

## **Brief of Start-up Village Entrepreneurship Development Programme**

The Finance Minister announced in the budget speech of 2014-15 that “I also propose to set up a “Start-up village Entrepreneurship Programme” for encouraging rural youth to take up local entrepreneurship programs. I am providing an initial sum of 100 crore for this”. The proposed Programme is to be implemented under National Rural Livelihoods Mission (NRLM).

In order to operationalize the program, discussions were held with various organizations having experience/working towards of entrepreneurship Development Programme and State Governments. Separate discussions were held with various banks to discuss critical challenges related to bank financing of enterprise projects, especially those of rural poor women and leading banks.

Based on the various rounds of discussions with various stakeholders, a draft implementation plan is being processed for the consideration of SFC. The main features of proposed implementation plan are as under:

1. Start-up Village Entrepreneurship Development Program (SVEP) will be a focused intervention to promote start-up entrepreneurship at village level by rural poor households by providing assured availability of need based financial support, capacity building and advisory services for establishment of village enterprises. SVEP envisages creation of sustainable self employment opportunities for a large number of rural poor youth, enabling them to engage effectively with the market and help generate wealth locally. In the process, SVEP will bring banks and financial institutions closer to the village entrepreneur.
2. S.V.E.P will initially support creating and strengthening of 1,82,200 village enterprises in 125 blocks across 24 States in the country over a 5 year period from 2014-15 to 2018-19. Based on the success of this initial phase of 5 years, it will be taken up in all the blocks of the country in sync with the roll out of N.R.L.M. This intervention has over the next 12 – 15 years the potential to reach out to and support 1.0 crore rural entrepreneurs and generate employment for more than 2.0 crore persons.
3. S.V.E.P’s unique proposition will be in creating an enterprise eco-system to provide support for entrepreneurial activities of rural youth through capacity building for entrepreneurship, need based skilling in the concerned trade, necessary skills of business management, need based finance, facilitation for bank linkage to make bank branches ‘entrepreneur friendly’ and continuous nurturing support for setting up and running viable village enterprises. The development of this eco-system is critical for not only promoting village enterprises but more importantly for sustaining them. This eco-system will in turn leverage the strong N.R.L.M eco-system of S.H.Gs and S.H.G federations.

4. SVEP will create a complete enterprise support eco-system for village enterprises to enhance their viability, market linkages and credit-worthiness. This will be built on local skills, knowledge and intelligence, guided by high-quality business management knowledge and ICT platform. All these capabilities will be ‘communitized’, so that the local youth themselves can take it forward in their own blocks and also emerge as master trainers for new blocks. The following are the key features of a 24x7 enterprise support mechanism of S.V.E.P:
  - a) Use of state-of-the-art information and communication technology tools to strengthen enterprise performance and enterprise linkages with banks and financial institutions
  - b) Facilitation of skill development and bank linkage process for village entrepreneurs, by creating structures and mechanisms at the Block level and below, through the Block Resource Centre – Enterprise Promotion (BRC-EP)
  - c) Self-reliant community based enterprise support mechanism, ensuring sustainability in the long-run
  
5. The unit of S.V.E.P implementation will be the block. The key stakeholders at the Block level are the following:
  - a) Existing and potential entrepreneurs who are members of SHGs or their families, with special focus on MGNREGS workers or their families, rural artisans and R.S.E.T.I trained candidates.
  - b) NRLM Community Institutions (S.H.G /Village level federation of S.H.G s (V.L.F)/Cluster level federation (C.L.F) of VLFs and their sub-committees for enterprise development
  - c) Community Resource Person (C.R.P) -Enterprise Promotion
  - d) Block Resource Centre for Enterprise Promotion (BRC-EP) at Block level consisting of all C.R.Ps -EP working in the Block
  - e) Bank Coordination Support centre and ‘*Bank mitras*’ (C.R.Ps- Bank facilitation) attached to the BRC-EP
  - f) Mentor Enterprise Facilitators deputed by the NRO/P.I.A