIRST PARTY.
52. All reporting conditions, fund use conditions and other terms, applicable to the FIRST PARTY as part of the Sanction and release note of the MoRD shall be applicable to the SECOND PARTY and shall be deemed to form part of this MOU.
53. Release of Funds:
- a. FIRST PARTY shall pay to SECOND PARTY costs for skill building of Entrepreneurs and Block level professional cost etc. as per the SVEP Guidelines
 - b. The payment to PIA / NRO will be linked to the Annual Work Calendar:
54. First installment: ₹ 26.0 Lakhs per block, will be payable to SECOND PARTY upon signing of MoU.
55. Further fund releases shall be as per the AWC & Annual budget approved by the FIRST PARTY. Budget for a particular year shall be released in advance in two equal installments upon submission of the following :
56. Submission of Utilization Certificate of up to 60% of the total funds released and achievement of physical targets as detailed in the DPR. It is clearly understood by both the parties that there are various activities to be done, which involve effort to be made and expenses to be incurred before the entrepreneurs can be supported to start or improve their businesses. Hence physical targets to be measured shall be the ones of the physical activities to be done, as mentioned in the DPR and not merely the number of entrepreneurs supported. The FIRST party shall ensure that the finance teams of the FIRST party, at the time of release of funds or at any other point during the

term of the MOU, shall not insist for achievement of any physical targets which have not been mentioned in the DPR nor have been mentioned as part of this MOU anywhere.

57. Submission of Audit report for the previous financial year along with audited financial statements with necessary schedules clearly indicating activity wise expenditure, grant account etc.,. The SECOND PARTY shall ensure to submit audit report of the previous financial year within 3 months from end of the FY (i.e before June 30th of the current year).
58. Regular reporting in the prescribed format
59. Submission of fund request in the prescribed format.
60. The funding / execution of this project shall be made in consultation with the National Rural Livelihoods Mission, which may prescribe guidelines (or) rules and regulations (or) whatsoever of such nature and such guidelines (or) rules and regulations (or) whatsoever of such nature shall be binding on both the parties of this Memorandum of Understanding. And subject to this clause the other clauses in this Article shall be given effect.
61. In case of any breach of agreement, misappropriation or irregularities; the FIRST PARTY will withhold further release of funds forthwith and will take all measures as are advisable under the laws including termination of this MOU.

62. Accounts and Audit of expenditures

63. SECOND PARTY will maintain all relevant records including bills and receipts etc. The books of the accounts and the supporting documentation for the expenditure under the Partnership will be subject to internal and statutory audits by CA firms engaged by SECOND PARTY for the purpose and will submit internal and statutory audit reports to FIRST PARTY. In addition, the records will be subject to review by FIRST PARTY, and /or representatives of the MoRD if required.

ARTICLE V : Staff

64. While it is expected that the staff recruited by the SECOND PARTY will be fully accountable for the project, they will operate totally under the control of the SECOND PARTY management and will function as per the rules and regulations of the SECOND PARTY. Their recruitment, salaries and other compensation, performance monitoring and evaluation, training, and termination as relevant, will be the responsibility of the SECOND PARTY and they shall not in any way claim to be the employees of the FIRST PARTY.

ARTICLE VI :Publicity and visibility:

65. The SECOND PARTY and the FIRST PARTY shall mutually acknowledge the contribution of each other in any public communication they make in whatever form
66. The SECOND PARTY shall duly acknowledge the role and support of the FIRST PARTY in all public communication it makes in any form regarding its work in the project including due acknowledgements on web site, and in any other knowledge or communication products in whatever form.

67. Similarly the FIRST PARTY shall acknowledge the contribution and role of the SECOND PARTY in any public communication it makes, including due acknowledgements on web site, and in any other knowledge or communication products in whatever form.

ARTICLE VII :Indemnity

68. The SECOND PARTY and the FIRST PARTY shall fully indemnify each other of all statutory liabilities arising due to their own failure to comply with statutory obligations. In addition to this general indemnity, the SECOND PARTY and FIRST PARTY shall completely absolve each other from any other liability issues that may be raised against it by any of its clients /customers /partners

ARTICLE VIII :Intellectual property rights

69. All training and other material including ICT tools, softwares, videos etc. shall be in public domain and the NRO/PIA shall not have any proprietary or copyright claim on the same. The SECOND PARTY shall hand over the source code of the software applications developed under this MOU. In case the NRO/PIA wants to use the same, they must give credit for using the same to the FIRST PARTY and the NRLM, MoRD.

ARTICLE IX :Completion of the Project:

70. The project shall be deemed to have been successfully completed on submission of the final report along with the deliverables as per the AWCs and approved DPR.

ARTICLE X : Force Majeure

71. Neither party shall be held responsible for non-fulfillment of their respective obligations under this agreement due to the exigency of one or more of the force majeure events such as but not limited to acts like Floods, Earthquake, Strike, Lockouts, Epidemics, Riots and commotions etc. including dissolution of either party; provided on the occurrence and cessation or cessation of such events, the party affected thereby shall give notice in writing to the other party within one month of such occurrence or cessation. If the force majeure conditions continue beyond six months, the parties shall then mutually decide about the future course of action.

ARTICLE XI :Notices

72. All notices and other communications required to be served to the SECOND PARTY or FIRST PARTY under the terms of this agreement shall be considered to be duly served if, the same shall have been delivered or left with or posted by registered post to SECOND PARTY or FIRST PARTY at its last known address of business.

ARTICLE XII :Effect of Invalid Clauses and Amendments

73. If any of the provision of this Agreement is invalid, all other provisions shall remain unaffected thereby. Any gap resulting there from shall be filled by a provision consistent with the purpose of this Agreement and settled by mutual consultation.

74. Any of the provisions of this agreement may be amended or modified at any time by mutual consent through exchange of letters, and all such amendments shall be part and parcel of this agreement
75. The legal relations established by this Agreement between the FIRST PARTY and SECOND PARTY shall terminate with the end of the completion date of the project.
76. The Government of _____(state) and Government of India would have all the powers to issue directions / change guidelines with respect to the program design / implementation / whatsoever for attaining the object of the project and direct it to be implemented by the SECOND PARTY. The SECOND PARTY shall by all means comply by such direction. In case any of the clauses of this Memorandum of Understanding act in resistance to such implementation, shall be deemed to have been repealed.

77. Removal of Difficulties

78. Any matter not covered specifically in this memorandum of understanding may be settled by mutual discussions and agreement in writing thereupon.

79. Modification

80. The FIRST PARTY expressly reserves its rights to amend or modify the guidelines of SVEP if any as per the directive of NRLM, MoRD with a reasonable notice to the SECOND PARTY. In case such an amendment or modification affects the legal or justiciable rights of the SECOND PARTY, the SECOND PARTY shall submit its views within reasonable time, not more than 7 days from receipt of such notice, and on such receipt of the views of the SECOND PARTY by the FIRST PARTY, the FIRST PARTY shall act in accordance with principles of natural justice and the Articles governing such issue in this Memorandum of Understanding. The decision of the FIRST PARTY shall be binding on both the parties in such amendment or modification.

ARTICLE XIII :Dispute Resolution

81. In case of any disagreement or dispute between the parties, attempt shall be made to resolve the dispute through consultations between the parties;
82. The decision regarding breach of any clause under this agreement by the SECOND PARTY shall be discussed and arrived at after mutual consent and in case any breach has been committed by the SECOND PARTY of any of the terms and conditions of this Agreement/ sanction letter/ guidelines, such decisions taken by the FIRST PARTY shall be conclusive, final and binding on the SECOND PARTY and they shall not question the same in any court, tribunal, etc.
83. Every dispute, difference, or question which may at any time arise between the parties hereto or any person claiming under them, touching or arising out of or in respect of this agreement (deed) or the subject matter thereof shall be referred to the arbitration of an arbitrator to be agreed upon between the parties or failing agreement to be nominated by Chief Executive Officer, _____ or, failing agreement to two arbitrators one to be appointed by FIRST PARTY and the other to be appointed by SECOND PARTY and in case of difference of

opinion between them to an umpire appointed by the said two arbitrators before entering on the reference and the decision of the arbitrator shall be final and binding on the parties.

84. Each of the parties to this Agreement irrevocably agrees that the courts located in _____(state) shall have exclusive jurisdiction to hear and decide any suit, action or proceedings, and/or to settle any disputes, which may arise out of or in connection with this Agreement or its formation or validity and, for these purposes, each party irrevocably submits to the jurisdiction of the courts located in _____(state capital).

85. Any notice required to be given under this agreement shall be served on the party at their respective addresses given below by hand delivery and attaining proper acknowledgement with seal of the office and signature of the receiving authority / person or by registered post.

86. THE WITNESS WHEREOF the representatives of the parties to this Agreement being duly authorized have here unto signed in their respective names and have executed these present this
_ day of _____ 2015.

Signed by

Shri _____

CEO,
(That is, the FIRST PARTY)

Signed by

Shri _____

Chief Functionary / Director
NRO / PIA
(That is, the SECOND PARTY)

In the presence of the following witnesses;

Witness 1
Shri
For and on behalf of the
FIRST PARTY

Witness 2
Shri
for and on behalf of the second
party

Annexure 1 of the MOU

Position: Block Program Manager – SVEP

Purpose of the position – To co-ordinate between the PIA/NRO and the SRLM project team, and the community organizations (SHGs/VOs/CLFs) and ensure the SVEP gets implemented as per the plan and schedule (on all parameters – physical, financial and timelines).

To be involved in the implementation and monitoring the progress of the SVEP in the two blocks and help to scale up the same after incorporating mid-course corrections, if any.

To document and share best practices, identified in the implementation of SVEP in the initial 2 blocks.

Reporting To – Administratively to the District Program Manager (SRLM) of the district chosen by the SRLM, and functionally to the State Program Manager (SVEP). He/she shall be based /posted in the block where the SVEP is being implemented.

Key Responsibilities -

10. To ensure rollout of the SVEP program across all the pilot blocks, including completion of the baseline and market potential study and preparation of the DPR.
11. To co-ordinate and act as a bridge between the PIA/NRO, the community organizations and the Block and the village level project staff.
12. To participate in all the processes of implementation of the SVEP.
13. To help operationalize the MIS for SVEP, monitor progress of the SVEP and share the same with all the stakeholders – SRLM/PIA/NRO/ NRLM.
14. To ensure adherence to norms and completion of processes related to procurement of tablets and other equipment for the BRC.
15. To help institutionalize the Block Resource Centre and make it part of all the SRLM processes in the block.
16. Create and operationalize a course correction mechanism and a process for documenting and sharing best practices.
17. To help create a repository of business logics and training material at the BRCs.
18. To be part of the State level business advisory team for creating local benchmarks for enterprises and for giving seasonality based business advisories.

Key Performance Indicators –

8. Rollout of SVEP physical activities as per the timeline.
9. Number of community organizations' members trained effectively on the SVEP vs targets.
10. Number of MIS reports sent timely per month.
11. Number of monthly reviews of the progress of the program with the PIA/NRO and the District Program Manager facilitated.
12. Ensuring timely reporting of the work done by the PIA, and any deviation from plan is addressed or taken up at appropriate levels within the SRLM, with respect to:

- a. Number of CRP-EPs selected, trained and retained vs targets, for the period under review.
 - b. Number of Enterprises trained, supported to start /grow their business and increase in their incomes vs targets, for the period under review.
 - c. Number of enterprises linked to banks for loans for the business vs targets for the period under review.
 - d. Number of enterprises given loans (from banks or SHGs) and repayment of the loans from business profits vs targets, for the period under review.
13. Number of regional and village category wise benchmarks created for various groups of enterprises created.
 14. Number of best practices and training materials, including ICT trainings documented and added to the repository.

Educational Qualifications : Post graduate/Graduate in any subject with maths as a subject till class XII. Preferably from a management/ commerce or engineering background. Should have strong numeracy skills and business skills.

Core Competencies -

9. Understanding and hands-on experience of the non-farm livelihoods sector and its issues – having worked with either a business or a producer organization that has been successful, or having worked with the SRLM in a livelihoods profile or having worked with a SVEP-like project. The person should have at least 2 years of work experience.
10. Should have numerical and business finance understanding and skills.
11. Good team player, strong ability to work with teams and with people with no direct reporting relationships
12. Data driven, open to learning and adaptable, should be willing to adapt to ground realities.
13. Should be compassionate for the poor and should be willing to look at issues from their lens. Also, should be honest, fair and objective in work. The person should not discriminate anyone based on gender, caste, class, region or any other identity mark.
14. Should have a training and development orientation.
15. Should be self-driven and should be motivated by social change and impact at scale.
16. Should be willing to travel extensively in the field and be willing to stay in a village for approx. 10 to 15 days a month.

Apart from this person being selected and deployed at the block, the SPM in charge of SVEP and the SMD (whenever possible) should review the progress of the program and its physical and financial achievements every month.

The SRLM should own the project and should develop capability to roll-out the program in all blocks of the states, using its own human resources after the establishing the success of the pilot.

The SRLM also has to play a facilitating role in setting up state level benchmark setting committee which shall comprise members from SRLM including the SRLM (SPM/BPM-SVEP), other SPM (livelihoods), and expert practitioners of the trade and industry experts. This committee shall validate the business

performance benchmarks for each group of enterprises for the blocks, as generated from collating data, by the MIS software. This committee is also expected to send out seasonal advisories to various kinds of enterprises – to help them maximize incomes based on seasonal demand and minimize losses due to seasonal stocks left with them, due to the end of a seasonal demand.

Apart from these activities, the committee is also expected to facilitate consolidation of demand and supply of all the enterprises in the block/ district /state and use the same for facilitating better trade terms for the enterprises capitalizing on collective bargaining power.