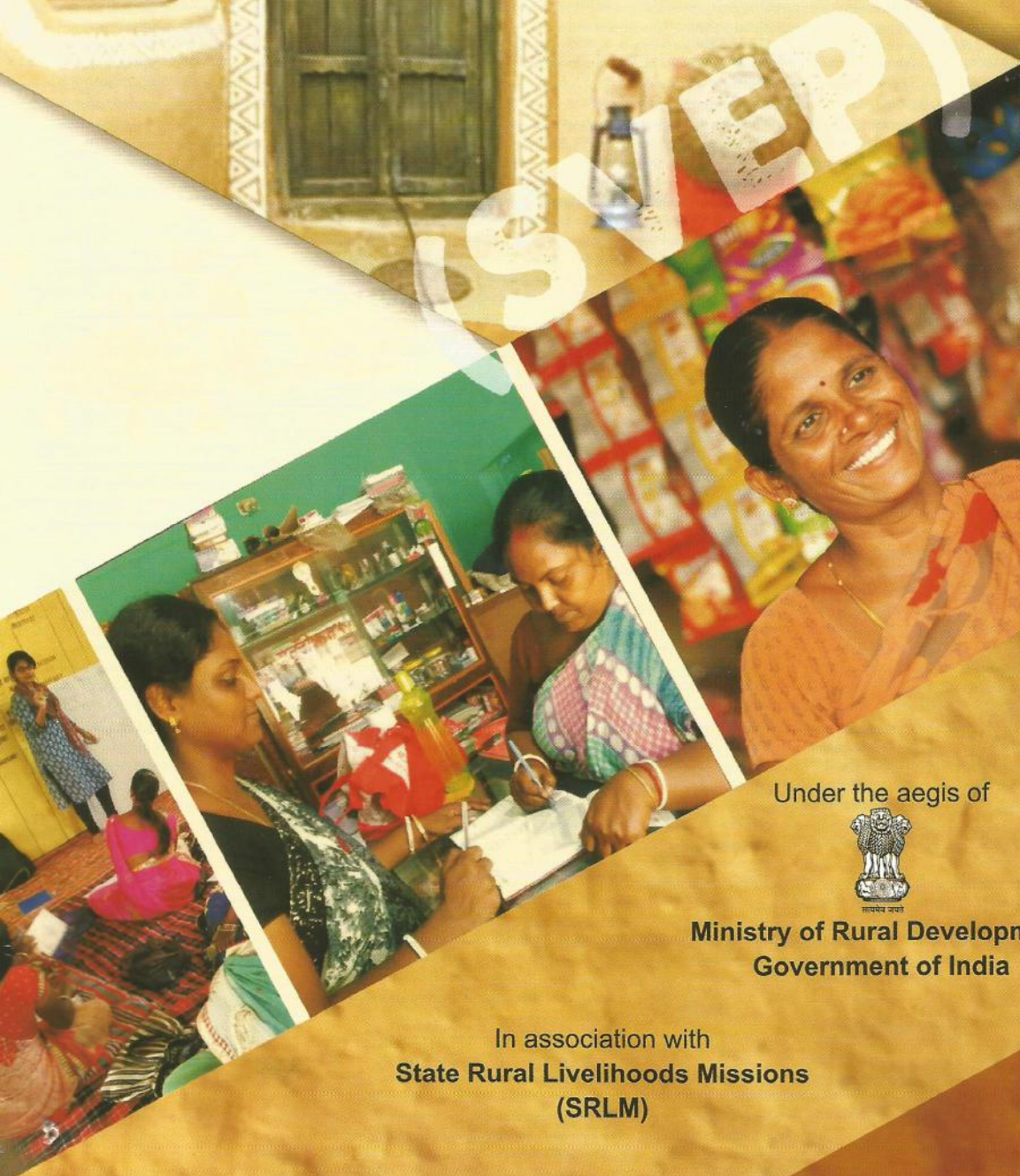




Entrepreneurship
Development
Institute of India

STARTUP VILLAGE ENTREPRENEURSHIP PROGRAMME



Under the aegis of



Ministry of Rural Development
Government of India

In association with
State Rural Livelihoods Missions
(SRLM)

RATIONALE

Most of the rural households are resource-poor. A vast majority of them belong to the socially marginalised groups of the SCs, the STs, the minorities, women and persons with disability, and those engaged in low-productivity occupations. A predominant proportion of these households is engaged in agricultural labour, even as agriculture sector has been experiencing a relative decline in gross domestic product (GDP). Poverty denies the poor households access to a wide range of markets and services, including credit. Lack of access to last-mile services further intensifies their poverty and affects their food security, health and nutritional status.

As the economy undergoes structural transformation from agriculture to industry and service sectors, it is important to ensure that those who remain in agriculture are made as efficient and competitive as possible. It is equally important to promote occupational mobility of rural poor, dependent on agriculture and allied activities to more gainful non-farm enterprises or employment.

The Start-up Village Entrepreneurship Program (SVEP), a flagship programme of Ministry of Rural Development, Government of India in coordination with State Rural Livelihood Missions (SRLMs) across all the states in the country, attempts to enable the rural poor to participate more effectively in the mainstream growth process and partake in its benefits.



NEED FOR VILLAGE ENTREPRENEURSHIP

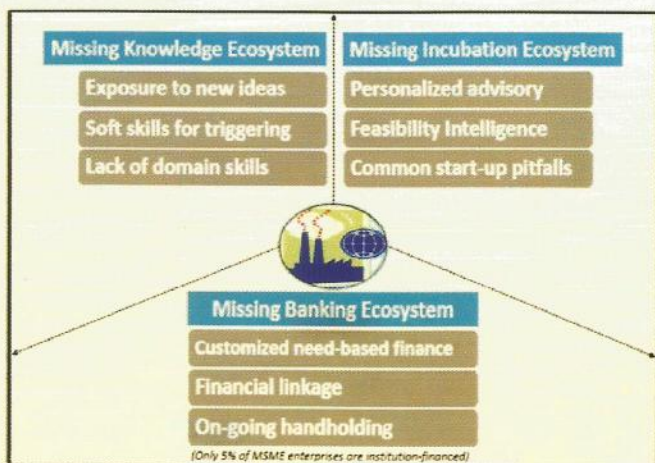
Less than 10 per cent of the rural work force is engaged in salaried jobs. A massive segment is engaged in self-employment initiatives. Most of the self-employed entrepreneurs run sub-optimal enterprises that are only marginally better than being unemployed. The rural poor require multiple sources of income to meet their ends. Owning and successfully running an enterprise is one of the multiple livelihood options for them.

A micro entrepreneurial class is emerging and undertaking several innovative activities. Some of them are providing services in education, livestock, dairying, health or financial services. It is also necessary to emphasize on expanding and preserving the cultural entrepreneurial heritage based on artisanal skills. However, the micro entrepreneurs need to be trained, handheld and supported to exploit their full potential. The institutional ecosystem viz. self-help groups (SHGs), village organisations, cluster/block-level federations, community-based organisations (CBOs) nurtured under National Rural Livelihood Mission (NRLM) are eminently suited to provide such support to the emerging micro entrepreneurs.

THE ECOSYSTEM

The SVEP aims to implement the government's efforts for stimulating economic growth as well as reduce poverty and unemployment in the villages by helping start and support rural enterprises.

The focus is to create a complete enterprise support ecosystem for village enterprises to enhance their viability, market linkages and credit-worthiness. The ecosystem envisaged is one in which rural entrepreneurs will have access to knowledge, incubation and banking support systems vital to the creation, sustenance and growth of their enterprises.



Problems of Rural Start-ups

- Lack of business skills – feasibility, planning, customer handling, etc.
- Herd mentality – business feasibility not considered while starting an enterprise
- Poor accounting skills
- Lack of peer learning from similar entrepreneurs
- Lack of handholding support post training
- Lack of any platform to support enterprise development in rural areas



AIMS AND GOALS

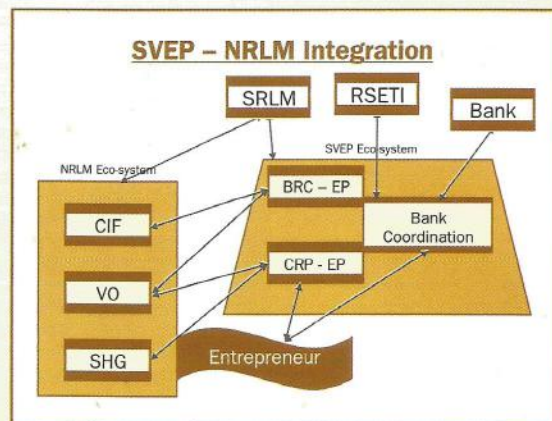
- ▶ To enable rural poor to set up their enterprises in its proof of concept phase, by developing sustainable model for village entrepreneurship promotion through integrated ICT techniques and tools for training and capacity-building, enterprise advisory services and to provide loans from banks/SHGs and federations
- ▶ Develop local resources by training a pool of village-level community cadre (CRP-EPs) and build the capacity of the NRLM and SHG federations to monitor and direct the work of the CRP-EPs
- ▶ Help the rural entrepreneurs access finance for starting their enterprises from the NRLM SHGs, federations and banking systems including the MUDRA Bank



SALIENT FEATURES

An integrated ecosystem conducive to rural entrepreneurship is the driver of SVEP's approach. It is comprehensively built on the cornerstones of financial linkages, capacity-building, evolving processes and systems of enterprise-tracking and offering community-based advisory support/services to build resilient rural enterprises. It includes:

- Training of Community Resource Persons – Enterprise Promotion (CRP-EPs) to provide business advisory services to rural entrepreneurs
- Design of an IT-enabled platform for market potential assessment and performance tracking of enterprises
- Creation of a Block Resource Centre (BRC) as accountable local institutions to serve as repository of information and provide critical support along with bank linkage for village entrepreneurs
- A dedicated Community Enterprise Fund (CEF) which provides accessible seed finance to new and existing entrepreneurs to start new enterprises or improve upon the performance of the existing ones
- Strategic sub-sector intervention in farm produce, artisanal products, non-timber forest produce and other goods & services as a demand stimulus of external market to increase rural incomes



THE IMPLEMENTATION PROCESS

Pre-implementation Phase

- ▶ Market potential assessment
- ▶ Enterprise census and household survey
- ▶ Preparation of detailed project report (DPR) submitted to the respective SRLM
- ▶ Drafting and finalising of guidelines for formation of BRCs, management of CEF and CRP-EP payment structure

Implementation Phase

- ▶ Identification, selection and training of CRP-EPs
- ▶ Community triggering and orientation
- ▶ Identification, selection and preparation of business plans and loan applications
- ▶ Orientation and training of entrepreneurs, CBOs & SRLM personnel
- ▶ Performance tracking of enterprises

Operational focus

- ▶ Priority to highly vulnerable beneficiaries under Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)
- ▶ Backward and forward linkages for farm livelihoods
- ▶ Encourage enterprises of rural artisans
- ▶ Ensure convergence with clusters identified under National Rural Mission (NRuM)
- ▶ Steps towards supporting development of appropriate technology and innovations, especially for promoting enterprises in the field of sanitation, drinking water and renewable energy, etc.



EXPECTED OUTCOME

The SVEP is expected to promote 182,000 enterprises in 125 resource blocks across 24 states in four years and create employment for 378,000 rural residents. The unit cost per enterprise is ₹26,526 with a benefit-cost ratio (BCR) of 7.38:1.



HEAT MAP DEPICTING THE KIND OF ENTERPRISES



THE INSTITUTE

Entrepreneurship Development Institute of India (EDII) – an acknowledged National Resource Institute for entrepreneurship education, research, training and institution-building – is an autonomous and not-for-profit institute, set up in 1983. It is sponsored by apex financial institutions viz. IDBI Bank Ltd, IFCI Ltd, ICICI Bank Ltd and the State Bank of India (SBI). The Government of Gujarat pledged 23 acres of land on which stands the majestic and sprawling EDII campus. To pursue its mission, EDII has helped set up 12 state-level, exclusive Entrepreneurship Development Centres and institutes. The Institute undertakes programmes/projects under six primary domains.

The activities under the domain, 'Micro Enterprises, Micro Finance and Sustainable Livelihood' are focussed towards creating an integrated and enabling ecosystem for micro enterprise development across the country through interventions such as micro enterprise development programmes, customized advisory services, soft skills development, programmes on Micro Business Counsellors. Development initiatives for sectors such as; Handloom, Handicrafts, sanitation, water, solar energy and agri-enterprises have also established tangible results. Initiatives such as; action research, documentation, strategy formulation have led to policy advocacy, thus enhancing scope and impact.



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