



Trainer Manual  
**Public Support Scheme**

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# Introduction to the Manual

# Introduction to the Manual

## Background

This trainer manual was developed by FISME on behalf of sequa gGmbH within the project 'Capacity Development of Business Membership Organisations in India' which is part of the MSME Umbrella Programme implemented jointly by GIZ (German Society for International Cooperation), office of DC MSME & SIDBI in India.

The term “Business Membership Organisations” (BMOs) refers to various organisations where companies or individual entrepreneurs and sometimes other business organisations are members. BMOs advocate the interests of their members and respond to their needs by delivering required services and information. A general distinction is to be made between business associations and chambers. Worldwide there are different types of associations:

- Trade or industry associations (in many cases referring to one industrial sector or cluster)
- Small Scale enterprises' associations
- Business Women's organisations
- Industrial estate associations
- Employers' associations
- Apex bodies / Federations (formed by other BMOs at lower administrative levels)

Beside the associations most of the countries have chambers of commerce and industry representing the business communities in a district or region (and sometimes of sectors, too). India and other countries follow the tradition of British economic policy where chambers can be established under private law while in several European countries like Germany, Austria, Italy, France and Spain chambers have a public law status with obligatory membership of companies. These countries do also have chambers for various sectors and professions like skilled crafts, agriculture as well as for lawyers, doctors, architects and other occupations.

### *Objective, scope and target groups*

The objective of this manual is to support and guide trainers in providing training on access of BMOs to public support schemes for honorary members and staff of associations and chambers dealing with service delivery of such business organisations. The training material can basically be used for all BMOs but the main target group in India are leading representatives of BMOs and here especially of MSME industrial associations on district level.

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This training forms part of the National Training Programme 1 (NTP 1) in India and consists of 5 modules with various subjects to be dealt within a 5-days training. Access to public support schemes, addressing a number of different aspects, is taking one day of that training. The other areas are BMO management, income-generating services, business responsibility and business policy advocacy. NTP 1 will be followed by National Training Programme 2 with introduction of new topics and deepening contents of the already launched ones.

This Trainer Manual was developed to improve the availability and quality of didactic material on improving the effectiveness of BMOs in different countries. The manual is meant to be used as a guide and source book to implement training programmes providing theoretical and practical knowledge how to develop and implement new services in BMOs. It provides practical assistance and valuable inputs for implementing training workshops and seminars. And it conveys theoretical and practical knowledge on how to develop and implement new services in BMOs in order to create additional income.

Not every recommendation will be applicable to every BMO. National or organisational differences, especially with regard to the specific stage of a BMO's development, will always have some bearing on the concrete form in which a service is provided and the process by which it is introduced. Similarly, the proposals made for solving the problems most commonly encountered when introducing the respective services cannot, so to speak, make a clean sweep of every single problem. However, they have been tried and proven in practice, as have all other recommendations made in this manual.

### *How to use this manual*

This one day training consists of 4 sessions. All of them follow the same pattern:

1. Training schedule for the whole module
2. Overview for each session
3. Trainers instructions for each session
4. Materials (trainer's readings, charts, handouts) for each session

### *Training schedule for the whole module*

The training schedule gives an overview on the number of sessions of the training module, their sequence, main topics to be dealt with, the duration of the sessions and the proposed time. If training is scheduled for half a day, it can be run in the morning or the evening, depending on local preferences. The training schedule helps the trainer to better imagine the course of the module and the areas covered.

### **Session overview**

The 1-page summary sheet gives information on the time needed for that particular session, a brief overview on the basic content of the session and the methods to be applied, defines the learning objectives for the participants and finally enumerates the materials required to run the session.

### **Trainer instructions**

These instructions are the screenplay of each session and give the trainer detailed information on each step of moderating and organising the course. This information is complemented by a time frame for each step and the written material to be used, whether being trainer's background reading, charts or handouts.

## Written Materials

There are 3 types of written materials:

### Background Readings:

This is background material collected or written for the trainers in order to facilitate their preparation before the workshop. It gives theoretical and practical information on the most important topics covered by the different sessions.

**Charts** are to be presented with a projector in order to visualise the most important points during each session.

**Handouts** contain relevant materials for the participants. They can include additional information for participants not presented during the course.

It is recommended to prepare a documentation of all sessions containing photos of the charts used and notes of the discussions the trainer has written on the flipchart to retain main learning points. This documentation shall be to be handed over to participants at the end of the training.

## Rationale & Introduction to Public Support Schemes

There has been a widespread recognition in India that an empowered MSME sector is an engine for vibrant economy, employment creation and greater prosperity. MSMEs not only play a crucial role in providing large employment opportunities at comparatively lower capital cost than large industries but also help in the industrialization of the rural & backward areas, thereby reducing regional imbalances, assuring more equitable distribution of national income and wealth.

The promotional set up for the MSME sector, therefore, has been elaborate. Till 1980's, the emphasis of the most MSME development schemes has been on the unit level support delivered through public institutions. However in the 1990's there has been a paradigm shift to the vision of promotional policy for the sector. The points of departure could be classified in three broad directions. Firstly, the focus of the policy support shifted from protection to promotion. Secondly, besides individual enterprises the target beneficiary group expanded to include groups of enterprises based in clusters. Thirdly, there has been a marked gradual shift from sole reliance on public institutions in formulation and execution of the support schemes to also include BMOs, industrial Associations, other civil society institutions as well as private sector.

Thus, an enhanced role for BMOs was envisaged by the Government of India in the implementation of public support schemes for MSMEs. The quality and extent of the roles envisaged for BMOs vary considerably among schemes but fall under one or more of these six categories: need assessment and scheme design; awareness creation and information dissemination; promoters of vehicles for implementation; part of evaluation / approval committee; implementing agencies; monitoring and evaluating agencies. A compendium of MSME support schemes envisaging the role for associations/ BMOs has been prepared & published by Federation of Indian Micro and Small & Medium Enterprises (FISME) which could be referred for further reading. It can be downloaded from the FISME website: [http://www.fisme.org.in/document/Book\\_Compndium\\_of\\_MSME\\_Support\\_Schemes.pdf](http://www.fisme.org.in/document/Book_Compndium_of_MSME_Support_Schemes.pdf)



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Despite of the welcomed change in the envisaged role of BMOs as a partner to government, the impact of the change e.g. greater benefits from support schemes, improved business and investment climate for MSME has been limited. One of the reasons for these limitations which often have been cited is the limitation of capacity and capability of BMOs themselves in executing and implementing these schemes.

Based on this scenario, a training programme has been designed to build the internal capacities of the BMO and their staff to access the various public support schemes. The training programme is divided into two parts:

National Training Programme 1 (NTP1), which is of basic nature and has been designed to address the following issues for the BMOs:

- Selection and prioritization of relevant schemes
- Understanding of the implementation process of public support schemes
- Building internal capacity/processes within the BMOs to implement the schemes
- How to spread awareness among the members as per their requirements

National Training programme 2 (NTP 2), which is an advanced extension of NTP1, focuses more on developing the various project management skills of the participants, so that their internal capacities are developed for implementing advance level public support schemes in their catchment areas.

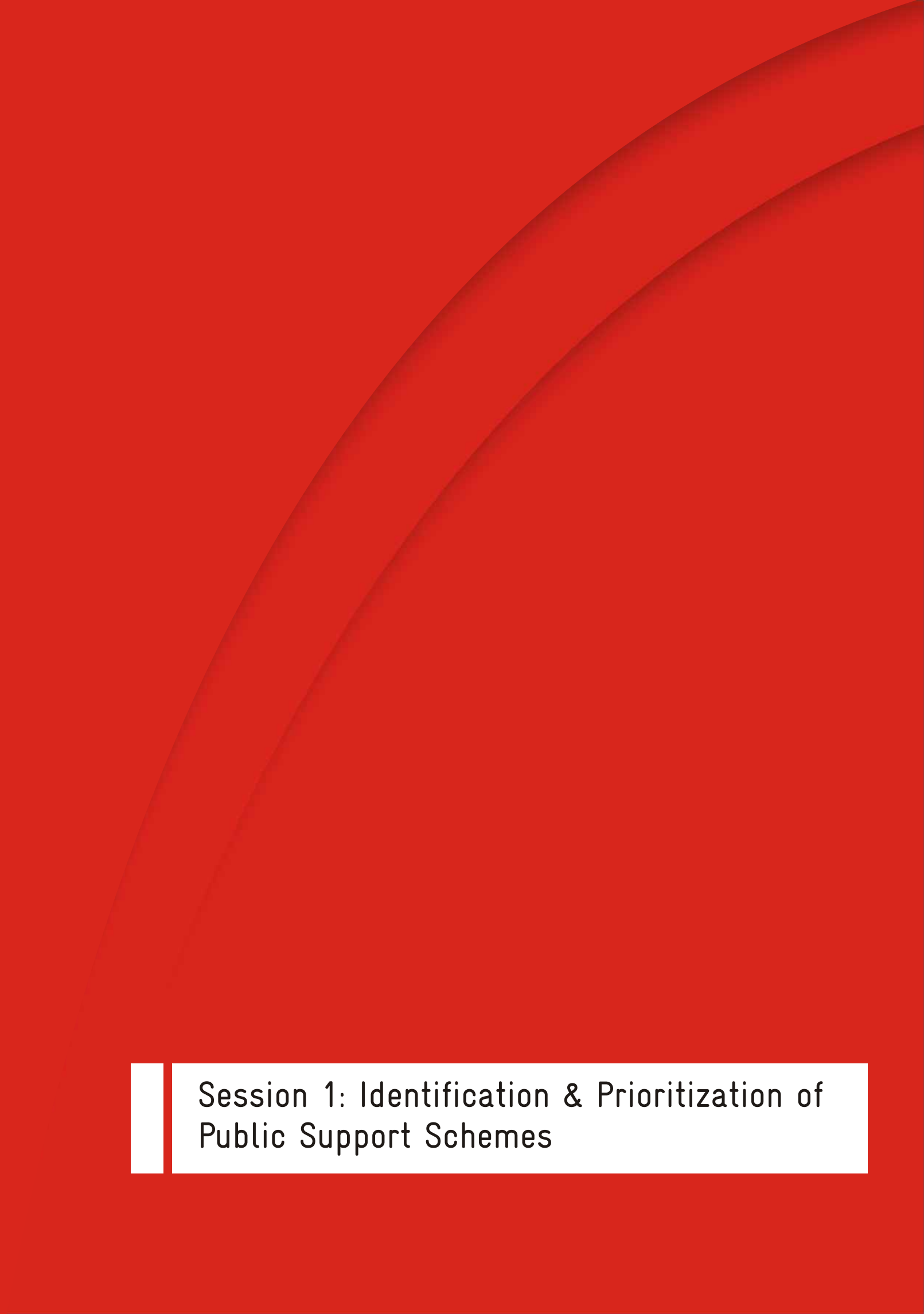
While designing the training programme, it was assumed that most of the BMOs' in the country are not focus driven and not aware of the various schemes and programmes. For the BMOs' intending to avail the various public sector schemes, it is very important for them to identify the various needs determinant to the growth of the SME sector. Apart from it, the BMOs should have a clear understanding of the various procedures and requirements of the approving bodies, which will help in sequencing of activities. The various public sector schemes that are being offered by the various agencies are a mix bag of activities. Some of these schemes may be basic in nature involving very less expertise or may be complex in nature, which are based on cooperative or the PPP model and require high level of technical and managerial knowhow. For a BMO, identifying and taking up the right scheme for implementation is a very crucial step. This has to be preceded by the identification and assessment of the needs. Conceptually, the various steps required for an assessment of a certain need by the BMO plays an important part towards identification of a particular scheme/programme towards programme implementation.

Even if a BMO does its needs assessment, it is important for them to work towards building their internal capacities. This coupled with the understanding of the various awareness mediums and tools will help the BMO in its role enhancement as an awareness builder and facilitator.

The manual addresses the public support schemes from a generic angle, as procedures and requirements for application and sanctioning of the governmental schemes vary over time and would call for a constant updating of the present manual. Nevertheless, the trainer should make use of a particular scheme when explaining the various steps of identifying, prioritizing and implementing a public support scheme. Some examples are enclosed in the manual.

## Training Schedule

Session	Topics	Duration	Proposed Time*
Session 1: Identification & Prioritization of Public Support Schemes	<ul style="list-style-type: none"> <li>Welcome remarks &amp; Introduction</li> <li>Role of BMOs</li> <li>Overview of Public support schemes</li> <li>Identification &amp; prioritization of relevant schemes by the BMO's</li> </ul>	90 min.	09.30 – 11.00 hrs
Tea Break		15 min.	11.00 - 11.15 hrs
Session 1 (contd.) : Identification & Prioritisation of Public Support Schemes	<ul style="list-style-type: none"> <li>Examples of various schemes</li> </ul>	30 min.	11.15 – 11.45 hrs
Session 2 : Process	<ul style="list-style-type: none"> <li>Implementation process</li> <li>Deficiencies in various</li> </ul>	60 min.	11.45 – 12.45 hrs
Session 3: Building internal capacities of a BMO	<ul style="list-style-type: none"> <li>Initiation</li> <li>Importance of Need</li> </ul>	30 min.	12.45 - 13.15 hrs
Lunch		60 min.	13.15– 14.15 hrs
Session 3 (contd.) : Building internal capacities of a BMO	<ul style="list-style-type: none"> <li>Internal capacities for programme implementation</li> </ul>	30 min.	14.15 - 14.45 hrs
Session 4: Group Exercise	<ul style="list-style-type: none"> <li>Introduction</li> <li>Group exercise</li> </ul>	50 min.	14.45 – 15.35 hrs
Tea Break		15 min.	15.35– 15.50 hrs
Session 4 (contd.) : Group Exercise	<ul style="list-style-type: none"> <li>Presentation and discussion</li> <li>Wrapping up</li> </ul>	70 min.	15.50 – 17.00 hrs

The background is a solid red color with two large, curved, overlapping shapes in a slightly darker shade of red, creating a sense of depth and movement. These shapes curve from the top right towards the bottom left.

## Session 1: Identification & Prioritization of Public Support Schemes

# Session 1: Identification & Prioritization of Public Support Schemes

## A Overview

Time:	Part 1:	90 min.	(09.30 - 11.00 h)
	Tea break	15 min.	(11.00 – 11.15 h)
	Part 2:	30 min.	(11.15 – 11.45 h)

**Overview:** The introductory session starts with welcoming, a presentation of programme and trainer. This is followed by naming Ministries with prominent MSME schemes, and the role of the BMOs for accessing various schemes. Afterwards an overview of the relevant public support schemes is given and a tool presented to identify and prioritise beneficial schemes for BMOs. Finally some examples are given to deepen understanding on the prioritisation matrix.

### Learning Objectives:

1. Participants identify main roles for BMOs in accessing Public Support Schemes
2. Participants are familiar with the various categories of the Public Sector Schemes focussing MSMEs.
3. Participants are acquainted with the various criteria on which a scheme can be analysed.

### Materials required:

1. Charts 1.1 -1.6
2. Background readings 1.1. – 1.2
3. Participant Handouts
4. Projector
5. Pin Boards
6. Cardboard cards

## B Trainer Instructions

### Session 1: Identification and Prioritisation of Public Support Schemes (120 minutes)

Time	Steps	Methodology	Materials
10 min	Welcome remarks & Introduction	<ul style="list-style-type: none"><li>Open the training programme with introductory remarks. Welcome everyone also on the behalf of the local host.</li><li>Present briefly the main topics to be covered in the whole day, mentioning schedule of the individual sessions and breaks, using chart 1.1.</li></ul>	Chart 1.1
30 min	Role of BMOs	<ul style="list-style-type: none"><li>Ask the participants about the role of the BMOs in accessing Public Support Schemes. Record their responses on the white board.</li><li>Invite participants to name Ministries with prominent MSME schemes and afterwards show them chart 1.2.</li><li>Categorize the role of BMOs wrt to the Public Support Schemes with the help of a chart. Use background reading 1.1 for your individual preparation.</li></ul>	White Board Chart 1.2 Background Reading 1.1
		<ul style="list-style-type: none"><li>Also tell the participants that most of the schemes involve the BMOs in one of the envisaged roles, introducing chart 1.3 and briefly go through it.</li></ul>	Chart 1.3
30 min	Overview of the Public support schemes	<ul style="list-style-type: none"><li>Tell the participants about the various criteria on which the public sector schemes can be identified by the BMO secretariat making use of chart 1. 4. Share with participants that the Public Support Schemes can be generally divided into two categories i.e. Basic &amp; advanced. The schemes of awareness building, training etc. can be put under the basic category whereas the schemes related to the technology, infrastructure and which requires some kind of collective approach can be categorised under the advanced category.</li></ul>	Chart 1.4

Time	Steps	Methodology	Materials
		<ul style="list-style-type: none"> <li>Ask the participants whether they are aware of any Public Support Schemes. Ask the participants to identify any scheme as per the category. Tell the participants to fill out the name of any one scheme they know about. The names in the cards should be written in bold and legible letters.</li> <li>After writing down the name on the cards, help the participants to pin their cards on the respective pin boards. Moderate the session by helping the participants in finalising their output.</li> </ul>	Pin Boards Cardboard Cards
20 min	Identification & prioritisation of the relevant schemes by the BMOs	<ul style="list-style-type: none"> <li>Present and explain the matrix in chart 1.5 that can be used as a tool for identification and prioritisation of the public support schemes. Use background reading 1.2 for your preparation, and check current conditions at <a href="http://www.dcmsme.gov.in">www.dcmsme.gov.in</a>.</li> </ul>	Chart 1.5 and background reading 1.2
15 min	Coffee / Tea Break		
30 min	Examples of various schemes	<ul style="list-style-type: none"> <li>Then show the examples in chart 1.6 to help participants understand the matrix. <b>Note: you might have to modify chart 1.6 depending on current regulations</b></li> <li>Ask participants whether they have made use of any scheme and invite them to briefly share their experience.</li> </ul>	Chart 1.6

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## C Background Readings

### Background Reading 1.1

#### **Why BMOs are important and what role do they play in implementation of the schemes?**

Whereas Government is responsible for framework conditions in an economic environment, BMOs serve as a critical link between the Government and group of enterprises affected by or be beneficiary of support schemes being implemented by Government. They have better access to the target group and a greater familiarity with their problems and needs. BMOs being less bureaucratic and more flexible in decision making development agencies are increasingly partnering with them in formulation and implementation of MSME support programmes.

Therefore, to enhance outreach and efficacy of public MSME support schemes, the Indian Government also has been increasingly shifting from the approach of direct delivery of subsidized services' to that of being a facilitator involving the industry and the BMOs in the delivery process as a partner. It is evident from the rising number of schemes being launched and under implementation using the Public Private Partnership (PPP) approach during the last decade.

## **MSME SUPPORT SCHEMES AND PROGRAMMES**

### **Evolution of support programmes for MSMEs**

Since independence in 1947, there has been a widespread recognition in India that vibrant small enterprises are potentially a key engine of economic growth, job creation and greater prosperity. The Government of India's successive industrial policy statements have emphasised the role that small enterprises can play in providing employment to a million or so workers transitioning out of agriculture each year. The development of small scale sector has been seen as a method of ensuring a more equitable distribution of national income and facilitating the effective mobilisation of capital resources and skills which might otherwise remain un-utilised.

In the centralized economy which India once was, it was considered appropriate to let the large private sector and public sector produce primary and intermediate products with heavy industries, while the 'modern small scale industries' were to produce consumer durable and articles of mass consumption. Successive Five Year Plans (FYPs) adopted by Government of India and accompanying Industrial Policies provided the required policy framework for the small sector to bestow 'protection' and financial, marketing and technological support..

The promotional set up for the MSME sector, therefore, has been elaborate. Till late 1980s, the emphasis of the most MSME development schemes has been on the unit level support delivered through public institutions. The Industrial Policy of 1991 and AbidHussain Committee Report (1997) induced a paradigm shift to the vision of promotional policy for the sector. The points of departure- at least in terms of intent, have been:

- a. From protection of small scale sector to its promotion

- b. In addition to focus on individual unit level support, group of industries ( cluster) also targeted as beneficiaries
- c. Besides public institutions, gradual involvement of associations, NGOs and private sector in formulation and execution of promotional schemes

### Evolution of Promotional Policy Framework for Small Sector

Documents/ Reports	Prescription influencing MSME policy
Five Year Plans	
First Year Plan 1951	<ul style="list-style-type: none"> <li>Advocated elaborate &amp; determined state policy intervention covering Finance, Raw materials, Technical and Marketing guidance</li> <li>Mooted 'protection' of spheres of production for the sector</li> </ul>
Second FYP 1956	<ul style="list-style-type: none"> <li>Laid foundation for establishment of promotional and support institutions: NSIC, SISIs, State Financial Corps</li> <li>Provided for development of Industrial Estates</li> </ul>
Eighth FYP 1992	<ul style="list-style-type: none"> <li>Advocated reform agenda: lifting of QRs, removal of licensing, quotas; Stressed technological upgradation and marketing support,</li> <li>Mooted 'Growth Center Approach' (which later crystallized into the cluster development approach in India)</li> </ul>
Industrial Policies	
Industrial Policy Resolution 1948	<ul style="list-style-type: none"> <li>Support through Policy and fiscal measures to Cottage and small scale industries for better utilization of local resources and achievement of 'local sufficiency'</li> </ul>
Industrial Policy Statement 1977	<ul style="list-style-type: none"> <li>Declared 'whatever can be produced by small and cottage industries must only be so produced';</li> <li>Took protection to new heights; reserved items in SSIs expanded from 180 to 807</li> <li>Mooted the concept of District Industry Centers (DICs)</li> <li>Tiny sector defined within the small scale sector</li> </ul>
Industrial Policy Statement 1980	<ul style="list-style-type: none"> <li>Focused ancillarisation and creation of nucleus plants</li> <li>Modernization and technological up-gradation</li> </ul>
Industrial Policy Measures 1991	<ul style="list-style-type: none"> <li>Paradigm shift in policies: 'protection to promotion'</li> <li>Industrial licensing done away with</li> <li>Backed removal of Quantitative Restrictions on imports and process of de-reservation of SSIs</li> </ul>



Important Reports/ Studies which influenced policies	
Karve Committee Report (1956) (Under Planning Commission)	<ul style="list-style-type: none"> <li>• Stepping stone for future small sector policies</li> <li>• Recommended state intervention in ensuring access to raw materials; institutional finance; technology; markets; skills; power; common facilities; industrial estates; raw material and producer cooperatives, differential taxation; cooperative marketing</li> </ul>
International Planning team (Ford Foundation) 1955	<ul style="list-style-type: none"> <li>• Setting up of institutional framework for Technical, marketing, credit assistance; provided basis for Small Industries Development Board (now DCMSME), National Small scale Industries Corporation (NSIC) to come up</li> </ul>
Expert Group on Small Enterprises (AbidHussain Committee) Report (1997)	<ul style="list-style-type: none"> <li>• Comprehensively reviewed past policies and advocated change of course;</li> <li>• Suggested 'Protection to promotion'; de-reservation but with technological and marketing support</li> <li>• Changed focus of support from unit level to groups of industries; brought industrial clusters in focus</li> </ul>
<i>Source: Five Year Plan documents, Planning Commission; Industrial Policies, Ministry of Commerce and Industry, GoI</i>	

### On-going Support Programmes:

All the schemes under Central Ministries/ Departments which envisage a role for Associations/ BMOs have been mapped as a part of this study. Thus a universe of 42 relevant schemes was drawn upon which envisage either one or a combination of roles for Associations/ BMOs in its implementation.

### Ministries with prominent MSME support programmes:

The Central Ministries having promotional schemes for the MSME sector are of two types: sector specific Ministries and cross cutting Ministries. Ministries such as of Textiles, Food Processing Industries, Healthcare focused on specific sectors whereas Ministries such as of MSME, Commerce and Industry, Finance etc. focus on cross cutting issues.

Though each Ministry/ Department has its own priority and focus area for which specific schemes are propagated, there are many cross cutting issues that more than one Ministry attempts to address. At any given time, there is more than one scheme aiming to address similar concerns. Major Ministries having promotional schemes for the MSME sector are:

	Ministries/Departments	No of schemes relevant for BMOs(11th Five Year Plan)
1.	Ministry of MSME (DC MSME, Coir Board)	13
2.	Ministry of Commerce	5
3.	Ministry of Labour	2
4.	Department of Science & Technology	4
5.	DSIR	6
6.	Ministry of Rural development	1
7.	Ministry of Textiles	4
8.	Department of AYUSH	2
9.	Ministry of Finance	1
10.	Ministry of Food Processing Industries	3
	Total	42

### Categorization of support programmes:

The MSME support programmes can be categorized on the following parameters'

#### A) Profile of the intended beneficiaries

- i. Individual enterprises based support programmes
- ii. Schemes targeting groups of enterprises

#### B) Categorization according to type of role envisaged for industry associations/BMOs

#### C) Focussed Schemes

##### A.i) Individual enterprises based support programmes

The programmes which envisage the individual units to be eligible beneficiary are aimed at enhancing the competitiveness of the units, through technology up gradation support, assistance for marketing access, product/ process development, training/ skill up gradation etc. Few schemes which target individual enterprises are :

- Credit Linked Capital Subsidy Scheme of Ministry of MSME for Technology Up-gradation
- Technology Up-gradation Fund Scheme of Ministry of Textiles for enterprise level technology up-gradation
- Scheme for assisting Ayurveda, Siddha & Unani (ASU) drug manufacturing units of Department of AYUSH to strengthen in-house quality control section/drug testing laboratories to meet the requirements of Good Manufacturing Practices (GMP)
- Credit Guarantee Fund Scheme of Ministry of MSME to facilitate access to finance
- Certificate Reimbursement Scheme of Ministry of MSME to assist units in quality certification such as ISO etc

- 
- Market Development Assistance Scheme of Ministry of Commerce to assist entrepreneurs/exporters in accessing new markets.
  - R&D Grants For New Product / Process Development of Department of Science and Technology

#### **A.ii) Schemes targeting groups of enterprises:**

These schemes envisage enterprises to come together, pool resources and overcome gaps which enterprises in isolation or on their own find it difficult to address. Majority of these Schemes address either infrastructure related gaps or business support institution to provide services where immediate business gains may not be obvious to the MSME users and risk for initiating them may be high.

Collective projects aim at sharing the risk hence enhancing the gains associated with the setting up of projects. Setting up of common facility centres such as those for testing, R&D, raw material standardization, skill development etc, setting up of industrial parks, common marketing initiatives, market access interventions, innovation and product development, upgradation/creation of general infrastructure facilities such as power supply, roads, drainage etc are some of the activities that come under the purview of the Schemes targeting groups of enterprises.

Some such Schemes primarily targeting groups of enterprises are mentioned below:

- Scheme for Integrated Textiles Park (SITP) launched by Ministry of Textiles in September 2005 aims to provide the industry with world class infrastructure facilities for setting up their textiles units. 40 parks have already been approved under the scheme pan India with cluster parks coming up in the vicinity of existing textile clusters.
- Industrial Infrastructure Upgradation Scheme (IIUS), scheme by Department of Industrial Policy & Promotion (DIPP) was launched to provide quality infrastructure initially in functional clusters/ industrial locations. The scheme is meant for strengthening sector specific clusters through cluster-based interventions. Existing industrial locations having concentration of industrial units are also eligible to apply for assistance under the scheme.
- Scheme of Fund for Regeneration of Traditional Industries (SFURTI), being implemented by Khadi and Village Industries Commission (KVIC) under Ministry of Agro & Rural Industries aims at strengthening of rural clusters and to make the traditional industries more productive, competitive and facilitate their sustainable development. The scheme has provision for both hard as well as softer interventions and has provision for nodal as well as technical agencies as national as well as cluster level to assist the implementing agencies.
- Integrated Handloom Cluster Development Programme, based on a cluster approach for the development of the handloom sector was introduced in 2005-06 The same is being implemented by Development Commissioner (Handlooms), Ministry of Textiles and aims to facilitate the sustainable development of handloom weavers located in identified clusters into a cohesive, self-managing and competitive socio-economic unit. 120 clusters have been selected while the scheme is being implemented in 20 clusters.

- Mega Food Park, a scheme by Ministry of Food Processing Industries aims at setting up infrastructure & common facilities for use by small and medium enterprises which enhance value addition and Quality assurance through filling gaps in the supply chain. The Scheme has replaced the earlier food park Scheme and has more structured and participatory implementation framework.

### **B) Categorization according to type of role envisaged for industry associations/BMOs:**

All the schemes under eleven Central Ministries/ Departments which envisage a role for Associations/ BMOs have been mapped as a part of this study. Thus a universe of 42 relevant schemes was drawn upon which envisage either one or a combination of roles for Associations/ BMOs in its implementation.

Different type of role envisaged for associations in public support programmes are:

- Need assessment and Scheme design:** Not explicitly stated in the scheme guidelines, some of the Schemes in their design stage envisage involvement of BMOs so that the provisions are demand driven and in sync with the needs of the sector.
- Awareness creation/ Information Dissemination:** BMOs as part of their service basket disseminate information about the Schemes and support programmes amongst their members. In some of the Schemes the BMOs are provided financial assistance for awareness creation through workshops/ symposiums/ seminars etc.
- Promoters of vehicles for implementation:** Many of the Schemes especially the ones designed on PPP framework and envisaging Special Purpose Vehicles (SPVs) to act as implementing agencies encourage associations to lead the projects in initial stages, submit preliminary proposals, mobilize entrepreneurs to come forward and promote SPVs etc.
- Part of evaluation/ approval committee:** The Project screening/ approval committees under most of the Schemes have representation from industry associations. BMOs are also part of technical committees evaluating proposals.
- As Implementing agencies:** There are GoI Schemes which recognize BMOs as the eligible implementing agencies for direct implementation of projects. Most of these schemes provide assistance for soft interventions, research and infrastructure projects.
- Monitoring and evaluating agencies:** There are schemes which recognize the close linkage between BMOs and members who are beneficiaries under various schemes. Hence BMOs are part of the monitoring and evaluation framework.

### **C) Focussed Schemes**

While the broader aim of all schemes is competitiveness and growth of the MSME sector, different schemes try to achieve this aim by focusing on one of the following five areas:

- Provision of infrastructure
- Soft interventions including capacity building, training etc
- Marketing assistance/ market access
- Technology up-gradation
- Research & Development/ Innovation

Therefore, it is evident that there are a large number of MSME development schemes and programmes being supported by several Ministries of Government of India. Further 42 schemes have been identified in the chapter which envisage a definite type of role for BMOs from planning to execution of these schemes.

### Categorization of Schemes According to Role for Associations/BMOs

No	Scheme	Ministry/ Department	Role for BMOs
1	Scheme of Fund for Regeneration of Traditional Industries (SFURTI) through KVIC and Coir Board	Ministry of MSME (MoMSME)	One of many eligible agencies
2	Scheme of Surveys, Studies, Policy Research	MoMSME	Primary implementing agency
3	International Cooperation Scheme	MoMSME	Primary implementing agency
4	Scheme for capacity building, strengthening of database and advocacy and for holding Seminars /Symposiums/Workshops by Industry/ Enterprise Associations	DC (MSME)	Primary implementing agency
5	Micro & Small Enterprise Cluster Development Programme (MSECDP)	DC (MSME)	One of many eligible agencies
6	Market Development Assistance Scheme for SSI exporters (SSI-MDA)	DC (MSME)	One of many eligible agencies
7	Integrated Infrastructure Development (IID) (subsumed under MSECDP)	DC (MSME)	One of many eligible agencies
8	Building awareness on IPRs	DC (MSME)	One of many eligible agencies
9	Setting up of New Mini Tool Rooms under PPP Mode	DC (MSME)	One of many eligible agencies
10	Enabling Manufacturing Sector be competitive through Quality Management Standards and Quality Technology Tools	DC (MSME)	One of many eligible agencies
11	Support for Entrepreneurial and Managerial Development of SMEs: Through Incubators	DC (MSME)	Facilitating role
12	Scheme for Integrated Textiles Park (SITP)	Ministry of Textiles	Facilitating role
13	Integrated Handloom Cluster Development Programme	Ministry of Textiles	Facilitating role
14	Baba Saheb Ambedkar Hastshilp Vikas Yojana (AHVY)	Ministry of Textiles	One of many eligible agencies
15	Special Handicraft Training Project	Ministry of Textiles	One of many eligible agencies

No	Scheme	Ministry/ Department	Role for BMOs
16	Assistance to States for developing Export Infrastructure and Allied Activities (ASIDE)	Ministry of Commerce & Industry (MoC&I)	One of many eligible agencies
17	Industrial Infrastructure Upgradation Scheme (IIUS)	MoC&I	One of many eligible agencies
18	Revised Market Access Initiative Scheme	MoC&I	One of many eligible agencies
19	Market Development Assistance Scheme	MoC&I	One of many eligible agencies
20	HRD Mission for Leather	MoC&I	Facilitating role
21	Modular Employable Skills (MES) under Skill Development Initiative Scheme (SDIS)	Ministry of Labour	Facilitating role
22	Upgradation of Government ITIs through Public Private Partnership	Ministry of Labour	One of many eligible agencies
23	Rejuvenation, Modernisation and Technology Upgradation of the Coir Industry	Coir Board	Facilitating role
24	Scheme for Development of AYUSH Clusters	Department of AYUSH	Facilitating role
25	Assistance for Exchange Programme / Seminar / Conference / Workshop on AYUSH	Department of AYUSH	One of many eligible agencies
26	Mega Food Parks Scheme	Ministry of Food Processing Industries (MoFPI)	Facilitating role
27	Scheme for Cold Chain, Value Addition and Preservation Infrastructure	MoFPI	Facilitating role
28	Scheme for Setting up/ up gradation of food testing laboratories	MoFPI	Facilitating role
29	Scheme for Promotional Activities	MoFPI	One of many eligible agencies
30	Special Projects under Swarnjayanti Gram Swarozgar Yojana (SGSY)	Dept. of Rural Development	One of many eligible agencies
31	Instrument development Programme (IDP)	Department of Science and Technology (DST)	Facilitating role
32	International S&T Cooperation (ISTC)	DST	Facilitating role
33	Joint Technology Projects under STAC/IS-STAC	DST	Facilitating role
34	State Science & Technology Programme (SSTP)	DST	One of many eligible agencies

No	Scheme	Ministry/ Department	Role for BMOs
35	International Technology Transfer Programme	Department of Scientific and Industrial Research (DSIR)	One of many eligible agencies
36	Consultancy Promotion Programme	DSIR	One of many eligible agencies
37	Technology Information Facilitation Programme	DSIR	One of many eligible agencies
38	Technology Development & Utilization Programme for Women	DSIR	One of many eligible agencies
39	R&D Grants For New Product / Process Development	DSIR	Facilitating role
40	Technology Management Programme	DSIR	One of many eligible agencies
41	Viability Gap Funding	Ministry of Finance	Facilitating role

*Source:* “Working Paper on Analysis of Schemes Involving Industry Associations and Suggestions for Effective Implementation” by FISME in association with SIDBI & GTZ

## Background Reading 1.2

### Priority Matrix

No.	Scheme	Sector	Awareness	Infra-structure	Training	Process/ Prod Dev	Additional HR reqd	Legal aspects	Impl. Period	Grant assistance	BMO Contribution	Engagement of third party	Other requirements
A	Design Seminar	Manufacturing	Yes				No	Mandatory Requirements	½ -1 day	60,000.00	No	Designer as Faculty	40+ participants
B	QMS & QTT Seminar		Yes				No	Mandatory Requirements	½ -1 day	Upto Rs. 75,000.00	25% For Micro; 50 % for SME members	QMS Experts as Faculty	40+ participants
C	IPR Awareness seminar		Yes				No	3 years of existence	½ -1 day	Upto Rs. 1,10,000.00	Contribution-10% of the total expense	IP experts as Faculty	40+ participants

*Note:* The trainer must also go through the guidelines of the above programmes for a complete understanding of the scheme. The details of the scheme are available at [www.dcmsme.gov.in](http://www.dcmsme.gov.in).

## D Charts

### Session 1: Identification & Prioritization of Public Support Schemes

Chart 1.1: Training Schedule

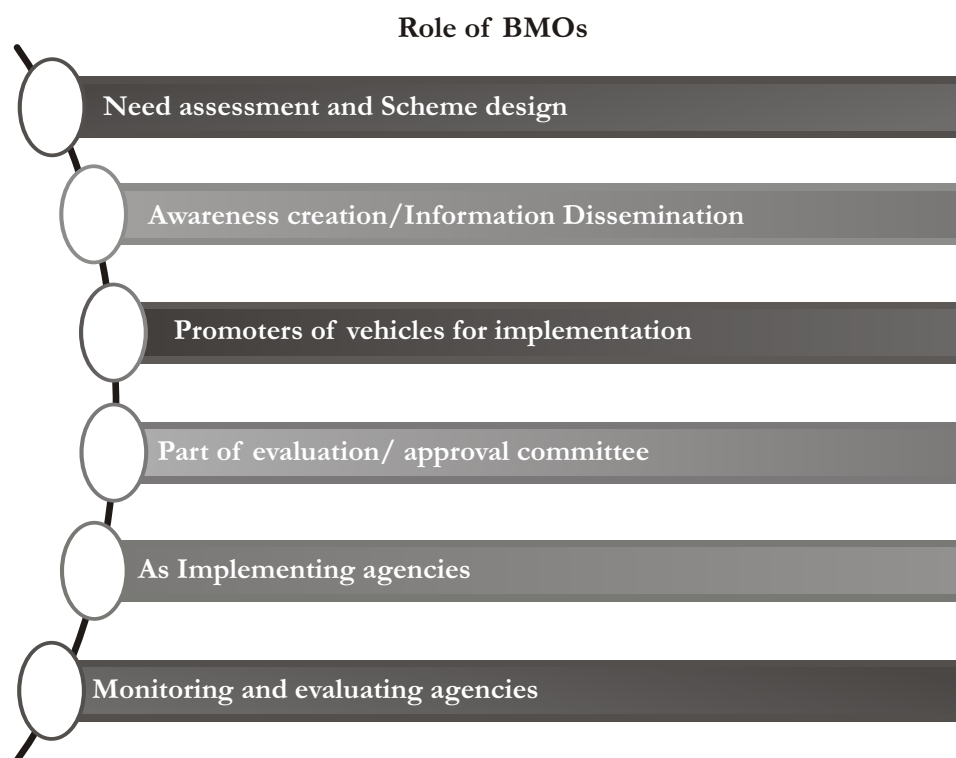
Session	Topics	Duration	Proposed Time
Session 1: Identification & Prioritization of Public Support Schemes	<ul style="list-style-type: none"><li>• Welcome remarks &amp; Introduction</li><li>• Role of BMOs</li><li>• Overview of Public support schemes</li><li>• Identification &amp; prioritization of relevant schemes by the BMO's</li></ul>	90 min.	09.30 – 11.00 hrs
Tea Break		15 min.	11.00 - 11.15 hrs
Session 1 (contd.) : Identification & Prioritisation of Public Support Schemes	<ul style="list-style-type: none"><li>• Examples of various schemes</li></ul>	30 min.	11.15 – 11.45 hrs
Session 2 : Process	<ul style="list-style-type: none"><li>• Implementation process</li><li>• Deficiencies in various</li></ul>	60 min.	11.45 – 12.45 hrs
Session 3: Building internal capacities of a BMO	<ul style="list-style-type: none"><li>• Initiation</li><li>• Importance of Need</li></ul>	30 min.	12.45 - 13.15 hrs
Lunch		60 min.	13.15– 14.15 hrs
Session 3 (contd.) : Building internal capacities of a BMO	<ul style="list-style-type: none"><li>• Internal capacities for programme implementation</li></ul>	30 min.	14.15 - 14.45 hrs
Session 4: Group Exercise	<ul style="list-style-type: none"><li>• Introduction</li><li>• Group exercise</li></ul>	50 min.	14.45 – 15.35 hrs
Tea Break		15 min.	15.35– 15.50 hrs
Session 4 (contd.) : Group Exercise	<ul style="list-style-type: none"><li>• Presentation and discussion</li><li>• Wrapping up</li></ul>	70 min.	15.50 – 17.00 hrs



**Chart 1.2**

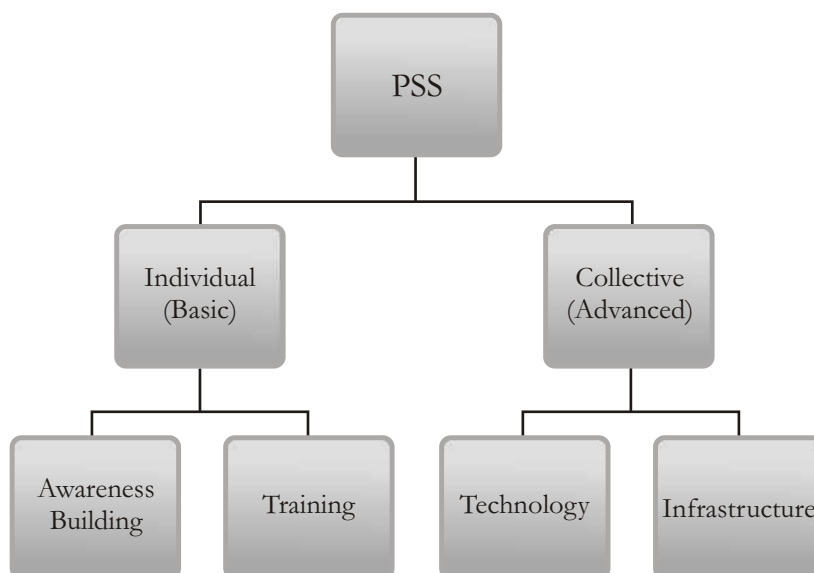
	<b>Ministries/Departments</b>	<b>No of Schemes Relevant for BMOs (11th Five Year Plan)</b>
1	Ministry of MSME(DC MSME),Coir Board	13
2	Ministry of Commerce	5
3	Ministry of Labour	2
4	Department of Science & Technology	4
5	DSIR	6
6	Ministry of Rural Development	1
7	Ministry of Textiles	4
8	Department of Ayush	2
9	Ministry of Finance	1
10	Ministry of Food Processing Industries	3

**Chart 1.3**



**Chart 1.4**

**Classification of Public Support Programmes**



**Chart 1.5**

**Prioritization Matrix**

Scheme	Sector	Awareness or Infra-structure or Training or Technology	Additional HR required	Legal aspects	Implementation Period	Grant assistance	BMO Contribution	Engagement of third party	Other requirements

A bracket under the first three columns (Scheme, Sector, Awareness or Infra-structure or Training or Technology) is labeled "Pre-filled".  
 A bracket under the remaining seven columns (Additional HR required, Legal aspects, Implementation Period, Grant assistance, BMO Contribution, Engagement of third party, Other requirements) is labeled "Trainees are expected to fill it after going back from training".

**Chart 1.6**

**Examples of Schemes**

Scheme	Sector	Awareness	Infra-structure	Training	Technology	Additional HR reqd	Legal aspects	Impl. Period	Grant assistance	BMO Contribution	Engagement of third party	Other requirements
Design Seminar		Yes				No	Mandatory Requirements	½ -1 day	60,000.00	No	Designer as Faculty	40+ participants
QMS & QIT Seminar	Manufacturing	Yes				No	Mandatory Requirements	½ -1 day	Upto Rs. 75,000.00	25% For Micro; 50 % for SME members	QMS Experts as Faculty	40+ participants
IPR Awareness seminar		Yes				Yes	3 years of existence	½ -1 day	Upto Rs. 1,10,000.00	Contribution- 10% of the total expense	IP experts as Faculty	40+ p participants

## E) Participant Handouts

- Handout 1.1
- Chart 1.2 to 1.6
- Blank priority matrix
- Background Reading 1.1 (optional)

### Handout 1.1: List of Public Support Schemes by the Government of India through various Ministries

#### Name of Schemes

- Credit Guarantee Fund Scheme for New & Existing MSEs
- Credit Linked Capital Subsidy Scheme (CLCSS) for Existing MSEs
- OM for XI Plan
- Export Promotion Schemes for Existing MSMEs
- Incentives ( Awards) for Existing MSMEs
- ISO 9001/14001/HACCP Certification Reimbursement Scheme for Existing MSEs
- Price and Purchase Policy for Existing MSEs
- Scheme for Capacity Building For Associations
- Scheme for Cluster Development for Existing MSEs
- Amendments for SICDP
- Scheme for Establishing EDIs and Training Centers by State Govt./ Union Territories
- Scheme for Establishing IID for MSMEs by State Govt./ UT/ or by a Good NGO
- Scheme for Market Dev. Assistannce(MDA) including Fair Details for Existing MSEs
- Scheme for Micro Finance to MFIs/ NGOs
- Scheme for SMEs: Through Business Incubators
- Scheme for National Awards for Existing MSMEs
- Scheme for Building Awareness on Intellectual Property Rights (IPR) for MSMEs
- Scheme for Tool Rooms for State Govt.
- Guidelines for Mini Tool Room Under PPP Mode
- Scheme for Bar Coding Assistance for Existing MSEs
- Scheme for Enabling Manufacturing Sector be Competitive through QMS and QTT
- Details of TREAD Schemes for Women Entrepreneurs
- Details of Schemes for Womens

- 
- Prime Minister's Employment Generation Programme (PMEGP)
  - National Programme on Application on Lean Manufacturing(LEAN)
  - Scheme for International Cooperation
  - Market Development Assistance on Production Scheme
  - Scheme for Assistance to Training Institutions
  - Scheme of Surveys, Studies and Policy Research
  - Scheme of Surveys, Studies and Policy Research - List of Agencies as on 26.08.2010
  - Surveys/Studies conducted under the Surveys, Studies and Policy Research Scheme
  - Scheme of Fund for Regeneration of Traditional Industries (SFURTI)
  - Rajiv Gandhi Udyami Mitra Yojana (RGUMY)
  - Marketing Assistance Scheme
  - Performance and Credit Rating Scheme

#### **KVIC SCHEMES**

- PMEGP(Prime Minister's Employment Generation Programme)
- REGP
- SFURTI
- RISC

#### **EXPORT INCENTIVE SCHEME**

- INTEREST SUBSIDY SCHEME

#### **KHADI SCHEMES**

- Insurance for Khadi Artisans
- Scheme for Enhancing Productivity & Competitiveness of Khadi Industry & Artisans
- Workshed Scheme for Khadi Artisans
- Schemes Under Science & Technology
- Mahatma Gandhi Institute for Rural Industrialization (MGIRI)
- S&T formats\_for\_aggreement
- R&D activities under KVIC-Technical Interfaces
- Scheme for "In House Test Laboratory" for Khadi and Village Industries.
- Scheme for implementation of "ISO 9001-2000".
- Scheme for "New R & D Projects".

## Session 2: Process

# Session 2: Process

## A Overview

Time:	Part 1:	30 min.	(12.45 - 13.15 h)
	Lunch break	60 min.	(13.15 – 14.15 h)
	Part 2:	30 min.	(14.15 – 14.45 h)

**Overview:** The second session focuses on the general application process for availing any schemes which a BMO has to follow. The session starts with a brief discussion about the project cycle i.e. identification, preparation/submission of proposals, approval, implementation & evaluation. This is followed by mapping the implementation process through a model flow chart, general documentary requirements and deficiency which crops out during the implementation process.

### Learning Objectives:

1. Participants are introduced to the process mapping of the various steps required for programme implementation.
2. Participants are acquainted with the various criteria on which a scheme can be analysed.
3. Participants are aware of the various mandatory/regulatory requirements for availing the Public sector schemes.

### Materials required:

1. Charts 2.1- 2.9
2. Background readings 2.1
3. Participants' hand-outs
4. Projector
5. Pin Boards
6. Cards

**B Trainer Instructions**  
**Session 2 : Process (60 minutes)**

Time	Steps	Methodology	Materials
30 min	Implementation process	<ul style="list-style-type: none"> <li>• Introduce the participants towards the stages of project cycle and their concepts making use of chart 2.1 followed by chart 2.2 with more details.</li> <li>• Ask the participants whether they can detail the process of programme implementation. Then compare their answers to the flowchart as shown in chart 2.3.</li> <li>• Give a brief description of each step, which will enable the participants to identify the various mandatory/regulatory requirements of a BMO to participate in a public sector scheme.</li> <li>• List out the general documentary requirements (pre application stage and post programme stage), which a BMO generally requires for availing any programme making use of the elements shown in chart 2.4.</li> </ul>	Chart 2.1 Chart 2.2  Chart 2.3  Participants hand-out  Chart 2.4
30 min	Deficiencies	<ul style="list-style-type: none"> <li>• Ask participants whether their BMO has faced difficulties in applying or implementing a scheme and for the reasons.</li> <li>• To summarise discussion, illustrate the most relevant deficiencies which occur during the documentation process and possible corrective measures to take care of the deficiencies based on chart 2.5 and explain possible consequences deficiencies might cause.</li> <li>• Go through charts 2.6 – 2.9 with some hints for dealing with public support schemes are enclosed, based on practical experience of other BMOs. Ask participants about their experience and further hints. Finally distribute handout 2.2 with a summary of these hints.</li> </ul>	Chart 2.5  Charts 2.6-2.9 Participants hand-out

## C. Charts

### Session 2: Process

Chart 2.1: Project Cycle

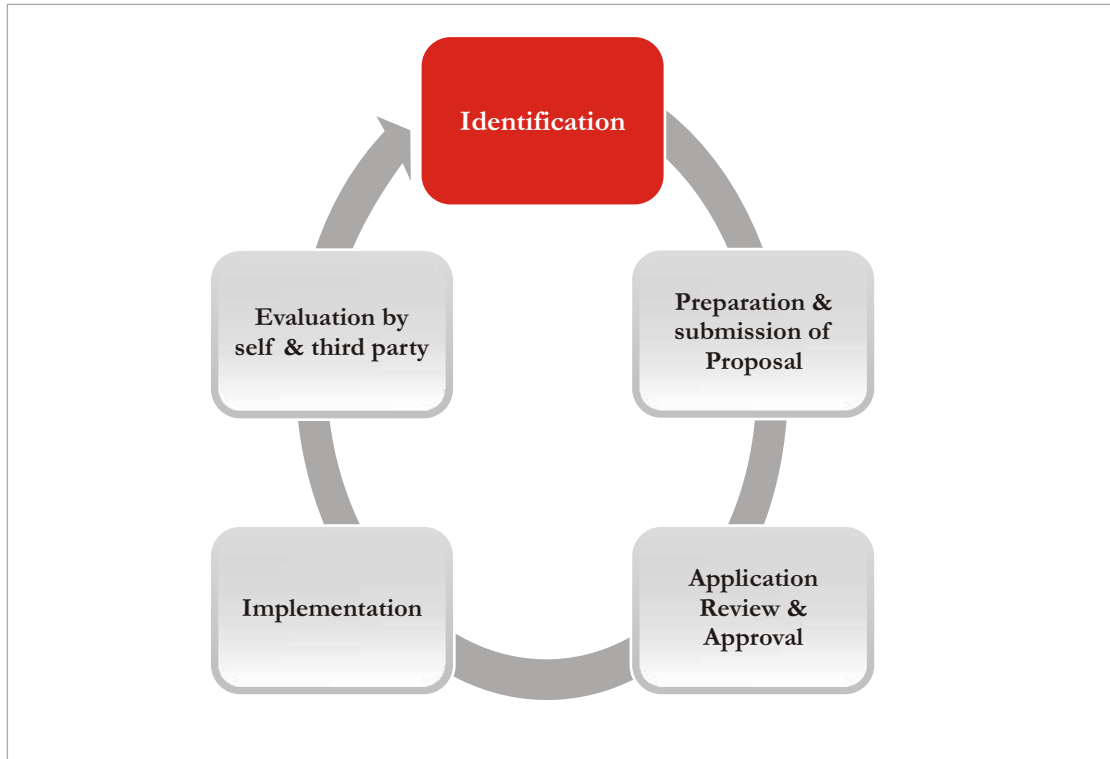


Chart 2.2: Project Cycle

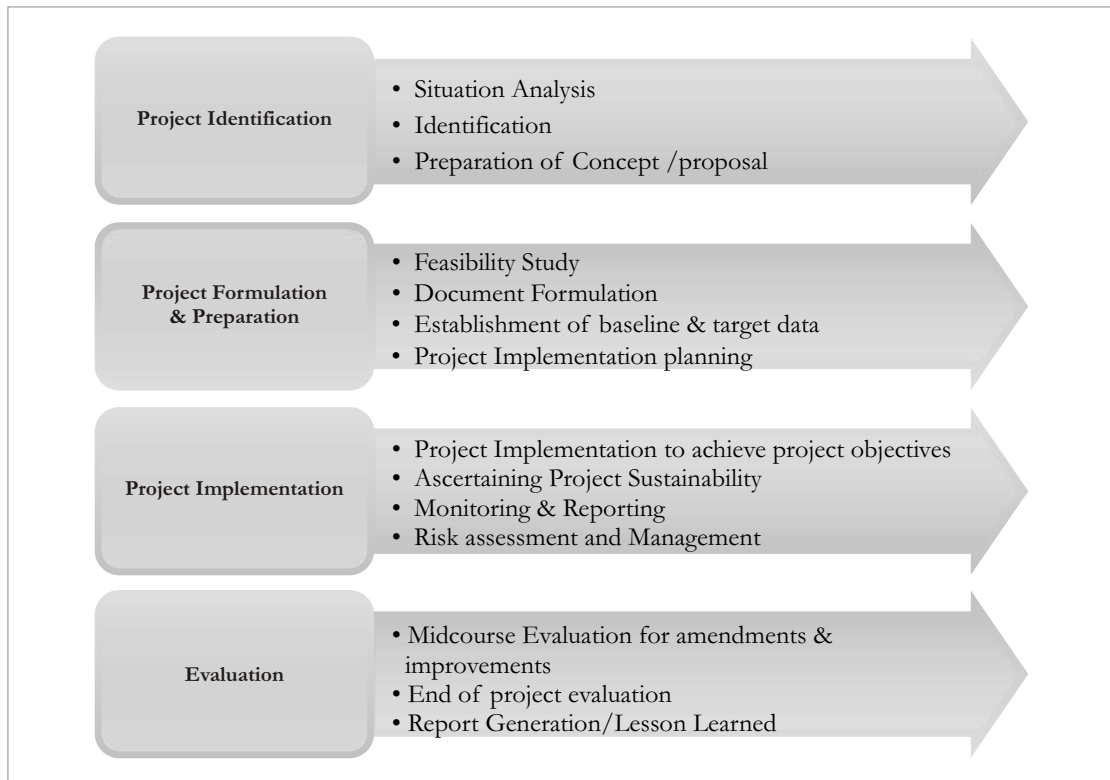
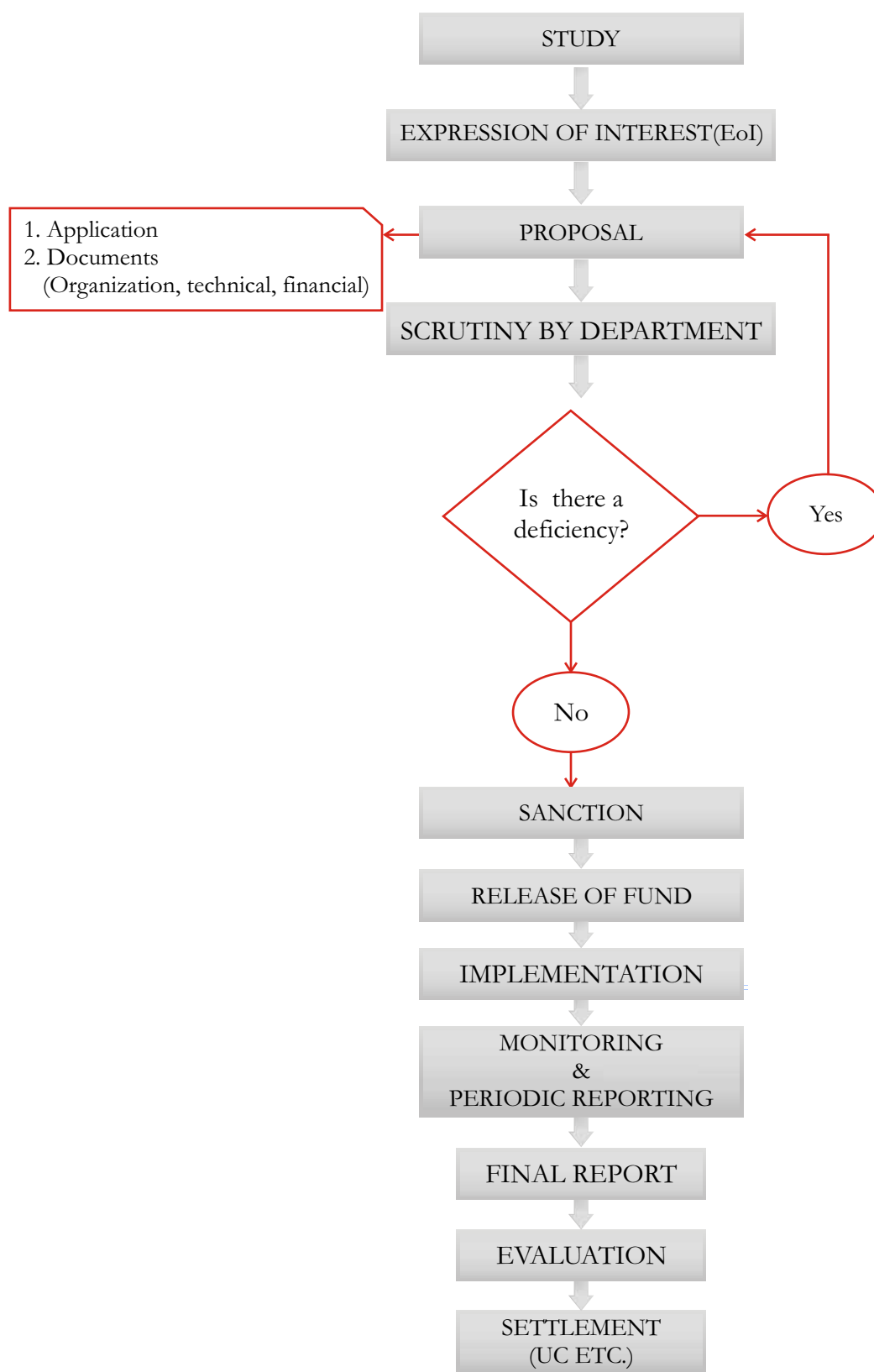




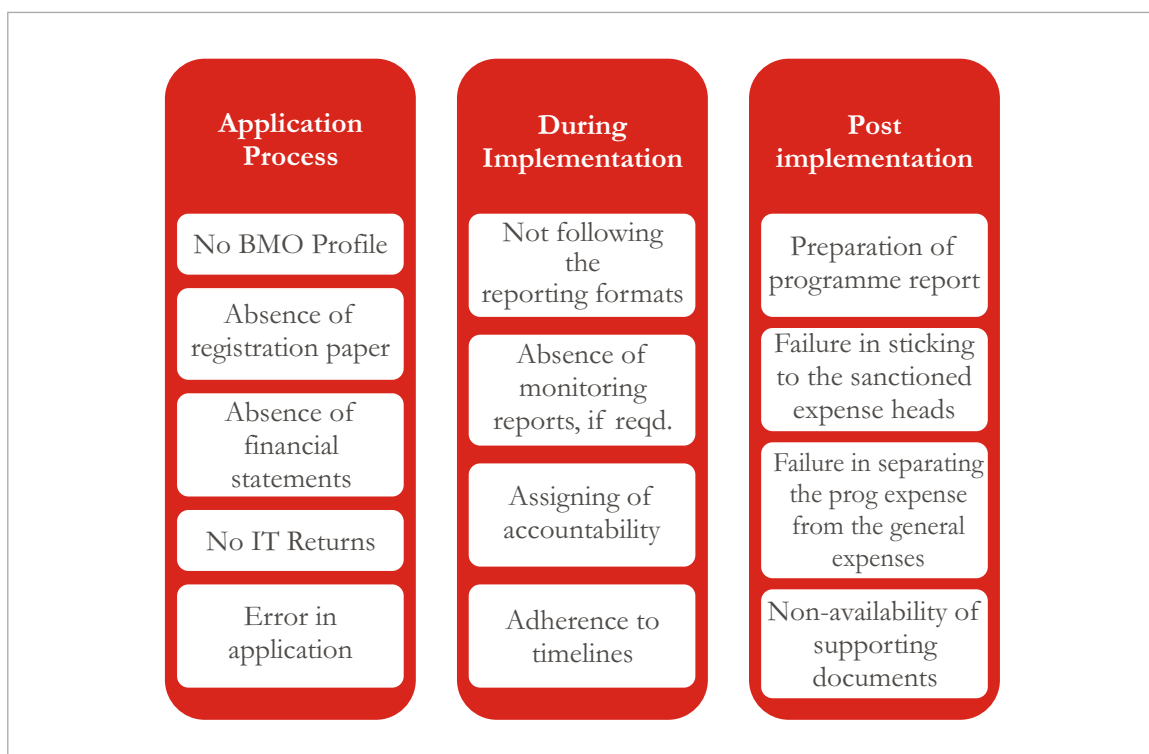
Chart 2.3: Flowchart for a programme implementation



**Chart 2.4: Mandatory Requirements for BMO's**



**Chart 2.5: General Documentation Deficiencies(illustrative)**



## Chart 2.6: Hints for Accessing Public Support Schemes

### Basic Rules

- Make sure all your documents are complete  
This applies for all phases of the process!
- Make sure you submit the right documents: if a balance sheet is required, don't send another financial statement



## Chart 2.7: Hints for Accessing Public Support Schemes

- **Fairs abroad: Adjust your travel dates to the duration of the fair** Don't stay a week longer or travel to other countries. If you stay 2 additional days after the fair, there won't be a problem.
- **Training: Stick to the stipulated number of trainees** If it is 25, it will not be sufficient to train only 15. A number of 23 or 24 might be accepted, but don't go below that number.
- **Qualification of consultants:** If you hire a consultant and a certain level of formal education is required – e.g. holding a degree from a technical high school, or certain years of professional experience, make sure the chosen consultant fulfills these requirements.



### Chart 2.8: Hints for Accessing Public Support Schemes

- **Reporting:** If a format for reporting is given, stick to it. And fill in the form completely.
- **Timelines:** Respect timelines for reporting and submitting of any of the documents you have to deliver.
- **Clear responsibilities:** It is advisable to assign one single person as responsible for the whole process. He or she will act as contact person as well. Take care that this person has the power and legitimacy to take decisions.



### Chart 2.9: Hints for Accessing Public Support Schemes

#### Post-implementation

- **Keep dates** for the final programme report. If you have to submit it one month after finalizing the schedule, you need to stick to it.
- Make sure you have attached **all supporting documents** to prove a successful implementation and finalising your project, don't wait two months.
- You will have to **submit original bills**, air tickets and the like. Take care all relevant originals are collected and presented.
- Bear the sanctioned expenses in mind and **don't exceed** them when you prepare the final payment claim.
- Clearly **distinguish** between **project-related expenses** and **general expenses** you are not entitled to claim for the latter.

#### E) Participant Handouts

- 2.1 Handout 2.1
- 2.2 Charts 2.1-2.5

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## Handout 2.1: Some Hints on how to Raise Sanction Probability

Although many BMOs claim that access to Public Support Schemes in general is quite difficult and time-consuming, there is a very high degree of likelihood to get sanctioned if you respect the rules of the game.

### Basic Rules

1. Make sure all your documents are complete
2. Make sure you hand over the right documents: if a balance sheet is required, don't submit another financial statement.

### Application process

If you apply for a support scheme to attend a fair abroad and the same takes place for example from March 5<sup>th</sup>, to 8<sup>th</sup>, it will be difficult to explain why you had to stay until March 15<sup>th</sup> or why you had to go from Germany, where the fair took place, to Spain to Great Britain. On the other hand, if you stay 2 additional days after the fair is over, (to meet some buyers or any business transactions), then there may not be a problem.

If you apply for a scheme to train people and the condition is to qualify 25 trainees, it will not be sufficient to train only 15. A number of 23 or 24 might be accepted, but don't go below that number. Strictly follow the qualification prescribed for the participants, any deviation there may not get the funding.

If you hire a consultant and a certain level of formal education is required – e.g. holding a degree from a technical high school, or certain years of professional experience, make sure the chosen consultant fulfills these requirements.

### During implementation

If a format for reporting is given, stick to it. And fill in the form completely.

Respect timelines for reporting and submitting of any of the documents you have to deliver.

It is advisable to assign one single person as responsible for the whole process. He or she will act as contact person. Take care that this person has the power and legitimacy to take decisions.

### Post-implementation

Keep dates for the final programme report. If you have to submit it one month after finalizing the schedule, you need to stick to it.

Make sure you have attached all supporting documents to prove a successful implementation and finalising your project, don't wait two months.

You will have to submit original bills, air tickets and the like. Take care all relevant originals are collected and presented.

Bear the sanctioned expenses in mind and don't exceed them when you prepare the final payment claim.

Chartered Accountant Signature is a must in many of the schemes. Please adhere to it.

Clearly distinguish between project-related expenses and general expenses you are not entitled to claim for the latter.



The background is a solid red color with two large, curved, overlapping shapes in a slightly darker shade of red, creating a sense of depth and movement. These shapes are positioned in the upper and middle portions of the page.

## Session 3: Building internal capacities of a BMO

# Session 3: Building internal capacities of a BMO

## A Overview

Time:	<i>Part 1:</i>	<i>30 min.</i>	<i>(12.45 - 13.15 h)</i>
	<i>Lunch break</i>	<i>60 min.</i>	<i>(13.15 – 14.15 h)</i>
	<i>Part 2:</i>	<i>30 min.</i>	<i>(14.15 – 14.45 h)</i>

**Overview:** The session covers the different steps which a BMO can undertake for its need assessment and build its internal capacities. It also emphasises on the various avenues through which a BMO can play an important role in awareness building and facilitation of its members. Also the participants' are told about some of the apex BMOs' in the central and state level and how they can help the other BMOs in accessing various schemes.

### Learning Objectives:

1. Participants appreciate the importance of the need assessment of the BMO's.
2. Participants are aware about the various steps through which the internal capacities of the BMO can be developed.

### Materials required:

1. Charts 3.1 - 3.4;
2. Background readings 3.1 – 3.3;
3. Participants hand-outs
4. Projector
5. Pin Boards
6. Cardboard Cards



## B Trainer Instructions

### Session 3: Building internal capacities of a BMO (60 Minutes)

Time	Steps	Methodology	Materials
30 min	Importance of Need Assessment	<ul style="list-style-type: none"> <li>Start the session by informing participants that in this session they will discuss about the various levels of public support schemes and how a BMO can build its internal capacity to access these programmes.</li> <li>Take up the topic of “Need Assessment”. Make the participants understand the meaning of the term “Need” and process of assessing needs with the help of charts 3.1, 3.2 &amp; Background Reading 3.1. Then hand out background reading 3.1.</li> <li>Refer the cluster case studies given in background reading 3.2 and make the participants aware of the success stories of those clusters. Tell the participants about the status of the clusters before the intervention programmes and how they identified &amp; prioritised their needs and took steps to fulfil them.</li> </ul>	<p>Chart 3.1, 3.2 Background reading 3.1 as Participants hand-out</p> <p>Background reading 3.2</p>
30 min	Internal capacities for programme implementation	<p>Describe the various steps by which a BMO can achieve the following:</p> <ul style="list-style-type: none"> <li>Strategies to be followed to act as an awareness builder.</li> <li>Strategies to be followed to act as a facilitator for the BMO members</li> </ul> <p>Using charts 3.3 and 3.4. Explain the participants the importance of building linkages with various APEX BMOs and how the APEX BMOs can help the BMOs to access the various public support programmes with the help of background reading 3.3. Introduce the participants to some of the apex BMOs at various levels. Handout 3.2.</p>	<p>Chart 3.3 Chart 3.4</p> <p>Background reading 3.3</p> <p>Handout 3.2 (Background reading 3.3)</p>

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## C Background Readings

### Background Reading 3.1

#### Needs Assessment

Since the 1960s, needs assessments have become a fairly common business practice. Consequently, the term needs assessment has taken on several definitions and has led to a number of related process models or approaches. Gap analysis, needs analysis, and performance analysis are occasionally used as synonyms for needs assessment, yet they are more frequently (and more accurately) defined as needs assessment tools.

Other tools—such as strategic planning, focus groups, and multi criteria analysis—have also been borrowed and customized from other disciplines to improve our ability to inform decisions. By applying these (and other) tools, needs assessments have arguably become part of the *science* in the *art* and *science* of many business decisions.

#### Mind the Gaps

Gaps, either as opportunities or problems, are common instigators of action. Gaps lead to projects or programs, thereby steering us to change the status quo. They highlight—often in concrete terms—issues that would otherwise be obscured. Gaps also challenge us to find ways to improve personal and institutional performance. Gaps do not tell us what to do, but rather they characterize the measures we use to define success.

At the beginning of any project or program, there are gaps: gaps between the way things are and the way things could be. Terry Williams and Knut Samset (2010, 39) describe this as the time when a project “exists only conceptually, and before it is planned and implemented.” In this period, ideas are being generated, needs are being defined, options are being considered, relationships are being nurtured, and partners are weighing each other's strengths and weaknesses. It is a dynamic period, leading up to a decision that will either lead to an action or not.

Because we live in an imperfect world, gaps exist—they guide our decisions; they define our goals. At their best, gaps determine what results should be achieved before actions are taken. Those gaps are the needs of needs assessments, and they help us make justifiable and informed decisions.

Gaps in results are both opportunities and problems, depending on your perspective. In either case, they are the foundation that guides justifiable decisions.

#### What Is a Needs Assessment?

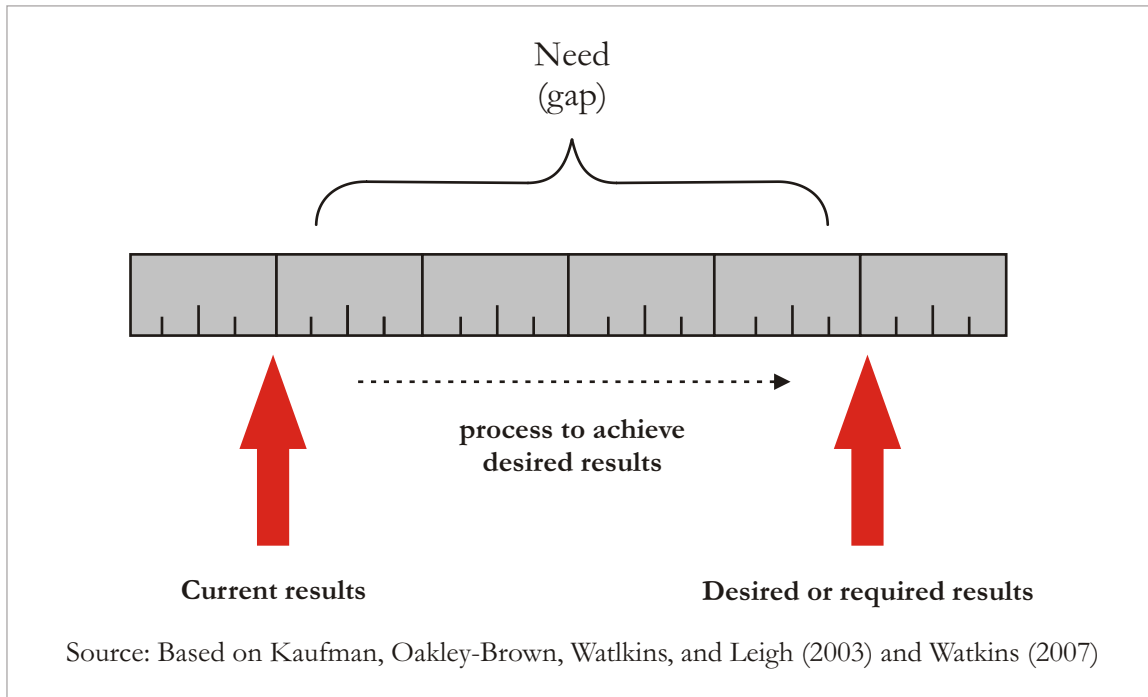
A needs assessment is simply a tool for making better decisions.

#### What Is a Need?

Needs are simply the differences between your current achievements and your desired accomplishments.

Thus, needs most commonly represent discrepancies—often deficits—between your ambitions and the

results of your current performance. In the same way, needs can signify an overabundance of success when your current achievements surpass your desired accomplishments, thereby possibly suggesting an excess of resources going toward the results.



#### What Are the Benefits of a Needs Assessment?

- Needs assessments can be a **systematic** process to guide decision making.
- Needs assessments can provide **justification** for decisions before they are made.
- Needs assessments can be **scalable** for any size project, time frame, or budget
- Needs assessments can offer a **replicable** model that can be applied by novices or experts.
- Needs assessments can provide a **systemic** perspective for decision makers.
- Needs assessments can allow for **interdisciplinary** solutions to complex problems.

#### Are Needs Assessments Just for Reacting to Problems?

In addition to being reactive, needs assessments can, and should, be a proactive tool. You can, for instance, use a needs assessment as a process for working with clients and partners to define future projects.

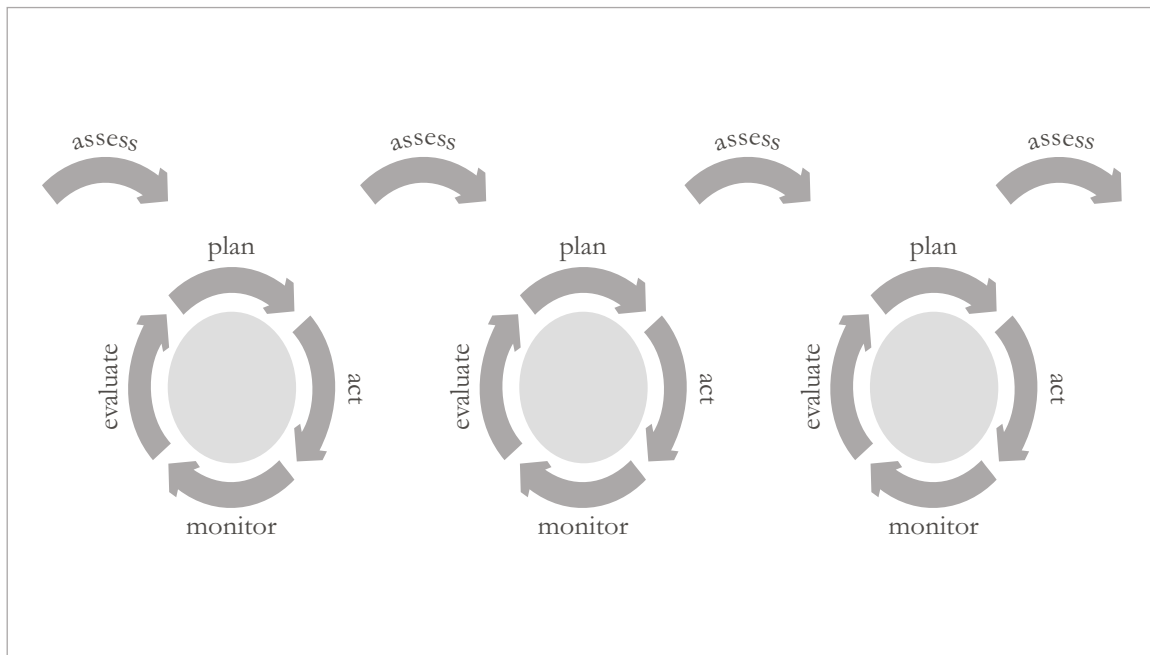
In such situations, the needs assessment provides continual feedback to the planning process about the gaps between current and desired results. The gaps will commonly fluctuate either from year to year or as organizational goals and objectives shift in relation to external pressures or opportunities.

Needs assessments can also be used when working with clients to define new opportunities—that is, opportunities driven by the desired results of the society, community partners, clients, and others (rather than driven by solutions in search of problems).

Continual needs assessments, typically much less formal than initial assessments, can also be used to inform practical and justifiable decisions. The monitoring and evaluation results of one project cycle can, for instance, be integrated into a needs assessment that informs the next project cycle. But rather than just building on past project cycles, the needs assessment also infuses new data from internal and external partners into the decision making.

**Use needs assessments proactively, continually, and reactively in your organization:**

- Proactively to identify potential opportunities for improving individual or organizational performance
- Continually to monitor your progress toward accomplishing desired results
- Reactively when new strategic, tactical, or operational objectives are to be achieved



Source: “A Guide to assessing Needs” by Ryan Watlkins, Maurya West Meiers&YusraLailaVisser; World Bank Publication

## Case Studies

### Case 1: Vatva Industries Association, Ahmedabad

#### 1. Background

Set up by Gujarat Industrial Development Corporation (GIDC) in 1960s, the Vatva Industrial Estate is one of the largest and oldest estates in India. It is spread over 560 hectares of land and houses more than 1800 units in engineering and chemical sector. The estate employs more than 1 lac people and total turnover of the estate is estimated at Rs 15000 crores out of which approx Rs 700 crores is exports. Vatva Industries Association (VIA) formed in 1971 represents industrial units of Vatva Industrial Estate. Presently it has about 2000 members.

#### 2. Problems in the Industrial estate:

- Years of neglect ruined 56 km of road and 50 kms length of water supply lines. The estate had no sewerage system and all the units used septic tanks. There was no storm water drainage mechanism either and every monsoon resulted in massive water logging.
- The GIDC and later Ahmedabad Municipal Corporation (AMC) were responsible for maintenance of the estate. AMC collected octroi and property tax to the tune of Rs 65 crores and Rs 4.5 crores annually.

#### 3. The initiatives

- VIA took the initiative of addressing these gaps by implementing an infrastructure project of the size of Rs. 401 Cr to upgrade/ establish the Sewage system, Common Effluent Treatment Plant (ETP), Secured landfill and a centre of excellence.

#### 4. Schemes used for addressing gaps:

- Industrial Infrastructure Upgradation Scheme (IIUS), GoI
- Critical Infrastructure Upgradation Scheme (CIPS), Government of Gujarat

#### 5. Challenges encountered:

##### *Social*

- Legacy: while the individual units prospered, the shared infrastructure decayed. The entrepreneurs failed to figure out how to collectively address the issue.
- There were issues related to who should take a lead? Which association? How would the initiatives be managed? Who would own the assets? How to ensure participation?

##### *Administrative*

- The Industrial Areas fell into jurisdiction of Ahmedabad Municipal Corporation and they considered it as their property.
- AMC was neither too much inclined to upgrade the infrastructure nor ready to part with the revenue collected for needed upgradation.

## *Financial*

- The IIUS scheme required initial investment for preparing DPR without surety of approval
- Financial closure required a lot of funds to be raised. It was not possible to make the industries contribute with force. Raising Loans from banks was difficult without assets and a solid revenue stream.

### **6. Finding a way out through innovative means :**

- Several things coincided: announcement of the two schemes- IIUS and CIPS; presence of well run associations VIA having a long standing; taking over of VIA by a visionary leader as President Mr.Kirit Parekh who inspired rank and file in VIA to take up the lead and ownership of projects; readiness of State government to accommodate the aspirations of VIA.
- Leveraging the social capital of VIA build over the years, VIA created two SPVs simultaneously: Novel Infrastructure Limited for IISU and VEL for CIPS, to tap resources of complementary schemes.
- To raise funds from banks needed to meet shortfall for financial closure, VIA needed a revenue stream. It tried to convince AMC to share part of the property tax revenue collected from Vatva GIDC area for the development of the estate. After two years of pursuance, AMC agreed to sign a MOU for sharing 75% of the property tax collected and transfer it into an Escrow Account with a bank. The funds could be utilized by the SPV created by VIA for the purpose of infrastructure development in GIDC Vatva, for repayment of loan or advances received from the Bank/financial institution or to pay margin money for getting grant/aid/subsidy/loan from State/Central Government or from any other institution.
- VEL needed to raise debt to achieve the financial closure. Unique financing structure was worked out and VEL has obtained sanction of Rs 20 crores term loans and Rs 2 crores bridge loan (required because State Govt grant is backended). The term loan is sanctioned only on the basis of securitizing hypothecation on property tax receipts
- The total cost of the project was Rs 82.61 cr and its means of financing was as under:
  - Grant under IIUS :Rs 29.29 cr
  - Grant under the scheme of the Government of Gujarat :Rs 16.77 cr
  - Users contribution :Rs 6.60 cr
  - Direct users contribution :Rs 14.95
  - Bank loan :Rs 15.00 cr

### **7. Present status**

The first phase of the project is nearing completion. VIA intends to implement Phase II of the project and become a model industrial estate by 2010.

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## 8. Lessons learnt

Successful execution of the scheme highlights the following:

- Presence of social capital thanks to an industry association (VIA) of long standing having good membership base. Due to better governance structure of the association and periodic change of leadership, a visionary leader could come at the helm when schemes were in vogue.
- The resourceful association could commit funds upfront and engage a professional agency (IL&FS) for Project Management support to develop DPRs and implement the project on ground.
- Advocacy capability of VIA and eventual acquiescence of the State government to allow sharing of revenue collected from the estate with the association (a critical step).
- For the scheme to have been taken up flexibility was essential either at the level of central government (IIUS schemes) or at the state level (parting of revenue).

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## Case 2: Consortium of Textile Exporters, Jaipur

### 1. Background

Bagru and Sanganer (near Jaipur) are famous artisan clusters for hand block printed textiles. The products are famous for their distinct styles -Sanganeri print, containing Sanganeri “Chintz” and Bagru for Palm tree and Fadat prints. In ancient times these clusters were promoted and patronized by royal families but in subsequent period both the clusters witnessed an uneven growth trajectory. On account of distinctive styles and innovations carried out by the exporters, products have wide acceptance in local, national and export market. The main drivers of the clusters are small exporters who place orders on artisans and purchase their produce for export.

In 1990s, the cluster faced difficult times on account of, especially, strict enforcement of pollution norms. In 1997, UNIDO started its cluster development initiative in both the clusters by organizing artisans and other stake holders for putting these clusters on growth path.

As exporters were drivers and important stakeholders, UNIDO facilitated formation of the association so that collective actions are taken by them to address common problems. Consortium of Textile Exporters (COTEX) was registered in 1998 under Societies Act with 7 founder members which now have increased to 26. In the initial stages, members of COTEX took collective actions in the area of participation in international and domestic fairs etc. Encouraged by impact on profitability and increased business, in 2007 they conceptualized a project for attaining sustained and leap growth.

### 2. Problems of exporters

Enforcement of pollution control norms made production erratic causing delay in meeting delivery schedules of buyers

Coordination , quality control and management of supply chain was difficult on account of decentralized mode of production

Quality of products was inconsistent leading to dissatisfaction among buyers leading to cancellation of orders

### 3. The initiative

COTEX took the initiative of setting a green field integrated textile park housing individual units of its members and also having common facilities like arterial roads, sub – arterial roads, storm water drainage, water supply and effluent treatment plant. This park would have 20 units doing block printing, making garments, screen printing and industrial printing.\

### 4. Schemes used for addressing gap

The COTEX by creating a special purpose vehicle of its members addressed the above gaps by availing assistance under “**Scheme of Integrated Textile Park**” of the Ministry of Textiles, GoI. They developed a project of setting an integrated park for its members having a project cost of about Rs 45 cr.



## 5. Challenges encountered :

Being an association of 26 small exporters, there was lurking suspicion that members would not be able to mobilize requisite contribution for availing the grant under the scheme. Due to lack of experience in project management, COTEX was hesitant to undertake such big project.

## 6. Finding a way

To address their shortcoming lack of expertise, they engaged IL&FS a professional agency to help them conceptualize the project, handhold them through the process, prepare the project report and help them execute it.

COTEX successfully developed the project costing Rs 45.28 Cr with following means of financing:

Member's contribution	:	Rs 9.06 cr
Grant form GoI	:	18.11. cr
Term loan	:	Rs 18.11 cr

## 7. Present status

The project has been approved by the Ministry. COTEX has mobilized contribution of their members and purchased land and constructed boundary wall and civil work is in progress. The ministry has also released Rs 1.8 Cr as first instalment of grant and sanction of bank loan is in final stage.

## 8. Learning

Success of this project underscores the following factors:

**Visionary leadership:** During entire period of its evolution, these persons took extra pain to move along and provided sustained leadership and direction

**Abundance of social capital:** COTEX is very selective in enrolling membership. Their underlying principle is that only like-minded people should be taken as members. This value system has created a reservoir of social capital in the association and that lead to hassle free implementation.

**Proactive role of support institutions:** This project may not have been conceived and implemented in the absence of ground work done by UNIDO in creating the social capital over many years, on which a professional agency like IL&FS could develop the project.

### BMO's: Major Categories, their membership and focus of activities (Illustrative)

TYPE	Est. No.	Prominent BMOs	Membership	Remarks
<b>NATIONAL</b>				
National Level (Corporate)	3	FICCI, CII, ASSOCHEM,	Mainly large business and chambers	<ul style="list-style-type: none"> <li>• Very resourceful organizations</li> <li>• Extremely brand conscious and revenue oriented</li> <li>• FICCI and CII have large service provision set up.</li> </ul>
National level (MSME)	7	FASII, FISME, LUB	Local, regional, state level associations and MSMEs	<ul style="list-style-type: none"> <li>• Apex organisations of MSMEs at national level; engaged in advocacy &amp; intervention at macro policy</li> <li>• FISME implemented several SME development project at national level</li> </ul>
Gender based	6	SEWA, CWELI, FIWE, Women Wings of FICCI, IMC etc	Women Entrepreneurs	<ul style="list-style-type: none"> <li>• With exception of SEWA, most are weak; presence is localized; women wing of Corporate associations struggle for identity;</li> </ul>
Sectoral National Level (Vertical)	400	ACMA , SIAM , ELCINA , PMA, BDMA, AEMA, CITI	Mixed membership of MSMEs and large scale enterprises,	<ul style="list-style-type: none"> <li>• Sectors, where there is a presence of the large-scale sector are strong and have a focused agenda (e.g. chemicals, fertilizers, auto, pharmaceuticals etc.) compared to where the sector is dominated by MSMEs, the associations are weak (e.g. garments, metal working, handicrafts etc.)</li> </ul>
<b>REGIONAL/ STATE LEVEL</b>				
State level Chambers	30	KCCI, BCCI, IMC	Chiefly of large corporates and traders, some MSME representation	<ul style="list-style-type: none"> <li>• Comparatively more resourceful than state level MSME associations but lesser penetration in MSME segment</li> <li>• Lobbying and some service provision</li> </ul>
Regional (Verticals)	200	Kerala Plastic MfrsAsso; Gujarat Dyestuffs MfrsAsso; Karnataka Small Scale Transformers MfrsAssociation	Mixed membership but chiefly of MSMEs	<ul style="list-style-type: none"> <li>• Formed in response to state public procurement; specific regulatory policy or common problem of raw material</li> </ul>

TYPE	Est. No.	Prominent BMOs	Membership	Remarks
Regional Formation**	6	PHD Chamber of Commerce and Industries	Regional networks	<ul style="list-style-type: none"> <li>Address concerns of the regions e.g. Northern region states</li> </ul>
Gender based	6	AWAKE, ALEAP, MAWE etc	State or regional presence	<ul style="list-style-type: none"> <li>Fairly strong in some states and engaged in remarkable women empowerment projects</li> </ul>
State level MSME associations	30	TANSTIA, KASSIA, AWAKE, GSSIF, MPLUS,	Local, District, Regional level associations and MSMEs;	<ul style="list-style-type: none"> <li>Lobbying for MSME interest at state level; Networking with national level federations</li> <li>Some e.g TANSTIA, KASSIA have evolved into strong bodies and with elaborate service set up</li> </ul>
<b>DISTRICT/ CLUSTER/ INDUSTRIAL AREA</b>				
District level *	600	SIDC, Cannanore, CODISSIA, Madurai District Tiny & Small Industries Association, etc	MSMEs operating at the district level , but a few have large industries too	<ul style="list-style-type: none"> <li>Act as a link between the bureaucracy and its members; some have quite large membership</li> <li>Some e.g CODISSIA also into service provisioning, has built up its own exhibition complex</li> </ul>
Location/ Industrial Estate base	1200	Vapi Industries Association (Gujarat), Peenya Industries Association, Bangalore etc.	Predominantly MSMEs but also include large	<ul style="list-style-type: none"> <li>The industrial estate based SIAs are the strongest and the most successful</li> <li>The Synergy between large and small industries strengthens the SIA financially and professionally</li> </ul>
Cluster based*	800	Rajkot Engg. Asso.(Gujarat), Tirupur Exporters Association,	Largely MSMEs	<ul style="list-style-type: none"> <li>Represent the interest of entrepreneurs in a particular product line rather than specific size</li> <li>Active in technology development &amp; market (esp. export) and pollution control</li> </ul>

## D Charts

### Session 3: Building internal capacities of a BMO

Chart 3.1: Need assessment - Meaning

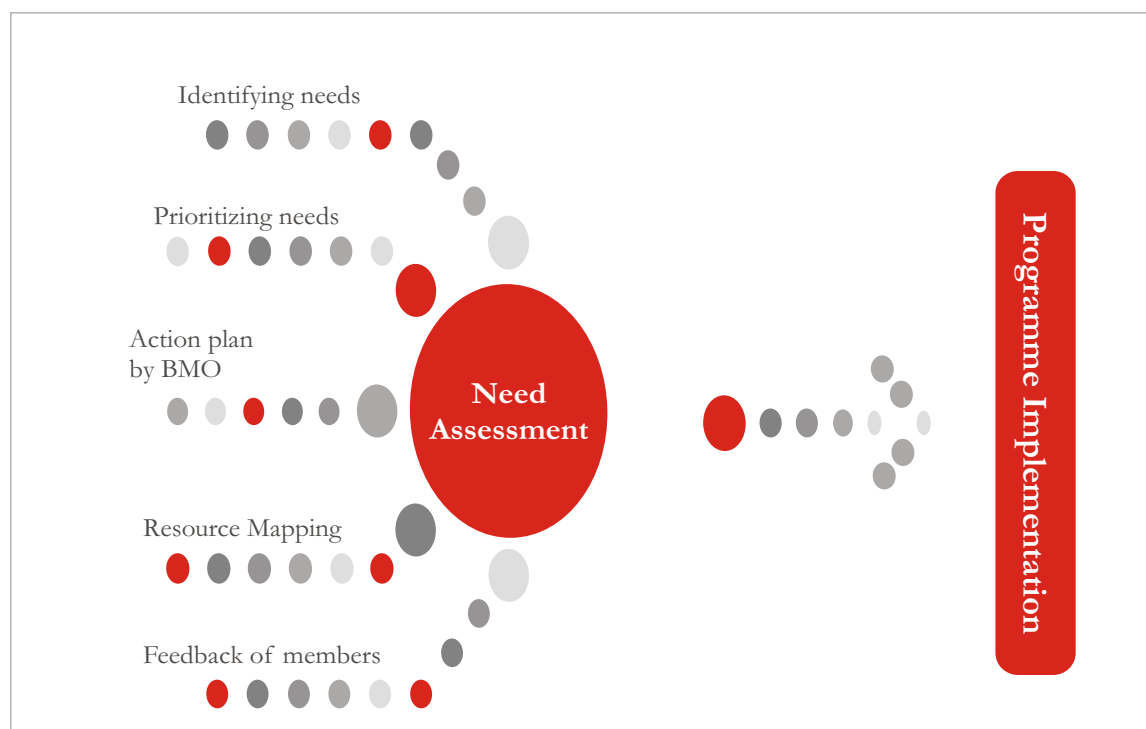


“Needs assessments provide a systematic process to guide decisions-making in organizations.”

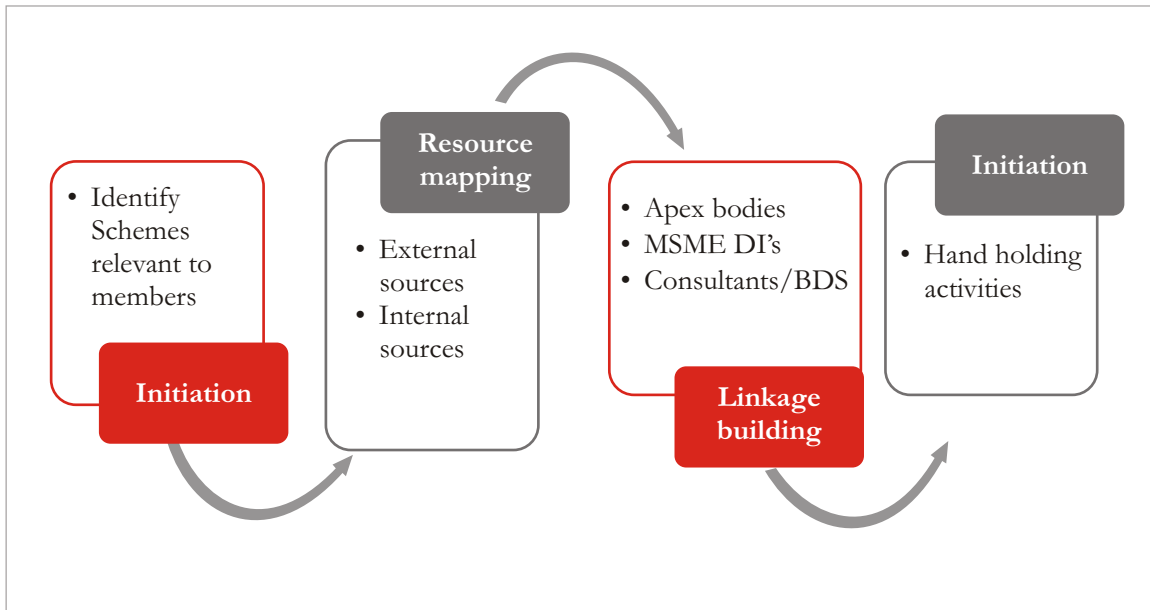
or

“A needs assessment is simply a tool for making better decisions.”

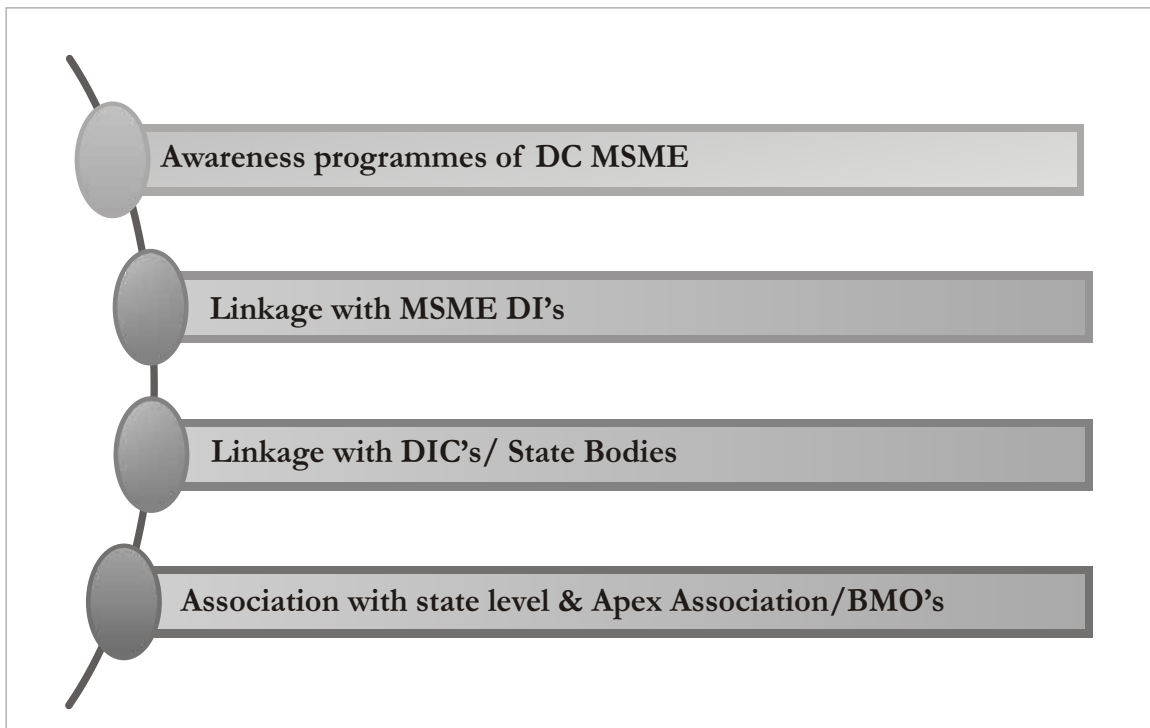
Chart 3.2: Need Assessment



**Chart 3.3: BMO's as a facilitator-Steps**



**Chart 3.4: Avenues of Linkage Building**



**E) Participant Handouts**

- Charts 3.1-3.4
- Background reading 3.1, 3.3



## Session 4: Group Exercises

# Session 4: Group Exercises

## A Overview

Time:	<i>Part 1:</i>	<i>50 min.</i>	<i>(14.45 - 15.35 h)</i>
	<i>Tea break</i>	<i>15 min.</i>	<i>(15.35 – 15.50h)</i>
	<i>Part 2:</i>	<i>70 min.</i>	<i>(15.50 – 17.00 h)</i>

**Overview:** This session focuses on a group exercise involving all participants who will analyse a particular scheme as per the set parameters and the expected deliverables. This will be based on the various discussions of the preceding sessions. The session ends with the presentation of each group, which will enable the participants to get a feel of how to strategically analyse a problem area or opportunity area. The session closes with a final wrap up.

### Learning Objectives:

1. Participants study and analyse a particular scheme.
2. Participants extract the key requirements and the deliverables of a programme.
3. Participants get a feel of how to plan, organise and strategically think about the given problems and the solutions in a group.

### Materials required:

1. Participants hand-outs
2. Projector
3. Pin Boards
4. Cardboard Cards



## B Trainer Instructions

### Session 4: Group Exercises (120 Minutes)

Time	Steps	Methodology	Materials
5 min	Introduction	<ul style="list-style-type: none"> <li>Briefly introduce the content of the session to the trainees.</li> <li>Divide the batch into three groups and give them the guideline of a particular scheme to study. There are 3 different schemes, one for each working group. Group 1 receives scheme 1, group 2 scheme 2, and group 3 gets scheme 3. For the group exercises, ask the trainees to perform the following tasks written on the white board or chart :               <ul style="list-style-type: none"> <li>Study the particular scheme</li> <li>Extract the key deliverables</li> <li>Extract key requirements of the scheme for filling of application</li> <li>Prepare an approach plan for submission of application.</li> <li>Make a Presentation of the same using PowerPoint/Whiteboard/Flip Charts.</li> </ul> </li> </ul> <p>They get 45 min. for that task.</p>	<p>Copies of the guidelines of a scheme to be studied in background reading</p> <p>Tasks on board or chart</p>
45 min	Group exercises	<ul style="list-style-type: none"> <li>Each group goes through the guidelines and prepares the desired outputs. The trainer should be active participant in the exercise and guide the group work for a better output by the participants.</li> </ul>	
60 min	Presentation	<ul style="list-style-type: none"> <li>Ask the groups to nominate one member from the individual groups to present the outputs of the exercise. Each group is given a maximum of 10 minutes to present their work. The outputs are presented and discussed one after another. 10 minutes are calculated for discussing each group result.</li> <li>Moderate the whole discussion. If there are some wrong or misleading contributions, gently intervene in order to keep the discussion on track. Make sure that the most important issues of each scheme are worked out.</li> </ul>	
10 min	Wrapping up	<ul style="list-style-type: none"> <li>Based on the above group discussions, summarise the main points that has been discussed during the whole session. Also ask the participants if they would like to give some feedback about the various points discussed during the session.</li> </ul>	

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## C Background Readings and Handouts

### Background Reading 4.1

#### Scheme 1 for Group Exercise

##### Guidelines for implementation of the scheme-Building Awareness on Intellectual Property Rights (IPR) for Micro, Small and Medium Enterprises

##### Introduction

In the changing global scenario, the issues of IPR have gained special importance for the Micro, Small & Medium Enterprise (MSME) sector. IPR protection plays a key role in gaining competitive advantage in terms of technological gains for achieving higher economic growth in a market driven economy. It is felt that IPR requires greater understanding and attention by the industry, particularly the MSME sector in India. The Indian MSME sector needs more information, orientation and facilities for protecting their intellectual powers. While majority of the countries have adopted strategies for implementing strong IPR protection for strengthening their industries and trades. Indian industries, particularly the MSME are lagging behind in recognizing the importance of IPR and adopting IPR as a business strategy for enhancing competitiveness.

In the 2005-06 Budget an announcement has been made regarding setting up of the “National Manufacturing Competitiveness Council (NMCC)” which visualized a National Manufacturing Competitiveness Programme (NMCP) to enhance the competitiveness of the SMEs sector. One of the components of the NMCP is “Building Awareness on Intellectual Property Rights (IPR)” for the MSME. Accordingly, to enable the MSME sector face the present challenges of liberalisation, various activities on IPR are proposed under this scheme.

##### Objective

The objective is to enhance awareness of MSME about Intellectual Property Rights (IPRs) to take measures for the protecting their ideas and business strategies. Effective utilization of IPR tools by MSMEs would also assist them in technology upgradation and enhancing competitiveness.

##### Activity: Interactive Seminars/Workshops

##### Objective

The primary objective of this activity is to provide a forum to MSME entrepreneurs, Industry Associations and others stakeholders, including professionals having working experience of MSME sector to share knowledge, experience and create mass awareness on various aspects of IPR. The specific objectives of programme, inter alia, include:

- Tailor-made Seminars/Workshops for IP needs of identified clusters/industries.
- To discuss recommendations of Pilot Studies.
- To focus on industry/cluster specific IP adoption issue.

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## Scope and Coverage

The proposals for seminars/symposia/workshops/conferences should have adequate focus on IPR related subject for generating broad understanding amongst stakeholders/ Beneficiaries of specific cluster/industry. The following thrust areas have been identified, which may be revised from time to time depending on the contemporary felt needs of clusters/ industries:

- Introduction of IPR tools such as Patents, Trademarks, Industrial design, Geographical Indication, Copyrights, Trade Secrets, Layout designs for Integrated Circuits, Plants Breeders Rights etc.
- National & International IP laws.
- Patent laws.
- Trade Environment including bio-diversity.
- Introduction to plant variety protection and farmers rights.
- Procedure for Registration.
- Fundamentals of technology transfer.
- Management of IPR.
- Problems of Counterfeiting and Piracy.
- Enforcement of Rights.
- Success stories and best practices.
- TRIPS Agreement, Patent Cooperation Treaty (PCT).

However, the list of subjects cited above is not exclusive and the proposals in other niche area can also be considered. The topics will be selected keeping in view the target group and issues of local importance, would be included wherever appropriate. The duration of these programmes will be one – two days for about 40 participants/ beneficiaries.

### Component of Grant:

The Government of India may provide financial support up to Rs. 2.00 lakh per programme for organizing these programmes. The financial support by GoI may primarily cover expenses towards rent for venue, training materials, audio/video aids, TA/DA and honorarium to the guest faculty, expenditure on transport, purchase of stationery items, refreshment and other miscellaneous expenses. The financial assistance is only for organizational expenses of the proposed event and not for capital items likes construction, equipments, automation, etc.

The private partners, i.e., participants, industries within the cluster group or sector, or industry association, institute or chamber shall contribute (as minimum) an amount equal to 10% of the total GoI support provided for organizing the event.

### **Funding Pattern:**

The assistance will be released in two instalments. 50% of the sanctioned amount will be released when the proposal is approved by the Project Implementation Committee (PIC) and the balance amount will be released in the shape of reimbursement after receipt of requisite statement of expenditure, final report of the programme and other required documents, etc.

### **Expert Agencies/Faculty:**

The definition of the expert agencies/faculties as per the scheme guidelines is as follows:

<b>Participants</b>	<b>Definition</b>
MSME Units:	Units with Registration or EM credentials (subject to verification)
MSME Organizations	Industry Association, Societies/Cooperatives/ Firms/Trust and Other Bodies Including NGOs Representing or Working for MSMEs, Research/ Technical & Educational Institutions, Universities with a Track Record of Assisting MSMEs etc.
Competent Agencies	Consultancy Organizations, Research Institutes, Individual Experts or Agencies having Sound Technical and Financial Capabilities to Conduct Pilot Studies with at least Five Years of Previous Experience
Expert Agencies	TIFAC (Department of Science & Technology), Patent Facilitation Centre, NRDC, Indian Patent Office (DIP & P), Registrar of Trademark, Registrar of Geographical Indication, D.B.T., Registrar of Copyright, MoHRD, NIIPM, IITs, Law Schools, Patent Attorneys, Individual IPR Expert, WIPO, EU-TIDP, USPTO, KIPO/KIPA, IIFT, DIT, MoEF, Ministry of MSME, DSIR and other such Bodies
IPR Facilitating Agencies	Quasi-Government or Government Aided Bodies being Run on Autonomous or Commercial Lines Private Units Provided it is Sponsored by MSME Industry Associations

### **How to Apply:**

#### **Form of Application of Grant of Financial Assistance for Organizing Seminars/Symposia/Workshops/Conferences**

1. Title of the proposed Seminars/Symposia/Workshops/Conferences.
2. Venue and Proposed date
3. Target group, No. of Participants and Benefits.
4. Name and Address of Organization/Institute Organizing the event.
5. Activity of the Organization/Institute.
6. Name of the chairperson and members of the organizing committee, if any.
7. Category in which the organizing Institution falls:

- (i) Registered Society or similar body.
  - (ii) Academic Institution.
  - (iii) Government departmental organization.
  - (iv) Others (please specify).
8. Details of Affiliates, if any (Attach statement).
9. Name of Expert & Qualifications or Export Agency involved.
10. Additional Information i.e. proposed expenditure & grant (Attach).
11. List of Documents Attached:
- (i) Certified copy of Registration or Equivalent Certificate.
  - (i) Certified copy of Memorandum Articles of Association or Rules/Regulations, etc., as applicable.
  - (ii) Certified copy of Audited statement of accounts for the last two years.
  - (iii) Details of Expenditure — Document giving an Undertaking to properly conduct the Programme and in case the programme is not organized, to return the cheque/refund the advance given by the Commission.
12. Other terms and conditions will be same as stated in Annex-I, except Funding Pattern.

Signature & Designation  
With seal/stamp

### **Terms and Conditions**

- (i) The financial assistance will only be used for organizing the event/activity approved.
- (ii) The assistance will be released in two instalments. 50% of the sanctioned amount will be released immediately after the proposal is approved on receipt write-up on programme, venue, item-wise budget estimates, likely number of participants and relevant documents.
- (iii) The balance amount will be released after the submission of: (i) Utilization certificates from the Chartered Accountant, (ii) Statement of Accounts, (iii) Original vouchers, (iv) Report of the Resource Persons of the programme, and (v) List of participants to be submitted in a month's time from the date of organising the Awareness Programme.
- (iv) No equipment/asset will be purchased out of the assistance.
- (v) Unspent portion of the assistance will be refunded.
- (vi) In the event of violation of any of the terms and conditions of sanction, the organization will have to refund the entire sanctioned amount on demand or such part thereof along with penal interest as per the Government rates.

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## Scheme 2 for Group Exercise

**Scheme for Capacity Building, strengthening of database and advocacy by Industry/Enterprise Associations and for holding seminars/Symposiums/Workshops by the Associations.**

### **I. Background:**

A reliable database is a key input to policy decision-making process. This is more so for the micro and small enterprise (MSE) in view of its large size and wide disparity among the enterprises within the sector. The Office of the DC (MSME) conducts periodic census for strengthening/updating the database on MSE sector. So far, this office has conducted three censuses in the year 1971-72, 1992-93 and 2002-03. However, the limiting factor is the long gap between two censuses and the high cost involved in conducting census. In the intermittent period, two sources are used by this office for obtaining information/data on the status of the MSE sector. First is the District Industries Centres (DICs) of the State Governments, which furnish the updated information on the number of registered enterprises. But registered enterprises constitute only small percentage of the total number of enterprises, thereby leaving a huge data gap. The second important source is the MSE Associations, which are spread across the country. The present database with this office suggests the number of such Associations is in the vicinity of 350, including both National and State level, and are mainly sector/product specific. This Office has been using the services of these Associations from time to time, especially with regard to data on number of unregistered enterprises, production, exports, etc. relating to specific product groups like pump industry, drugs and pharmaceuticals, etc. However, limited availability of funds is the main constraint faced by these Associations in building a reliable database.

To strengthen the database for the MSE sector, the promotional package includes, inter alia, a new 'Scheme for capacity building, strengthening of database and advocacy by Industry/Enterprise Associations'. The other proposal in this context is collection of statistics and information through annual sample surveys and quinquennial census.

The Associations of Micro and Small Enterprises (MSEs) do not have adequate capacity to collect and interpret data relating to changes in the market scenario, owing to the limited availability of funds and in the absence of expertise in the matter. As a result, their articulation of views on specific issues concerning to their product groups leaves much to be desired. In spite of the fact that the Associations of the MSEs have been made members of the MSME Board and the members of the steering committees of certain national programmes for development of some products, their existing weakness prevent them from playing the expected role effectively. Even in their role as facilitators for their members in government assisted schemes like setting up of sub-contracting exchanges, testing laboratories, etc., the capacity of these Associations has been found to be deficient. Associations play an important role in the Public Private Partnerships (PPP). Nevertheless, it is felt that many product groups go unheard because of their associations being weak. As a result they are not able to effectively participate in programmes and policies of the Government.

Therefore, this Scheme will be of great help to the Associations in playing positive role in the development of MSEs in the country and articulating their views on different aspects related to MSEs. To strengthen their role and increase their efficiency, financial assistance for the secretarial and advisory/extension services to selected national Associations are to be provided annually up to a maximum of Rs.5 lakh per

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Association depending upon the size and reach of the Association. Under the Scheme, the beneficiary Associations will be required to provide the regular manpower at their own cost and office space and also make an equivalent/ matching contribution towards cost of modernisation of their facilities and equipment and training of their personnel.

Further, there is a need to give due publicity to the initiatives taken by the Government for development of the MSE sector and have these issues regularly deliberated so that they can be improved upon for better and more effective implementation. At present, there is no regular mechanism for having these issues deliberated but it is felt that MSE Associations can play a crucial role in this context. Various National and State level Organizations/Associations concerned with the development of the MSE Sector have been organizing Seminars/ Symposiums/Workshops from time to time. But these initiatives have been quite ad-hoc and are constrained by the availability of funds. The Ministry of MSME/Office of DC(MSME) have been periodically receiving requests from various Industry Associations/Non-Governmental Organizations (NGOs), etc. for sponsoring/providing financial support for holding Seminars/ Symposiums/Workshops on various issues concerning the MSME Sector. Such activities are an essential part of the Scheme for capacity building, strengthening of database and advocacy by Industry/Enterprise Associations. In view of this, the Ministry of MSME/Office of DC (MSME) has decided to provide financial support for holding Seminars/Symposiums/Workshops.

Under the Scheme, National/Regional/State/Local Level Industry Associations, which are registered for at least 3 years and are having a regular charter, list of members and audited accounts, etc; would be eligible for the financial assistance for strengthening of data base as well as for conducting Seminars/Symposiums/Workshops.

## **II. Strengthening of Data Base- financial assistance for the Secretarial and Advisory/ Extension services**

To strengthen the role and increase the efficiency of the associations of Micro and Small Enterprises, financial assistance for the Secretarial and Advisory/extension services to selected associations may be provided up to a maximum of Rs.5 lakh, depending upon the size and reach of the Association. To be eligible, the beneficiary Associations will be required to provide the regular manpower and office space at their own cost and also bear equivalent/ matching contribution towards cost of modernisation of their facilities and equipment and training of their personnel. Efforts will be made to cover a large number of Associations within the ambit of the Scheme and an Association receiving financial assistance under the Scheme will not be eligible to receive financial assistance again under the Scheme for the next three years.

Under the Scheme, the following machinery and equipment needed by the Associations for upgrading their capacity (both qualitatively and quantitatively) to collect and interpret data relating to changes in the market scenario, Sub-Contracting Exchanges, Testing Laboratories, etc. shall be eligible to receive financial assistance :-

Phase I		
1	Computer and its peripherals including software	Rs. 4,00,000.00
2	Furniture and Office Equipment's, e.g. fax etc.	Rs. 1,50,000.00
3	Photocopier Machine and its Accessories	Rs. 2,00,000.00
Phase II		
4	Consumables per annum	Rs. 1,00,000.00
5	Training of the staff	Rs. 50,000.00
6	Expenses on Travel etc.	Rs. 50,000.00
7	Contingent & other office expenses	Rs. 50,000.00
	<b>Total</b>	<b>Rs. 10,00,000.00</b>

The Ministry of MSME/Office of DC (MSME) would provide 50% of the cost of modernization of the facilities and equipment and training of personnel, etc. remaining 50% of the cost would be borne by the Associations.

- (i) First installment of 50% of the - Upon approval of the proposal and subject sanctioned amount to signing of the agreement.
  - Balance 50% of the sanctioned amount - On furnishing of the utilization certificate as may be prescribed. The utilization certificate should be for the entire amount sanctioned in Phase I.

### **III. Seminars/Symposiums/Workshops**

For organizing Seminars/Symposiums/Workshops, maximum of Rs.2 lakh would be provided to National Level MSE Associations and Rs. 1 lakh to Regional/State/Local Level MSE Associations. The Associations can avail financial assistance under this component only once in a financial year. While seeking financial assistance, the Association concerned shall indicate the tentative cost for holding the Seminar/Symposium/Workshop along with details of participation expected and deliverables/outcome of the proposed Seminar/Symposium/ Workshop. Further, it shall undertake to meet 50% of the expenses in case of National level Associations and 25% in case of Regional/State/Local level Associations, out of its own resources. On completion of the activity for which financial assistance has been sought/provided, the Association concerned shall give a Utilisation Certificate to the satisfaction of the Government, failing which it would be debarred for receiving any financial support in future. Release of financial support would be as under:-

- 50% of the sanction amount to be released subject to:
  - Submission of detailed cost estimated by the Association;
  - Undertaking by the Association to bear at least 50% of the cost from its own resources in case of National Level Associations and 25% in case of Regional/State/Local Level Associations.
  - Recommendation by the Screening Committee.
- Balance 50% to be released subject to successful organization of the Programme, submission of final accounts Utilisation Certificate and recommendation of the Committee.



The item wise break up of expenditure admissible for receiving financial assistance under the Scheme is given in Annexure-I and Annexure-II.

#### **IV. Mechanism for operating the Scheme:**

The Scheme will be given due publicity and proposals will be invited from eligible MSE Associations who may submit the proposal either directly or through MSME-Development Institutes located in various States/UTs. Along with the proposals, the Associations may clearly enlist deliverables expected as a result of the Scheme. On receipt of the proposals, the same will be placed before a Screening Committee, inter-alia, to decide about the relevance of the Seminar/Symposium/Workshop to the overall objective, the criterion for selection of the Associations for short-listing the Associations and the amount payable to each short listed Association. Thereafter, the recommendations of the Committee shall be submitted to the Competent Authority for release of funds. While submitting the proposal, the Associations will be required to undertake to meet 50% of the total sanctioned amount from out of their resources in case of strengthening the data base and for organizing Seminars/ Symposiums/Workshops.

To short list the Associations and to recommend the amount to be given to each Association, a Committee has been set up under the Chairmanship of the AS & DC (MSME) with the following composition:

ADC (Planning), O/o the DC (MSME)	Member
Economic Adviser, M/o MSME	Member
JS & ADC (MSME Policy), O/o the DC (MSME)	Member
Industrial Adviser, O/o the DC (MSME)	Member
ADC/EA, O/o the DC (MSME)	Member Secretary

The Committee shall submit its recommendations to the Competent Authority for Approval.

#### **Seminars/Symposiums/Workshops organised by the National Level Associations**

<b>S. No.</b>	<b>Eligible Items</b>	<b>Scale of Assistance*</b>
• 1	<b>Venue Charges</b> (i) Hiring/rent charges (ii) Audio visual equipment and other equipment charges (iii) Interior Decoration, including banners, etc. (iv) Food & beverage charges (v) Hotel charges (vi) Communication expenses	<ul style="list-style-type: none"> <li>Actual,</li> <li>subject to a maximum of Rs.2,50,000/-</li> </ul>
• 2	<b>Transportation</b> (i) Travel expenses (ii) Transport expenses & vehicle hire charges	<ul style="list-style-type: none"> <li>Actual,</li> <li>subject to a maximum of Rs.80,000/-</li> </ul>
• 3	<b>Publicity/Advertisement/Catalogues, etc.</b> (i) Advertisement/publicity expenses (ii) Catalogue printing charges	<ul style="list-style-type: none"> <li>Actual,</li> <li>subject to a maximum of Rs.50,000/-</li> </ul>

S. No.	Eligible Items	Scale of Assistance*
• 4	<b>Resource Persons</b> (i) Fee (ii) Travel & transport expenses (ii) Boarding & lodging charges	<ul style="list-style-type: none"> <li>Actual,</li> <li>subject to a maximum of Rs.40,000 /-</li> </ul>
• 5	<b>Independent Evaluator</b> (i) Remuneration (ii) Other expenses on evaluation process, including <ul style="list-style-type: none"> <li>preparation &amp; printing of evaluation report</li> </ul>	<ul style="list-style-type: none"> <li>Actual,</li> <li>subject to a maximum of Rs.30,000/-</li> </ul>

NOTE: \*50% of the cost could be borne by the concerned National Level MSE Associations. The remaining cost of 50%, subject to a ceiling of Rs. two lakh would be met by GOI's assistance.

### Seminars/Symposiums/Workshops organized by the State/Regional/Local Level Associations

S. No.	Eligible Items	Scale of Assistance*
• 1	<b>Venue Charges</b> (i) Hiring/rent charges (ii) Audio visual equipment and other equipment charges (iii) Interior Decoration, including banners, etc. (iv) Food & beverage charges (v) Hotel charges (vi) Communication expenses	<ul style="list-style-type: none"> <li>Actual,</li> <li>subject to a maximum of Rs.1,25,000/-</li> </ul>
• 2	<b>Transportation</b> (i) Travel expenses (ii) Transport expenses & vehicle hire charges	<ul style="list-style-type: none"> <li>Actual,</li> <li>subject to a maximum of Rs.40,000/-</li> </ul>
• 3	<b>Publicity/Advertisement/Catalogues, etc.</b> (i) Advertisement/publicity expenses (ii) Catalogue printing charges	<ul style="list-style-type: none"> <li>Actual,</li> <li>subject to a maximum of Rs.25,000/-</li> </ul>
• 4	<b>Resource Persons</b> (i) Fee (ii) Travel & transport expenses (iii) Boarding & lodging charges	<ul style="list-style-type: none"> <li>Actual,</li> <li>subject to a maximum of Rs.20,000 /-</li> </ul>
• 5	<b>Independent Evaluator</b> (i) Remuneration (ii) Other expenses on evaluation process, including preparation & printing of evaluation report	<ul style="list-style-type: none"> <li>Actual,</li> <li>subject to a maximum of Rs.10,000/-</li> </ul>

NOTE: \*25% of the cost would be borne by the concerned State/Regional/Local Level Association. The remaining cost of 75%, subject to a ceiling of Rs. one lakh would be met by GOI's assistance.

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## Scheme 3 for Group Exercise

### Need Assessment Survey and the design awareness workshop

The design awareness programme, DAP, is focused to develop a holistic map of MSME clusters and units by exploring through industrial functions and activities. The design expert/s will generate design information about products, market scenario, technology, communication, research & development, and various industrial functions along with human factor study for ergonomics, safety, convenience, learning and skill up gradation through design research. Also the programme will provide design remedies for identified opportunities through design clinic workshop. The workshop will help participants to understand the holistic scenario of cluster and benefit them with the support of design expert/s, for design intervention in opportunity areas explored during the programme.

The activities of design awareness programme are targeted around following areas of design information collection and remedial solutions.

1. Design Expert will visit the identified /selected MSME units located in cluster region and interact with them to develop a design understanding of cluster. During the interaction design will provide inputs to MSMEs about product improvements, best practices and creative problem solving approach based on contextual scenario. In the process s/he will identify underlying opportunities with the help of explorative design research of clusters and participating units. This activity is an intensive design research for understanding the present scenario and opportunities for the design intervention. Also it will help improve MSME through Interactive learning, guidance and training during the visit.
2. Interactive workshop of participants will develop a scenario where MSME members will learn the creative problem solving techniques / design process to explore opportunities and identify breakthrough solution. The workshop will help generate on spot remedial solutions through interactive discussion and workshop activities. Design Clinic Workshop will be a 1-5 days participative and interactive workshop for MSME participants, to discuss opportunity areas and identify problems within the clusters and units. In design clinic, solution to an existing design problem will be diagnosed and remedial steps be suggested by design expert/s.

**The organizers – Government Organization/MSME Cluster Association: The workshop will be organized by the industry cluster Association in the area of cluster location**

- a. FISME and the organization or association representing the group of MSME units will act as organizers for design awareness programme.
- b. Organizers will help design expert/s with existing database of cluster, selection of MSMEs for design audit and coordinating with MSMEs for need assessment survey.
- c. The organizers will facilitate and support design expert/s during the need assessment survey for scheduling, coordination, MSME unit visits, exploration and data collection activity.
- d. The organizers will coordinate for participation of unit members, helping them in registration for the design awareness workshop.

- i. The participants attending the workshop will be from MSME units representing the individual organization registered with the cluster/association. There should be minimum 10 participants.
  - ii. The participants will receive the information about the workshop from organizers. For any communication regarding participation in workshop need to be through organizers only.
- e. The organizer will discuss with design expert/s for conducting the complete design awareness programme and depending on the discussion with design expert/s the association will submit the proposal to design clinic cell for further approval.

**Design Expert/s (Design Consultant/Firm/Institution for Design Awareness Programme)**

- a. The design expert/s will be assigned the responsibility of Design Awareness Programme, which includes responsibility for conducting the Interactive Design Research and Design Clinic Workshop.
- b. The design expert/s will coordinate with organizers for finalization of schedule of need assessment survey and design clinic workshop.
- c. Design expert/s will develop a report of the interactive design research explaining the present status of design at cluster and units as per the detailed guideline provided. The report will be submitted to the Design Clinic Regional Centre. Only after the submission of the report, design clinic workshop can be organized for the cluster members.
- d. Expert/s will coordinate for content of design clinic workshop.
- e. The design expert assigned the responsibility of complete programme will be responsible for calling design speaker/s for workshop activities. The expense of design guest speaker/s will be carried out by authorized design expert including the honorarium, travel and stay expenses.
- f. Design expert/s will prepare broader opportunity area map to explain and elaborate on possible quick design remedies during design clinic workshop activity.
- g. In Design clinic workshop Design, expert/s will take part in discussion on outcome of interactive design research and providing design remedies for problems brought in by participants during design clinic workshop.
- h. A detailed interactive design research report will be made by design expert to present the present design state in the cluster with possible opportunity areas as mentioned in report guideline.

**Interactive design research and need assessment:**

Interactive design research activity is focused to provide design inputs on creative problem solving through an interactive dialog between design expert and MSME units. This activity will be a detailed research thorough visits and interaction with people within the MSME work environment. It will also help designer to generate information about the cluster units, their products, manufacturing processes, market scenario followed by identifying opportunity areas for design interventions. The research would

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be taken up by design expert/s for generation of design insights through various processes of exploration, interaction and data collection. Design expert/s will take part in developing macro perspective by studying cluster scenario and micro point of view by exploring through MSME units operations. As an outcome of interactive design research, expert/s will identify opportunity areas at cluster as well as units level for design interventions and design project/s in the future course of design clinic scheme.

The research methodology for design study survey will include activities through observation, interaction, photography, interviews and qualitative/quantitative design data collection. The survey will help in developing detailed map of cluster and units for identification of patterns and exploring opportunity areas for design intervention at various levels of product and human interactions.

To identify opportunity areas in MSMEs, the design expert/s will take part in unit level design audit for selected units from participants. The visit to these MSMEs will involve survey of MSME's function which will generate understanding about the products, operations and other activities from design perspective. The design audit will also help in understanding the interrelation and interdependence among the in-house functions and inter unit coordination in the cluster.

The Opportunity areas identification will be done by the design expert/s after completion of cluster study and design audit. The data collected will be analysed and compiled for opportunity mapping. The data in form of visuals, statistics, recorded information and personal interviews will be used as source for exploration and analysis. The outcome of design opportunity mapping will be used as basis to explain the possible interventions and design projects for MSMEs. The opportunity areas will be used as a case study in design clinic workshop for the better understanding for participants. The participants can use the methodology and process of opportunity mapping for their respective contexts and use help of design expert/s for further clarity and remedy with respect to their products and process.

Design clinic workshop will be the combination of presentation and interactive sessions on interactive design study and need assessment, design seminar and design clinic activity. The design expert/s will present the opportunities identified from need assessment. The design seminar will be the presentation from design expert/s and guest design speakers on design topics and case studies relevant to the domain of cluster and participants. In design clinic, design expert/s will diagnose a solution for an existing design problem/opportunity and suggest on the spot remedial steps, during the workshop. The workshop will help participants to get quick remedies on identified opportunities for design intervention from existing problems taken up from their respective work areas.

#### **Submission of reports and expense bills**

The following reports of design awareness programme expense certificates should be submitted for reimbursement of expenses as per the guidelines for the programme.

- Report of interactive design study and need assessment work.
- Design Clinic Workshop report by organizers with brief information of design sessions, opportunity areas discussion and remedial solutions.

- Designer's fee statements and Expense bills for design clinic workshop.
- The reports of design awareness programme need to be submitted in PDF/word format according to the guideline in 2 copies of CD with photographs and hardcopy.

### Financial Disbursement

The payment for designer's fees and actual expenses would be as per the amount specified in band selected. The designer's fee and actual expenses would be paid by the cluster association and reimbursement of the same would be done by design clinic scheme on submission of designer's receipt and supporting documents as per the guideline. The payment of designer's fees and actual expenses could be disbursed in four equal instalments at the following stages:

- 25% of Designers fees on signing the agreement between designer/s and organiser and scheduling the NAS
- 25% - of Designers fees and expenses on completion of NAS & submission of Report
- 25% - of Designers fees and expenses on completion of the Design Clinic Workshop
- 25% - of Designers fees and expenses on submission of Report & Documentation

### Funding pattern:

#### Design Awareness Programme Expense/Workshop Structure Sheet (For Cluster-Association Level Activity)

	Design Awareness Programme Pay Band Chart				
	BAND 1	BAND 2	BAND 3	BAND 4	BAND 5
Workshop Days	1 Day	2 Day	3 Day	4 Day	5 Day
Organiser's Contribution	25,000	40,000	60,000	80,000	1,00,000
Scheme Contribution	75,000	1,20,000	1,80,000	2,40,000	3,00,000
Total budget	1,00,000	1,60,000	2,40,000	3,20,000	4,00,000

	Design Expert/s Programme Expenses Sheet				
	1 Day	2 Day	3 Day	4 Day	5 Day
Workshop Days	1 Day	2 Day	3 Day	4 Day	5 Day
Designer's fee	56,000	72,000	93,000	1,14,000	1,30,000
Honorarium. of Guest Speakers*	4,000	8,000	12,000	16,000	20,000
Documentation (Programme Report in Hardcopy)*	5,000	5,000	5,000	5,000	5,000
Travelling and Lodging*	5,000	15,000	25,000	35,000	45,000

<b>Workshop Expenses</b>	<b>To be incurred by Association</b>				
(Venue, Food, Equipments, Stationery& Printing, Photography and Other)*	30,000	60,000	1,05,000	1,50,000	2,00,000
Number of MSME Units Visit	5--6	6--7	10--12	12--15	15-20
Number of visits for NAS	5--6	6--7	10--12	12--15	15-20

\* As per actual on based on original bills and vouchers produced











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