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Government of India
Ministry of MSME
Office of the Development Commissioner
(ESDP Division)

7th Floor, Nirman Bhawan,
Maulana Azad Road, New
Delhi Dated 25.03.2022

Office Memorandum

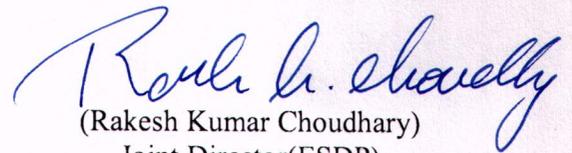
Subject: Approved scheme guidelines on "Entrepreneurship and Skill Development Programme (ESDP)" a component of scheme **Development of MSMEs (Entrepreneurship and Skill Development Programme)**, vertical- 4 circulation - reg.

I am directed to circulate approved scheme guidelines on "Entrepreneurship Skill Development Programme (ESDP)" a component of main scheme on "Development of MSMEs" (Entrepreneurship and Skill Development Programme), which has been approved by Hon'ble Minister of MSME, to all SFC committee members for their kind reference. The approved scheme guidelines will enforced w.e.f. 25.03.2022 for the 15th Finance Commission. Copy of scheme guidelines are enclosed herewith for ready reference.

2. Quarter wise training proposals to be uploaded on MIS web portal My MSME. After the approval of Empowered Committee, programmes will be allocated to the programme conducting organizations.
3. Details of the guest faculty to be uploaded on MIS web portal for approval of Empowered Committee.
4. Name of partner industry association/ institution will also be uploaded on MIS portal.

This issues with the approval of Competent Authority,

Encl.: As above

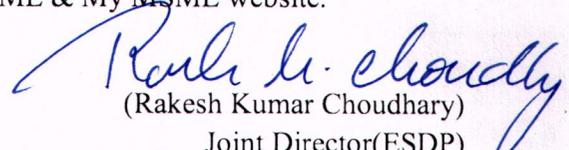

(Rakesh Kumar Choudhary)
Joint Director(ESDP)

To,

All the Directors/In-charges
MSME- DIs/TCs/Other Implementing Agencies

Copy for information to:

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


(Rakesh Kumar Choudhary)
Joint Director(ESDP)



**Office of the Development Commissioner (MSME)
Ministry of Micro, Small & Medium Enterprises
Nirman Bhawan, New Delhi - 110011**

Guidelines

for

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

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Abbreviations

AB:	Autonomous Body
ASPIRE:	A Scheme for Promoting Innovation, Rural Industry & Entrepreneurship
Br. MSME-DI:	Branch MSME Development Institute
BPL:	Below Poverty Line
B. Tech.:	Bachelor of Technology
DC (MSME):	Development Commissioner Micro Small and Medium Enterprises
DDO:	Drawing and Disbursing Officer
DIC:	District Industry Centre
DRDA:	District Rural Development Agency
EAP:	Entrepreneurship Awareness Programme
ESDP:	Entrepreneurship and Skill Development Programme
E-SDP:	Entrepreneurship-cum-Skill Development Programme
EMS:	Environmental Management Systems
HQ:	Head Quarter
ITI:	Industrial Training Institutes
ISO:	International Organisation for Standardisation
IPR:	Intellectual Property Rights
J&K:	Jammu and Kashmir
KVI:	Khadi and Village Industry
KVIC:	Khadi and Village Industry Commission
MDP:	Management Development Programme
MSME:	Micro, Small and Medium Enterprises
MSME-DI:	Micro, Small and Medium Enterprises Development Institute
MSME-TI:	Micro Small and Medium Enterprises Training Institute
M/o MSME:	Ministry of Micro Small and Medium Enterprises
M. Tech.:	Master of Technology
MUDRA:	Micro Units Development & Refinance Agency Ltd.
NEDI:	National Enterprise Development initiatives
NER:	North Eastern Region
Ni-MSME:	National Institute for MSMEs
PAO (MSME):	Pay and Account Office/Officer (MSME)
PMEGP:	Prime Minister's Employment Generation Programme
PMMY:	Pradhan Mantri Mudra Yojana
PMU:	Project Monitoring Unit
POL:	Petrol, Oil and Lubricant
QMS:	Quality Management Systems
R-SETIs:	Rural Self Employment Training Institutes
SC:	Scheduled Casts
SRC:	State Resource Centre
ST:	Scheduled Tribes
TC:	Technology Centre
TCSP:	Technology Centre System Programme
TDC:	Technology Development Centre
TE:	Traveling Expenses
TMS:	Training Management System
TR:	Tool Room
WTO:	World Trade Organisation

Guidelines for sub-component "Entrepreneurship and Skill Development Programme (ESDP)" under "Development of MSMEs" vertical of the O/o DC(MSME) schemes:

A. Background

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

The O/o DC-MSME under "Development of MSMEs" vertical has launched the "Entrepreneurship and Skill Development Programme (ESDP)". The objective of the programme is to motivate young persons (Men and Women) representing different sections of the society including SC/ST women, physically handicapped, Ex- servicemen, and BPL persons to consider self-employment or entrepreneurship as one of the career options. The ultimate objective is to promote new enterprises, build capacity of existing MSMEs and inculcate entrepreneurial culture in the country.

B. Aims and objectives

- (a) To make aware/train entrepreneurial culture among people.
- (b) To motivate young persons (Men and Women) representing different sections of society, including SC, ST, Women and Physically Handicapped, Ex-Servicemen and BPL persons, to consider entrepreneurship or self-employment as one of the career options.
- (c) To enable the target group to think and act in an entrepreneurial way by imparting technical and business skills at an early stage in their career, so that it not only encourages them to consider entrepreneurship as a career opportunity but also helps them become successful in any profession.
- (d) To provide basic entrepreneurship training aimed at helping entrepreneurs to put their ideas into action, bring an attitudinal & behavioral change in the target group and build their personal entrepreneurial skills.
- (e) To provide advance entrepreneurship and advance management training aimed at helping entrepreneurs by providing high end / advance training in the domain of e- commerce, BPO, Soft Ware, Biotech, Modern Agricultural & Animal Husbandry and processing, Drug Discovery, Genomics, Tech. acquisition from premier lab like BARC/CSIR/DRDO, etc. with the help of premier institutes such as IIMs/IITs/ICAR/CSIR/NIT/Administrative Training Institutes (ATIs), post harvesting and Food Processing institutes, Engineering Institutes, etc.
- (f) To develop technical and vocational skills or upgrade existing skills of the target group.

(g) To support the establishment of new MSMEs and enhance growth of existing ones which will result in improved productivity and job creation. The Implementing Agencies (IAs) will be entrusted with the task of Udyam Registration of ESDP beneficiaries.

(h) To support MBA/Engineering students by providing opportunity for Vocational Training and in depth study and outcome of a few typical ESDP programmes conducted, preparing a compendium of available technology with premier lab for dissemination of technology, etc. to MSMEs. Besides, they will be assigned other work which will be an opportunity to work in the Govt. setup. The hired students will be provided with experience certificate and stipend.

C. Assistance under the ESDP Scheme

1. The programme includes the following modules:

- I. Entrepreneurship Awareness Programme (EAP)
- II. Entrepreneurship-cum-SkillDevelopment Programme (E-SDP)
 - a. Existing E-SDP
 - b. Advanced E-SDP
- III. Management Development Programme (MDP)
 - a. Existing MDP
 - b. Advanced MDP

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

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

4. Upto 5% (or more as deemed fit by DC MSME) of annual budget under the Scheme will be utilized for Administrative expenses including hiring of not more than 5 Nos. MBA/Engineering students @ Rs.40000/months, training aids, hiring of professionals, Officers' Training (ESDP)/other miscellaneous charges, etc.

5. In addition to above, a provision has been made to allocate upto 10% (or more as deemed necessary by the Empowered Committee of the budget for scheme) to the MSME-DIs/TCs and HQ office for incurring essential expenditure towards Customized Programmes/Mega Event/National level programmes/Seminar/Workshop/ other Miscellaneous expenditure etc.

D. Procedure for selection of candidates

- I. Web based MIS shall be developed for developing an integrated database of the existing and potential entrepreneurs. Implementing Agencies (IAs) shall upload their progress data on MIS under ESDP on real time basis and each IA shall develop its own MIS for the said purpose and integrate the same with MIS under ESDP managed by O/o DC MSME. AADHAR authenticated attendance is mandatory to prevent duplication of beneficiaries under the scheme. All the field offices of DC MSME shall be involved in identifying the candidates for the programme, through inviting online applications.
- II. The minimum age of participants in the programmes should be 18 years. However, head of the programme conducting organization may grant relaxation in special cases like school drop-outs etc based on his/her judicious discretion. Generally, there would be no upper age limit. The qualification for the participation into a particular programme shall be mentioned in the programme notification taking into consideration the subject of the training programme.
- III. Preference would be given to the candidates from SC, ST, Women, Ex-Service Persons of Defence Forces, Differently abled and BPL category persons.
- IV. For Advanced E-SDP and Advanced MDP programmes, the selection of candidate will be based on the recommendations of Field Offices/Headquarter/Other Implementing Agencies. Whereas, the final decision on the selection criteria rests with the AS&DC(MSME)/Head quarters.

E. Implementation of the Scheme

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

1. Implementing Agencies (IAs) shall submit proposals to the O/o DC,MSME. Empowered Committee under the Chairmanship of AS&DC may consider or reject the proposal submitted by IAs.
2. Every MSME-DI/TC/IAs shall upload its quarterly calendar of programmes after need assessment of the industries.
3. This calendar shall be approved by the Empowered committee.
4. EAP (Entrepreneurship Awareness Programme) will be allocated keeping in view that at least one EAP per district to be organized in association with Industry Clusters/Associations and social enterprises.
5. Six weeks E-SDP (Entrepreneurship cum Skill Development Programme) may be organized need based, at places having potential for Enterprise/industrial development, in association with Industry Associations and Social enterprises active in that district.
6. MDP of One week duration will be conducted for new/existing entrepreneurs/enterprises/Industrial Clusters as a tool for their capacity building and HR development.

7. State Government Industry Department/DICs and other Government industrial development agencies and financial institutions/KVI/Panchayati Raj Institutions including industrial/cluster associations, social enterprises will be associated to the possible extent.
8. Product-cum-Process Oriented E-SDP or Livelihood Driven E-SDP of six week duration allocated by HQ office will be planned by MSME-DIs/TCs/IAs in such a fashion that there is always a programme in progress in every field organization. If infrastructure and allocated programmes permit, even more than one programmes can run simultaneously.
9. The complete training calendar for each organization will be got approved from the office of DC MSME and uploaded in the website of each programme conducting organization and also DC MSME in the beginning of the quarter, in the following indicative format.

Tentative date of start of the programme	Programme / Topic Of training	Duration	Target group	Eligibility Criteria	Participation Fee	Venue State & district	Name & Mob. No. of Nodal Officer

10. The panel of Guest faculty shall be selected in advance and shall be got approved with the programme calendar from DC Office. Guest faculty may be academicians, successful entrepreneurs, faculty of the technical institutions, financial or management experts. The guest faculty would be provided honorarium.
11. For delivering the lecture/demonstration/talk, there is a provision of honorarium of maximum Rs.1000/- for the session of 90 to 120 Minutes for EAP and E-SDP and maximum Rs. 1200/- will be payable as honorarium for a session of 90 to 120 minutes for MDP.
12. A data base of the guest faculty shall also be maintained on the integrated MIS.
13. A Certificate of Participation shall be issued to the participants, who have 80% or above attendance.
14. In the MIS, there will be a feedback mechanism, where the participants of the training programme and the other stakeholders may post their comments on the training programmes organized. The Director/Nodal Officer shall be responsible for monitoring the feedback received and take appropriate action on the same. An action taken report of the feedback received and action taken shall be uploaded on the MIS on real time basis by the programme conducting organization.

F. Details of Programmes/ Activities (EAP, E-SDP and MDP)

I. Entrepreneurship Awareness Programme (EAP):

One Day Entrepreneurship Awareness Programme is an activity to identify and motivate traditional / non-traditional entrepreneurs, having potential for setting up MSEs with an objective of leading them towards entrepreneurship/self-employment. IT consists of formal inaugural and technical sessions and one-to-one discussions with interested participants for counseling and mentoring. At least One EAP should be organized in each district. The intake capacity for the programme will be 50 to 100 persons within expenditure limiting to Rs. 20,000/-. The age of the participants will be 18 years and above. The honorarium to guest speakers may be paid at the rate of Rs. 1000/- for a session of 90 Minutes hrs to 120 minutes duration. The qualification of the participants and structure of the fees will be decided by the Director/Officer In-charge of the programme conducting organization.

In addition to above, 25% to 50% of One-Day EAP may be organized in association with Industry Clusters/Associations/Social Enterprises. The intake capacity for the programme will be 30 to 60 persons representing MSME units. Programme Expenditure limit is Rs. 20,000/-. The honorarium to guest speakers may be paid maximum upto Rs. 1,000/- for a session of 90 to 120 minutes of duration. Total 3 to 4 Plenary Sessions besides the inaugural session will be organized.

II. ENTREPRENEURSHIP-CUM SKILL DEVELOPMENT PROGRAMME (E-SDP)

II (a): Existing E-SDP

This six weeks activity is aimed at conducting special entrepreneurship development programmes for new livelihood enterprise creation and rural enterprise development. This is a product-cum-process oriented activity-based programme. Comprehensive training programmes will be organized to upgrade skills of prospective entrepreneurs coupled with specific skills hands on practice or demonstration relating to activities. The intake capacity for the programme will be 25-30 participants within expenditure limiting to Rs. 1,25,000/- i.e. For less than 25 participants the expenditure may be restricted on pro-rata basis, @ 2,500/- per participant. The age of the participants will be 18 years and above. The honorarium to guest speakers may be paid at the rate of Rs. 1,000/- for a session of 90 minutes to 120 minutes duration. 4 Sessions per day are mandatory. The qualification of the participants and structure of the fees will be decided by the Director/Officer In-charge of the programme conducting organization. Payment of fee will be exempted for SC, ST, Differently-abled Persons, Ex-Servicemen, BPL category participants and women.

Inputs specified for EAPs will be integral part of E-SDP. However the programme is to suitably tailored to the needs of trade or specific activity and the target group of trainees covered under the specific training programme. Some examples of courses conducted under ESDPs are in Agro Based Products, Herbal Cosmetics, Fashion Garments, Hosiery, Food & Fruit Processing Industries, Soap and Detergents/House-Hold Chemicals,

Leather/Jute/Rexene Products/Novelties, Carpet Weaving, Mechanical Engineering Workshop/ Machine Shop, Heat Treatment, Electroplating, Basic Advance Welding/Fabrication/Sheet metal work, Basic/Advance Carpentry, Glass & Ceramics, Industrial & Art Wares, Servicing/Repairing of Household Electrical Appliances and Electronic Gadgets, TV Repairing, Washing Machine Repair, Stereo/Sound System/Speaker Assembly & Repair, Gem Cutting & Polishing, Engineering Plastics, Solar/Non-Conventional Energy Equipment Installation/Maintenance, Plumber Work, Information Technology, Computer Hardware Maintenance, Computerized Accounting, DTP and Screen Printing, Tour operators, Mobile Repairing, etc. The list is illustrative only.

II (b): Advanced E-SDP

The Minimum One Week Advanced E-SDP Programme will have to be conducted with the intake capacity for the programme will be about 20 participants. The Advance E-SDP programmes will be conducted through IIMs/IITs/ICAR/CSIR/BARC/IISC/NIT/ Agricultural University of Central and State government etc. of repute, will be roped in to provide ESDP training with a financial outlay of 80% of the cost, subject to a maximum Rs. 50000/- per candidate (whichever is lower). The remaining 20% can be provided by the candidate or in the form of infrastructure and Academic support by respective institutions. In this programme Central/State Govt. officers (including Ministry of MSME) can also participate to enhance their knowledge. In this case 100% funding shall be provided for such candidates. The programme duration should not be less than a week (five working days). In case of outstation programme, cost of TA/DA to be borne by respective Individual/ MSMEs or respective organization as the case may be.

III. MANAGEMENT DEVELOPMENT PROGRAMMES (MDP)

III (a): Existing Management Development Programmes (MDP)

This one week activity is aimed at capacity building of MSMEs through inputs on management practice system is to improve their decision-making capabilities resulting in higher productivity and profitability of existing and potential entrepreneurs and developing new enterprises. Inputs on a variety of topics of managerial functions will be provided to the participants by experts, which aim at dissemination of knowledge of scientific/modern management techniques/practices. The intake capacity for the programme will be 25-30 participants within expenditure limiting to Rs. 50,000/-. For less than 25 participants, the variable expenditure may be restricted on pro-rata basis @1,000/- per participant. The age of the participants will be 18 years and above. The honorarium to guest speakers may be paid maximum at the rate of Rs. 1,200/- for a session of 90 Minutes to 120 minutes duration. 4 Sessions per day are mandatory with overall 20 session in a week. Participants will be MSME entrepreneurs and/or their managerial and supervisory staff. Structure of fees shall be decided by the programme conducting organization.

Management Training course on various areas of industrial management will be

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

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

III(b): The Advanced Management Development Programme (Advanced MDP)

The Minimum One week Advanced MDP Programme will have the intake capacity for the programme will be about 25 participants. The Advance MDP Training Programmes will be conducted through State Administrative Training Institutes (ATIs) and/or other reputed institutions in this domain of Central or State Governments/NITs/ Regional Engineering Colleges/Agricultural colleges/Autonomous bodies of Central/State Governments to provide MDP training to MSMEs promoters/executives. In this programme Central/State Governments (including Ministry of MSME) /Banks officers and other stakeholders can also participate to enhance their knowledge with minimum 75% MSME participants. This will also help in networking of MSMEs with other stakeholders besides leveraging the huge unutilized infrastructure of ATIs. In this case 100% funding shall be provided with a financial outlay @ Rs. 4,000/- per candidate per day (Rs. 20,000/- for five nights and six days programme) for non-residential programme. In case of residential programme Rs. 8000/- per candidate per day (Rs. 40,000/- for five nights and six days programme) shall be provided. In case of outstation programme, cost of TA/DA to be borne by respective Individual/MSMEs or respective organization as the case may be.

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

G. Programme Monitoring & Evaluation

- I. Services of Specialized/ Professional Institutes like PPDC Agra, Ni-MSME, IEDMI Mumbai or any other specialized organization shall be utilized for developing industry specific training content, training manuals and trainers' manual and organizing National/Regional workshops/seminars for experience sharing and capacity building of the field institutes.
- II. There will be a Project Monitoring Unit (PMU) set up in the office of the Development Commissioner, for the purpose of effective implementation of the scheme envisaged under the guidelines. PMU inter-alia would oversee and monitor

the following activities on regular basis:-

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

III. Online Monitoring and Evaluation Portal: The progress on training programme will be monitored on real time basis through the Web based MIS/other Electronic monitoring mechanism. IAs shall develop their own MIS for the said purpose and integrate the same with MIS under ESDP managed by O/o DC MSME. AADHAR authenticated attendance is mandatory to prevent duplication of beneficiaries under the scheme. Candidates will be identified through inviting online applications.

IV. Implementing agencies has to ensure that, the data/details of each activity/programme, including that of participant, is captured for further follow-up, hand-holding and later on for performance audit.

V. Empowered Committee under AS&DC(MSME) with the concerned DDG/ADC, JDC, a nominee of IFW, shall be responsible for overall monitoring and evaluation.

H. General Guidelines/Instructions

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

9. Special programmes should be organized in Aspirational, Backward Districts and North Eastern Region (NER) based on the local strength and potential.
10. Endeavour should be made to organize the programmes/activities also in ITIs, Polytechnics etc in addition to other colleges/institutes.
11. An upwards variation of 10 to 15% may be allowed in expenditure heads within the overall programme/activity expenditure limit.

I. Guidelines/Instruction for drawl and settlement of advance amount for organizing activities/programmes

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

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