



RAISING AND ACCELERATING MSME PERFORMANCE

Strategic Investment Plan West Bengal



**Department of MSME and Textile
Government of West Bengal**

Table of Contents

Abbreviations	4
Introduction	11
1. Overview of the MSME sector in West Bengal	13
1.1 West Bengal – Distinguishing Factor	14
1.2 State MSME policy	25
1.3 Proportion of MSMEs registered on the UDYAM portal	34
1.4 Position of the State in the latest EoDB Rankings	35
1.5 Proportion of the latest State Budget allocated to MSME	37
1.6 Contribution of MSMEs to State GDP	37
1.7 Proportion of MSMEs onboarded on the TReDs Platform	37
1.8 Proportion of State Public Sector Enterprises onboarded on TReDS	38
1.9 Number of people employed in MSMEs registered on Udyam Portal (2021-22)	38
1.10 Contribution of MSMEs to total tax revenue of the State	39
1.11 Proportion of women-led enterprises to total MSMEs on UR	39
1.12 Citizen Charter for DICs notified in the State	40
1.13 Proportion of cases resolved with respect to total cases registered in MSEFCs	40
1.14 Growth in the total volume of digital payments done (Y-o-Y basis)	41
2. Key challenges and gaps in the MSME ecosystem	42
2.1. Challenges and gaps during the initial phase	43
2.2. Challenges and gaps in accessing financial resources	46
2.3. Challenges and gaps impacting ease of access to market	49
2.4. Challenges and gaps impacting scientific and technological development	51
2.5. Other challenges and gaps	53
3. Assessment of MSME institutions, M&E framework and delivery	55
3.1. Institutional Capacity	55
3.2. Coordination across institutions	57
3.3. M&E framework	59
3.4. Portals	60
3.5. Existing interventions in State	64
4. Interventions proposed in State under SIP	68
4.1. Detailed Interventions	68
4.1.1. Initial Phase and Promotion of Women-led MSMEs	73
4.1.2. Access to Finance	100
4.1.3. Access to Market	120
4.1.4. Access to Technology	141
4.1.5. Capacity building	176

4.1.6.	Green/Sustainable Interventions	186
4.2.	Summary of budgetary outlay	196
5.	Partnership and Outreach Strategy	197
6.	Strengthening Capacity for Development & Delivery of MSME Support Programme	200
6.1.	Overview of state policy on MSME	200
6.2.	Strengthening State Portals and Integration with National portal	200
6.3.	Extent of Participation in various Central MSME schemes	206
6.3.1.	Summary on achievement of participation	206
6.3.2.	Details on achievement of participation.....	207
6.4.	Strengthening M&E Framework for MSME Support.....	213
6.4.1.	Output-Outcome Framework under RAMP	213
6.4.2.	Proposed M&E framework	224
6.5.	Environmental and Social Management for MSME support.....	225
6.6.	Details of activities carried out by the development centers and DIC/ sub DICs in the state and the strategy to strengthen the eco-system.....	227
6.6.1.	District Industries Centre (DIC) /Sub-DIC.....	227
6.6.2.	Development Centres.....	229
6.7.	Strategy on improving EoDB in West Bengal	230
Annexures	232
	Annexure 1: Awards received by MSME textile department.....	232
	Annexure 2: GI Tag products of West Bengal	234
	Annexure 3: Notification of Citizen Charter	235
	Annexure 4: Notification of plastic waste management rule 2021 and Extended producers Responsibility (EPR).....	237

Abbreviations

Sl #	Acronym	Expansion
1.	AI	Artificial Intelligence
2.	AKIC	Amritsar-Kolkata Industrial Corridor
3.	BBMC	Biswa Bangla Marketing Corporation
4.	BCIM	Bangladesh-China-India-Myanmar
5.	BHIM	Bharat Interface for Money
6.	BRAP	Business Reform Action Plan
7.	BSE	Bombay Stock Exchange
8.	CAGR	Compound annual growth rate
9.	CGTMSE	Credit Guarantee Fund Trust for Micro and Small Enterprises
10.	CLCS-TUS	Credit-linked Capital Subsidy Technology Upgradation Scheme
11.	CoE	Center of excellence
12.	Cr	Crore
13.	CERT-In	Indian Computer Emergency Response Team
14.	DFO	Development and Facilitation Office
15.	DIC	District Industries Center
16.	DIPP	Department for Promotion of Industry and Internal Trade
17.	DPRs	Detailed Project Reports
18.	DSTBT	Department of Science & Technology and Biotechnology
19.	EAs	Export Ambassadors
20.	EDFC	Eastern Dedicated Freight Corridor
21.	EoDB	Ease of Doing Business
22.	EPC	Export Promotion Council
23.	ESOPs	Employee Stock Option Plans
24.	FCs	Finance Clinics
25.	FICCI	Federation of Indian Chambers of Commerce & Industry
26.	FIEO	Federation of Indian Export Organisations

Sl #	Acronym	Expansion
27.	FISME	Federation of Indian Micro, Small and Medium Enterprises
28.	FTO	Freedom to Operate
29.	GDP	Gross domestic product
30.	GeM	Government e-Marketplace
31.	GI	Geographical Indication
32.	GIGW	Guidelines for Indian Government Websites
33.	GIS	Geographic Information System
34.	Gol	Government of India
35.	GoWB	Government of West Bengal
36.	GSDP	Gross State Domestic Product
37.	GST	Goods and Services Tax
38.	GVA	Gross Value Added
39.	HIs	Host Institutes
40.	IBEF	India Brand Equity Foundation
41.	ICT	Information and Communications Technology
42.	IDO	Industrial Development Officers
43.	IFC	International Finance Corporation
44.	IGC	Industrial Growth Corridor
45.	IIC	India Impact Investors Council
46.	IIHT	Indian Institute of Handloom Technology
47.	IIM	Indian Institute of Management
48.	IMPS	Immediate Payment Service
49.	INR	Indian Rupee
50.	IoT	Internet of Things
51.	IPFC	IP facilitation centre
52.	IPR	Intellectual property rights
53.	IPR	intellectual property rights
54.	IT	Information Technology

Sl #	Acronym	Expansion
55.	KVIC	Khadi and Village Industries Commission
56.	LHC	Large Handloom Corridor
57.	M&E	Monitoring & Evaluation
58.	MFC	MSME Facilitation Centres
59.	MGIRI	Mahatma Gandhi Institute for Rural Industrialization
60.	MoU	Memorandum of Understanding
61.	MSE-CDP	Micro and Small Enterprises Cluster Development Programme
62.	MSEFC	Micro and Small Enterprise Facilitation Council
63.	MSME	Micro, small and medium enterprise
64.	MSME & T	MSME & Textiles
65.	MSME TFC	MSME Technology Facilitation Centre
66.	NABARD	National Bank for Agriculture and Rural Development
67.	NOCs	No-objection Certificates
68.	NSE	National Stock Exchange
69.	NSIC	National Small Industries Corporation Limited
70.	NSS	National Sample Survey
71.	ONDC	Open Network Digital Commerce
72.	OTC	Over the counter
73.	P2P	Peer-to-Peer
74.	PAN	Permanent Account Number (PAN)
75.	PBMSML	Paschim Banga Mahila Samabay Mahasangha
76.	PBSSD	Paschim Banga Society for Skill Development
77.	PMEGP	Prime Minister Employment Generation Program
78.	R&D	Research and development
79.	RAMP	Raising and Accelerating MSME Performance
80.	RBI	Reserve Bank of India
81.	RCH	Rural Crafts Hub
82.	RMG	Ready-made garments

Sl #	Acronym	Expansion
83.	SAG	Single Application Gateway
84.	SAIP	Scheme of Approved Industrial Parks
85.	SCLSS	Senior Citizen Savings Scheme
86.	SEBI	Securities and Exchange Board of India
87.	SFCs	State Financial Corporations
88.	SFURTI	Scheme of Fund for Regeneration of Traditional Industries
89.	SIDBI	Small Industries Development Bank of India
90.	SIDO	Small Industries Development Organization
91.	SSIs	Small-Scale Industries
92.	STQC	Standardization Testing and Quality Certification
93.	TCSP	Technology Centre System Program
94.	TERI	The Energy & Resources Institute
95.	TIES	Trade Infrastructure for Exports Scheme
96.	TIFAC	Technology Information Forecasting and Assessment Council
97.	TNA	Training Need Assessment
98.	ToR	Terms of Reference
99.	TreDs	Trade Receivables Discounting System
100.	UAE	United Arab Emirates
101.	UAP	Udyam Assist Platform
102.	UNESCO	United Nations Educational, Scientific and Cultural Organization
103.	UPI	Unified Payment Interface
104.	USP	Unique selling point
105.	UT	Union Territory
106.	WB IPD	WB Intellectual Property Directory
107.	WB TAP	WB Technology Access Portal
108.	WBBCCS	West Bengal Bhabishyat Credit Card Scheme
109.	WBGEDCL	West Bengal Green Energy Development Corporation Limited
110.	WBSEDCL	West Bengal State Electricity Distribution Company Limited

Sl #	Acronym	Expansion
111.	WBSEPS	West Bengal State Export Promotion Society
112.	WBSIDCL	The West Bengal Small Industries Development Corporation Ltd.
113.	ZED	Zero Effect Zero Defect

Submission Compliance

#	Documents to be submitted	Marks	(Y / N)	Ref
1.	Quantitative Evaluation	80	Y	Section 1
2.	Qualitative Evaluation Criteria	90	Y	
a.	a) Identification of gaps in access to finance, market, and technology MSME sector of the state/ UT	20	Y	Section 2
b.	State/ UT Policy on MSMEs -Vision/ Roadmap for improvement in business environment for MSMEs in the state with requisite interventions and availability of outcome – output framework for schemes supported by the RAMP programme: (Specific schemes – TreDs, MSME Champions Scheme, CGTMSE etc.) Short Term (0-1) year Medium Term (2-3) year Long Term (4 th year onwards)	50	Y	Section 6.1
c.	Extent of participation in various central MSME schemes	10	Y	Section 6.2
d.	Details of activities carried out by development centres, and district industries centres/ sub district industries centres in the state and strategy to strengthen the eco system	10	Y	Section 6.4
3.	Distinguishing Factor - Distinguishing factor identified specific to the state that could be achieved based on evaluation of identified interventions and related funding	30	Y	Section 1.1
4.	Evaluation criteria for selection of project/scheme for funding	100	Y	
	Alignment of the scheme/ project of states with respect to RAMP programme objectives	20	Y	Refer Section 6.1
	Strategy for project/scheme implementation with pre-defined milestones	20	Y	Refer Section 4.1
	Strategy for increasing the capacity building of MSMEs in the project/scheme	10	Y	Refer to section No. 4.1.1, 4.1.3, 4.1.4, 4.1.6
	Strategy on increase in women led MSMEs in the project/scheme	10	Y	Refer to section No. 4.1.1
	Strategy on Greening Initiatives in the project/scheme	10	Y	Refer to section No. 4.1.6
	Strategy for improving the EoDB ¹	10	Y	Refer to Section 6.7 and 4.1.1 (Intervention 1),

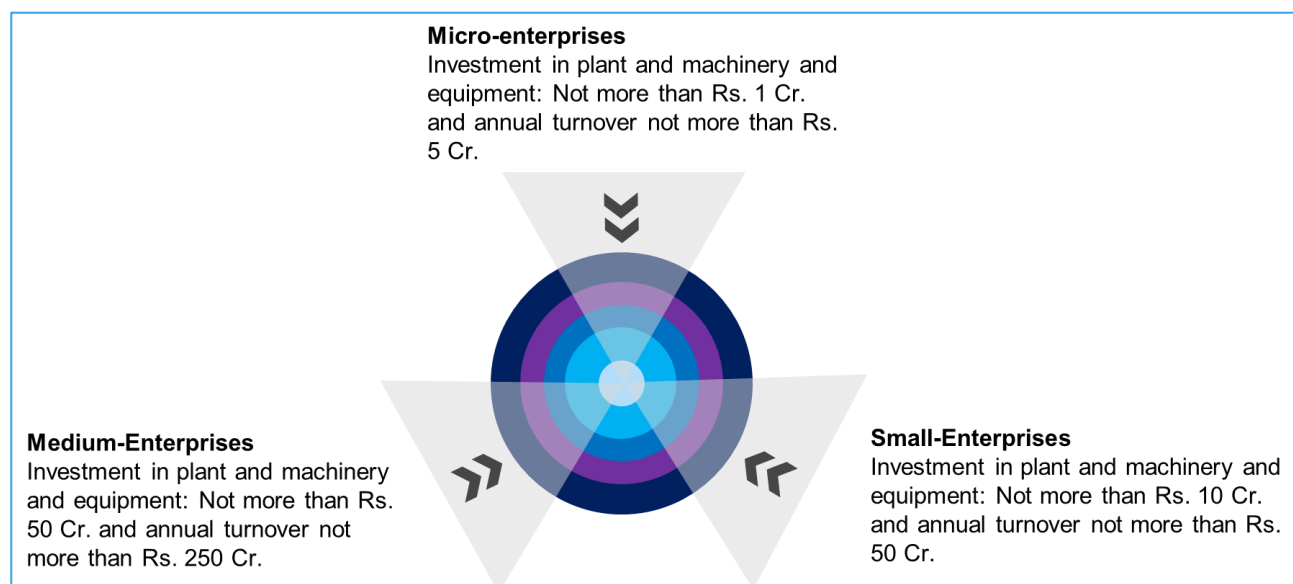
¹ According to *Doing Business 2020* by the World Bank Group, “Doing Business measures the processes for business incorporation, getting a building permit, obtaining an electricity connection, transferring property, getting access to credit, protecting minority investors, paying taxes, engaging in international trade, enforcing contracts, and resolving insolvency. Doing Business also collects and publishes data on regulation of employment as well as contracting with the government”.

#	Documents to be submitted	Marks	(Y / N)	Ref
				4.1.2 (Intervention 5)
	Plan for implementing Online Dispute Resolution	10	Y	Refer to Section 4.1.2 (Intervention 5)
	Plan for strengthening M&E framework pertaining to project/scheme	10	Y	Refer to Section No. 6.5

Introduction

The Micro, Small and Medium Enterprises Development (MSMED) Act 2006 provides the governing legal framework for MSMEs. Prior to the enactment of the MSMED Act, the MSMEs in India were classified as Small-Scale Industries (SSIs) and were governed by the Industrial Development and Regulation (IDR) Act 1951. However, in 2006, the Government of India (GoI) recognized the concept of “enterprises” which includes entities both in the manufacturing and service domain and accordingly classified these “enterprises” into three tiers i.e., Micro, Small and Medium. The definition of each of these three classifications is outlined in Figure 1.

Figure 1: MSME definition in India



Source: Ministry of MSME

The MSMEs have been a crucial growth enabler of the Indian economy. With more than 6.30 Cr MSMEs, the sector contributes more than 28 percent of India's GDP², about 45 percent to manufacturing output and is predicted to contribute worth USD 1 trillion to India's total exports by 2028³. In addition, the sector has also created more than 11.10 Cr jobs across the country⁴. Currently, there are more than 6000 products ranging from traditional to high-tech items, which are being manufactured by the MSMEs in India⁵.

The distribution of MSMEs has been concentrated in over 10 states. As per the 73rd NSS report, 93 percent of the MSMEs have been concentrated in these 10 states (Uttar Pradesh, West Bengal, Tamil Nadu, Maharashtra, Karnataka, Bihar, Andhra Pradesh, Gujrat, Rajasthan, and Madhya Pradesh). In this regard, both Uttar Pradesh and West Bengal have a share of 14 percent each of the total MSMEs in the country.

Considering the important role of the MSMEs, both the central government as well as the state government have developed institutional support mechanisms for promoting these enterprises. At the state level, the District Industries Center (DIC) program was conceived in 1978 to provide an administrative framework at the district level for the promotion of MSMEs. The DICs act as a single window agency at the district level providing service and support to small entrepreneurs⁶. Moreover, they act as the implementation body of several schemes of the center and the state for developing the MSME ecosystem. In addition to the DICs, there are also State Financial Corporations (SFCs) with specific mandates that provide financial

² RBI. 2019. "Report of Expert Committee on Micro, Small and Medium Enterprises"

³ Trade Promotion Council of India. 2023. "Budget 2023-2024: MSMEs to drive growth?"

⁴ Ministry of MSME. 2023. "Annual Report 2022-23"

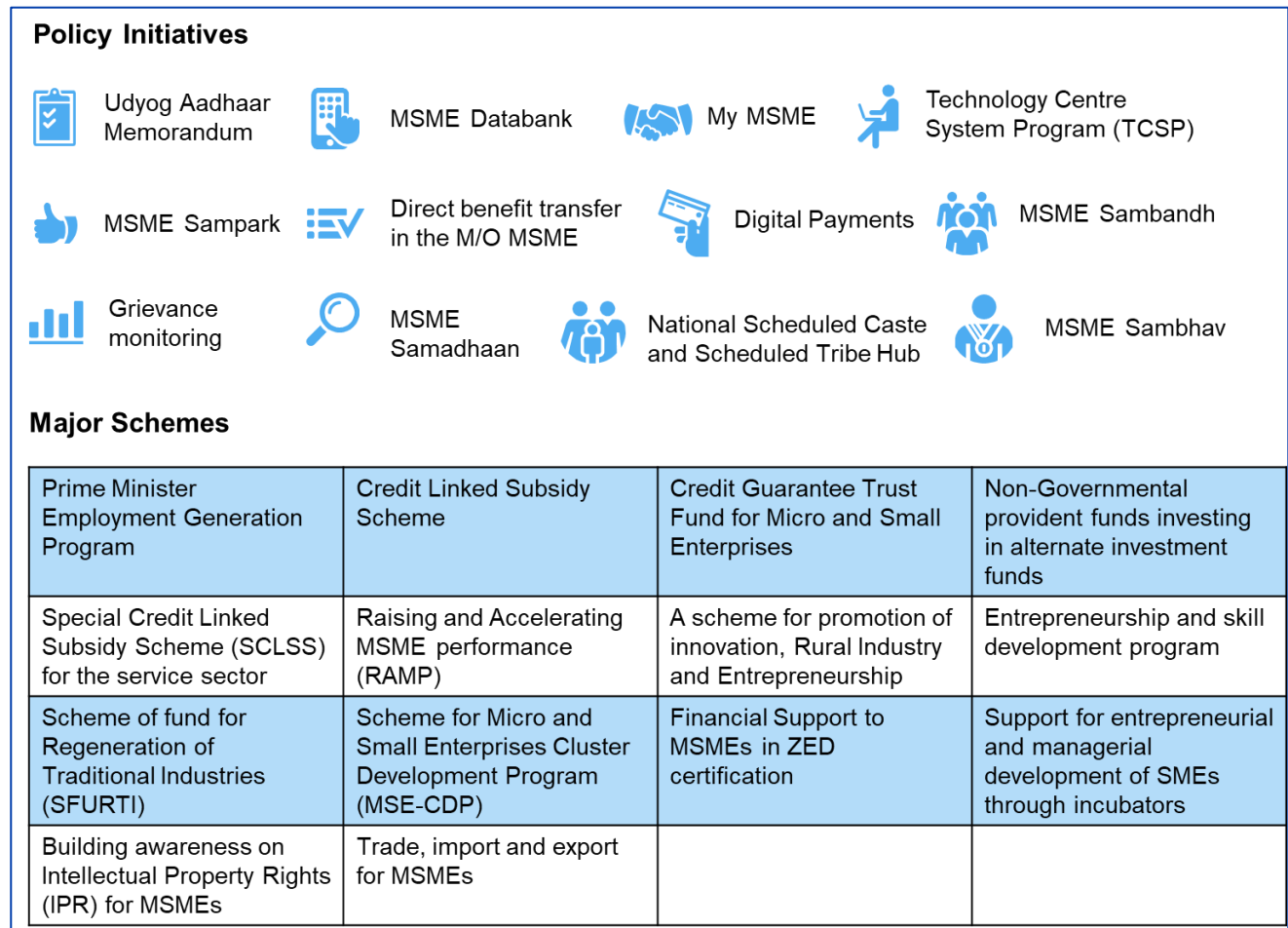
⁵ RBI. 2019. "Report of Expert Committee on Micro, Small and Medium Enterprises"

⁶ RBI. 2019. "Report of Expert Committee on Micro, Small and Medium Enterprises"

assistance to the MSMEs in terms of debt (term loans) as well as unlocking equity potential (e.g., underwriting the stocks, shares, etc. of the MSMEs). On the federal front, the central government has instituted several statutory bodies including the Khadi and Village Industries Commission (KVIC), Coir Board, National Small Industries Corporation Limited (NSIC), National Institute for Micro, Small and Medium Enterprises (NI-MSME), and Mahatma Gandhi Institute for Rural Industrialization (MGIRI)⁷.

The institutional infrastructure is further supported by strong policy initiatives and schemes. The governments (both at the state level as well as the central level) have promulgated various policy initiatives and schemes for the development of MSMEs in India. A few of the important central government policies and schemes have been outlined in Figure 2.

Figure 2: Policy initiatives and major schemes of Govt for MSME development



Source: India Brand Equity Foundation, 2023

⁷ India Brand Equity Foundation (IBEF). 2023. "MSME Industry in India"

1. Overview of the MSME sector in West Bengal

The MSMEs in the state have been one of the key economic growth drivers. The MSMEs account for more than 90% of the active industrial units, 50% of industrial production, and 40% of the state's exports, with more than 89 lakh MSME units⁸. In addition, the state also accounts for the second largest employment in MSMEs, with 135.52 people working in such enterprises, and contributes to the largest share in female employment in the MSME sector in India with 43.51 lakh female employees working in the sector⁹.

One of the key achievements of the sector in the state is to utilize the local domestic resources available to deliver quality products and services. Owing to the low capital structure coupled with a high local resource absorption power, the sector has been able to penetrate areas that are perceived to be less industrialized and are lagging in other areas in attracting large investments. Consequently, the sector has been able to produce products recognized internationally. These products range from simple consumer goods to high-precision, sophisticated finished products across industries. A brief overview of the performance of MSMEs in the state has been highlighted in the table below:

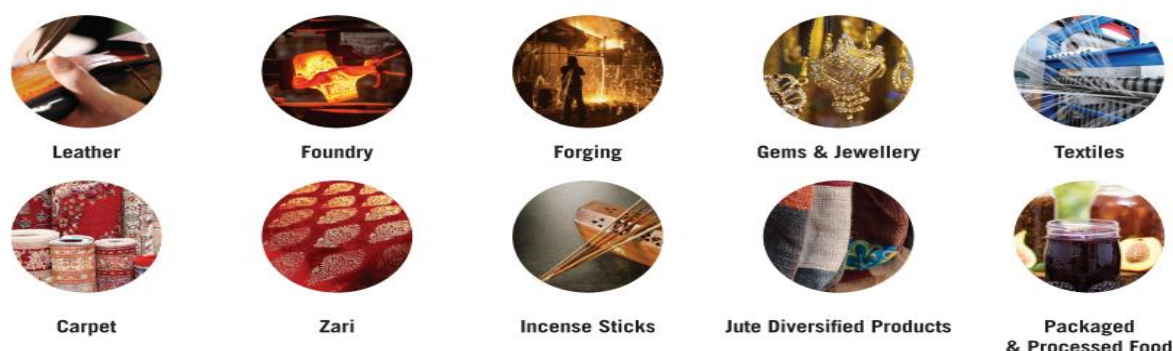


Table 1: Sectoral overview of performance of MSMEs in the state

Sector	Estimated share in National Turnover in 2020
Leather	35 percent
Foundry	6 percent
Forging	7 percent
Gems and Jewellery	15 percent
Textiles	10 percent
Carpet Making	4 percent
Zari Products	20 percent
Incense Sticks (Agarbatti)	10 percent
Jute Diversified Products	55 percent
Packaged and Processed Food	5 percent

Source: Government of West Bengal, 2020

⁸ Government of West Bengal. 2019. "MSME and Skill Convergence"

⁹ Government of West Bengal. 2019. "MSME and Skill Convergence"

The growth of the MSME sector in the state has been driven by several factors. These factors include a large labor pool, growth of industrial corridors, and state of the art infrastructure to support the growth of MSMEs. A brief snapshot of each of these factors is highlighted in the figure below:

Figure 3: Key drivers of growth for MSME sector in West Bengal

<p>Ease of Doing Business (EoDB)</p> <ul style="list-style-type: none"> • Ranked within top ten states in terms of EoDB evaluated by DIPP and World Bank • More than 99 percent implementation of business reforms as per the World Bank and DIPP • Leading state in terms of labour regulations • State of the art single window system developed for online application • 23 single window facilitation centres for MSMEs operationalized at the district level 	<p>Good Connectivity</p> <ul style="list-style-type: none"> • Third largest road coverage of the country with over 3.16 Lakh Kms road • More than 4000 Kms of railway network with a rail density of 45.90 Kms per 1000 square Kms which is highest among the Indian states • Two international airports at Kolkata and Bagdogra • Leading state in terms of spread, density, reach, etc. of National waterways country • Two large bulk container handling port
<p>Industrial Corridors</p> <ul style="list-style-type: none"> • Amritsar-Kolkata Industrial Corridor (AKIC) connecting Amritsar, Delhi, and Kolkata along the Eastern Dedicated Freight Corridor (EDFC) • The East Coast Economic Corridor (ECIC) for port based industrial cluster • The Bangladesh-China-India-Myanmar (BCIM) trade corridor, the first multi-modal trade corridor between these countries • The Kaladan multi-modal Transit transport project • The Industrial Growth Corridor (IGC) focusing on accelerating industrial growth. 	<p>Support Infrastructure</p> <ul style="list-style-type: none"> • More than 200 industrial parks/ estates • 13 Textile parks, 3 Gems and Jewellery Parks, 10 Green field parks • India's largest (single product) foundry park • Power surplus state with good power infrastructure
	<p>Bank Financing</p> <ul style="list-style-type: none"> • Leading in terms of bank credit flows to MSMEs

Source: Government of West Bengal

1.1 West Bengal – Distinguishing Factor

West Bengal had been a center of industrial production in the country. After independence, 73 percent of total industrial production in India came majorly from three coastal provinces: Bombay accounted for 33 percent, **West Bengal accounted for 27 percent** and Madras accounted for 12 percent. However, in recent times, the state's share of industrial production declined owing to various macro and socio-economic factors. Nevertheless, the state still has one of the largest numbers of MSMEs in the country and the MSME sector remains a crucial pillar in the socio-economic development of the state as well as the country.

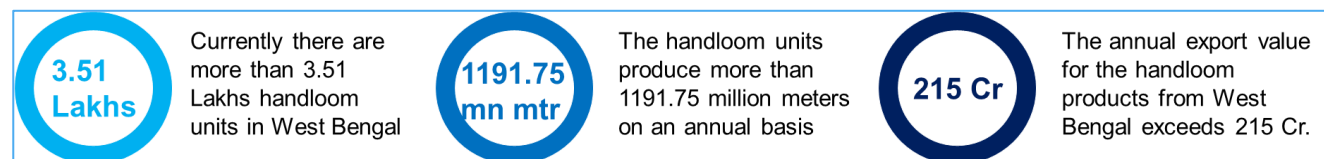
Industries embedded in the state's rich cultural heritage

The state has been a hub for handloom products and the textile industry. It has been the center for handloom and textile products since the Mughal era. The fine handlooms and textiles (especially rich muslins) produced were exported from Bengal to various parts of Asia and Europe. The trading reached its peak during 1600 to 1700 AD, when the European nations were yet to start their textile production. As a result, the East India Company established several business houses called "kuthi" and engaged many agents called "gomastas" to look after the handloom and textile business. In addition, the British also introduced a system where a certain category of individuals called "mahajans" acted as capital investors in the production system and employed "paikers". These paikers travel from one village to another to collect clothes from weavers and provide them with advances, thus establishing an independent money investment-production supervision and distribution process. Even at present, the industry is one of the crucial economic drivers¹⁰ of the MSME sector

¹⁰ The RMG sector of Metiabruz itself is estimated to be around Rs. 15,000 Cr.

contributing to around 2.70 percent of the total export of India. In this regard, some of the key statistics of the current handloom and textile industry in West Bengal are outlined in **Figure 4**.

Figure 4: Key statistics of the current handloom and textile industry in West Bengal



Source: Government of West Bengal

The state is also the pioneer in setting up of foundry and forging industry in India. The industry took shape post the first world war, into what is presently known as the Howrah cluster. Soon after the independence, the MSMEs in this industry were sold by the British Government to the new entrepreneurial community of Marwaris. At present, the cluster has over 500 foundries with an installed capacity of 1 million tons, supported by the availability of cheap pig iron and coke as well as a large pool of skilled/ semi-skilled labor¹¹. Moreover, the industry also has been in large demand in the international markets (Box 1).

Box 1: Case study on foundry and forging industry of Bengal

Case Study 1: Contribution of Foundry and Forging Industry in West Bengal in Global Development- The case of manhole covers developed in Howrah

In many countries like the United States, Europe and UAE, the manhole covers used for sanitary castings during the development of public infrastructure are manufactured in India. Given that the state of West Bengal is the largest producer of ferrous and non-ferrous cast iron products, most of these manhole covers are manufactured in the Howrah district. Moreover, the anti-dumping duties imposed by these countries have resulted in the products manufactured in Howrah to become competitive than those manufactured in China. As per the available data, the MSMEs in the Howrah cluster export the manhole covers to more than 25 nations with an average of 10,000 to 15,000 tons of manhole covers and other castings (municipal and sanitary castings) being exported per month to these nations.

WHY AMERICA'S MANHOLE COVERS ARE "MADE IN INDIA"

A simple inscription embedded in the streets of America's cities reveals stories about global trade.



¹¹ TERI. 2016. "Cluster Profile Report- Howrah Foundry Industry"

The state has been the home to various other village and handicraft industries. These enterprises have often grown in geographically demarcated and traditionally developed clusters in the state specializing in specific trades and product development. Such a clustered approach assists small enterprises to combine the benefits of running smaller units with the advantages of scale and specialization of larger firms. In this regard, some of the key statistics on these clusters are outlined in [Figure 5](#).

Figure 5: Key statistics of the clusters in West Bengal

Total number of clusters	Total number of MSME units in the clusters	Total employment generated
570	More than 60,000	More than 2.75 Lakh

Source: Government of West Bengal, MSME & skill convergence, BGBS 2019

Box 2: Types of clusters in West Bengal

Various types of clusters present in West Bengal

The state has broadly three types of clusters:

- (a) **Centrally Developed Clusters or MSE CDP** wherein 60 percent of the investment comes from the Central Government, 30 percent of the investment is done by the state government and the rest of the investments comes from the MSME units
- (b) **State Sponsored Clusters**, where the entire investment is done by the state government. In India, West Bengal has the highest number of state sponsored clusters (more than 500) that is further supported by various soft interventions introduced by the state government.
- (c) **Scheme of Approved Industrial Parks (SAIP)**, where the private sector is incentivized to set up industrial parks (refer to Box 4).

The setting up of the industries and clusters is well supported by the availability of local skills. In many of these micro-enterprises and clusters, the associated skills are a part of their culture and heritage and in-fact have been practiced by the artisans for the last 3 to 4 generations. Many of these skills are interwoven with the socio-cultural fabric of Bengal (Box 3).

Figure 6: Traditional skills of artisans in West Bengal

 Stitching and weaving in South 24 Parganas and Hoogly	 Wooden crafts and clay casting in Nadia	 Kantha art and leather work in Birbhum	 Jewellery making in Howrah	 Metal castings in Purba Bardhaman
--	--	---	--	--

Box 3: Case study on Kantha Art

Case Study 2: Interwovenness of artisan skills with the socio-cultural fabric of Bengal- Case of Kantha Art

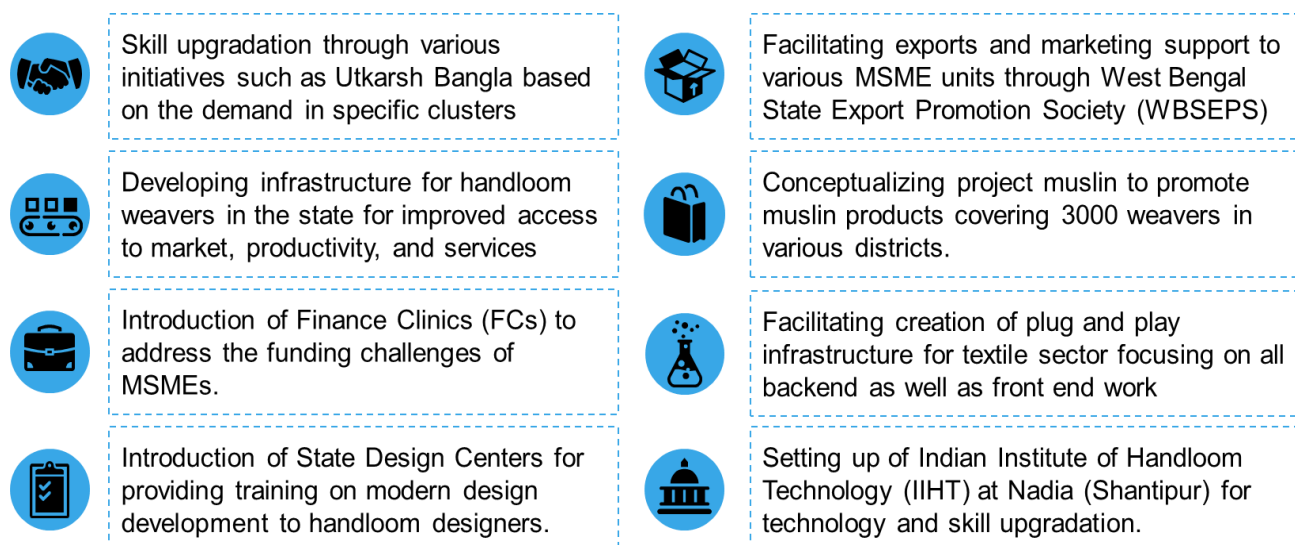
Kantha is one of the oldest forms of embroidery art from India which is practiced by millions of South Asian women. The art form disappeared during the 19th century before being revived in the 1940s in the rural villages of West Bengal. Initially, Kantha was about home-based recycling of well used cloth turned rags, giving the old textile a new life. In this process, around five to seven fabrics would be layered together with lighter colored fabrics on the outside so that the stitch and pattern were discernable. Over time influenced by religion, culture, and the lives of women stitching them, various unique patterns and stitching styles were incorporated in the Kantha Art. Many a times, this skill of stitching and weaving was handed down through generations with grandmother, mother and daughter working on the same Kantha.



Reviving the skills and heritage of Bengal: role of the state government

The state government has played an important role in reviving the traditional industries. The Government of West Bengal has been proactively involved in the development and in-turn reviving some of these age-old village industries. Some of the key initiatives taken by GoWB in this regard are as follows:

Figure 7: Select state initiatives for developing village industries



Source: Government of West Bengal

In addition, the state has also supported the growth of new age industries through facilitating ease of doing business. In this regard, GoWB has set up MSME Facilitation centers (MFC) in each district which act as a single point of contact for statutory clearances required during the setting up and operations of the MSMEs. In addition, the state has also encouraged the private sector to contribute towards MSME development through schemes like “Scheme of Approved Industrial Park (SAIP)”.

Box 4: SAIP scheme in West Bengal

Encouraging Private Sector to contribute towards MSME development: Scheme of Approved Industrial Parks (SAIP)

Launched in 2014, the Scheme of Approved Industrial Parks (SAIP) provides fiscal and non-fiscal initiatives to encourage the private sector in setting up of industrial parks on their own lands with quality infrastructure to catalyze and promote the growth of MSME units in the state¹². The fiscal incentives include subsidies for setting up of basic and essential common infrastructure facilities, incentives for setting up common effluent treatment plants, and reimbursement of stamp duties. The non-fiscal incentives, on the other hand, include the setting up of power sub-station by the government as well as construction of an approach road¹³.

As a result of the continuous efforts of the center as well as the state government, West Bengal is uniquely placed with respect to MSME development ecosystem. Not only these efforts bolstered the production of small-scale handicrafts in the state thereby contributing to the rural economy, but also propelled the export growth in the state. As per the All-India Report of the Sixth Economic Census, West Bengal had the largest share (17.62 percent) in total number of Handicraft/ Handloom Industries and many of these handicrafts are export oriented that are well recognized in the international markets (Box 5). Moreover, the achievements of the state have been well appreciated both at the national as well as international level (Annexure 1)

¹² Government of West Bengal. 2020. “SAIP Scheme 2020”

¹³ Government of West Bengal. 2020. “SAIP Scheme 2020”

Box 5: Bengal's uniqueness in terms of its products and recognition in the international markets

The state's niche in Handicraft Products

To foster a balanced regional development across the state, GoWB has supported Gol in the identification of unique products across its 23 districts under the One District One Product (ODOP) initiative. The designs of the product are peculiar to the specific region with the culmination of regional and foreign artistic styles.

Figure 8: Unique handicrafts in each of 23 districts

Alipurduar Wooden Furniture	Bankura Dokra, Terracotta, Baluchari Saree	Birbhum Leather Goods, Kantha Stitch	Cooch Behar Sital Pati and its products	Dakshin Dinajpur Wooden Masks	Darjeeling Darjeeling Tea
Howrah Gems and Jewellery	Hoogly Dhaniakhali Sarees	Jalpaiguri Cane Furniture	Jhargram Sabai Grass Handcrafts	Kalimpong Large Cardamom	Kolkata Kids wear/ Ready Made Garments
Malda Silk and Silk Products	Murshidabad Silk Sarees and Scarves	Nadia Santipuri Saree, Jamdani Saree, Tangail Saree, Clay Dolls		North 24 Parganas Diversified Jute Products	Paschim Bardhaman Kantha Stitch
Paschim Medinipur Madur Mats, Patachitra	Purba Bardhaman Dokra, Wooden Dolls, Dhokra Mats	Purba Medinipur Madur Mats, Patachitra	Purulia Lac and its products, Chhau Masks	South 24 Parganas Leather Goods	Uttar Dinajpur Tulaipanji rice, diversified products of jute

Source: Ministry of MSME and Textiles, GoWB, One District One Product

The uniqueness of the products has resulted in the development of more than 22 GI tag¹⁴ product in the state as highlighted in **Figure 8**. It in turn increases the demand for these products both at a national as well as international level.

International Recognition of the products

Many of the products including electrical machinery, rice (other than basmati), leather goods, iron and steel, iron ore, marine products, etc. are export oriented and are well recognized in the international markets. In FY 2022, the total export value of the state amounted to USD 13,895.02 million with the export profiles as shown in **Table 2**.

Table 2: Export profile of West Bengal

Products	Proportion of total exports	Products	Proportion of total exports	Products	Proportion of total exports
Iron and Steel	17.29%	Iron and steel products	5.84%	Ores, slag, and ash	3.37%
Cereals	11.05%	Petroleum products	4.76%	Plastic and its products	3.20%
Precious and semi-precious metals	8.37%	Electrical equipment and machineries	4.56%	Others	30.80%
Leather and its products	6.02%	Marine products	4.74%		

Note: Others include exports such as tea, glass and glassware, and other products of the handicraft industries

¹⁴ A Geographical Indication (GI) tag is used on products that have specific geographical origin and possesses quality and reputation that are due to that origin.

Box 6: Case study on international recognition of workers in manufacturing sector

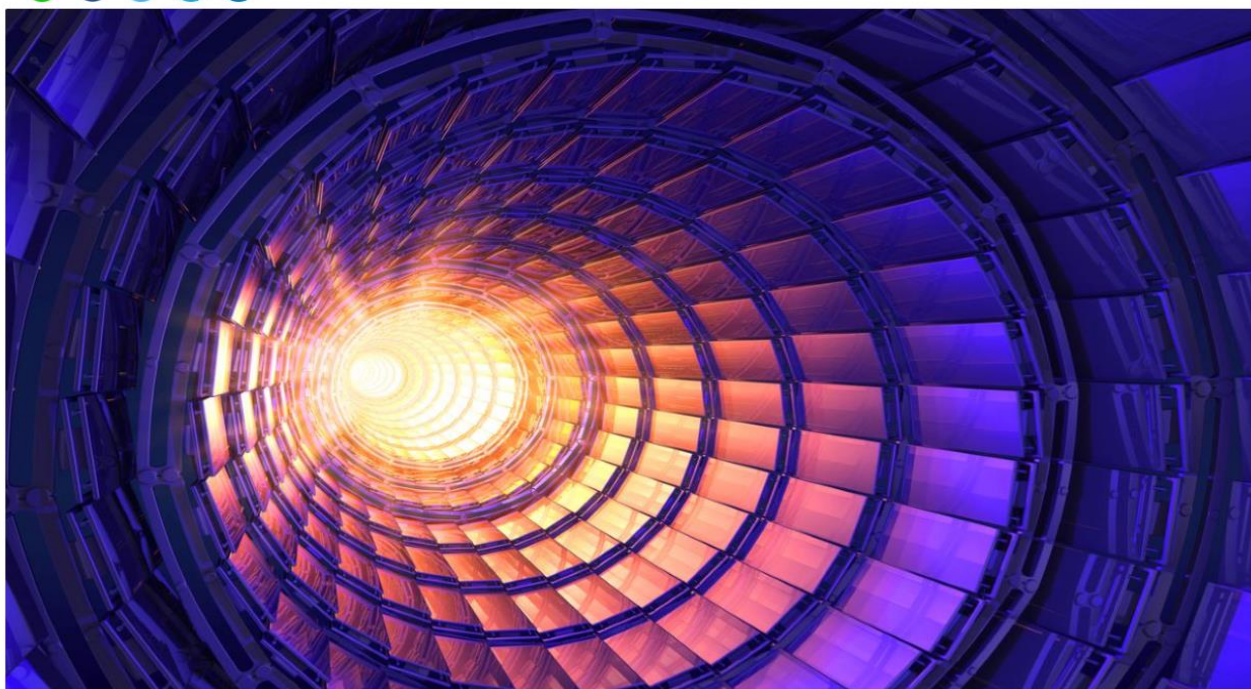
Case Study 3: International recognition of workers in manufacturing sector: The case of Large Hadron Collider

In the manufacturing sector, many workers (both blue as well as white collared) in the Howrah region played a crucial role in the development of the Large Hadron Collider (LHC) by the CERN laboratory in Switzerland. Ranging from developing vertical turret lathe machines to developing Quark-Gluon plasma matters, the contribution of West Bengal has been critical in the success of the project.

Figure 9: Contribution of workers in Forging industry in CERN's experiment on LHC

Remembering real-life Biswakarmas who helped in 'God Particle' discovery

Manas R Bannerjee | Siliguri | September 17, 2021 7:05 am



Source: The article can be accessed at: <https://www.thestatesman.com/bengal/remembering-real-life-biswakarmas-helped-god-particle-discovery-1503008299.html>

The MSME development ecosystem is further bolstered by the focused vision of the government. The state envisages doubling the textile industry to Rs. 70,000 Cr. over a period of three to five years with an objective of increasing the exports to 10 percent of the total textile exports of the country. Similarly, in the IT sector, the state plans to raise its share in the country's IT exports to 25 percent by 2030 and thereby in the process of developing a "Silicon Valley" by 2025 (Box 7). In addition, in the tourism sector, the government aims to generate jobs for more than 200,000 people.

Box 7: Development of Silicon Valley in West Bengal

Advantage Bengal: The Bengal Silicon Valley

The Bengal Silicon Valley Tech. Hub was conceptualized in 2018 to develop Bengal as the Eastern hub for technology service industry. The Silicon Valley is proposed to be a futuristic hub and is expected to attract various MNCs, startups, incubators, and investors, all working on deep innovation in technology and tech-enabled business applications/ models with a global footprint.

Apart from the vision and policy interventions, there is much needed to be done as many of the artisans and technical experts still offer their services to other states and geographies. Despite having sufficient availability of skills, many of the artisans of the “handicraft industry” works in other states. For e.g., Thousands of “Zari workers” from West Bengal work in important centers of Zari embroidery at Mumbai, Surat, Delhi, Kashmir, and Jaipur whose works are exported to many west-Asian countries¹⁵. In addition, even in the field of Gems and Jewellery, many workers work in Mumbai, Gujrat and even in countries like Dubai as mechanics in Gems and Jewellery¹⁶. This is mainly due to the socio-economic constraints faced by these workers in conjunction with the limited access to markets.

Marketing Interventions: The need to promote village handicraft industries

Retaining the required talent warrants greater visibility of their products both at national as well as international levels. Recognizing the importance of the marketing interventions in terms of retaining the local talents and skills of the artisans, GoWB has initiated several reform measures (Box 7). However, such initiatives need to be further strengthened and streamlined to ensure that these artisans have adequate access to finance, market and technology as well as the opportunity to upgrade their technical and non-technical expertise (Refer Box 8 for strengthening specific interventions).

Box 8: Marketing initiatives taken by the state

Role of the state in increasing product visibility in the international market

In order to build the brand of the local handicraft products, the state has developed two noteworthy marketing interventions: (a) Rural Crafts Hub; and (b) Biswa Bangla

Rural Crafts Hub (RCH)¹⁷

Launched in FY2014 in collaboration with UNESCO, the project covers ten crafts namely, Patachitra, Madurkati, Dokra, Terracotta, Chou Masks, Kantha, Wooden dolls, Clay dolls, Wooden Masks and Sital Pati. Clusters of these art forms have been developed as craft hubs which is spread across nine districts. Starting with 3000 artisans, the project currently covers more than 25,000 artisans. It has successfully addressed many of the challenges being faced by these artisans which include the dearth of master crafts person, low-value products, poor wages, lack of market knowledge, and marketable products through focused interventions covering skill development, capacity building and market promotion. Out of the ten crafts under RCH, six have got GI status. Moreover, these crafts hubs also function as cultural tourism destinations, thus increasing the footprint of the handicraft products of Bengal on a global scale.

Biswa Bangla¹⁸

A unique concept developed in the state, “Biswa Bangla” is about brand building by presenting the best West Bengal has to offer. The initiative covers all form of art including handicrafts, textiles, folk arts, music, films, culture, cuisines, sweets, and hospitality and market these art forms on a global scale. One of the major

¹⁵ Parliament Digital Library. “Need to protect the interest of workers engaged in Zari Industry”

¹⁶ EPRA International Journal of Multidisciplinary Research (IJMR). 2020. “Identification of factors that influences employability in Zari and Gems & Jewellery Industry in India: A study with special reference to Howrah district, West Bengal”

¹⁷ Website of department of Micro, Small and Medium Enterprises and Textile (MSME and T). Ref. https://wbmsmet.gov.in/key_initv_intro (accessed on 20 July 2023)

¹⁸ Website of department of Micro, Small and Medium Enterprises and Textile (MSME and T). Ref. https://wbmsmet.gov.in/key_initv_intro (accessed on 20 July 2023)

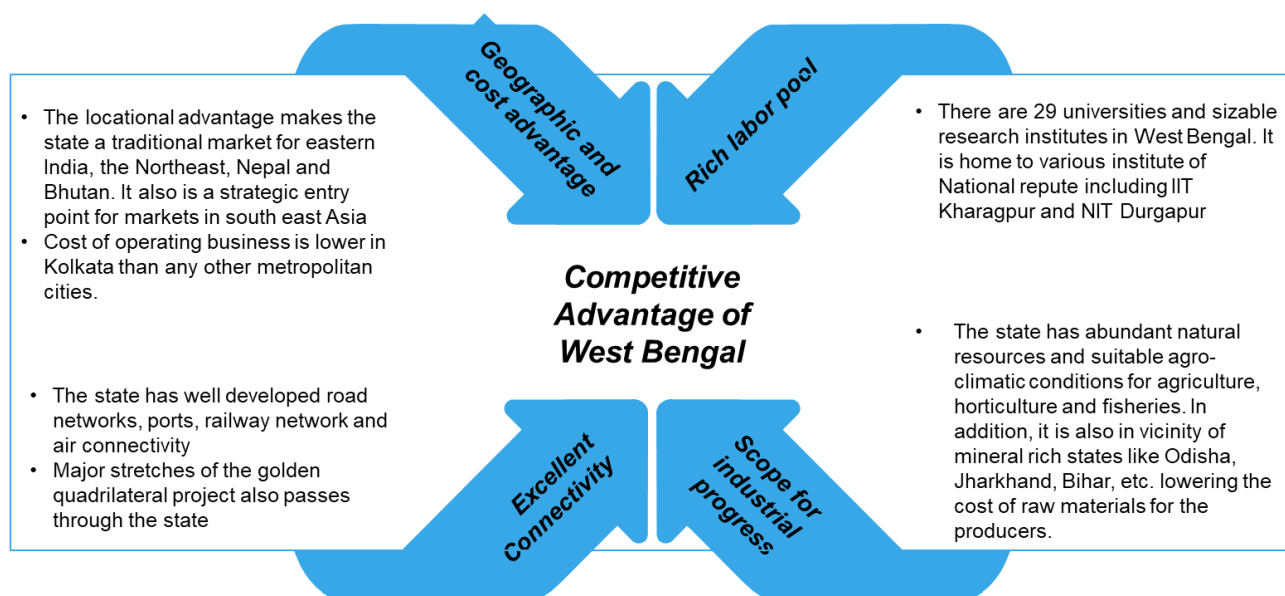
objectives of the initiative is to revive some of the traditional arts and conserve the cultural heritage of Bengal. The initiative shares well researched design inputs and product specifications with the weavers to enhance the marketability of their products through diversification and value addition. It has enabled various heritage crafts in textile to bring increase their market presence and improve the quality of life of the workers involved.



Opportunities for developing the MSME ecosystem

The state offers unique advantages to further the cause of MSME development in the country. The opportunities are present in terms of the strategic geographical positioning of the state, rich labor pool, excellent connectivity, and large scope for industrial progress. These factors together make West Bengal the gateway for developing the MSME ecosystem in the country.

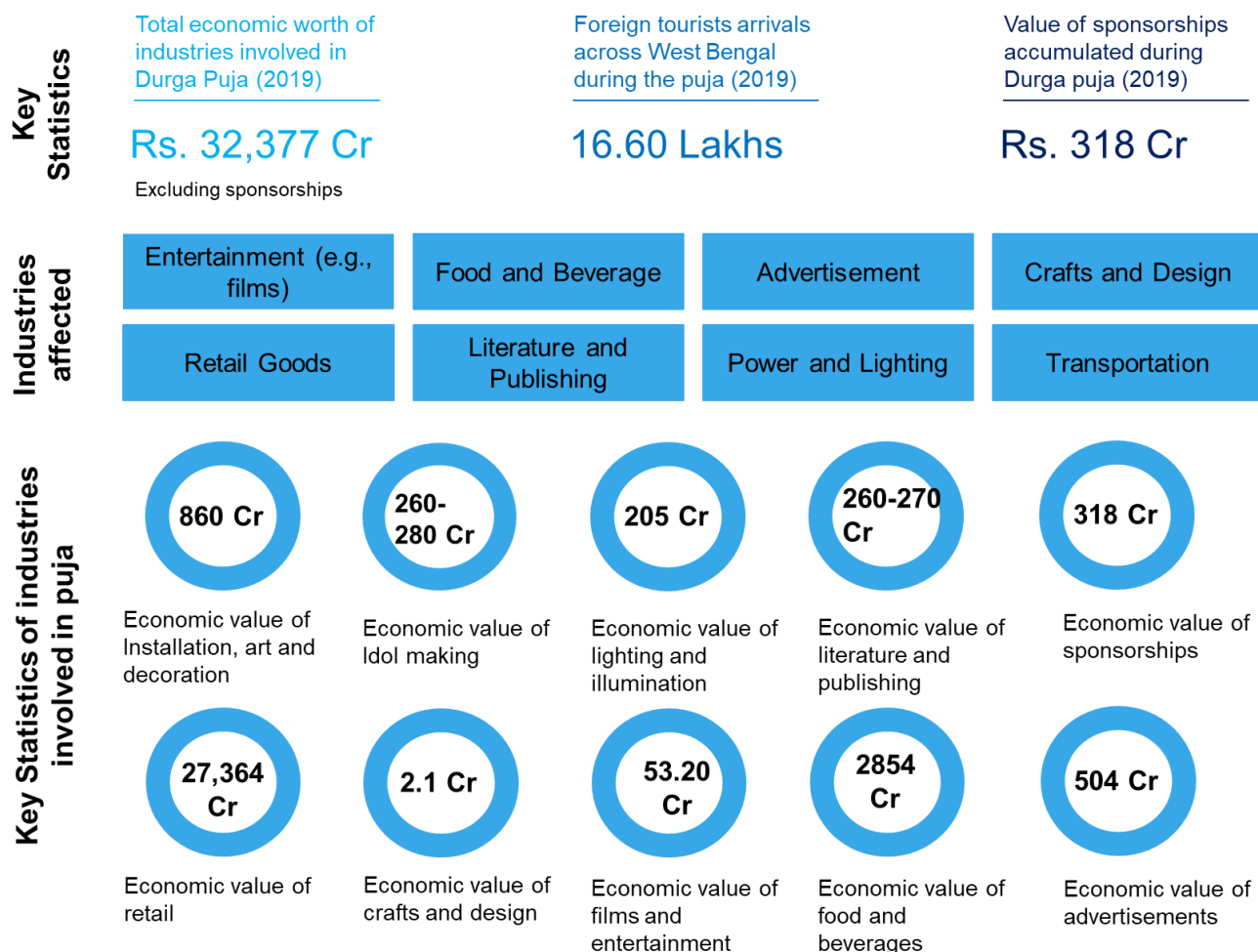
Figure 10: Competitive advantage of West Bengal



Source: India Brand Equity Foundation (IBEF)

The rich cultural heritage also offers unique opportunities for the MSMEs to increase their national and international footprint. The cultural events in West Bengal like Durga Puja offers immense opportunity for the artisans to increase the visibility of their products. The Durga Puja in West Bengal has been provided UNESCO heritage status and each year witnesses more than a 100 percent increase in sales in the industry associated with the puja. It also offers an ideal marketing platform for the MSMEs on a global scale as the arrivals of foreign tourists sharply increase during the puja. In this regard, **Figure 11** outlines some of the key statistics of the industries associated with the puja.

Figure 11: Select statistics of key industries associated with Durga Puja (2019)



Source: British Council, 2019, Mapping the Creative Economy around Durga Puja 2019

The RAMP program will provide the necessary platform to leverage the distinctiveness of Bengal and further develop the MSME ecosystem through precision driven interventions. These interventions spread across six key pillars (startup phase and promoting women led MSMEs, access to finance, access to markets, access to technology, capacity building, and green and sustainable interventions) are poised to leverage the unique cultural heritage of Bengal and provide hand-holding support to the MSMEs in addressing some of the major bottlenecks in their business.

Distinctiveness in interventions

The interventions under the RAMP program have been designed in such a way that the effectiveness of the impact of the interventions rest on three key pillars



Innovation at its core

Our main principle for the development of interventions under RAMP has been the innovative nature of the reforms that could set a benchmark for the other states to follow. Such innovation holds significant potential to catalyze MSME development by enhancing their access to finance, access to markets, fostering a nurturing start-up ecosystem and enhancing their technical capabilities. The reforms across the access to finance pillar not only facilitate increased access to capital from the existing financing sources but also envisages diversification of the current financing sources (e.g., peer to peer lending) ensuring the best terms for the MSME borrowers. The reforms introduced under access to market are expected to enhance the competitiveness of the MSMEs while at the same time facilitating them to increase their footprint in the global marketplace. Moreover, the nurturing ecosystem cultivated through these reforms is expected to provide MSMEs with mentorship, networking opportunities, and knowledge sharing platforms, amplifying their competitiveness in the market.

Effective integration of global best practices

The designed interventions have been influenced by the global best practices that have been successful in some of the developing and developed economies in the world. By drawing inspiration from successful models across the globe, our interventions are poised to provide the MSMEs with cutting edge methodologies, strategies, and frameworks that have demonstrated exceptional results in diverse economic landscapes. A case in point is a platform to connect with startups in West Bengal. Such a system has been successful in countries like the Philippines. For e.g., in 2020, the Manila Angel Network (MAIN), one of the first angel investment network in Philippines, entered into a four-year partnership with investing in women, committing to provide catalytic investment capital to at least 10 women owned, and women led SMEs in Philippines, diversify the angel membership to include more women investor, and expand their membership services and activities. The initiative increased its women led startup financing from 0 percent in 2017 to 18.20 percent as of the first quarter in 2021 and the business angel membership base increased from 0 percent to 29 percent over the same period¹⁹.

The integration of global best practices will enable the MSMEs to benchmark their performance against established industry leaders, fostering a culture of continuous improvement. By adopting such methodologies, these enterprises can enhance their product quality, service delivery and overall operational efficiency. It will not only improve their market competitiveness but also positions them as players that are ready to engage in international trade and collaboration, further expanding their growth potential.

Technology as a key enabler

We understand that integrating technology as a key enabler within the reform interventions holds immense potential to revolutionize MSME's growth trajectory. In this regard, the interventions introduced across all pillars have been effectively integrated with technology as one of its core aspects to ensure that the MSMEs could streamline their operations, navigate complex processes seamlessly, enhance efficiency, minimize the risk of errors, and tap into new markets with unprecedented agility. In addition, our proposed interventions aim to improve the capabilities of strategic foresight of the MSMEs and effectively use the cutting-edge technology solutions including Artificial Intelligence (AI) and Internet of Things (IoT) to improve the competitiveness of the MSMEs. Furthermore, the tech driven initiatives also open doors to enhanced access to finance for the MSMEs. With digital lending platforms and alternative credit scoring mechanisms, these enterprises can gain quicker and more transparent access to funding. It will not only accelerate their capital expansion strategy but also reduce the traditional barriers posed by inadequate credit history or collateral.

All of the interventions have been designed in line with green or sustainable practices to enable the SMEs to reduce their environmental footprint, adopt energy-efficient technologies, reduce waste and optimize resource usage to reduce their operational costs and position themselves as responsible contributors to environment conservation.

¹⁹ SMEF working group. 2022. "Policy Catalogue: Women led MSME Access to financing"

1.2 State MSME policy

In India's MSME ecosystem, West Bengal has the potential to home the highest number of MSME units in the coming years. The growth of the sector can be attributed to the initiatives implemented by the state government to encourage entrepreneurship in the state. In turn, this presents an opportunity for MSME units to promote innovation and provide a range of goods and services to meet local demand. In addition, the state has 22 GI tags which improves marketability of the products at global markets as well. Furthermore, as compares to large scale industries, MSMEs require lower capital investments that foster entrepreneurship in less developed regions of Bengal. Therefore, through reduction in regional imbalances and promotion of equitable distribution of income, the MSME sector contributes to the socio-economic growth of the state.

A. Brief description of the MSME Policy

Over the years, interventions have been developed to support development of skill and infuse technological expertise, which were envisioned in Government of West Bengal's MSME Policy 2013-2018. Furthermore, the state government has developed a Citizen's Charter that outlines the commitments to ensure sectoral growth in the following year.

Vision:

Creation of a sustainable ecosystem in the MSME sector to optimally utilize resources and widen sector of operation to support West Bengal emerge as one of the MSME leaders in India.

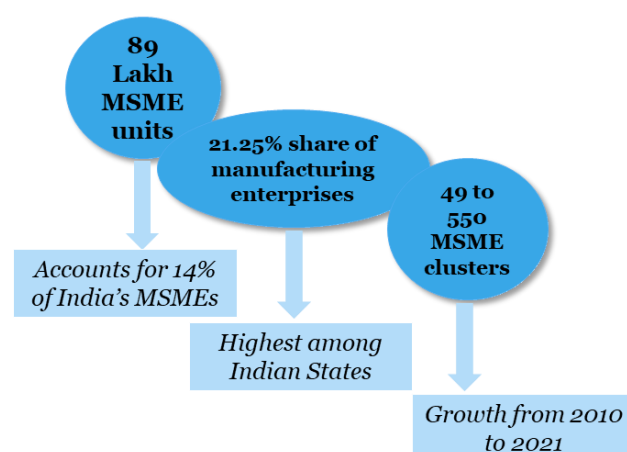
Mission:

The mission focuses on creation of an enabling business environment through a synergetic approach facilitated by the government. This entails allocation of funds to the MSME sector in areas like strengthening market linkages, adoption of energy efficient innovative technologies and skill uptake of entrepreneurs to operate the machinery. Such fiscal incentives support MSMEs to retrofit to low carbon infrastructure that can be scaled to meet the high cost of cleaner technologies. In turn, this will result in higher product quality that meets international standards, an increase in production, and creation of more employment opportunities.

Objectives:

- Provide a better and more conducive business environment for MSME sector. This entails simplification of business regulatory environment in the State. In this regard, the following initiatives have been undertaken:
 - Development of a Single Window Portal for providing all clearances to MSMEs from a single point
 - Defined timelines in respect of all clearances under WBRTPS Act
- Enhancement of quality of human resources through training and skill development
- Promotion of pooling of common services and functions (common facility center) under cluster approach for the benefit of smaller players
- Strengthening participation of and support to SHGs and Cooperatives in the production and marketing in micro enterprise sector with special focus on readymade garments, handicrafts, and village industries
- Setting up adequate number of industrial estates for providing basic infrastructure to MSMEs
- Facilitating setting up of MSE clusters in each Block of the State

Figure 12: Salient features of MSME growth in Bengal



- Creation of marketing infrastructure and developing marketing support through setting up of Haats/parks and facilitate participation of MSMEs in fairs/expo/exhibitions

To support the MSME ecosystem's sustained growth, it is imperative to provide an enabling business environment. Three thematic pillars can be used to broadly characterize the business environment. Together, these parameters can increase an enterprise's ability to launch, expand, attract investment, and generate employment. These pillars are outlined below.

Figure 13: Thematic areas for improving business environment

Strengthening business regulations and practices	Enhancing business competitiveness	Uptake of modern technology
<ul style="list-style-type: none"> Improvement in regulations Reduction in administrative costs Foster open and competitive markets 	<ul style="list-style-type: none"> Enhance competitiveness of enterprises through improvement in service and product quality standards Improve participation in public tenders/leverage technology Improve linkages to international markets 	<ul style="list-style-type: none"> Encourage uptake of energy efficient technology Improve human capacity on use of technology through skilling and need-based training facilities

Upon recognizing the significance of a conducive business environment as a prerequisite for economic growth and development, the Government of West Bengal has enacted over 300 reform measures relating to business regulations. This in-turn has led to an improvement in the State's performance, as evidenced by Bengal being a top-achiever in the Ease of Doing Business (EoDB) pan-India ranking. Falling into the "Aspirers" category, West Bengal comes second after Jharkhand in EODB ranking among other states in Eastern India.²⁰ The reforms undertaken have ensured improvement in areas like access to credit, resolving insolvency measures, ease of regulatory environment, transparency, and smart governance among others. This entails activities such as online submission of applications, streamlining procedures, lesser paperwork, synchronized inspections, development of online systems for business-centric services etc.

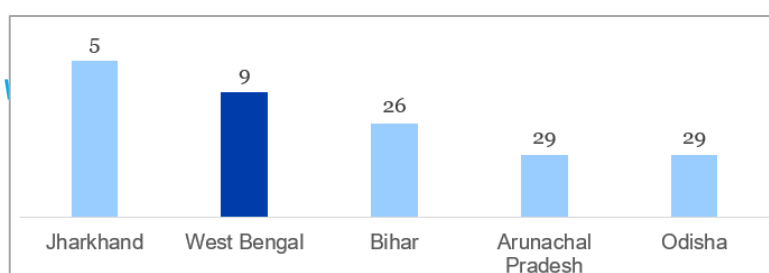


Figure 14: EoDB practices developed by the state to support the objectives defined²¹

1.Reduction in documentation:		
Reforms	No. of documents	
	Required earlier	Reduced to
Conversion of land for setting up industries	10	5
Factory license	10	7
Factory plan sanction	5	3

²⁰ Ease of Doing Business Index is based on implementation of the Business Reform Action Plan (BRAP) recommended by the Department of Industrial Policy and Promotion (DIPP) to all States and UTs. The information has been sourced from the Department of Industrial Policy and Promotion, Government of India. It can be accessed at <https://www.rbi.org.in/Scripts/PublicationsView.aspx?id=20117>

²¹ Further description of EoDB practices of West Bengal is explained in Chapter 1 (Section 1.2) of this document

Consent to operate for orange and red category industry	9	6
Obtaining new electricity connection	5	2
Trade license	5	2

2. One-stop solution for services: “*Shilpasathi*” is a Single window portal with 24*7 service to facilitate online submission of a Common Application Form (CAF) to obtain clearances/licenses/registrations required to setting up enterprises and operating a business in Bengal.

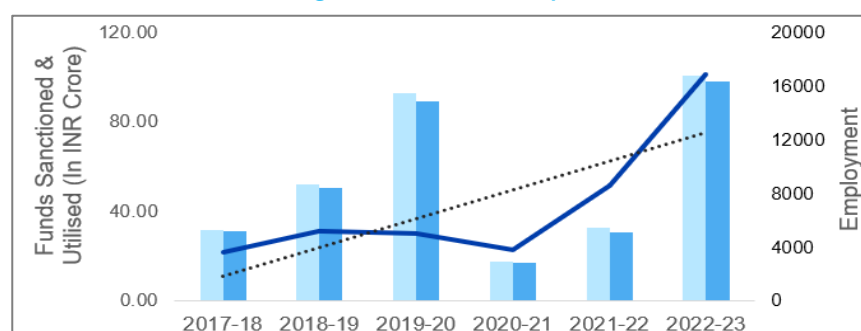
3. Transparency in systems: For MSMEs, criterion of evaluation for land allotment is defined with quantified information required for submission of applications. The inspections will be restricted to the pre-defined checklist available in public domain. Reports will be submitted within 48 hours of inspection which can be downloaded by enterprises online.

B. Overview of interventions related to the MSME sector in Bengal

To support the expansion and improvement of the MSME sector, the Department of Micro and Small-Scale Enterprises and Textiles approved the implementation of The West Bengal Incentive Scheme (WBIS) with effect from 01 April 2013, which was in effect for 5 years. The scheme extended fiscal incentives to entrepreneurs to encourage establishment of MSME units in less developed areas of the State. In addition, the scheme focused on building a sustainable ecosystem in the sector that can maximize resource utilization and expand the area of operation to position the state as the nation's MSME leader.

Following the completion of WBIS in 2018, the department announced implementation of the scheme titled Banglashree for Micro, Small and Medium

Figure 15: Impact on employment (disbursement trend under WBIS, WBIS Extended and Banglashree for MSME)



Enterprises in 2019, under which eleven forms of fiscal incentives are being given to new and existing businesses. The Banglashree scheme came into effect in 2020 and will remain in force for a period of 5 years until March 2025. It covers enterprises with equipment valued up to INR 50 crore from the private sector, cooperative sector, proprietary sector, joint sector undertakings, or industrial SHGs. Zone D will get a 30% subsidy for small businesses, while zone E would receive a 40% subsidy. The incentive percentage in zone A typically is the lowest since the districts within are developed urban clusters with proximity to civic amenities. The percentage value increases gradually from A to E.

Similar to WBIS, Banglashree scheme focuses on development of MSMEs across the State and aims to create a sustainable ecosystem which can assist enterprises in maximizing the utilization of resources and generate new employment in the State. The table below²² illustrates the funds sanctioned and utilized between 2017 to 2023. In total, over 1800 MSME units availed the incentives of the schemes generating employment for 42,989 people.

²² Source: MSME Directorate. Note: WBIS was valid from 2013-2018 and Banglashree came into effect in 2020. In the intermediate years, funds were disbursed through a scheme named WBIS extended.

In the Banglashree scheme, the type and quantum of incentives available for the approved projects, is based on location of the enterprises. The State has been classified into the 5 zones as outlined in Table 3. The data on the disbursement amount for each incentive has been collected from the Department of MSME and Textiles, GoWB.

Table 3: Incentives disbursed in past 5 years under WBIS Zone wise

Zones	Districts	Total Incentives disbursed in past 5 years (in INR)	Average Y-o-Y disbursement (2017-2020)
A	Kolkata Municipal Corporation Area, All municipal areas of North 24-Parganas, All municipal areas of South 24-Parganas, All municipal Corporation and municipal areas of Howrah	2,42,91,033	23.3%
B	Districts of Hooghly, North 24 Parganas (excluding municipal areas and Sundarban areas), South 24 Parganas (excluding municipal areas and Sundarban areas), Howrah (excluding corporation and municipal areas), Siliguri Municipal Corporation, Municipal Corporations / Municipal Areas of Paschim Medinipur, Purba Medinipur, Purba Bardhaman, Paschim Bardhaman and Nadia	1,07,63,77,934	56.9%
C	Districts of Purba Bardhaman, Paschim Bardhaman (excluding municipal corporation/ municipal areas), Purba Medinipur (excluding municipal corporation/ municipal areas), Nadia (excluding municipal corporation/ municipal areas), Malda, Jalpaiguri, Murshidabad and Darjeeling (excluding Siliguri Municipal Corporation), Kalimpong, Alipurduar	1,12,03,47,767	50.9%
D	Districts of Birbhum, Purulia, Bankura, Paschim Medinipur (excluding municipal corporation/ municipal areas), Uttar Dinajpur, Dakshin Dinajpur, Sundarban Areas of South and North 24 Parganas and Jhargram	1,02,17,82,540	147.1%
E	Cooch Behar District	11,41,61,054	12.6%

In total, there are 11 subsidies offered under the Banglashree scheme, with the share of benefits received by MSMEs varying depending on which zone the enterprise is located in. A brief description of the subsidies are as follows:

Table 4: Incentives under Banglashree for Micro, Small and Medium Enterprises

Incentive	Unit-wise Applicability of subsidies			Notes
	Micro	Small	Medium	
Capital Investment	<ul style="list-style-type: none"> ☐ In Zone C, D, E subsidy approved in 25%,40%,60% respectively ☐ For construction units in Zone A, B, SC/ST/women entrepreneurs are eligible for 15% subsidy 	<ul style="list-style-type: none"> ☐ In Zone C, D, E subsidy approved in 15%,30%,40% respectively ☐ For construction units in Zone A, B, SC/ST/women entrepreneurs are eligible for 10% subsidy ☐ In Zone C, D regular allowable subsidy and extra subsidy combined cannot exceed INR 50,000 lakh and INR 75,000 lakh in Zone E 		Fixed Capital Investment (FCI): Defined as investment in plant and machinery made on or after 01 April 2018, in a project that has been approved by the quantifying unit or company - Extra 20% capital investment for businesses controlled exclusively by women/SC/ST/minority community entrepreneurs
Interest on Term Loan	In Zone A, B 55% of the interest liability may be accessed for 5 years. In Zone C, D the rate is 70%	In Zone B, C, D, E the rate is 25% of term loan interest paid by business over 5 years up-to INR 175 lakh annually,		

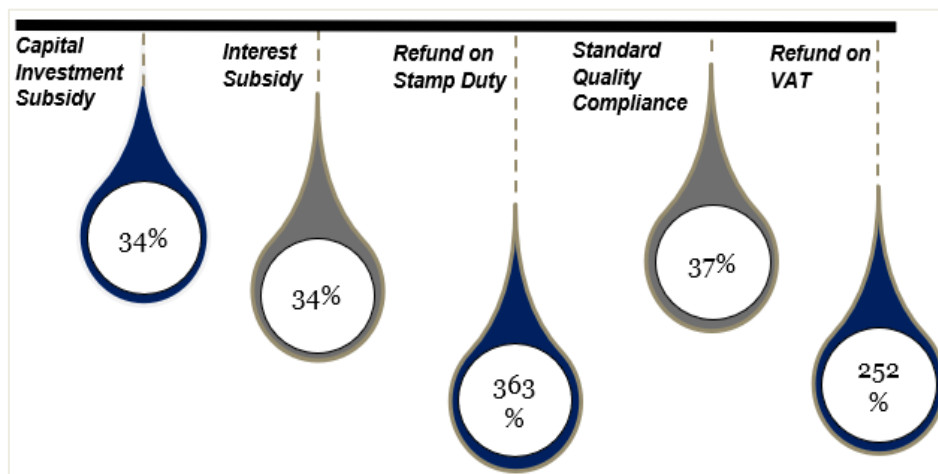
Incentive	Unit-wise Applicability of subsidies			Notes
	Micro	Small	Medium	
Waiver on Electric Duty	In Zone A, B the waiver on electricity consumption is 50% for 5 years In Zone C, D, E the waiver on electricity consumption is 75% for 5 years For women owned/SC/ST/minority community entrepreneurs, waiver is 100% up-to INR 10 lakh for 5 years	In Zone B, C waiver on electricity consumption is 100% up-to INR 25 lakh per year for 5 years In Zone D, E waiver on electricity consumption is 100% for 5 years and 75% from year 6 to 10 up-to INR 50 lakh per year	In all cases, the benefit period begins on the first day of commercial production	
Power Duty	In Zone A, B, Re. 1/kwh and for Zone C, D, E, Rs. 1.5/kwh for 5 years Subsidy will not exceed INR 10 lakh per year and will be payable annually	In Zone A, B, Re. 1/kwh and for Zone C, D, E, Rs. 1.5/kwh for 5 years, Subsidy will not exceed INR 20 lakh per year and will be payable annually	In Zone A, B, Re. 1/kwh and for Zone C, D, E, Rs. 1.5/kwh for 5 years, Subsidy will not exceed INR 30 lakh per year and will be payable annually	Benefit begins on the date of production start-up and lasts 5 years
Energy Efficiency	Reimbursement of 50% of cost of energy audit undertaken by certified agency Reimbursement of 25% of cost of installation of energy conservation as per energy audit up-to INR 2 lakh		For energy audit, reimbursement will be made after implementation of the recommendations	
Stamp Duty and Registration Fee	Reimbursement of stamp duty and registration fee paid by enterprise for registration of documents: In Zone A, 25%, B 50%, C 75%, D and E 100%	In Zone B, C, D, E the subsidy rate is 75%	<div><input type="checkbox"/> Subsidy is admissible for purchase of land/building for setting of approved projects; land/building taken on lease (min 10 years) at any govt. approved estate</div> <div><input type="checkbox"/> Amount admissible will be calculated proportionately based on percentage of land / buildings used for setting up enterprise for implementation of the approved project</div>	

Incentive	Unit-wise Applicability of subsidies			Notes
	Micro	Small	Medium	
SGST	In Zone B, C refund of 30% of Net SGST and in Zone D, E, refund of 50% for 8 years			Net SGST to be paid for 8 years from date of commencement of commercial production Cumulative refund of SGST shall not exceed 75% of FCI
Water Conservation/ Environment Compliance	Reimbursement of 50% of expenditure incurred towards cost of captive Effluent Water Treatment Plant for wastewater recycling and/ or other pollution control devices subject to a maximum of INR 2 lakh			
Standard Quality Compliance	Reimbursement of 50% of expenditure incurred to maximum of INR 5 lakh for obtaining certification from approved Institutions / Research Laboratories		Any certificate other than (ISI / BIS certification / ISO 9000/ ISO 14000 / ISO 14001/ ISO 18000/ISO 22000/ HACCP) may be honored on case-to-case basis according to necessity and essentiality	
Workforce Welfare Assistance	<input type="checkbox"/> Reimbursement of 100% in year 1 and 75% in remaining years of expenditure incurred for paying contribution towards ESI and EPF if at least 50% of employees in enterprise are recruited from persons registered with Employment Bank of State <input type="checkbox"/> Period of assistance: For Zone B 5 years, Zone C 7 years, Zone D and E 9 years			Reimbursement will be payable annually based on minimum statutory limit subject to condition that enterprise has paid contribution towards ESI and EPF on due dates
Patent Registration	<input type="checkbox"/> Reimbursement of 50% of expenditure incurred by enterprise to obtain Patent registration <input type="checkbox"/> Subsidy shall not exceed INR 5 lakh			

Note: Sectors, such as those producing sponge iron, bricks (apart from Fly Ash, Sand Lime, and Refractory Bricks), and those that have been approved for inclusion on the list by the State Government are not eligible for the Banglashree Scheme for MSMEs

The following section highlights the most availed subsidy categories under the incentive scheme implemented by the Government of West Bengal. Figure 4 illustrates the average of year-on-year growth of disbursement under WBIS scheme for 2016-2019. The subsidy categories with highest disbursement include (a) capital

Figure 16: Categories with highest disbursement trend under



subsidy (b) interest subsidy (c) refund on stamp duty (d) standard quality compliance (e) refund on VAT. In addition, power duty is also availed by entrepreneurs. These incentives allow upgradation of machinery, reduction of operational cost, conversion from manual techniques to modern equipment. Such outputs can potentially lead to outcomes like quality enhancement/reduction of defect products, reinvestment of interest savings, rise in

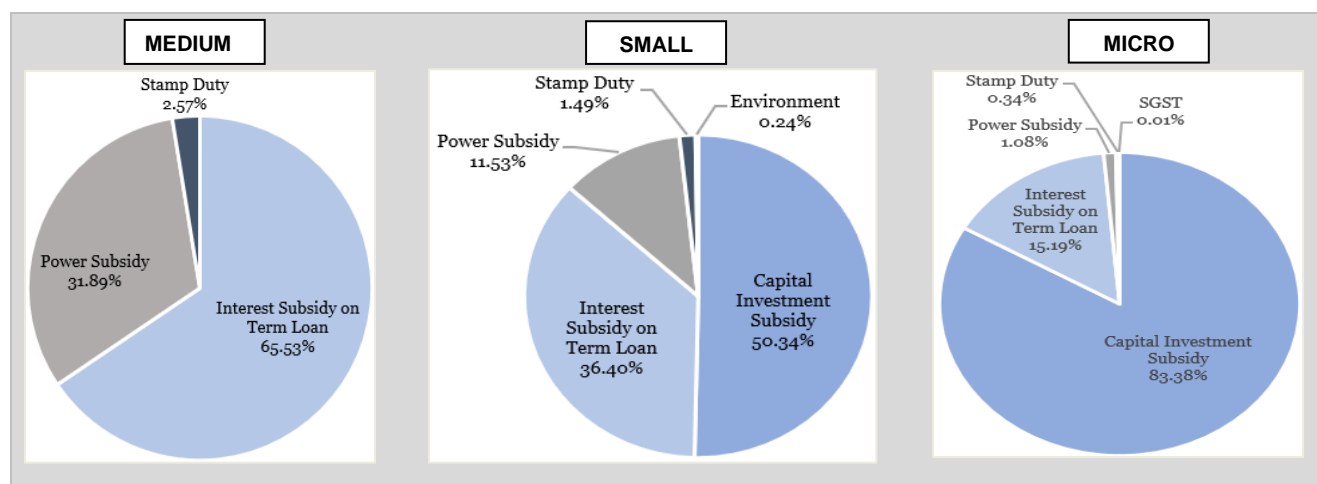
productivity and employment.

Further, as per the data, the uptake of application for availing incentives on energy efficient practices is lower in comparison to the forms of incentives mentioned above. The subsidies on energy efficiency, water conservation, and environmental compliance assists entrepreneurs in installation of energy-efficient equipment, promote energy audits, reduce the amount of industrial waste disposed in water bodies, and ensure that pollution control board rules are followed.

The total number of units sanctioned under the Banglashree since its launch in July 2020 is 179. Of them, 123 are small businesses, 24 are microbusinesses, and 14 are medium-sized businesses. The numbers for employment for each category of business are 3559, 526, and 1244, respectively. The most common subsidy types used include capital investment, term loan interest, electricity subsidy, and stamp duty. Additionally, small businesses are utilizing environmental compliance subsidies, demonstrating the preparedness to abide by environmental regulations and pollution control board requirements for business growth. The funds approved under the scheme has been outlined in Figure 17.

Given the MSMEs are required to be Udyam registered to avail benefits of the Banglashree scheme, the second chapter captures the proportion of MSMEs registered on Udyam portal in West Bengal.

Figure 17: Funds approved under Banglashree July 2020-March 2023



1.3 Proportion of MSMEs registered on the UDYAM portal

To promote the growth and development of MSMEs, Government of India (GoI) launched the Udyam portal. The GoI through its circular CG-DL-E-26062020-220191 requires the MSMEs to register in the Udyam portal. The objective of the portal is to provide the MSMEs with easier access to government schemes and initiatives, facilitate easier access to loans and credit, provide protection against delayed payments, provide quicker dispute resolution, and increase the visibility & marketability of MSMEs.

The number of MSMEs registered in the Udyam portal has been increasing at a significant rate. As of FY 2024 (July), the total number of MSMEs registered in the Udyam portal is 6.16 lakhs for the state. Out of the total registered MSMEs, 95.16 percent are micro-, 4.43 percent are small-, and 0.41 percent are medium-enterprises. Moreover, over the last two years, the number of MSMEs registered in the Udyam portal has increased at an annual average growth rate of more than 193 percent between FY2021 and FY2023 from a level of 63,789 to 5.14 lakhs between the same period. In addition, the growth in registration of various types of MSMEs in the Udyam portal between FY2021 and FY2023 is outlined in **Figure 18**.

Figure 18: Growth in registration of various types of establishments between FY2021 and FY2023

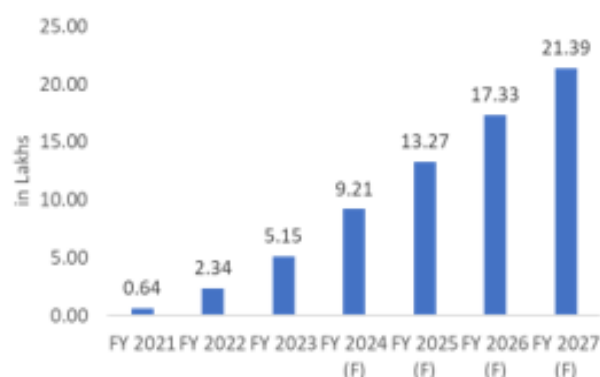
208.82%	Number of micro-enterprises registered in the Udyam portal increased by 208.82% over the last two years	77.47%	Number of small-enterprises registered in the Udyam portal increased by 77.47% over the last two years
35.95%	Number of medium-enterprises registered in the Udyam portal increased by 35.95% over the last two years		

Source: Ministry of MSME

There remains a large scope of improvement in the enrollment of MSMEs in the Udyam portal. Though at present, only 6.80 percent of total MSMEs have been registered in the Udyam portal, however, given the growth of the enrollments of the MSMEs in the Udyam portal, it is predicted that by 2030, more than 25 lakhs MSMEs could register themselves in the Udyam portal (**Figure 19**)

Figure 19: Year wise breakup of MSMEs registered in the state (left) and MSMEs expected to be registered till FY2027 (right)

Year	Micro-Enterprises	Small-Enterprises	Medium-Enterprises	Total
FY 2021	55,390	7,329	1,070	63,789
FY 2022	216,536	16,149	1,668	234,353
FY 2023	490,904	21,735	1,935	514,574
FY 24	688,005	26,959	2,501	717,732
FY 24*	821,985	28,567	2,582	853,134



A large number of MSMEs registered in the Udyam portal are from and around the Kolkata district.

Three districts namely Kolkata, North 24 Parganas, and South 24 Parganas constitute 31.87 percent of the total MSMEs in the state registered in the Udyam portal. For the other districts, the distribution is largely even. A detailed district-wise breakup of the MSMEs registered in the Udyam portal is outlined in the table below.

Table 5: District wise breakup of the MSMEs registered in the Udyam portal (as of 4th Sep 2023)

Sl #	District Name	Total Udyam	Micro	Small	Medium
1	North 24 Parganas	88178	85705	2309	164
2	Kolkata	86455	75602	9379	1474
3	South 24 Parganas	54128	52869	1193	66
4	Howrah	47822	45572	2096	154
5	East Medinipur	47782	46390	1337	55
6	Murshidabad	42855	41879	930	46
7	Hooghly	41682	40500	1113	69
8	Purba Bardhaman	34616	33454	1101	61
9	Nadia	32903	32206	677	20
10	West Medinipur	32757	31877	837	43
11	Paschim Bardhaman	28227	27031	1092	104
12	Malda	25213	24652	542	19
13	Darjeeling	23637	22301	1250	86
14	Birbhum	21073	20490	555	28
15	Jalpaiguri	18987	18269	682	36
16	Uttar Dinajpur	18806	18164	625	17
17	Coochbehar	17432	17080	340	12
18	Bankura	15913	15511	383	19
19	Purulia	11688	11407	273	8
20	Alipurduar	10749	10553	184	12
21	Dakshin Dinajpur	10034	9803	223	8
22	Jhargram	4603	4527	76	0
23	Kalimpong	2248	2218	30	0
	Total (As on 4th Sep 2023)	717788	688060	27227	2501

Source: Ministry of MSME, GoI

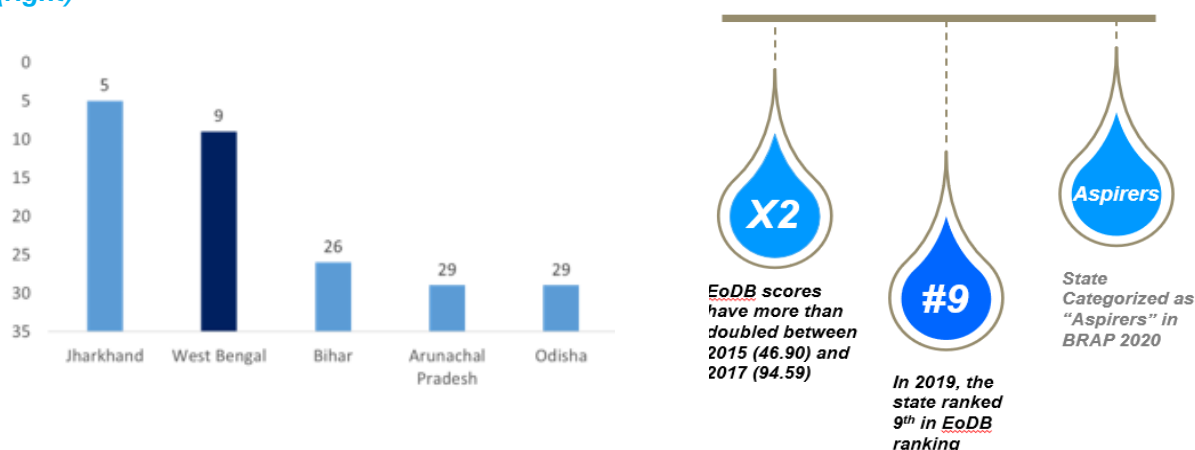
1.4 Position of the State in the latest EoDB Rankings

West Bengal features in the top 10 states with the highest EoDB ranks²³. In the last few years, the state has improved its business ecosystem in a significant way. From a score of 46.90 in 2015, the state has improved the score to 94.59 in 2017 underpinned by several initiatives undertaken by the state government. Moreover, in 2019, West Bengal ranked 9th in EoDB ranking published by the RBI²⁴ and amongst the east Indian states, the state comes second after Jharkhand in terms of EODB ranks. In this regard, the figure below provides a brief snapshot of the state's position in the EoDB ranking.

²³ EoDB can be defined as the degree to which the regulatory environment is conducive to business operations in a region. Reserve Bank of India (RBI) periodically publishes the EoDB scores, and rankings of various states based on implementation of reforms action recommended in the Business Reform Action Plan (BRAP) published by the Department of Industrial Policy and Promotion (DIPP).

²⁴ The EoDB scores for 2019 are yet to be published by the RBI.

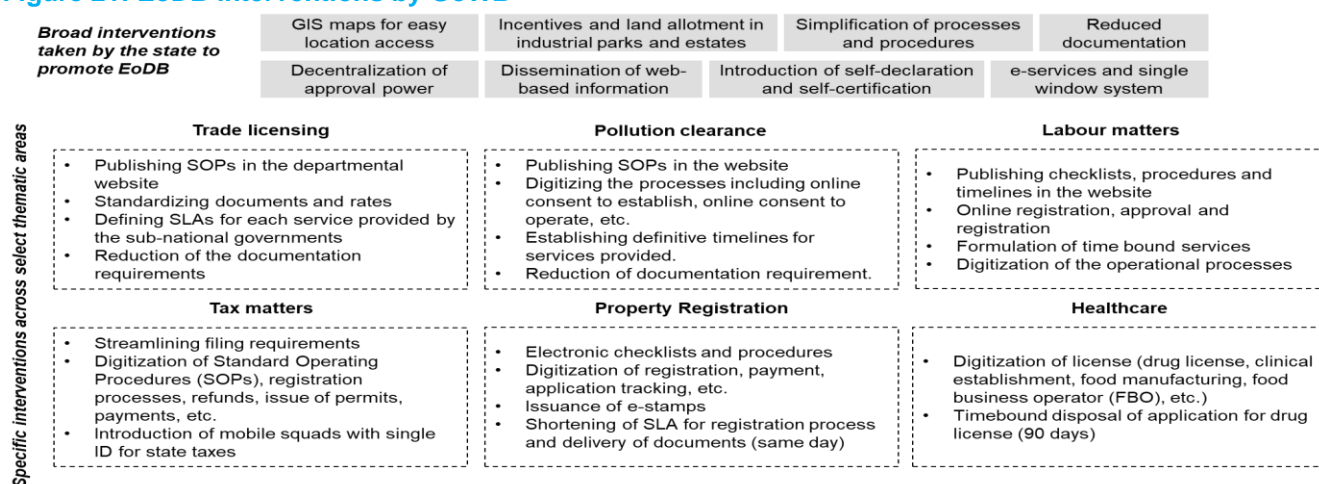
Figure 20: EoDB ranks of east Indian states in 2019 (left) and key EoDB statistics for West Bengal (right)



Source: Reserve Bank of India (RBI)

The improvement of the business ecosystem is supported by several state interventions. The Government of West Bengal has played a key role in improving the EoDB ranking of the state. The key enablers underlying the reforms includes easing regulatory norms, encouraging digitization of various processes, simplification of documentation requirements and other relevant initiatives. A brief snapshot of the various reforms initiated by the state is outlined in the figure below:

Figure 21: EoDB interventions by GoWB



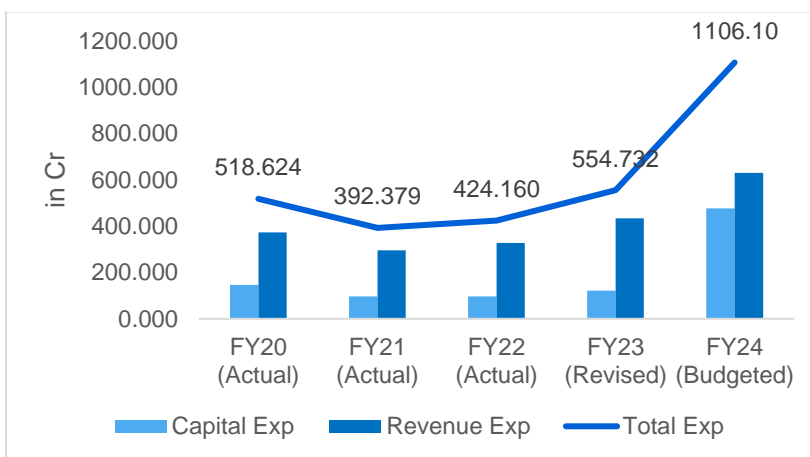
Source: Silpasathi, GoWB. For the detailed interventions please visit: <https://silpasathi.wb.gov.in/service-related-advantage>

1.5 Proportion of the latest State Budget allocated to MSME

The state MSME budget has been increasing over the past few years. The MSME budget for the state has more than doubled over the last five years from a level of Rs. 519 Cr in

FY2020 (actuals) to Rs. 1106 Cr in FY2024 (budgeted). While all the major heads under the MSME spending have seen growth, however, the maximum growth in spending is observed for the capital expenditure on the village and small industry which has increased from a level of Rs. 145.80 Cr in FY2020 (actuals) to Rs. 476.71 Cr in FY2024 (budgeted). It indicates the commitment of the state government to develop the MSME landscape. In this regard, **Figure 22** highlights MSME budget trend over the last five years.

Figure 22: MSME budget trend over the past five years



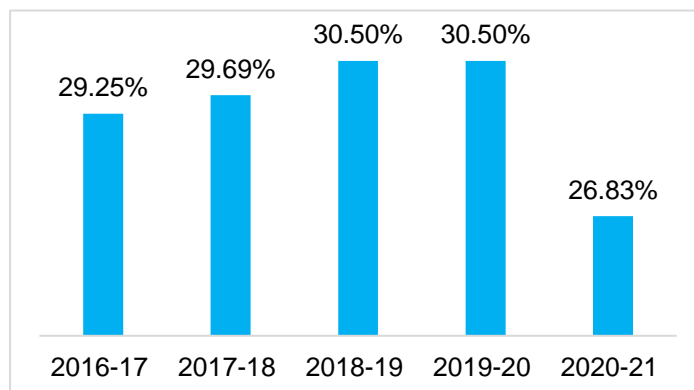
Source: Government of West Bengal

Though the MSME budget forms a small part of the total state budget, however, it has a high multiplier effect. As per budget publication number 9 and 13²⁵, the MSME budget constitute only 0.36 percent of the total state budget, however, the MSME GVA contributes to more than 10 percent of the state GDP. As per the available information, every rupee spent on MSME expenditure, generates 1.77-rupee worth of MSME GVA. Moreover, the outlay in other major sectors such as education, sports, art, and culture, etc. also have a direct or indirect impact on the state of MSME ecosystem.

1.6 Contribution of MSMEs to State GDP

MSME sector has been contributing around one-third of the GDP and was witnessing an increasing trend till FY 20. The average contribution by the MSME sector to the GDP of West Bengal was 29.35 % during FY 2017-21.²⁶ It decreased in 2020-21 after witnessing an increase during FY 2017-20. It is expected that the percentage contribution would have increased in the recent years based on the uptake in Udyam registrations and significance of MSME sector to West Bengal.

Figure 23: GDP contribution by MSME sector to GDP of West Bengal



Source: Ministry of MSME

1.7 Proportion of MSMEs onboarded on the TReDs Platform

The Trade Receivables Discounting System (TReDS) aims to address the issue of delayed payments to MSMEs. Launched by the RBI in 2014, TReDS is an electronic platform where receivables of MSMEs are drawn against the buyers (large corporates, PSUs, Government Departments, etc.) are financed through multiple financiers at competitive rates through an auction mechanism. However, it is estimated that less than 1

²⁵ Government of West Bengal. 2023. "Budget at a glance" and "Detailed demand for grants for 2023-24"

²⁶ Please note that due to the unavailability of data, the GDP contribution by the MSME sector of West Bengal has been assumed to be equal to that of India.

percent of registered MSMEs are onboarded to TReDS²⁷. As of July 2023, there are four TReDS operators approved by the RBI- M1xchange, RXIL, Invoicemart, and C2FO.

Most of the MSMEs are yet to be onboarded in the TReDs platform. The use of the TReDs platform in the state remains limited with only a few enterprises including West Bengal State Electricity Distribution Company Limited (WBSEDCL) and Kolkata Metro Rail Corporation Limited having onboarded the platform through invoicemart and RXIL respectively.

1.8 Proportion of State Public Sector Enterprises onboarded on TReDS

The TReDs platform is yet to be widely used by the MSMEs (including PSEs) for invoice financing. As of July 2023, two PSEs namely WBSEDCL, a GoWB undertaking and Kolkata Metro Rail Corporation Limited, a Gol undertaking has been onboarded in the TReDS platform. Given the priority of the state government, the use of TReDS as a means for easier access to finance is expected to be increased in the coming years.

1.9 Number of people employed in MSMEs registered on Udyam Portal (2021-22)

West Bengal has historically been one of the largest contributors to the employment generated by MSMEs. As per the 73rd NSS report, the MSME sector employed 135.5 lakhs people in the state during the year 2015-16. It represented more than 12 percent of the total employment generated by the MSMEs across India only behind Uttar Pradesh. Moreover, the employment pool of the MSME sector in the state has the largest female representation as compared to any other state in the country.

The MSMEs registered on the Udyam portal represent more than 20 percent of the total employment generated by MSMEs in the state. In FY2023, the MSMEs registered on the Udyam portal employed 29.48 lakh people which represented 21.76 percent of the total employment generated by the MSMEs as per the 73rd NSS report. The growth of employment has been significant in the last two years due to the large increase in the registration of the MSMEs in the Udyam portal. Since FY2021, the number of persons employed increased by a CAGR of 63 percent from a level of 11.14 lakhs in FY2021 to 29.48 lakhs in FY2023. In this regard, the trend of the employment generated by the MSMEs registered in the Udyam portal is outlined in the table below:

Table 6: Employment by MSMEs registered in the Udyam Portal (in Thousands)

Year	Micro-Enterprises	Small-Enterprises	Medium-Enterprises	Total
2020 – 2021	536.13	357.22	221.40	1114.75
2021 – 2022	1779.50	237.61	60.03	2077.14
2022 – 2023	2822.84	97.62	27.85	2948.31

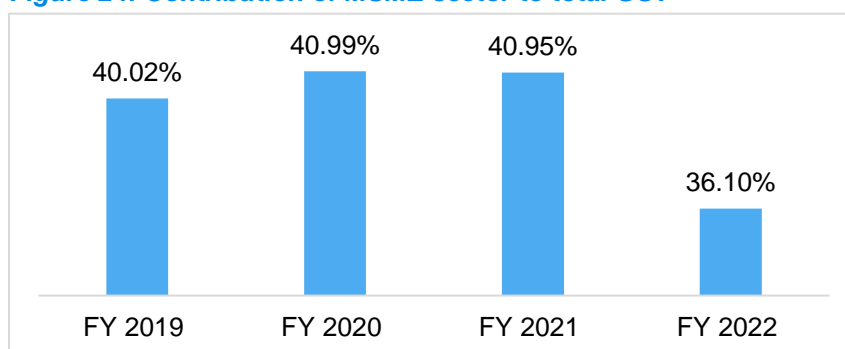
Source: Government of West Bengal

²⁷ Global Alliance for Mass Entrepreneurship and Dun & Bradstreet (D&B). 2022. “Unlocking the full potential of India’s MSMEs through prompt payments”

1.10 Contribution of MSMEs to total tax revenue of the State

MSME sector has been contributing around two-fifths of the total GST revenue. The average contribution by the MSME sector has been 39.52% during FY 2019-22.²⁸ It witnessed an increase during FY 2019-20, post which it witnessed a decline in the subsequent years. It is expected that the percentage contribution would have increased in the recent years based on the uptake in the Udyam registrations and significance of MSME sector to West Bengal.

Figure 24: Contribution of MSME sector to total GST

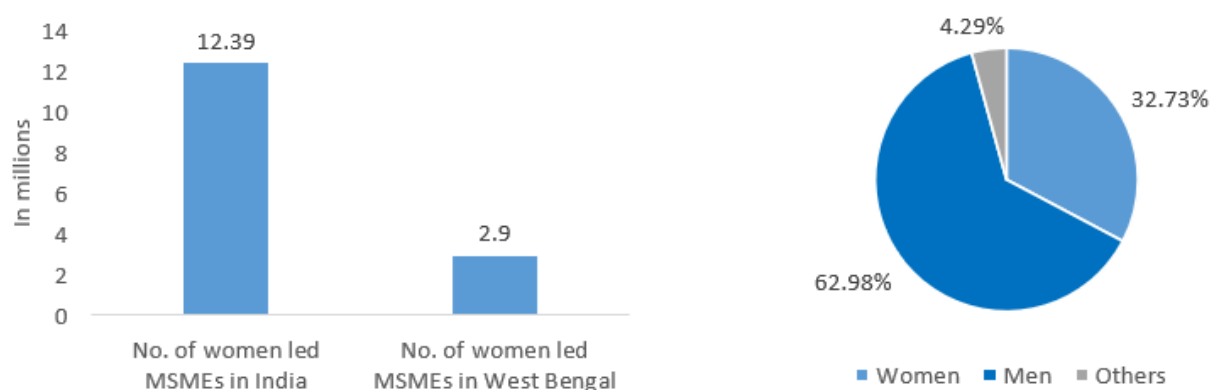


Source: GST Network, India

1.11 Proportion of women-led enterprises to total MSMEs on UR

West Bengal has the largest number of women led MSMEs in India. As per the 73rd NSS report, out of the 8.87 million MSMEs in the state, 32.70 percent or 2.90 million MSMEs are women owned. In addition, the female led MSMEs in the state also constitute 23.42 percent of all the female led MSMEs across the country making the state the largest contributor of female ownership of MSMEs.

Figure 25: Number of women led MSMEs in the country (left) and profile of ownership of MSMEs in the state (right)



Source: Annual Report 2022-23, Ministry of MSME

Even among the MSMEs registered in the Udyam portal, there remains a significant women owned business. In FY2023, out of the 5.14 lakhs MSMEs registered in the Udyam Portal, 15.33 percent or 78,877 number of MSMEs are owned by females²⁹. Moreover, the number of women owned MSMEs have more than doubled in the last financial year from 35,045 in FY2022 to 78,877 in FY2023 supported by various initiatives and state level schemes for these women entrepreneurs.

²⁸ Please note that due to the unavailability of data, the GST contribution by the MSME sector of West Bengal has been assumed to be equal to that of India.

²⁹ Press Information Bureau, Ministry of MSME. 2023. "More than 2 lakh women owned MSMEs registered on Udyam portal during special drive"

Table 7: Female led MSMEs in the last two years

FY2022				FY2023			
Micro enterprises	Small enterprises	Medium enterprises	Total	Micro enterprises	Small enterprises	Medium enterprises	Total
33,498	1482	65	35,045	76,642	2146	89	78,877

Source: Ministry of MSME

There remains a large opportunity for encouraging more women led MSMEs to register in the Udyam portal.

1.12 Citizen Charter for DICs notified in the State

The citizen's charter for DIC represents the commitment of the DICs towards standard, quality and time frame for service delivery, grievance redressal mechanism, transparency, and accountability. The charter outlines the vision, mission as well as an accountability framework outlining the commitment of the DICs to the MSMEs in respect of the services being provided to them in a time bound manner. The citizen's charter for the state DIC has been notified and uploaded on the portal. The notification has been provided in Annexure 3. The citizen charter can be accessed at https://wbmsmet.gov.in/assets/contents/citizen_charter.pdf

1.13 Proportion of cases resolved with respect to total cases registered in MSEFCs

The Micro and Small Enterprise Facilitation Council (MSEFC) facilitates settlement of disputes of the MSMEs. Established under the Micro, Small and Medium Enterprise Development Act 2006, the MSEFC acts as an arbitrator for settlement of any disputes regarding the payment between the MSME units. The MSEFC reviews the complaint submitted by the supplier MSME unit over the delayed payments and directs the buyer unit in making the required payments along with any applicable fines³⁰. In order to facilitate MSEFCs in delivering on their mandates, the Government of India (GoI) has developed the "MSME Samadhaan" portal that acts as an electronic platform for filing application by the supplier MSMEs against the buyer regarding any delayed payments. The application can in-turn be digitally viewed by the MSEFC, concerned central ministries, departments, CPSEs, and state-governments for their respective actions.

The MSEFC in the state has been relatively active.

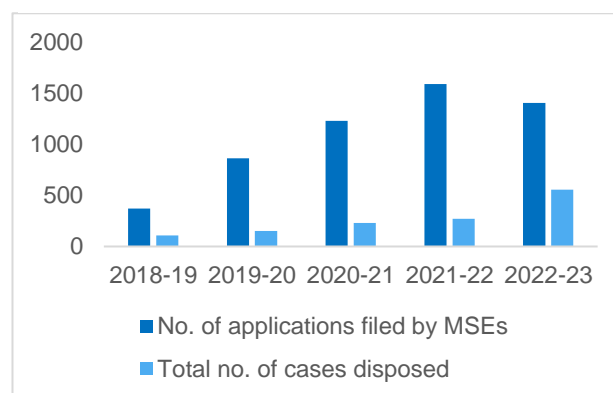
Since the last five years, on an average, 24 percent of cases registered with the council have been disposed. It remains higher than the national average of 19.40 percent³¹. In addition, the total amount involved in the cases disposed by the council for the past five years amounts to INR 399 Cr.

The total number of cases disposed as well as the amount involved has been increasing over the years.

The total number of cases disposed by the MSEFC in the state has increased from 110 in FY2019 to 556 in FY2023 with the amount involved increasing from INR 49

Cr to INR 139 Cr during the same period. Moreover, in FY2023, the percentage of cases resolved with respect

Figure 26: Trend of cases disposed by MSEFC



Source: Government of West Bengal

³⁰ Government of India (GoI), 2006. "Draft rules of micro & small enterprises Facilitation Council (MSEFC) under the MSME Development Act 2006"

³¹ Ministry of MSME, GoI. 2023 (July). "MSME Samadhaan Dashboard"

to the total cases registered with MSEFC was **39.46 percent**. A detailed breakup of the status of the cases registered with the West Bengal MSEFC are as follows:

Table 8: Detailed breakup of cases registered with WBMSEFC

Financial Year	Total no. of cases registered with MSEFC	Total no. of cases disposed	Amount involved (INR Cr)
FY2019	373	110	49
FY2020	866	153	48
FY2021	1232	232	93
FY2022	1593	271	70
FY2023	1409	556	139

Source: Government of West Bengal

1.14 Growth in the total volume of digital payments done (Y-o-Y basis)

The digital payment landscape in India has seen tremendous growth. The digital payment landscape in India has been supported by several reforms including the introduction of the Unified Payment Interface (UPI), Bharat Interface for Money (BHIM) app, the DigiDhan mission for developing digital infrastructure for financial transactions, and several other supporting measures. Consequently, the volume of transactions through the digital medium has increased significantly, from INR 26.5 lakhs in 2016 to more than INR 8375 Cr in 2023. In 2022, the total UPI transaction value accounted for nearly 86 percent of India's GDP³².

The growth of the digital payment landscape in the state has also been significant. In West Bengal, the use of ATM transactions has increased by 8.20 percent in FY2023 to reach a level of 2631 lakhs from a level of 2432.4 lakhs a year ago³³. In terms of digital payment transactions, the state registered a growth of 60.97 percent in FY2021 over FY2020 through applications such as the BHIM, IMPS, RuPay on PoS, UPI and USSD. Consequently, it remained the 12th largest market in terms of digital payments in India (**Table 9**).

Table 9: State wise number of digital payment transactions through BHIM app, IMPS, RuPay on POS, UPI, and USSD

Sl#	Name of the state	FY2020	FY2021	Growth (%)
1	Maharashtra	2380	4038	70
2	Uttar Pradesh	2456	3252	32
3	Karnataka	1662	2807	69
12	West Bengal	523	842	61

Source: Financial Inclusion Outreach in West Bengal 2022-23, NABARD

³² National Informatics Center, Government of India (Gol). 2023. "Digital Payments Driving the Growth of Digital Economy"

³³ National Payments Corporation of India (NPCI). 2023. "NFS- District wise statistics"

2. Key challenges and gaps in the MSME ecosystem

The initiatives undertaken by the Government of India and the Government of West Bengal have helped in the development of the MSME ecosystem. MSMEs established in West Bengal have benefited from different schemes launched by the Ministry of MSME, such as the Credit Guarantee Trust Fund for Micro and Small Enterprises, Pradhan Mantri Mudra Yojana, Credit Linked Capital Subsidy Scheme, Micro and Small Enterprises Cluster Development Program and others. Similarly, the Department of MSME & Textiles, West Bengal (hereafter referred to as “department” only) has also implemented several initiatives to support the development of MSME ecosystem of the state. “Bhabishyat Credit Card” and Banglashree are the flagship programs of the department. The “Bhabishyat Credit Card Scheme” supports aspiring entrepreneurs by providing collateral-free and subsidy-linked loans. The “Banglashree” scheme provides a number of incentives (such as capital investment subsidy, interest subsidy, waiver of electricity duty, power subsidy, energy efficiency subsidy and others) aimed at supporting the growth of enterprises.

The Department is committed to support the further development of the MSME ecosystem and has thus, identified some of the constraints and gaps that hinder the growth of the MSME ecosystem. The department has identified constraints to the growth of the MSME ecosystem by interacting with representatives from MSMEs, clusters, industrial parks, financial institutions, educational institutions, and others. An MSME progresses through different stages in its lifecycle and thus, faces different sets of challenges in each stage. Thus, the challenges have been categorized into five pillars, namely the Initial phase, Access to Finance, Access to Market, Access to Technology and other key factors. An overview of these pillars has been provided below:

Figure 27: Overview of key pillars for MSME ecosystem



- I. **Initial phase:** It is the inception phase, which starts from ideation to the establishment of key operations. Thus, the pillar covers aspects related to formalization (Udyam registration), rules & regulations for setting up businesses, access to utilities (such as electricity, water and other resources) and other relevant factors in the entrepreneurial ecosystem.
- II. **Access to finance:** This pillar is related to the ability of enterprises to obtain the necessary financial credit at optimal terms and conditions. Adequate financial support will be critical for supporting the growth of these enterprises. Thus, the pillar covers aspects related to financing sources, credit assessment and the resolution of disputes related to payment obligations.
- III. **Access to the market:** It refers to the capability of enterprises to source raw materials from appropriate vendors and deliver their products to target customers or clients. It is critical for an MSME to have the right market linkages to achieve optimal margins in its operations. Thus, the pillar covers aspects related to market outreach, trade infrastructure and processes and sourcing and distribution channels.
- IV. **Access to technology:** This pillar corresponds to the ability of enterprises to acquire the required technologies and leverage those to achieve improvements in productivity and performance. The spectrum of technologies can expand from digital software to AI & IoT solutions. Developing

capabilities in intellectual properties will also result in the improvement of the innovative potential of MSMEs and thus, the pillar also covers aspects related to intellectual properties.

- V. **Other key factors:** - In addition to these five pillars, access to skilled human capital, proper infrastructure and adoption of sustainable practices are also important for the MSME ecosystem. Access to skilled human capital pertains to recruitment, retention, and upskilling of the workforce. It has been often observed that MSMEs require a workforce with a definite skill set and at times, it can be challenging to recruit candidates with the required skill set. In addition, access to appropriate infrastructure, including physical infrastructure and transportation networks, will be crucial for the growth of the MSME ecosystem. Given the significance of transitioning to environment-friendly practices, it is important that MSMEs are provided the necessary support in this regard.

An overview of the key challenges identified across these pillars, have been mentioned in [Figure 28](#).

Figure 28: Overview of key challenges in the MSME ecosystem

Initial phase	Access to finance	Access to Market	Access to technology	Other challenges
Limited registrations on Udyam portal	Decline in Credit ratings and rising interest rates	Limited support in identifying potential markets	Sub-optimal adoption of Digital Software	Sub-optimal participation in ZED Scheme
Need of further improvement in EoDB	Limited awareness of Alternate Financing sources	Substantial dependence on intermediate entities	Limited implementation of AI and IoT solutions	Need of upgrading infrastructure
Absence of well-developed entrepreneurial ecosystem	Limited participation in TReDS platform	Limited adoption of E-commerce platforms	Limited investment in developing intellectual properties	Limited awareness of upskilling initiatives
Inadequate expertise in preparing DPR	Legal constraints in the dispute resolution process	Sub-optimal utilisation of Trade Infrastructure for Export Scheme	Need of developing strategic foresight capabilities	Limited adoption of Green Initiatives

2.1. Challenges and gaps during the initial phase

In this section, challenges faced by MSME during the initial phase have been outlined. The challenges have been identified based on our assessment and interaction with different stakeholders. The department has found out that formalisation (using Udyam registration), improvement in the parameters related to Ease of Doing Business (EoDB), development of entrepreneurial culture & support ecosystem and assistance in preparation of DPRs are the potential areas of development in this stage.

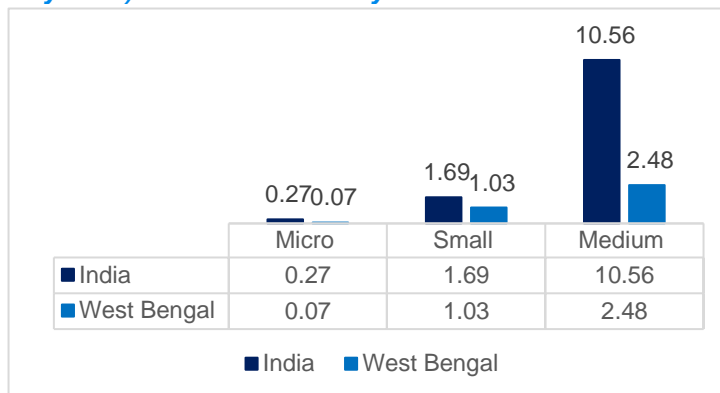
Limited registrations on Udyam Portal

Registration on the Udyam Portal helps MSMEs avail benefits of different programs. Registration on the Udyam Platform has been made mandatory for availing of different schemes provided by the Govt. of India, such as the 2nd Loan for upgradation of the existing PMEGP/REGP/ MUDRA units, the welfare scheme for Coir workers, ZED certification, MSME – Innovative, Procurement and Marketing support and others. Similarly, registration on the Udyam Portal is mandatory for availing the benefits of the flagship scheme of the department (Banglashree Scheme). In addition, Udyam registration is also mandatory for filing disputes on the MSME Samadhaan Portal.

Limited awareness of the benefits associated with Udyam registration and the provision of linking Permanent Account Number (PAN) are the key challenges faced in Udyam registration. The Department has undertaken several initiatives to increase Udyam registration. It has conducted awareness sessions to encourage Udyam registration and has deployed personnel from District Institutes, Facilitation Center, and Entrepreneurship Development Cell to assist in the Udyam registration process.

The registration on the Udyam portal has witnessed an increase of 4.39X as it increased from 63,789 in FY 2021 to 2,80,221 in FY 2023 as a result of the initiatives undertaken by the department. The MSME ecosystem of West Bengal has attained significant progress in Udyam registration among small and medium enterprises as compared to the NSS 73rd round survey. The registration of micro-enterprises on the Udyam portal needs further improvement as there has been inadequate registration of micro-enterprises as compared to the numbers obtained during the NSS 73rd Survey. Around 6.60% of the micro-enterprises (identified in the 73rd round NSS survey) have registered on the Udyam portal in the case of West Bengal, whereas for India, the figure is 26.98%. The rate of Udyam registration among medium enterprises has been significantly higher at the national level (around 4X) than that witnessed at the state level. The department has observed that limited awareness about the Udyam registration and its benefits has impacted the registration. In addition, the provision of linking PAN has also affected the Udyam registration as a significant number of MSMEs are yet to apply for PAN while some of the other MSMEs are hesitant to share the details.

Figure 29: Ratio of current Udyam registration (as of 25 July 2023) to 73rd NSS survey



Need for further improvement in parameters contributing to Ease of Doing Business

Implementation of investor-friendly reforms has helped the state improve the Ease of Doing Business (EoDB) rankings. GoWB has implemented a number of reforms to develop a conducive environment for the private investors. It has established a single window agency called “Silpasathi” for providing all the services required for setting up and operating businesses in a single platform. The Silpasathi Agency has three modules (“Information Wizard”, “GIS-based landbank”, “Single Window Portal”). The “Information Wizard” highlights the list of permits/No-objection Certificates (NOCs) and permits required for establishing the business enterprise, the GIS-based landbank provides details regarding the infrastructure and facilities available for industrial parks and the Single Window Portal has a provision of “Common Application Form”, that can be used for obtaining the clearances. GoWB has adopted the principle of “Trust-based” governance that facilitates the real-time issuance & renewal of trade licenses and self-certified issuance of certificates from the Department of Environment, Department of Labour, Department of Health, Family & Healthcare and Department of Finance.

GoWB is committed to implementing the reform actions (mentioned in the Business Reforms Action Plan report) and progressing towards the “Top Achievers” category under the Business Reforms Action Plan (BRAP). The EoDB ranking has been replaced by the categorisation of states in 2020. West Bengal is currently ranked in the “Aspirers” category. GoWB has already implemented most of the reforms

outlined in the BRAP report and plans to implement the remaining interventions in the near future. The list of reform measures comprises a combination of partially implemented and yet-to-be-implemented reforms that the government aims to achieve in the long run.

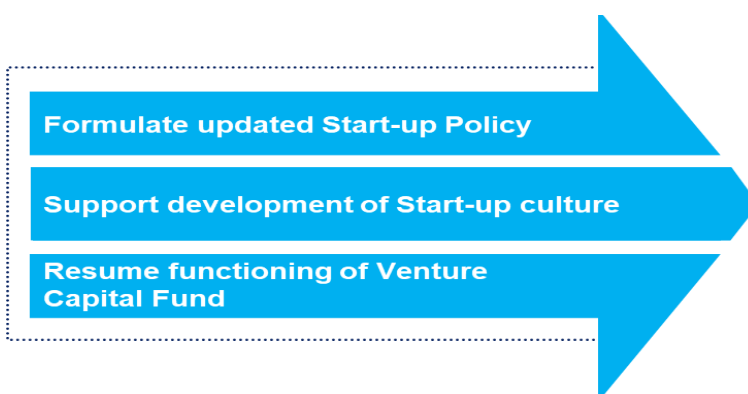
Table 10: Indicative list of the reforms to be implemented for improving ease of doing business³⁴

Reform area	Reform actions
Partially implemented	
Property Registration	Integrate mutation process with the registration process and share intimation upon registration
License for sale, import and export of Indian made foreign liquor	Clear timelines to be incorporates in the Public Service Delivery Guarantee Act
Yet-to-be-implemented reforms	
Police and Traffic	Availability of information regarding fees, procedures, and list of documents on the website
Police and Traffic	Availability of information regarding registration and renewal information in the public domain
Permission from District Collectors	Development of an online system for submission of applications
Permission from District Collectors	Publication of information on registrations and renewals in an online dashboard

Absence of well-developed entrepreneurial culture and support ecosystem

The development of an updated start-up policy will help further strengthen the start-up ecosystem. GoWB has implemented the start-up policy 2016-21 with the vision of becoming one of the most preferred start-up destinations in India. The state provides support for establishing Entrepreneurship Development Centre Network in educational institutions, and these centres are responsible for developing entrepreneurial culture among the students. However, the last Start-up Policy was drafted for the year 2016-21. The department is keen on developing an updated Start-up Policy and which will be revised in line with emerging requirements and stakeholder discussions.

Figure 30: Key areas of improvement in the start-up ecosystem



A lack of a well-developed entrepreneurial mindset and limited awareness about support initiatives are the major constraints to the development of entrepreneurial culture in West Bengal. Initiatives have been undertaken to develop an entrepreneurial ecosystem, but high risk-averseness and reliance on traditional processes restrict individuals from setting up their ventures. This has resulted in inadequate establishment of

³⁴ Note: - Please note that the 301 reforms have been identified and hence we have provided a list of certain reforms across 5 different areas

start-ups when compared to the national level.³⁵ GoWB has established accelerator centres in each of the 23 districts to support the entrepreneurs during the initial stages. The department has planned to provide capacity-building support to these aspiring entrepreneurs with the help of eminent industry experts, academicians, and researchers in the accelerator centres. However, it has been noticed that there is limited awareness of these initiatives among the entrepreneurs located in sub-urban areas, and thus, they are unable to avail of these support incentives.

Lack of access to financial support is one of the key challenges faced by start-ups as they scale up. It was inferred that the limited development of the support ecosystem (mainly venture capitalists) is one of the major challenges faced by enterprises during their growth stage. Thus, GoWB has established an MSME Venture Capital Fund to support the MSME ecosystem in West Bengal. The envisaged corpus for the fund was INR 200 crores, of which GoWB has committed to providing support of INR 100 crores. The Small Industries Development Bank of India (SIDBI) has also decided to contribute 15% in this regard. The department has already started supporting start-ups using the funds and disbursed INR 14 crores to 3 start-ups. However, the disbursement of funds has been discontinued because of certain operational reasons. The department is keen on revamping the overall structure of the fund and resuming the disbursements. In addition, the department will be onboarding a greater number of venture capital funds and listing them on the “Start-up Bengal” platform.

Inadequate expertise in preparation of Detailed Project Reports (DPRs)

It has often been noticed that MSME lacks the technical skills and expertise required to prepare Detailed Project Reports (DPRs) for projects. The DPR provides an overview of the rationale, objectives, financial and operational aspects of the project. The financial aspects of the project include information about the potential market size, projected cashflows and offered collateral. The financial institutions use DPRs to assess the viability and risk associated with the project. In addition, the DPRs can help in conducting an overall assessment of the project, and this assessment can help the entrepreneurs evaluate their ideas and identify the risks associated with them. However, MSMEs have limited capacity and inadequate technical expertise to prepare the DPRs, as it involves sectoral, technical, and financial proficiency. In addition, there is limited awareness about the assistance services available for preparing DPRs.

2.2. Challenges and gaps in accessing financial resources

In this section, the department has outlined the challenges faced while accessing financial resources. The key challenges were the decline in credit scores & rising interest rates, limited awareness about alternate financing sources, limited participation on the Trade Receivable Electronic Discounting System (TReDS) platform and legal constraints in dispute resolution process.

Decline in credit ratings and rising interest rates

The decline in credit scores during the COVID-19 pandemic and rising interest rates have impacted the borrowing capabilities of MSMEs. Commercial banks use their credit assessment mechanism while evaluating the creditworthiness of these MSMEs. The credit assessment mechanism of these banks is based on the credit ratings, which are primarily determined by past credit history. The disruptions caused by the COVID-19 pandemic impacted the loan-repaying capacity of these MSMEs and, thus, affected their credit scores. In addition, rising inflation rates also led to an increase in interest rates. The decrease in credit ratings along with an increase in interest rates resulted in a challenging situation for these MSMEs. Thus, MSMEs are interested in improving their current credit scores so that it will help them borrow at optimal interest rates. The department plans to enhance awareness about alternate credit ratings and encourage MSMEs to opt for these ratings.

³⁵The number of start-ups recognised by the DPIIT have grown 185.87X during 2016-21 at the national level while in case of West Bengal, it is 114.5x. Source: - <https://pib.gov.in/PressReleasePage.aspx?PRID=1881495#:~:text=Sustained%20Government%20e%EF%AC%80orts%20result%20in,2016%20to%2084%2C012%20in%202022>

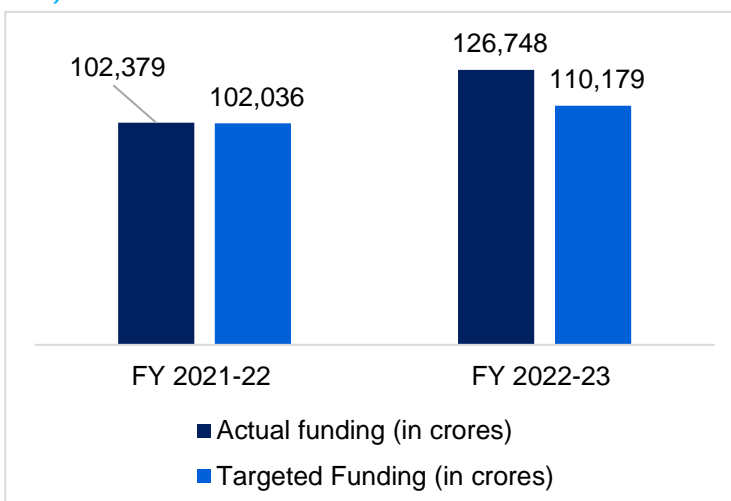
Limited awareness about alternate financing sources

The banking institutions have offered immense support to the MSME ecosystem of West Bengal, but collateral requirements and a decreased CIBIL score have impacted the borrowing from the banking sector.

The credit provided by the banking sector to the MSMEs of West Bengal increased by 23.80% during FY 2022-23 as the funding increased from INR 1.02 lakh crores in FY 2021-22 to INR 1.27 lakh crores in FY 2022-23. The actual credit funding from the banking sector surpassed targeted funding in the last two financial years. However, it has been often observed that banking institutions are generally reluctant to lend to MSMEs on account of inadequate collateral, low CIBIL score and the absence of other required documents. Thus,

there is an overall credit gap in the MSME ecosystem even if banking institutions have achieved their targets.³⁶ Strengthening the landscape of alternate financing sources can be helpful in this regard. The alternate sources of financing can be categorized into four types “asset-based lending”, “alternative debt”, “hybrid instruments” and “equity instruments”.³⁷ In addition to minimizing the financial gap, alternate financing service providers have undertaken several steps for attracting the MSMEs such as development of alternate credit assessment mechanisms, development of customised loan offerings and lesser focus on collateral requirements. However, there is limited awareness of these financing platforms in the MSME ecosystem. In addition, most of these are fintech platforms and MSMEs have limited expertise and experience of operating these digital platforms.

Figure 31: Targeted and actual credit funding of the financial sector for MSME ecosystem of West Bengal (in INR)



Limited participation on the TReDS platform

Lack of awareness regarding the TReDS platform has been a major constraining factor behind its low adoption. Invoice factoring can help MSMEs have access to sufficient working capital, but there is negligible awareness of TReDS among MSMEs. In addition, limited understanding of the functioning of TReDS platform has also led to negligible participation in the MSME ecosystem. The participation of corporate buyers has also not been adequate. Corporate buyers are reluctant to get onboarded onto the platform. Some of the reasons are lack of insurance against risks arising due to sub-optimal delivery of goods and services, limited presence of financial players and “reverse-factoring” already facilitated by their corporate treasury departments. However, the department is interested in increasing the adoption of TReDS and it has already planned to publish an official notification, which will lead to formal recognition of all TReDS platform providers in West Bengal.

³⁶ Note: - According to an assessment conducted by IFC, the credit gap for the MSME ecosystem of West Bengal in FY 2016-17 was estimated to be INR 1.77 trillion.

³⁷ Source: - “New Approaches to SME and Entrepreneurship Financing: Broadening the Range of Instruments”, OECD

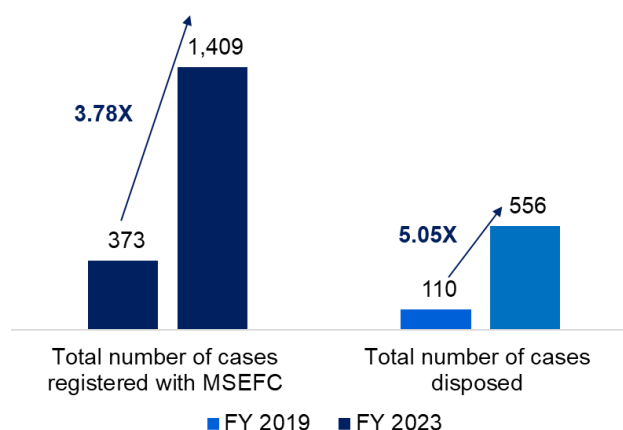
Constraints in the dispute resolution process

The legal constraints in the dispute resolution process impact the optimal functioning of MSEFCs (Micro and Small Enterprises Facilitation Councils). The MSEFCs are responsible for resolving disputes related to delayed payments filed by Micro and Small Enterprises (MSEs). The Government of India (GoI) launched the MSME-Samadhaan Portal in 2017 to provide a one-stop platform for filing cases related to delayed payment.

Once filed, the applications will be transferred to state-level MSEFCs. The department has increased the number of MSEFCs and has established facilitation councils at Siliguri (North Bengal), Kolkata and Durgapur (South Bengal) and it plans to establish a facilitation council in each district. The number of resolved cases in FY 2023 was almost five times the number of cases resolved in FY 2019 as a result of these initiatives. However, the

department understands there is potential for further accelerating the rate of dispute resolution. During FY 2019-23, the case resolution rate at the national level was 47.81% and in the case of West Bengal, it was 35.61%.³⁸ The department has identified that there are legal constraints in dispute resolution process mandated by the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. The act mandates that the conciliation process has to be chaired by an official not below the rank of Director. Thus, even though the department has increased the number of facilitation councils, there are challenges in expediting the resolution of cases unless the law mandates some devolution of responsibilities.

Figure 32: Comparison of increase in filed and disposed cases during FY 2019-23



³⁸ Note: - For the national level statistic, we have considered the data of MSME Samadhaan portal while for West Bengal, the actual figures provided by MSEFC has been considered.

2.3. Challenges and gaps impacting ease of access to market

In this section, the department has outlined the challenges faced by MSMEs in accessing their customers and clients and procuring from vendors. The key challenges have been limited awareness of potential markets, substantial dependence on intermediate entities, limited familiarity with online marketplaces and limited utilisation support provided through Trade Infrastructure for Exports Scheme (TIES).

Limited support in identifying potential markets

The government entities and educational institutions have played a critical role in enhancing export potential, but limited information about potential markets and their expectations restrict MSMEs from increasing the outreach of their products. The West Bengal State Promotion Society has been established under the Department of MSME & Textiles and it works in tandem with the Export Promotion Councils and Trade Promotion Organizations. It interacts with potential buyers and assists MSMEs in resolving disputes and complaints. In addition, the Export Facilitation Cell (established within MSME-DFO, Kolkata) is also supporting MSMEs in export processes. Some of the key areas of assistance include developing & maintaining a directory of exports, providing assistance in obtaining an Import-Export Code and conducting awareness sessions on different export-related concepts. The Indian Institute of Foreign Trade, Kolkata has also been assisting MSMEs in increasing exports. It has conducted an analysis of the value chain of the Zari Cluster and Metiabruz Readymade Garment Cluster and identified the additional technical & marketing support required for improving export potential. The department has found out that MSMEs are interested in identifying other additional potential markets for their products and are looking for assistance in this regard. In addition, they would like to understand the expected quality standards and other regulations applicable to those markets. MSMEs are also interested in developing appropriate strategies for product development, marketing, and packaging so that they can improve their competitiveness. Thus, there is potential for providing support in this regard.

Figure 33: Key entities working towards promoting exports



Substantial dependence on intermediate entities

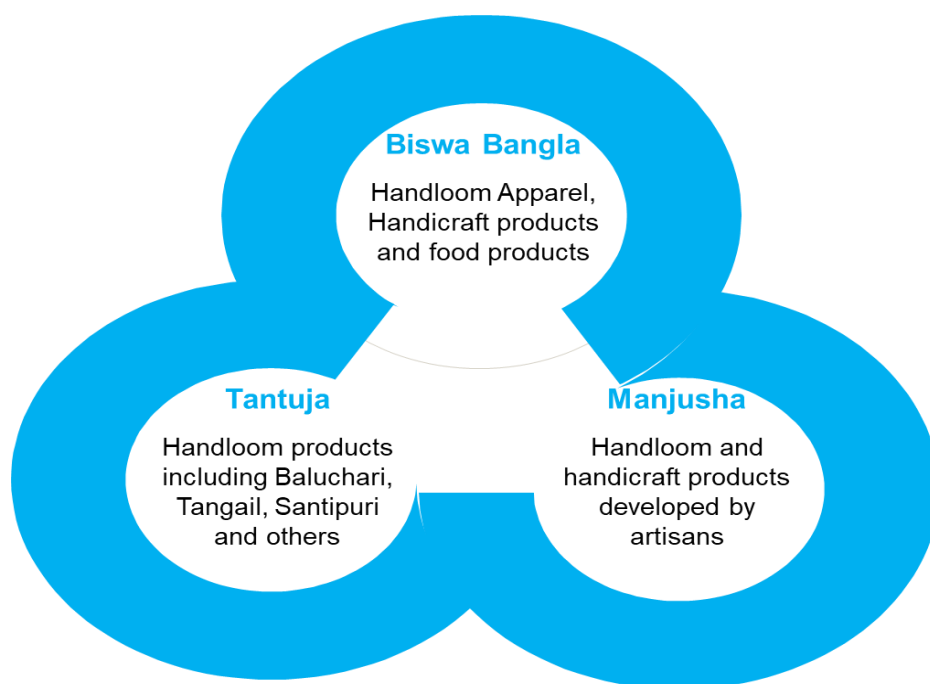
It has been observed that clusters face challenges with procuring raw materials and accessing new markets. Many of the clusters are dependent on intermediate entities for procuring raw materials and selling their end products. For instance, clusters dealing with ready-made garments (RMG), are often reliant on traders for getting orders and also seek design-related inputs from traders as they interact with the customers/clients on a more frequent basis. Traders supply raw materials to the manufacturing units quite often. The units sell a significant portion of their end-products to the traders as they have limited understanding of destination markets. The payment to traders has a significant impact on the profit margins of these producers. The dependence on traders has resulted in high-risk averseness among producers, as they believe exploring new markets will sever their ties with traders. Given the right support for export promotion and marketing assistance, it is expected that these enterprises would like to venture into international markets.

Limited awareness of online marketplaces

MSMEs are accustomed to selling their products in the offline mode (Trade Fairs, Exhibitions, and others) but have started using online marketplaces on account of the initiatives undertaken by the department. MSMEs are encouraged to participate in exhibitions, trade fairs and vendor development

programs. The vendor development programs help in connecting MSMEs with potential buyers. The department has conducted 3 national-level vendor development programs and 11 state-level vendor development programs during FY 2021-22. GoWB has also launched several platforms for expanding the reach of the products. The prominent brands and their products have been captured in **Figure 34**. In addition to establishing an online platform, Biswa Bangla Marketing Corporation has also opened state-of-the-art showrooms in Kolkata, New Delhi, Darjeeling and Bagdogra Airport.

Figure 34: Prominent brands and their products



In spite of these measures, a significant portion of MSMEs are restricted to offline channels only and it has been inferred that they will require further support in transitioning to online channels. The department has conducted several awareness programs for encouraging participation in the Government e-Marketplace (GeM), but the participation is yet to achieve the expected figures. In addition, limited initiatives have been undertaken for creating awareness regarding the Open Network Digital Commerce (ONDC) in the MSME ecosystem. The department is interested in leveraging the ONDC platform for increasing the outreach of products offered by the MSME ecosystem.

Sub-optimal utilisation of support provided through Trade Infrastructure for Exports Scheme (TIES)

West Bengal has certain competitive advantages in trade infrastructure, but it can leverage the TIES for upgrading and modernizing its trade infrastructure. The state has the third largest road network, the first private sector greenfield airport, highest navigable inland waterways, largest warehousing capacity in eastern India, and the second largest cold-storage facility in the country. However, the department has identified the requirement for further upgradation and modernization of trade infrastructure such as warehouses, cold storage facilities, quality testing and certification labs. GoWB is also committed to developing more common facility centres to support the MSME ecosystem. During FY 2019-23, 40 projects have been approved as part of the TIES and an amount worth INR 278.704 crores has been disbursed. The fund disbursed to West Bengal only accounted for 2.45% (6.83 crores) of the total fund disbursed, and no new projects have been approved during the given period. The department is keen on leveraging this scheme to modernize and upgrade the trade infrastructure.

2.4. Challenges and gaps impacting scientific and technological development

In this section, the department has outlined the key constraints impacting the technological and scientific development of ecosystem. The key gaps have been inadequate adoption of digital software services, limited implementation of AI & IoT solutions, limited investment in developing intellectual properties and inadequate foresight capabilities.

Inadequate digital adoption

The government institutions have undertaken significant steps towards facilitating the technological development of the MSME ecosystem, but certain factors, such as limited awareness, lack of adequate technical proficiency and higher implementation costs, restrict MSMEs from investing in advanced technologies. The MSME-Development and Facilitation Office of Kolkata provides advisory support for technological upgradation by conducting field visits. They assist in assessing the requirements of plant, property and equipment and identifying areas for potential improvement in the processes and tools. Trainings were conducted to increase awareness of cloud computing and expedite the adoption of other digital software. The department has also collaborated with a number of educational institutions to drive initiatives aimed at the technological upgradation of the MSME ecosystem. The department has partnered with the Council of Scientific and Industrial Research to establish a Technology Facilitation Centre. The objective was to provide a one-stop platform for connecting MSMEs with educational and research institutions. However, there were certain operational issues, and the center had to halt its operations. The department is committed to resuming its operations in the near future.

Despite these measures, there is limited awareness of different digital software among MSMEs. Software solutions are available for assisting enterprises in several operations, such as accounting, payment management, enhancing cybersecurity, improving collaboration. The implementation of these tools can be helpful in increasing productivity. However, it has been often observed that MSMEs are reluctant to procure licenses of these software as they are unable to assess the benefits of it and perceive the implementation costs to be higher. In addition, the limited availability of technical proficiency also affects the adoption of these technologies.

Limited adoption of AI and IoT solutions

GoWB has started undertaking initiatives to increase awareness about the benefits and implementation of IoT solutions, but limited awareness and the high cost of implementation adversely impact their adoption.

GoWB has established the Webel Fuji soft Vara Centre of Excellence in Industry 4.0³⁹ for

Figure 35: Range of services provided by Webel Fujisoft Vara Center of Excellence in Industry 4.0

Additive manufacturing	IoT solutions	Cyber-security	Data Science
<ul style="list-style-type: none">Reverse EngineeringConsultancy and advisory supportDesign services	<ul style="list-style-type: none">PrototypingPlatform assessmentSystem integration	<ul style="list-style-type: none">Risk assessmentProduct Simulation and ValidationCyber-warrior training	<ul style="list-style-type: none">Business IntelligencePredictive analyticsAnalytics as a service

facilitating skill-development and implementation of IoT solutions. The Center of Excellence (CoE) acts as a one-stop platform for connecting students, professionals, start-ups, MSMEs, and other enterprises. The services provided in the center have been summarized in [Figure 35](#). The CoE provides access to installed 3-d manufacturing printers on a fee-based model, and in other areas such as IoT solutions, Cyber-security, and

³⁹Source: - Details about the Webel Fujisoft Vara Centre of Excellence in Industry 4.0, URL: - <https://webelfujisoftvara.com/Home/Index/MjUy>

Data Science, it provides capacity building support. However, the department has observed that there is limited awareness about this facility, and thus, the MSME ecosystem is yet to utilize services of the CoE for implementing IoT solutions. In addition, MSMEs perceive the costs of implementing AI and IoT solutions to be high, and thus, there has been limited usage of AI and IoT solutions for improving their innovative potential.

Limited investment in developing intellectual properties

Establishment of an Intellectual Property Facilitation Center and a Design Clinic are some of the key initiatives undertaken for developing the IP capabilities of the MSME ecosystem, but limited awareness and a lack of adequate commercialization opportunities still restrict MSMEs from investing in IPs.

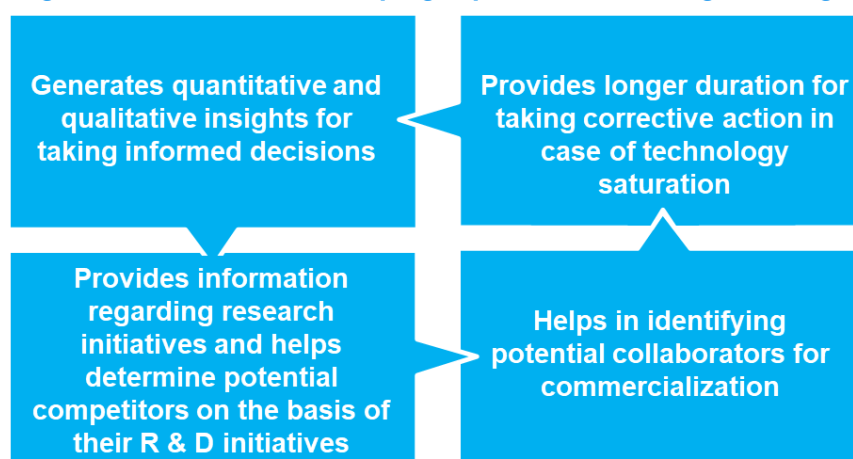
MSME Development and Facilitation Office, Kolkata has established an IP Facilitation Centre to support MSMEs during their IP filing process. It provided advisory support regarding different types of intellectual property, such as patents, trademarks, and others, helped MSMEs conduct novelty assessments and connected them with IP attorneys. The Design Clinic used to aid in developing Industrial Designs. Currently, these responsibilities are being managed by the Department of Science & Technology and Biotechnology (DSTBT), West Bengal. The Patent Information Center operating under DSTBT is responsible for supporting enterprises in the registration process of Intellectual Properties. However, the department has identified potential for improving awareness regarding intellectual properties and their benefits. In addition, there is limited awareness about the commercialisation of intellectual properties, and thus, MSMEs are unable to assess the benefits of investing in intellectual properties. The department is keen on developing the capabilities of the MSME ecosystem in this regard and will also drive initiatives outlined in the already launched “MSME-Innovative (IPR)” scheme.

Need for developing strategic foresight capabilities

Developing strategic foresight capabilities will help in the early identification of significant trends and thus, will provide sufficient time for developing capabilities in those fields.

The Organisation for Economic Cooperation and Development (OECD) describes Strategic Foresight as a “structured and systematic way of using ideas about the future to anticipate and better prepare for change.” Strategic foresight involves estimating the trajectories of technologies and thus, help the enterprises take informed decision in their strategy formulation stage. Gol has already undertaken a key

Figure 36: Benefits of developing capabilities in strategic foresight



initiative in this regard. Department of Science and Technology, India has already established an autonomous organisation called Technology Information Forecasting and Assessment Council (TIFAC). TIFAC works towards analysing the different trends that can impact the economy of India and thus, has developed roadmaps for Healthcare, ICT, Manufacturing, Education and Materials till 2035. The benefits of using strategic foresight capabilities have been captured in **Figure 36**. The department is interested in developing strategic foresight capabilities with assistance from DSTBT and the Department of Industry, Commerce & Enterprises. The insights obtained from such studies will help the MSME ecosystem in identifying potential areas of innovation in future and thus, they can invest in developing capabilities in those fields. MSMEs don't have adequate resources for investing in R&D. However, once the potential areas are identified, they can direct their resources toward these.

2.5. Other challenges and gaps

In this section, the department of MSME and Textiles has outlined other significant challenges and gaps in the MSME ecosystem of West Bengal. The identified challenges and gaps include sub-optimal participation in the ZED scheme, need for upgrading infrastructure, limited awareness of upskilling initiatives and limited awareness of green initiatives.

Sub-optimal participation in Zero Effect Zero Defect (ZED) scheme

MSMEs have started undertaking initiatives for obtaining quality certifications, but there has been sub-optimal participation in the ZED (Zero Effect Zero Defect) scheme. The ZED

certification program was launched to enhance global competitiveness of MSMEs. The implementation of the program will help in reduction of wastage, improving productivity, facilitating transition to green economy and optimal consumption of natural resources. Several awareness programs have been conducted for communicating benefits and certification procedures, but comparison of statistics observed at the national level indicates potential for further improvement. Approximately, 6.85 enterprises per 10000 Udyam registered MSMEs have already attained ZED

certifications at the national level While in West Bengal, the corresponding figure is 4.08 per 10,000 Udyam registered MSMEs. Comparison of ZED-certified MSMEs across different levels indicate that ratio of gold certified MSMEs to silver certified MSMEs in India is 1.10 and in West Bengal, it is 0.67. Thus, further support will be required to encourage MSMEs to opt for ZED certifications and achieve gold certification.

Table 11: Comparison of ZED certifications (India vs West Bengal) (till 24 July 2023)

Parameters	India	Bengal
ZED certified MSMEs per 10000 Udyam registrations	6.85	4.08
Ratio of silver certified MSMEs to bronze certified MSMEs	0.01	0.03
Ratio of gold certified MSMEs to silver certified MSMEs	1.10	0.67

Need for upgrading physical and technological infrastructure

Industrial parks have provided necessary infrastructural support for the functioning of MSME units, and the department aims to strengthen the infrastructure further. The department has launched a scheme “West Bengal Incentive Scheme 2020 for Approved Industrial Park for MSMEs”, aimed at encouraging private sector participation in the development of industrial parks by providing fiscal and non-fiscal incentives. MSMEs can establish their units within these industrial parks and can avail the amenities provided in these industrial parks. Assistance will be sought from the private players for establishing industrial parks on their land and the government will provide support in the form of subsidies for basic and common infrastructure facilities, reimbursement for establishing common effluent treatment plant, reimbursement for stamp duty, development of approach road and setting up a power station and others. The scheme has already gained traction as the development of eight industrial parks is in progress and final approval has been provided for three industrial parks [Fulbari Industrial Estate (Jalpaiguri), Rubber Park (Howrah) and Regent SME Industrial Park (Howrah)]. However, the department has recognised the importance of developing infrastructure facilities further. For example, there is a need of developing cold storage facilities in the districts of Alipurduar, Cooch Behar and Paschim Medinipur.⁴⁰ The department aims to develop and modernize the infrastructure and will undertake key measures in this regard.

Figure 37: Identified areas of improvement (district-wise)

⁴⁰ Source: - District Profiles, MSME Development and Facilitation Office, Kolkata

Physical infrastructure	Power supply facilities	Transportation network
<ul style="list-style-type: none"> • Alipurduar • Birbhum • Coochbehar • Jhargham • Dakshin Dinajpur • Paschim Medinipur 	<ul style="list-style-type: none"> • Darjeeling • Uttar Dinajpur • Jalpaiguri • Howrah • Murshidabad • North 24 Parganas (rural areas) 	<ul style="list-style-type: none"> • Birbhum • Coochbehar • Malda • South 24 Parganas

Source: District Profiles, MSME Development and Facilitation Office, Kolkata

The department has established different technological platforms for facilitating the development of MSME ecosystem, but platforms will require some upgradation to ensure optimal functioning. The department has launched a web portal for connecting the entrepreneurs, investors, and service providers. The portal was envisaged for assisting MSMEs in funding & investment, conducting credit assessment, providing digital gateway for equity funds, and providing mentoring & professional support. On the e-commerce front, the West Bengal Handicraft Development Corporation Limited, responsible for marketing and distribution of handicraft & handloom products, has established an online marketplace for the brand “Manjusha”.

Limited awareness of upskilling initiatives

The launch of the “Utkarsh Bangla” scheme was a major step towards supporting upskilling initiatives, but there is a need for capacity building in specific areas such as GST filing, intellectual property rights, marketing strategies and others. GoWB launched the “Utkarsh Bangla” scheme in 2016 to boost upskilling initiatives, and the Paschim Banga Society for Skill Development (PBSSD) offers short-term training programs by empaneling the training providers. GM-DICs, Panchayat officers and other personnel deployed by the Department of Technical Education, Training and Skill Development are responsible for identifying the skill requirements by consulting with the industrial ecosystem to achieve a demand-driven upskilling program. The DTE, TSD has developed “Recognition of Prior Learning” to facilitate the upskilling of personnel employed in MSMEs, in which the private trainers can decide the overall framework of the training program. In addition to the skill development programs, the department has been conducting awareness programs in different fields such as intellectual property rights, Government e-marketplace, Design Clinic, Digital software, fundamentals of operating computer hardware, etc. However, it has been observed that awareness regarding these programs is still limited. In addition, the department has identified that further support will be required for MSMEs preparing DPRs, developing marketing & packaging strategies.

Limited awareness of Green Initiatives

GoWB has undertaken several measures to support the “Green Transition” in the MSME ecosystem, but limited awareness and financial constraints restrict large-scale adoption of environment-friendly practices. “Banglashree Scheme”, one of the flagship programs of the department, provides reimbursement for the installation of Captive ETPs. The scheme also encourages improving energy efficiency by providing reimbursement for conducting energy audits and installing energy-efficient equipment. In addition, the department has signed an MoU with the Energy & Resources Institute (TERI) and Shakti Sustainable Energy Foundation to support the MSME ecosystem in the adoption of environment-friendly practices and energy-efficient technologies. The collaboration will also conduct diagnostic studies and develop roadmaps for addressing the gaps identified during diagnostic studies. GoWB has also established WB Green Energy Development Corporation Limited (WBGEDCL) to promote the development of grids based on renewable energy. However, it has been observed that MSMEs have limited awareness of the different incentives provided for implementing green initiatives. In addition, MSMEs have limited expertise to assess the impact of their practices on the environment and thus, continue with their conventional processes. The cost of implementing environment-friendly practices is also perceived to be high and it impacts the adoption of environment-friendly practices. Thus, these are the critical challenges in the greening of the MSME ecosystem.

3. Assessment of MSME institutions, M&E framework and delivery

The smooth functioning of the MSME sector of West Bengal is the result of a collective effort from the State and Central Government counterparts. These entities perform several activities and work collectively to serve the MSME sector. Section 3.1 gives an insight about the organization structure of the state and central government counterparts of the MSME sector and also defines their functions. Section 3.2 highlights the issues in coordination across institutions and other capacity gaps faced in the state and central counterparts of the MSME department. Section 3.3 highlights the limitations in the current monitoring and evaluation framework of the MSME Department. Section 3.4 lists the state government portals under the various categories.

3.1. Institutional Capacity

The Ministry of MSME, India has a division called the Office of Development Commissioner (MSME), which has a field office in Kolkata called the MSME-Development and Facilitation Office (MSME-DFO). This office is responsible for executing policy directives of the government of India under the Additional Secretary and Development Commissioner (MSME), New Delhi of Small Industries Development Organization (SIDO), Govt. of India, Ministry of MSME. The Kolkata DFO provides support to the Micro, Small, and medium enterprises in the state of West Bengal and the Union Territory of Andaman & Nicobar Islands. The MSME DFO has three branches in the West Bengal that serves 23 districts of the state: Siliguri, Suri, and Durgapur.

Figure 38: Organogram of the Central Government institutions

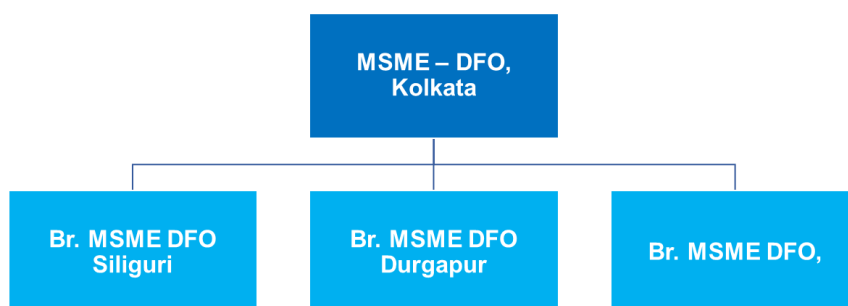


Figure 39: Directorates under the Department of MSME & Textiles



The MSME & Textiles department has 5 divisions- Directorate of MSME, Directorate of Textile (handloom), Directorate of Textile (power loom), West Bengal Khadi and Village Industries Board and other undertakings, corporations and societies. These corporations and societies play major role in the promotion of handicrafts, handloom etc. across the globe.

Figure 40: Undertakings, corporations, and societies under Department of MSME & Textiles

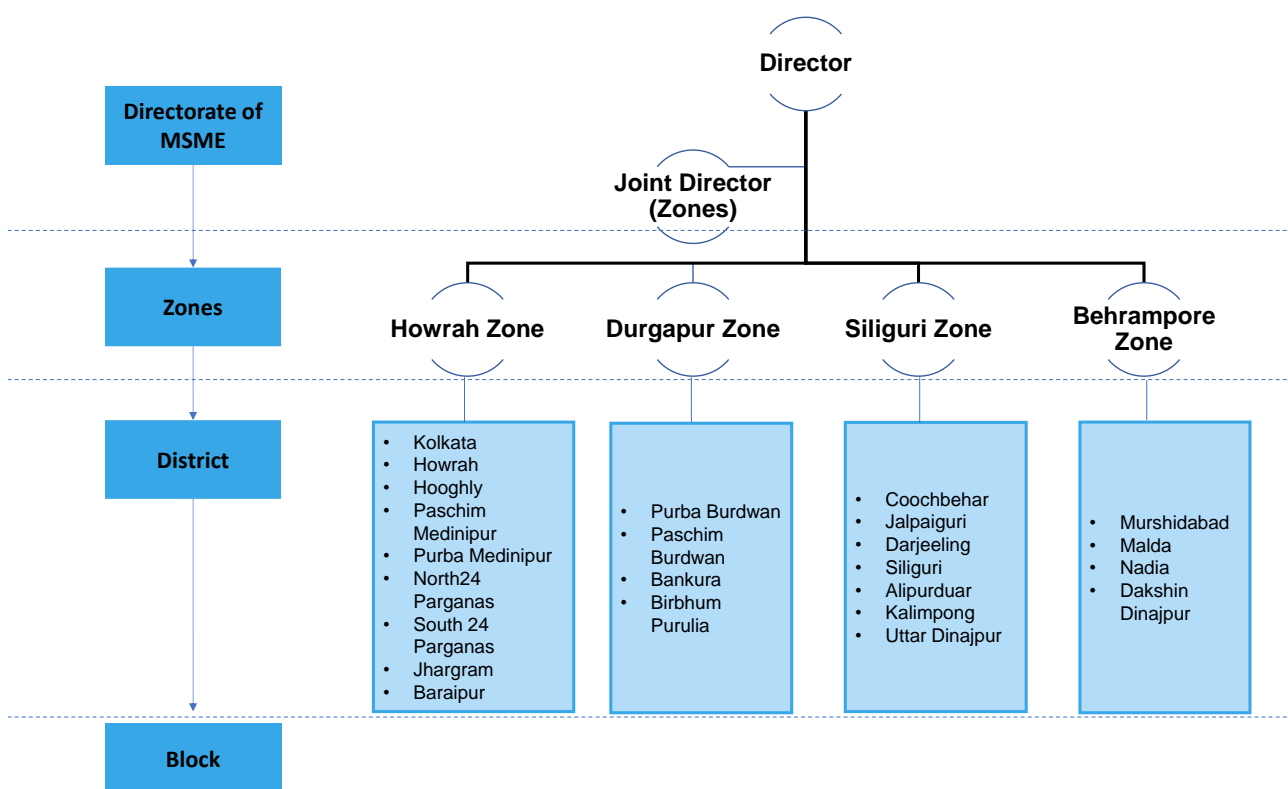


The Directorate of MSME, West Bengal aims to enhance growth, development and expansion of the MSEs, Cottage, Handicrafts, Coir & Lac sectors, and offer training to both budding as well as experienced entrepreneurs. The aim of the Directorate team, whether at the head office or at the district or block level, is to identify and train future entrepreneurs and to offer infrastructure support to the State's entrepreneurs and provide access to the plethora of opportunities and services available.

The Directorate of MSME, West Bengal is divided into four zones: Howrah, Durgapur, Behrampore, and Siliguri and are divided into District Industries Centres (DICs). The Joint Director (Zones) is directly in charge of each of these zones.. The DICs and sub-DICs serve as the administrative centres for each zone's collection of districts. The DICs serve as a point for encouraging businesses in a particular area and making the required services , resources and facilities available to them in one location. They are in charge of raising awareness on government schemes. For District, there are 22 DICs and Sub-Dist. assist the General Manager, who acts as the district's organisational head, each District Industries Centre includes teams of Managers at the Assistant Director level as well as several Industrial Development officials.

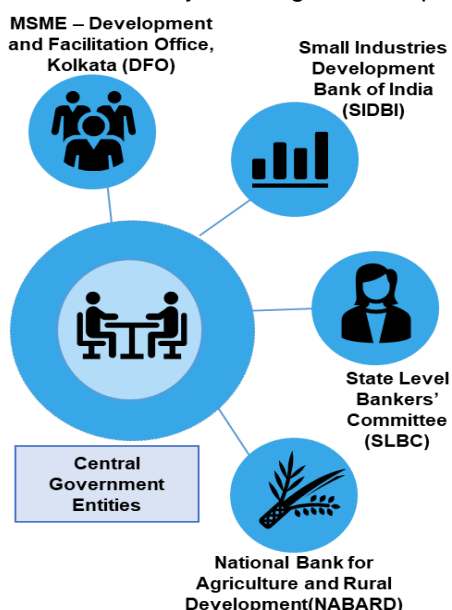
The districts are further divided into blocks. The blocks are headed by Industrial Development Officers. The services provided by the GM DICs are further disseminated and carried out by these IDOs to facilitate the villages. Additionally, the statutory boards, corporations, and apex cooperatives that are managed by the Administrative Department of Micro Small and Medium Enterprises and Textile, Government of West Bengal provide support in promotion of schemes to maximise the reach.

Figure 41: Directorate of MSME at glance



3.2. Coordination across institutions

The duties and responsibilities of the personnel at various positions are well-defined and clear while the central and the state government counterparts work hand in hand for the development of the MSMEs in West Bengal as a whole. However, there are certain capacity and coordination gaps at various levels that need to be addressed. These issues include understaffing, communication gap and access to limited information to name a few, which may have significant repercussions.

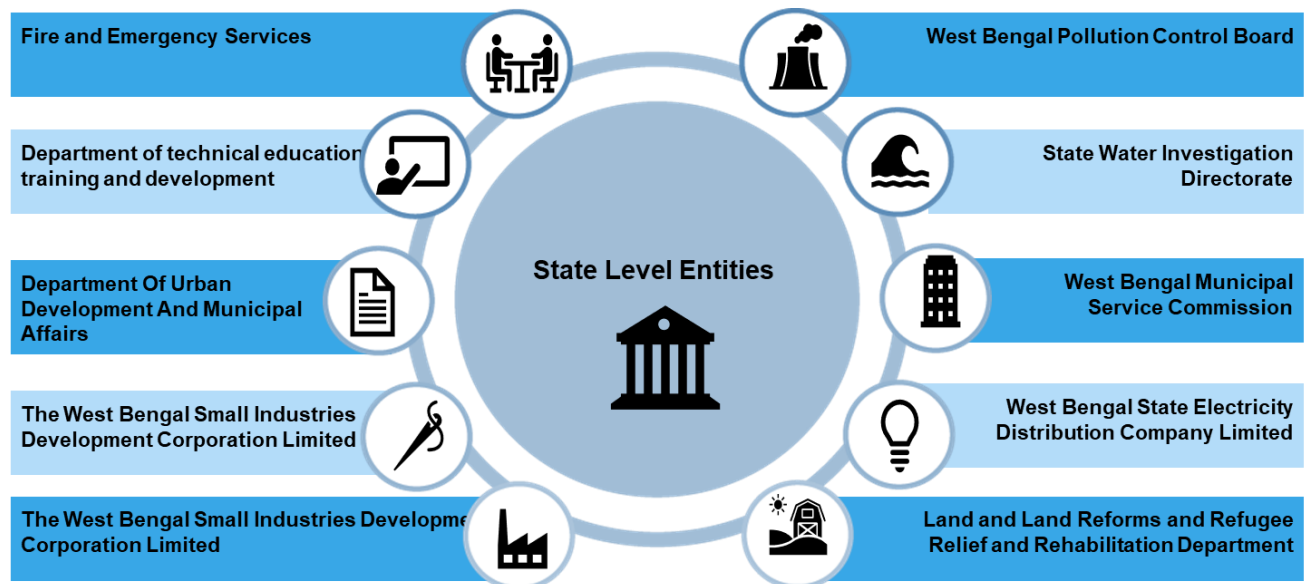


Though there is periodic communication between state and central government counterparts, it needs to be institutionalized at a fixed periodicity. There is limited flow of information about the State Government schemes as well as Central Government schemes between the DFO and the Directorate. This calls for scope of improvement in the quality and quantity of data and feedback regarding the schemes received by the designated entities to enhance and maximise the benefit that the beneficiaries may extract out of the schemes. Moreover, entrepreneurs are required to prepare detailed project reports for availing credit. These reports are sent to the banks for further processing but there is limited information passed to the DFO regarding the data and disbursements of credit.

As provisioned under the MSMED Act, 2006, the GoWB has established a total of three MSEFCs in the state. The two most recent additions in North Bengal and South Bengal were in response to the high volume of cases and the Central Government's increased regulatory requirements regarding the information on cases that must

be uploaded (since it takes time). While the MSEFC is a highly competent authority, it remains overburdened due to time constraints. There is a marked difference between the data on cases resolved updated on the Samadhan portal and the actual cases disposed. This is because uploading data to the portal in a timely manner is hindered. As a result, to further the central government's efforts in resolving the issue of delayed payments and unburden the existing council, the state government intends to institute an MSEFC in each of the 23 districts.

Figure 42: State level entities that directly and indirectly support MSMEs



Directorate of Commercial Taxes	Department of Environment	Backward Classes Welfare Department	West Bengal Industrial Development Corporation Limited	Enterprise Development Institute
Department of Power	Department of Food Processing Industries and Horticulture	Finance Department	Transport Department	Department Of Industry, Commerce & Enterprises
West Bengal State Electricity Transmission Company Ltd.	Department of Labour	Hill Affairs Department	West Bengal Disaster Management Department	Enterprise Development Institute
Excise Directorate	Department Of Information Technology & Electronics	North Bengal Development Department	Department of Panchayats and Rural Development	West Bengal Financial Corporation
Housing Department	Department of Non-conventional and Renewable Energy Sources	Science & Technology Department	Public Works Department	West Bengal State Export Promotion Society
Department of the Water Resources Investigation & Development	Department of Women Development and Social Welfare	Water resources Investigation and Development	Startup Bengal	West Bengal State Export Promotion Councils

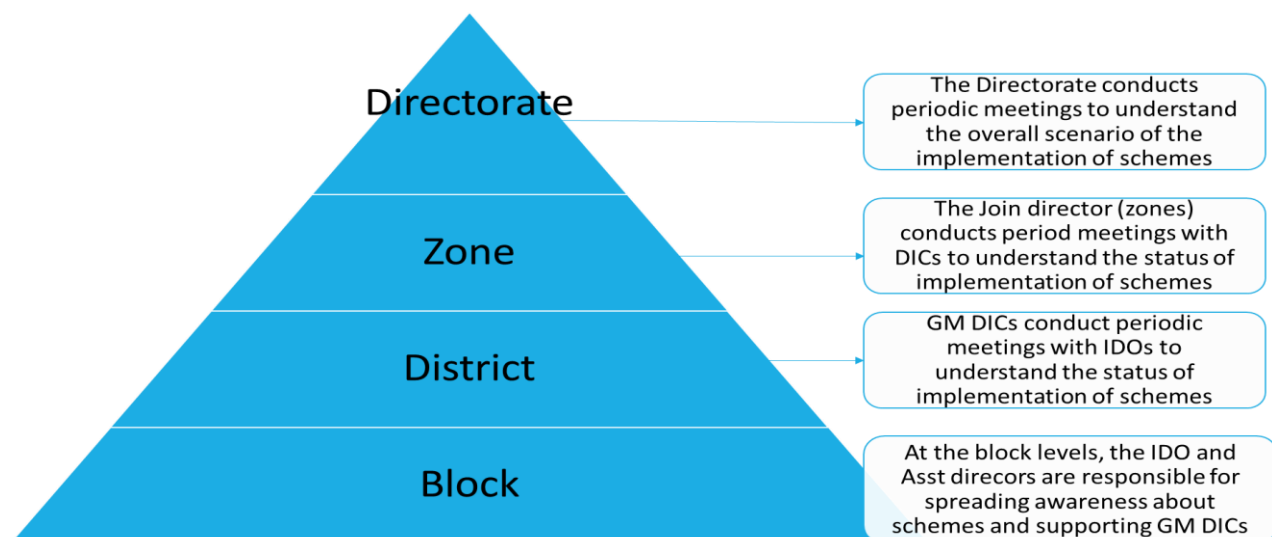
A major challenge that exists is limited communication between the DFO and the districts. There are nodal officers of the DFO assigned to each district, who work in coordination with the DICs to carry out their

responsibilities. There is a need for greater involvement by personnel from the DFO's office to be present at the Finance Clinics, to enhance the process of achieving of common goals- that of higher growth and development levels of the MSME sector as a whole. Another major issue especially at the district and block levels, is the issue of being understaffed. The DICs are overburdened and there exists a marked difference between the number of occupied positions in comparison to the sanctioned ones in the directorate, especially at the level of IDOs at the block levels (which is currently running at almost half its sanctioned capacity). The limited number of IDOs limits their reach and hinders the promotion of awareness of schemes among the maximum number of people.

Another issue is the limited presence and absence of stores of state commercial initiatives like Tantuja and Manjusha at the district level. The district presence of the state and central parastatals can be improved to maximise penetration levels. The state and central government counterparts are working in collaboration to address the gaps.

3.3. M&E framework

Monitoring and evaluation of officials at the state levels at the Department of MSME&T is crucial to ensure effective implementation of policies, programs and initiatives. The Department conducts internal meetings and evaluations at regular intervals to understand the current scenario related to the MSME sector and relevant schemes and take the required steps to ensure implementation of schemes.



The Directorate of MSME conducts monthly discussions with the GM DICs to understand the status of the schemes and their implementation in the respective districts. This enables them to keep track of the schemes, their promotions, the number of beneficiaries and the challenges faced, in order to take corrective measures for achieving the common goals of a progressing MSME sector. The agenda of the discussions involves the status of the Central Government schemes as well as the State Government schemes devised specially to support MSMEs. The directorate follows up regarding key performance indicators like the new Udyam Registrations in the district and the new ZED certifications. GM DICs are also required to share an update on the fairs and exhibitions, as well as their outcomes, and on the promotional activities regarding the creation of the schemes. This enables the directorate to keep a record of the progress on the various schemes and further measures to be undertaken.

At the district level, the GM DICs conduct periodic meetings with IDOs to understand the current scenario at the various blocks. This is done to provide an update about the implementation of the schemes and their promotions to maximize reach for MSMEs. The GM DICs also conduct meetings with the bank manager at the

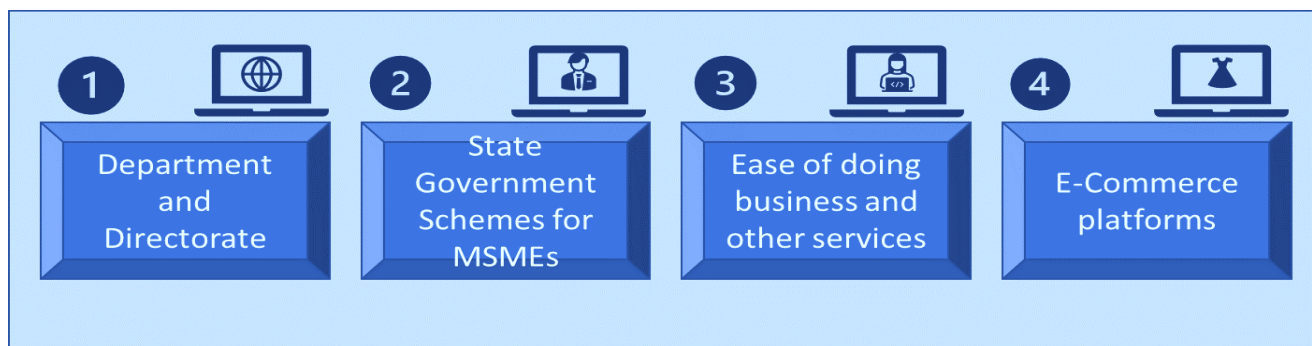
district level to take an account of the amount of credit flow taking place in each district. This allows them to document the actual progress of schemes and the financial assistance provided to the MSMEs (which is the most crucial part of any scheme). Overall, the current monitoring and evaluation is effective, but a few changes and additions to the framework would result in higher accountability, enhancing the results at the various levels.

The MSME interventions have made great progress in assisting MSMEs' expansion and development. Establishing robust Management Information Systems (MIS) to accurately track inputs, outputs, and results of these interventions is one area that needs attention. The absence of such methods may make it more difficult to evaluate various schemes' effects and their efficacy with accuracy. Additionally, there is opportunity for improvement in terms of gathering and combining data that is specific to genders as well as data that pertains to other social groups. Taking care of these issues would improve the department's capacity for data-driven decision-making and ensure that the advantages of MSME interventions are inclusive and equal across various societal groups.

3.4. Portals

The MSME&T department has dedicated several portals for the development and progress of the MSME sector. They hold immense significance as they centralize information, streamline processes, promote entrepreneurship, facilitate collaboration, provide financial and technical assistance and ensure redressal wherever possible. Some of the portals categorized based on the purpose they serve have been listed below.

Figure 43: Categories of State-government portals for MSMEs



1. Department and Directorates –

These portals are beneficial since they provide MSMEs with a centralised source of information. They offer a platform where companies may obtain crucial information regarding government initiatives, rules, regulations, incentives and standards unique to their industry. The fact that all this information is available in one place makes it simpler for MSMEs to comprehend and adhere to the necessary standards.

Sl No	Portal name	Link to portal	Description
1	Department of MSME & Textiles	https://www.wbmsmet.gov.in/	It is a website of the Department of MSME & Textiles with all key initiatives and schemes, acts & rules, and other relevant information.

SI No	Portal name	Link to portal	Description
2	Directorate of MSME, Govt of West Bengal	www.wbmsme.gov.in	Official website of the Department of MSMEs, West Bengal with links directing to all schemes, details about the various services provided as well as all relevant department level information.
3	Directorate of textiles (Handloom)	https://westbengalhandloom.org/html/home.html	A website that houses all available goods, laws, schemes, plans, and other pertinent data on the handloom industry.
4	Khadi and Village Industries Board	http://www.wbkvib.org.in/	A website that aids the khadi and village sectors, such as marketing, information on programmes, training opportunities, fairs, etc.

2. State Government Schemes for MSMEs-

Information about the numerous financial and technical assistance programmes available to MSMEs is available on the state government portals. This covers information on the loans, grants, subsidies and support provided by the government for the adoption of new technologies and the improvement of skills under various schemes. These portals make it simpler for MSMEs to obtain the financial and technical resources they require to succeed by streamlining the application process and offering transparent rules.

SI #	Portal name	Link to portal	Description
1	West Bengal Bhabishyat Credit Card Scheme (WBBCCS)	https://bccs.wb.gov.in/	A website dedicated for the West Bengal Bhabishyat Credit Card Scheme with details about the scheme as well as enabling young entrepreneurs in the age group 18-45 years by offering subsidy linked and collateral free loans for setting up new ventures. This is an effort by GoWB for directing efforts for employment creation and providing new opportunities for the entrepreneurs.
2	West Bengal Incentive Scheme State Approved Industrial Park 2020 (SAIP)	https://saip.myenterprisewb.in/home.html	A website that contains all pertinent information about SAIP to encourage private sector participants to establish industrial parks on their own land and offer (MSME) to put up units, there is a website that contains all pertinent information about SAIP.

3. Ease of Doing Business and other services-

Portals run by the state governments have a significant impact on fostering entrepreneurship and MSMEs' expansion. These websites build an environment that helps budding entrepreneurs and makes it easier for them to start and grow their businesses by offering information about startup incubation programmes,

mentoring opportunities, skill development initiatives, and business networking events. Government services are more easily accessible, thanks to portals made for MSMEs. Business owners can typically use online services such as business registration, licensee and permit applications, financial aid applications, and access to a variety of government resources. By removing the requirement for in-person visits to government agencies, this simplified approach saves time and effort.

SI #	Portal name	Link to portal	Description
1	Silpasathi	https://silpasathi.wb.gov.in/	Salpa Sathi is an online Single Window Services portal for businesses and a digital gateway providing online statutory compliance under the applicable Acts, Rules, and Schemes of the Government for setting up and operate business in the State
2	Myenterprise	www.myenterprisewb.in	A quick and easy approach to acquire all the information, conditions and government incentives for establishing an MSME unit in the state.
3	Banglar iCloud	https://banglaricloud.wb.gov.in/	Banglar iCloud provides access to authentic documents anywhere, anytime, with the goal of digitally empowering citizens and entrepreneurs.
4	MSME Bengal Invest	www.msmebengalinvest.in	For Bengal's MSMEs, the MSME Finance Portal links business owners, financiers, and industry experts to promote and draw investment to the MSME sector. This portal offers access to the State MSME Venture Capital Fund. This website is not operational and will be revamped by the State government.
5	Startup Bengal (Startup incubation)	https://startupbengal.in/	Along with facilitating online registration, the dedicated portal offers start-ups comprehensive support. This website offers the Entrepreneurship Development Centre Network (EDCN) of universities and institutes. The state is in the process of notifying its startup policy.
6	The West Bengal Small Industries Development Corporation Ltd. (WBSIDCL)	https://www.wbsidcl.in/	WBSIDCL's website provides infrastructure and marketing assistance to MSMEs to promote their development and expansion throughout the state.
7	State portal for online exhibitions	https://wbspoe.myenterprisewb.in/wbspoe/portal/home	It is West Bengal state portal for online exhibitions.
8	West Bengal State Export	http://www.wbseps.com/	WBSEPS is the nodal organisation in charge of carrying out a range of programmes related to export

SI #	Portal name	Link to portal	Description
	Promotion Society (WBSEPS)		promotion and providing marketing assistance to the MSE Sector, including building marketing infrastructure. This is a portal of the organization.
9	Shilper Samadhane	https://ds.wb.gov.in/MSME/Portal_New_Default.aspx	Shilper Samadhane is an initiative of the Government of West Bengal to reach out to the entrepreneurs to sponsor applications under Bhabishyat Credit Card scheme to the banks, enlist artisans and weavers with the state government, encourage MSMEs to obtain Udyam Registrations, ensure disposals of maximum pending clearances like mutation, conversion, power connection, WBPCB clearance, fire clearance, SWID clearance etc. and also provide support in the form of skilling, credit and schematic hand-holding.

4. E-commerce platforms-

E-commerce government portals are crucial for providing representation and other marketing services. It enables these SMEs to increase sales, connect with buyers worldwide, and increase customer reach. Moreover, it enables MSMEs to operate with minimum costs and can expand their brand by making effective use of the marketing opportunities available at these portals. The Directorate of MSME has many such portals to support the artisans and manufacturers in West Bengal.

SI #	Portal name	Link to portal	Description & Areas of improvement (if any)
1	Biswa Bangla Marketing Corporation (BBMC)	https://www.biswabangla.in/	An e-commerce website also serving the purpose of presenting, revitalizing, and marketing the hand-made traditional and heritage items of the State, BBMC serves as the umbrella organization for the Biswa Bangla brand.
2	Manjusha	https://manjusha.in/	An e-commerce website that promotes and markets the handicrafts and handwoven goods made by West Bengali craftsmen through its MANJUSHA showrooms. Areas of improvement- The consumer gets redirected to an unauthenticated website when they click on "buy online," indicating that the website is not operating at its best. The website's entire buying experience might need some enhancement.
3	Tantuja	https://tantuja.in/	Tantuja is one central marketing organization (Apex Society) providing marketing support to the Primary Weavers Cooperative Societies and handloom artisans working outside cooperatives.

SI #	Portal name	Link to portal	Description & Areas of improvement (if any)
4	Resham Shilpi	http://www.reshamshilpi.gov.in/	<p>PBRSSM is the State Level Apex Cooperative Society responsible for improving traditional rural silk industry of the State and promoting and developing silk goods and handicrafts.</p> <p>Areas of improvement- The website is not functioning optimally and needs to be revamped by the State.</p>
5	West Bengal Handicrafts Development Society (Bangasree)	https://bangasree.in/	<p>Bangasree is a State Level Apex Co-operative Society that is managed by the Office of the Development Commissioner (Handicrafts), Ministry of Textiles, Government of India, and the Director of MSME, Government of West Bengal. It is a website of the organization.</p> <p>Areas of improvement- The website is not functioning optimally and needs to be revamped by the State.</p>

3.5. Existing interventions in State

The MSMEs are the backbone of the economy in West Bengal contributing substantially to the socio-economic growth of the state. The State's MSMEs play a crucial role in providing large employment opportunities at comparatively lower capital investment, and help in industrialization of rural and backward areas, with special emphasis on inclusive growth focusing on socially and economically weaker sections of the society. Strategic initiatives of the State Government taken up in the last few years for promotion and growth of MSMEs have resulted in spectacular growth of MSMEs in the State in terms of investment, employment and export. GoWB provides fiscal and non-fiscal benefits to MSMEs in the state through its schemes. Some of these schemes have been divided into state and industry specific schemes.

State specific incentive schemes-

Scheme	Assistance	Area of assistance
West Bengal Bhabishyat Credit Card Scheme (WBBCCS)	Government subsidy- In the form of margin money contribution @ 10% of the project cost with a ceiling of Rs. 25,000	Financial assistance to MSMEs
	Bank Loan- The Bank loan component will be the project cost minus eligible govt subsidy in the form of Margin Money contribution	
	Guarantee coverage- The scheme shall provide credit guarantee coverage for the credit facility extended by Lending Institutions in collaboration with the Credit Guarantee Trust Fund for MSEs (CGTMSE). The extent of guaranteed coverage by the State Government over and above the available coverage under CGTMSE will be 15%.	
	Annual Guarantee Fee (AGF)- CGTMSE will charge AGF as per norms on its share of guarantee coverage. However, there will no additional	

Scheme	Assistance	Area of assistance
	AGF for the additional guarantee coverage to be provided by the State Government.	
	Eligible Lending Institutions (L.I.)- All Scheduled Public Sector Banks, Private Sector banks, Regional Rural Banks, Small Finance Banks, Cooperative Banks and any other Lending Institution as may be prescribed.	
Banglashree	State Capital Investment Subsidy- 15% to 72% of Investment on Plant & Machineries	To extend fiscal incentives to encourage entrepreneurs to set up Manufacturing Units in West Bengal
	Interest Subsidy- 25% to 70% of Interest Paid on Term Loan	
	Power subsidy- Re 1/Kwh to Rs 1.5/Kwh of Electricity Consumed	
	Waiver of Electricity Duty- 50% to 100% of Electricity Duty	
	Subsidy for SGST- 30% to 50% of Net WB GST Paid	
	Subsidy on Stamp Duty and Registration Fees- 25% to 100% of Expenditure incurred for Stamp Duty and Registration Fees	
	Contribution to Employees State Insurance (ESI) & Employees Provident Fund PF- Upto 100 % for 5 yrs to 9 yrs of ESI and PF Payments	
	Subsidy for Patent Registration- Reimbursement of 50% of expenditure subject to maximum of Rs 5 Lakhs	
	Subsidy for Energy Efficiency- 50% cost of energy audit and 25% of the cost of installation for energy conservation subject to maximum of Rs 2 Lakhs	
	Subsidy for Water Conversation/ Environment Compliance- Reimbursement of 50% of the expenditure incurred towards cost of captive effluent Water Treatment Plant subject to maximum of Rs 2 Lakhs	
	Subsidy for Standard Quality Compliance- 50% of expenditure incurred subject to a maximum of Rs 5 lakhs	
The West Bengal Incentive Scheme, 2021 for Tourism Unit	State Capital Investment Subsidy- 7.5% to 25% of the fixed capital investment	Support tourism sector units
	Interest Subsidy- 50% to 75% of the annual interest liability on the term loan	
	Waiver of Electricity Duty- For 5 years	
	Incentive on Generation of Employment- 60% of the expenditure incurred by it for paying its contribution towards Employees State Insurance (ESI) and Employees Provident Fund (EPF)	
	Incentives for Adventure Tour Operators- 50-100% of the net WB GST Paid	
	Reimbursement of Stamp Duty and Registration Fee- 50 to 70% of stamp duty and registration fee	

Scheme	Assistance	Area of assistance
West Bengal Incentive Scheme 2020 for Approved Industrial Park for MSMEs	Incentive for Basic and Essential Common Infrastructure Facilities- Rs 2-10 Crores	To encourage environmental compliance, promote technology advancement, and boost employment generation
	Incentive for Common Effluent Treatment Plant- Rs. 5 lakh per acre.	
	Reimbursement of Stamp Duty- Full reimbursement of stamp duty paid	
	Setting up a Power Sub Station- Will be set up by the State Government agency free of cost	
	Construction of Approach Road- Will be set up by the State Government agency free of cost -Two-lane Road up to a maximum length of 1.5 km from the nearest major road	

Industry-specific incentive schemes-

Scheme	Assistance	Area of assistance
Schemes & programs for promotion of textile industries	Marketing Linkages to Textile Sector- Tantuja provides marketing support through its 84 showrooms and online marketing. Manjusha extends support for marketing through its 13 sales exoriums and online marketing. PBRSSM provides marketing support through its 7 showrooms. BBMC currently operates 8 state-of-the-art showrooms in the country (five in Kolkata, and one each in New Delhi, Darjeeling and Bagdogra Airport) providing strategic marketing of traditional and heritage products of the State.	Support MSMEs operating in textile sector
	Export Linkage- State Government has set up 10,000 sq ft of Apparel Buying Hub in its Paridhan Garment Park at Kolkata available to the top buying houses of the country. This will facilitate export linkages of the apparel and garment manufacturers of the State.	
Schemes & programs for handloom products	Events & Exhibitions- Events and Handloom Expos are organised to promote the marketing channels for handloom products in the domestic as well as export market and bring about linkage between the two in a holistic and integrated manner.	Support MSMEs dealing with handloom
	State, District, National & International Fairs and National Handicraft Competition- MSME Directorate arranges participation in the National Handicraft Competition. Also, the State Government has been organizing and participating in several fairs and exhibitions every year to provide marketing support to the handicraft's artisans. DICs / SUB DICs participate in the different district level fairs to provide marketing support to the artisans.	
Schemes and programs for the promotion	Zonal, State, National, District & Foreign Exhibitions- WBKVIB has been participating in the different Zonal Level, State Level, National level, District Level & Foreign Level Exhibitions for promotion of sale of Khadi & V.I Products of its assisted units of Khadi Societies and PMEGP/ REGP Units time to time.	Support MSMEs belonging to the Khadi sector

Scheme	Assistance	Area of assistance
of khadi industries	Project muslin- To facilitate the marketing of this niche product, the State Government has started an exclusive Club Muslin store in Kolkata and has set up Muslin Tirthas (rural muslin stores) in districts.	
	Project Baluchari- The State Government has stepped in to conserve the heritage product through Project Baluchari by supporting weavers and allied workers with skill and design development, product diversification and supply with modern looms. Besides marketing linkages provided through other government and private channels, an exclusive Baluchari store has been set up in Kolkata.	
Schemes & programme for weavers & artisans	Project Sal Leaf Plate- A livelihood development programme on Sal Leaf Plate & Bowl making is being implemented by WBKVIB in the Districts of Purulia, Bankura, Paschim Medinipur & Birbhum.	Support weavers and artisans
	Project Madurkathi- A livelihood development programme at the Districts of Purba & Paschim Medinipur is being implemented by WBKVIB.	
	Financial Assistance to Handloom Weavers: Mudra Scheme For Weavers- Financial assistance for the working capital requirement of the existing Handloom Weavers involved in weaving activity are provided under the MUDRA scheme in coordination with the office of DC (Handlooms), Ministry of Textile, GOI.	
	Comprehensive Handloom Development Scheme (CHDS)-Under National Handloom Development Programme (NHDP). Under this scheme, more than one cluster is permissible in a Block depending upon the need with respect to number of handlooms. Cluster development also been taken up under State sector in Blocks not covered under CHDS depending on the existence of a critical number of handlooms.	
	Skill Development Support: West Bengal Handloom Circuit- Department of MSME & T, along with the Department of TE & T launched the West Bengal Handloom Circuit Scheme in 2014 to train weavers and allied workers. Besides this, the Indian Institute of Handloom Technology (IIHT), Fulia started 'Certificate course on Handloom Entrepreneur' with 4 months duration in 2016- 17.	

4. Interventions proposed in State under SIP

4.1. Detailed Interventions

The proposed interventions are aimed at overcoming the challenges, minimizing the gaps, and supporting the further growth of the MSME ecosystem. The interventions are developed based on the assessment of challenges, gaps and best practices. The interventions are also mapped across the different pillars, similar to the approach followed for identification of challenges/gaps. Implementation of the proposed interventions will facilitate in strengthening of the MSME ecosystem by improving their performance and productivity. The department is proposing the following interventions to address the challenges as mentioned in Section 2. The interventions have been mapped to the targeted results mentioned in the RAMP manual. An overview of the interventions has been provided below.

Figure 44: Overview of interventions across pillars

Pillars	List of interventions			
Initial Phase and promotion of women	Accelerate Udyam Registration in West Bengal	Deploy chatbot/ helpdesk to provide information related to schemes, capacity-building & grievance redressal	Platform to connect Investors with start-ups in West Bengal	Promotion of Women led MSMEs
Access to finance	Adoption of alternative finance platform (peer-to-peer/ NBFC financing)	Increase participation on TReDS platform	Listing of small and medium enterprises on exchange platforms	Expedite resolution of payment-related disputes
Access to Market	Strengthen existing marketplace portals and integrate with ONDC, marketing of GI products	Facilitate implementation of “MSME Competitive (Lean) Scheme”	Leverage “Trade Infrastructure for Export Scheme” to create Zonal/ District Export Hubs.	Develop a “New Generation Exporters Development” program
Access to Technology	Develop portal for facilitating access to experts in DPR and digital software solutions	Improve adoption of AI and IoT solutions	Develop capabilities for conducting strategic foresight and utilise it for strategy formulation	Develop a central repository for all intellectual properties and facilitate their commercialisation

Pillars	List of interventions	
Capacity Building	Conduct sector-specific trainings and develop a portal for providing access to online courses	Develop an “MSME exposure” program to promote adoption of best practices
Green and Sustainability	Devise environmental risk mitigation measures for encouraging adoption of environment-friendly and green practices in the MSME ecosystem	Enhance participation of MSMEs in ZED certification

Establishment of task force

Effective implementation of the proposed interventions will necessitate providing additional support to the implementing government institutions. The proposed interventions have been formulated across different pillars, and thus, their implementation will require specific expertise. While government officials will be instrumental in the implementation of these interventions, they also have to be supported by external stakeholders. The rationale for establishing the task force has been outlined in [Table 12](#).

Table 12: Rationale for establishing task force

Pillar	Rationale for establishing task force
Initial phase	Implementing interventions under this pillar requires knowledge and understanding of the present entrepreneurial environment in West Bengal, which is a critical necessity. The recommended efforts are meant to increase Udyam registrations in the state, provide a platform to connect investors with entrepreneurs, and encourage women's participation in government programs, which would enable women-owned enterprises to expand their operations. The state government has organized several camps, held hand-holding sessions, and established facilitation centers at the district level to promote MSMEs' involvement and raise awareness of the programs and the benefits that may be obtained with Udyam registration IDs. However, there is room for improvement in terms of the efficient planning of these operations making it essential to hire technical officers in this respect. Additionally, the majority of MSMEs struggle with a lack of technical knowledge. While they may be aware of the value or necessity of investments at the beginning of or to expand their company, they are not aware of how the funds might be raised. The specialists chosen in this respect will be knowledgeable about how to draw investors and turn organizations into lucrative enterprises. As a result, the task force or hired specialists would work with the government representatives to enhance Bengal's MSME environment.
Access to finance	Implementation of proposed interventions will require a fundamental understanding of the TReDS platform, dispute resolution process, listing procedures and credit-borrowing mechanisms. It has been observed that there is limited awareness of the TReDS platform among the stakeholders

Pillar	Rationale for establishing task force
	<p>and thus, the government officials (especially at the district and sub-district level) will require additional support. One of the proposed interventions is related to the listing process of MSMEs and thus, the implementing agencies should possess a fundamental understanding of the listing process. The availability of relevant expertise will help government officials conduct awareness sessions as they will be able to handle queries more effectively. The government officials (at the district and block level) are mostly aware of the formal financing sources but informal financing sources, such as peer-to-peer financing, crowdfunding, and others are yet to gain significant popularity among these stakeholders. Thus, the recruited agency will be expected to possess technical proficiency in this regard. The proposed interventions will also require the onboarding of listing advisors, banking experts, legal experts and a website development firm. Thus, government officials may find it challenging to assume these additional responsibilities. In addition to supporting the department in the onboarding process, the task force will also be responsible for monitoring the performance of these onboarded entities. The task force will also assist the department in collaborating with the TReDS platform provider and listing platform as per the developed interventions.</p>
<p>Access to Market</p>	<p>The interventions proposed in this pillar demand expertise in data collection & analysis and developing strategic reports. The interventions proposed in this pillar require the task force to possess proficiency in collecting large amounts of data and cleaning and sorting it to extract valuable information. They also involve making strategy documents based on the data analysed and preparing detailed project report. For example, the third intervention requires the task force to study the export potential of MSMEs in the states and prepare strategic reports on zonal Export Hubs supported by numeric evidence. Similarly, the fourth intervention requires the task force to study the export potential of clusters and identify businesses that can benefit from the program. The identification of these enterprises will have to be supported by financial and technical analysis of the sector and units themselves. Although the DICs have been shouldering the implementation of schemes for the MSME sector, these interventions go beyond that. The DICs are not fully versed in the analytical tools that will be required for the success of the intervention and, by extension, the RAMP scheme. Additionally, the DICs also struggle with a lack of personnel, and given the number of awareness programs, field studies and training sessions proposed, they will require assistance from the four-member task force in each of the four zones of the State.</p>
<p>Access to technology</p>	<p>Implementation of proposed interventions will necessitate proficiency in digital software, AI & IoT solutions, intellectual properties and strategic foresight. A significant number of digital tools have been introduced for improving the productivity of enterprises, and these include software for accounting, customer-relationship management, visualisation, cyber-security and others. One of the interventions is aimed at increasing the adoption of these software and thus, it is critical that the implementing team have the requisite expertise to explain these tools and communicate their benefits. It will be challenging for government officials to have the requisite expertise in each of these different application areas. AI and IoT have already gained popularity, but there is limited awareness about their use-cases among the implementing stakeholders. Hence, deploying individuals with the requisite expertise can be helpful. The stakeholders are aware of the different types of intellectual properties but have a limited understanding of their commercialisation mechanisms. One of the proposed interventions is aimed at improving the commercialisation process, and thus, government officials (at</p>

Pillar	Rationale for establishing task force
	<p>the district & block level) will require additional support. Strategic Foresight is an evolving concept, and thus, onboarding relevant experts will be critical for the envisaged intervention. The task force is also expected to possess website prototyping skills so that an outline of the website is developed and discussed with the department prior to its development. In addition to possessing the relevant expertise, the task force will be responsible for onboarding website development firm, digital software providers, and experts for preparing DPRs. Thus, the task force should possess a comprehensive understanding of these aspects so that they can support the department in the empanelment as well as the monitoring process.</p>
Capacity building	<p>Implementation of proposed interventions will require expertise in conducting capacity-building programs and an understanding of the MSME ecosystems of other states as well. The proposed interventions in this pillar are aimed at upskilling with the help of trainings, online courses and exposure programs. The government stakeholders are aware of existing skills gaps in the MSME ecosystem and thus, their inputs will be pivotal for these interventions. However, it was inferred that the government stakeholders (at the district or block level) have limited awareness regarding the Massive Open Online Courses (MOOC) Platforms and thus, would require additional support. In addition, one of the interventions is related to conducting “Exposure Visits” for the employees of MSMEs, and thus, the implementing team should possess an overall understanding of the key sectors across different states. Once these states are identified, managing and monitoring the exposure visits will be important for the success of the proposed intervention. It is understood that assuming these responsibilities will be challenging for the government stakeholders and thus, they will require the support of external stakeholders. In addition, the task force will also help in conducting the empanelment process for onboarding experts, who will be responsible for conducting sector-specific trainings and it will be expected that the team members have an overall idea about the required expertise across these sectors.</p>
Green and Sustainability	<p>Implementation of proposed interventions will require an overall understanding of the practices followed across different clusters of West Bengal, knowledge of international best practices in “Greening” and awareness regarding green technologies. MSMEs in West Bengal operate in 15+ areas of operations and thus, it may be challenging for government stakeholders to possess knowledge about their operations. One of the proposed interventions is related to developing appropriate measures for encouraging the adoption of environment-friendly practices. Thus, the implementing team should possess the requisite knowledge to assess the environmental impact of the operations and then, formulate appropriate measures for mitigating the adverse impact. It has been observed that the government stakeholders have some understanding of the operations of the MSME clusters located in their area. However, they possess limited knowledge about the measures that can be undertaken to mitigate the adverse impact. Hence, the task force will be supporting the government stakeholders in this regard. In addition, the task force will be responsible for onboarding and monitoring the performance of experts. These experts will be responsible for conducting a risk assessment of the shortlisted clusters.</p>

Proposed budget for the recruitment of task force: - The number of members required for the task force has been estimated across the pillars.

Table 13: Composition of taskforce and budgeted costs

Pillar	# of task force members	Indicative Costs for the task force (in crores)			
		Year-1	Year-2	Year-3	Year-4
Initial phase and promotion of women	23 (one member each district))	4.14	4.14	4.14	4.14
Access to finance					
Access to market	4 (1 member each zone)	0.72	0.76	0.79	0.83
Access to technology	4 (1 member each zone)	0.72	0.76	0.79	0.83
Capacity building	4 (1 member each zone)	0.72	0.76	0.79	0.83
Green and sustainability					
Year-wise total cost (indicative)		6.30	6.62	6.95	7.29
Indicative Costs for the task force (in crores)		27.15			

Regular monitoring will be instrumental in ensuring the effective implementation of the proposed interventions. Implementation of most of the proposed interventions will involve awareness sessions and require the presence of an implementing team at the grass-root level (district or block level). It has been inferred that the government stakeholders (at the district or block level) face challenges in performing their duties using public transport. Thus, monitoring the implementation of proposed interventions will be an additional responsibility and may prove challenging for the implementing agencies without proper transportation arrangements. Thus, the department proposes establishing transportation arrangements for the same. The transportation arrangements will also help the officials monitor and evaluate the implementation of existing schemes.

Table 14: Costs incurred for transportation arrangements

	Indicative Costs (in crores)			
	Year-1	Year-2	Year-3	Year-4
Vehicles will be arranged at the district level (one per each district) at the cost of INR 60,000 per month (with 5% annual appreciation in costs)	1.66	1.74	1.83	1.92
Grand total cost	7.14			

4.1.1. Initial Phase and Promotion of Women-led MSMEs

The proposed interventions in this pillar aim to assist MSMEs in leveraging benefits of various Central and State Government schemes, during the early stages of their establishment. The first intervention centers around increasing Udyam registrations within the state. The second intervention is focused on creating an efficient solution that enhances awareness and simplifies the application process for Indian state government schemes. This will be achieved by utilizing a WhatsApp chatbot. The third intervention aims to establish a connection between investors and entrepreneurs. This connection will facilitate access to finance and mentorship, thereby supporting the growth of enterprises. The fourth intervention involves providing supportive assistance to women entrepreneurs. This initiative encourages women to utilize various central and state schemes, while also promoting the products they create.

List of Interventions: -

Intervention # 1: Accelerate Udyam registration in West Bengal

Objective:

The key objectives of the intervention would be to encourage the MSMEs to get registered in the Udyam portal and increase formalization so that MSMEs can take benefit of GoI and GoWB schemes

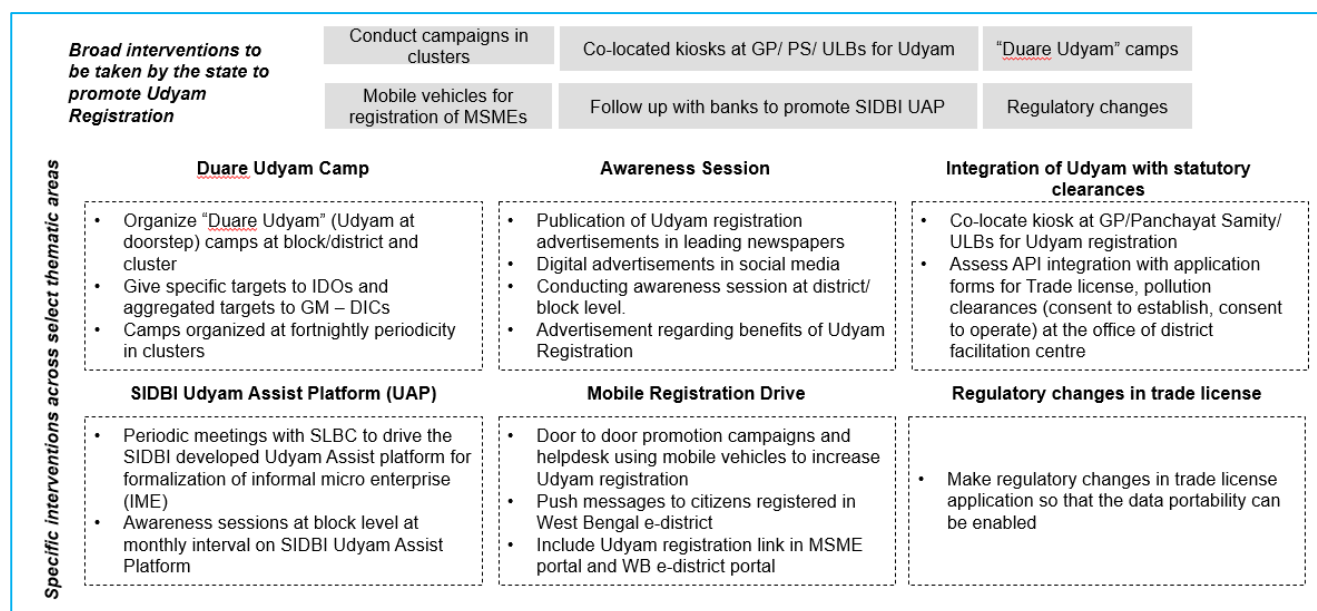
Rationale: West Bengal has shown almost a 10-fold increase in Udyam registered MSMEs in the last two and a half years. The Udyam registrations in the state has grown from a mere 63,789 in FY 2021 to 8.3 lakhs as on date. Around 40% of the Udyam registered MSMEs are located in Kolkata and its 3 adjoining districts of North and South 24 parganas and Howrah. The DoMSME plans to increase the Udyam registration by at least 5 lakhs every year to ~25 lakhs during the RAMP implementation period (FY23 to FY27). The department is focusing on registering Udyam equitably in all 23 districts of the state. However, this vision to increase the formalization of MSMEs would require addressing some of the major constraints. These constraints include the reluctance of the MSMEs to share Aadhar and PAN, fear of additional compliance burden, lack of awareness of benefits associated with Udyam registration, information asymmetry and geographically dispersed MSMEs⁴¹. To bring the informal micro enterprises (IME) under the formal ambit for availing benefits, government of India also launched the Udyam Assist Platform in January 2023. Given the exponential growth of Udyam registration in the last few months, West Bengal is poised to reach among the top 8 states in Udyam registration very soon.

One of the possible solutions to address this challenge is to take Udyam registrations at the block level in line with the government programme “Duare Sarkar”. Duare Sarkar is an initiative of the Government of West Bengal for the delivery of services and welfare schemes to the doorsteps of the people through outreach camps. Such camps are organized at the level of gram panchayat and municipal ward level, and act as service providers of specific services and nodes for issuance and collection of applications for welfare schemes⁴². The scope of the initiative could be increased to incorporate the concept of “Duare Udyam – Udyam at doorsteps” through which MSME representatives would participate in Duare Sarkar camps to increase Udyam registrations. In addition to this, a multi-faceted approach could be undertaken to increase Udyam registration in West Bengal (as illustrated in Figure below).

⁴¹ Interactive session with General Managers – District Industries Centres, 16th July 2023

⁴² https://ds.wb.gov.in/Portal_New_Default.aspx

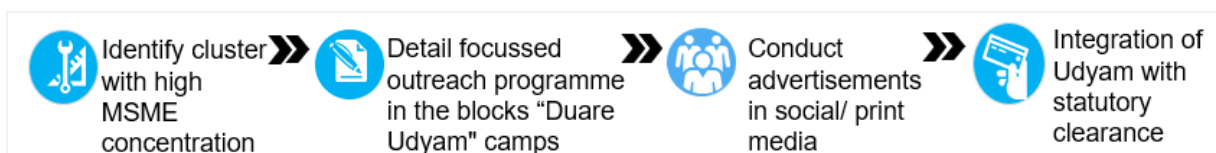
Figure 45: Approach for increase in Udyam Registration in West Bengal



Proposed Approach:

In this intervention, the primary role of the state would be to identify the clusters with high MSME concentration and subsequently undertake focused outreach programs in such clusters to encourage the MSMEs to register in the Udyam portal. In this regard, the following figure outlines the overall approach for the proposed intervention.

Figure 46: Proposed approach for accelerating Udyam registrations



Detailed Methodology:

Identify geographical location or clusters with MSME concentration

In this stage, the major objective would be to identify clusters or geographical location with high MSME concentration. The various steps involved in this process are as follows:

- Leverage the GIS mapping study for 570 clusters performed by West Bengal in July 2021:** The first step would be to involve the task force to clearly identify the MSMEs in 570 clusters within the state.
- Identify blocks that have a high MSME concentration:** Based on the interaction with GM-DIC and IDOs, the state would identify the blocks that have a high MSME concentration.

The impact of this exercise would be to identify geographical regions within the state where focused outreach strategy needs to roll out.

Conduct a focused outreach program

Detail schedule of focused outreach programmes in those clusters or blocks having high MSME concentration:

The stage will involve the following steps:

- (a) **Conduct outreach programmes at the block and cluster level:** In this step, the task force will perform the outreach programmes at district, block and cluster level highlighting the benefits of Udyam registration.
- (b) **Conduct “Duare Udyam – Udyam at doorsteps” camps in proximity to these clusters:** In this step, the task force will set up camps in blocks or clusters with high MSME concentrations.

Conduct advertisements in social and print media

This stage is mainly concerned with creating awareness amongst the MSMEs in various districts, blocks and clusters to inform them of the Udyam registration platform and also to encourage the MSMEs to take advantage of the schemes of the central as well as state governments. DoMSME would advertise the schedule of Duare Udyam camps through print and social media advertisements. Some of the illustrative means to create such awareness amongst MSMEs are highlighted in [Table 15](#).

Table 15: Illustrative ways to increase awareness of Udyam registration amongst the MSME units

Sl #	Initiatives	Details
1.	Conducting Workshops and Seminars	The district task force will provide assistance to the state in organizing workshops and seminars dedicated to educating MSME owners and entrepreneurs about Udyam registration. Such sessions will share the benefits of Udyam registration, make MSMEs aware of the benefits of being registered.
2.	Online events	The task force will support the state in organizing online events illustrating the benefits of Udyam registration that MSMEs can attend from their workplace. They shall also prepare short videos and upload them to social media, emphasizing the incentives provided by the Government of West Bengal.
3.	Udyam registration links on state government website and portals	The task force will provide the necessary technical assistance in customizing the official website to provide comprehensive information about Udyam registration and the benefits of registering on the Udyam platform

Integration of Udyam with statutory clearances in West Bengal e-district portal

In this stage, the regulatory processes mandating Udyam registration number for the requisite statutory clearances may be enforced to bring more MSMEs within Udyam ambit.

Promote SIDBI Udyam Assist Platform – Apart from the regular Udyam registration drive, periodic meetings would be held between SLBC and Department of MSME so that banks promote the Udyam Assist Platform for informal micro enterprises (IME)

Key Outputs and Evaluation Parameters:

The key outputs and evaluation parameters of the intervention are as follows:

Key Outputs	Evaluation Parameters
a) Increased percentage of Udyam registration in proportion to total MMSME	a) Number of MSME registered in Udyam platform

Key Milestones:

Milestones	Year 1	Year 2	Year 3	Year 4
Udyam registration (in lakhs) - cumulative ⁴³	12.67	17.90	23.12	28.34

Timeline Chart:

Activities	Year 1		Year 2		Year 3		Year 4	
	H1	H2	H3	H4	H5	H6	H7	H8
MSME outreach activities /newspaper/ social media advertisement for Udyam Registration								
Conduct "Duare Udyam camps" in 342 blocks (Costs includes setup cost for 10 days, laptop, printer, remuneration for 4 DEOs, Printing Costs, Vehicle, TA)								
Conduct "Duare Udyam camps" in 125 urban municipalities								
Make regulatory changes in statutory clearance								
Promote SIDBI Udyam Assist Platform								

Budget:

Cost Heads	Year 1	Year 2	Year 3	Year 4	Total
(In INR Crore)					
Conducting "Duare Udyam camps" in 342 blocks (Costs includes setup cost for 10 days, laptop, printer, remuneration for 4 DEOs , Printing Costs, Vehicle, TA etc.) ⁴⁴	1.71	6.84	6.84	6.84	22.23

⁴³ Assumption: - The initial count of MSMEs has been assumed to be 8.3 lakhs. In the initial year, Duare Udyam camps will be conducted in 25% of all the blocks and municipalities, which is expected to result in Udyam registration of 1000 MSMEs. For the remaining 75%, it is assumed that the Udyam registration will be 400. In the remaining years, Duare Udyam camps will be conducted in all municipalities and blocks, which will result in Udyam registration of 1000 MSMEs. The mobile clinics will be conducted in each of the district on a monthly basis, thus resulting in a conversion of 4800 (400*12) MSMEs per year per district.

⁴⁴ Assumption: - Assuming fund release will happen in Jan-feb 2024 and considering GE 2024, minimal amount has been being kept in 1st year.

Justification for Duare Udyam Camps: INR 2 lakhs per camp (for 10 days).

Cost Heads	Year 1	Year 2	Year 3	Year 4	Total
(In INR Crore)					
Conducting "Duare Udyam camps" in 125 urban municipalities ⁴⁵	0.625	2.5	2.5	2.5	8.125
Mobile registration drive (district wise) ⁴⁶	0.368	1.104	1.104	1.104	3.68
MSME outreach activities and newspaper advertisement ⁴⁷	0.576	0.576	0.576	0.576	2.304
Integration of Trade License (for manufacturing sector) with Udyam Registration in West Bengal e-district portal ⁴⁸	0.4	0.4	0.2	0.2	1.2
Promotion of SIDBI developed Udyam Assist Platform ⁴⁹	0.2	0.2	0.2	0.2	0.8
Total Budget	38.339				
Contribution from State Government (@25% of the total budget: including policy and scheme supports)	9.58				
Support sought under RAMP from Central Government (in cr)	28.75				

State Departments to be involved for successful implementation:

- I. Department of MSME & Textiles
- II. Electronics & IT Department

Setup costs for 10 days (Chairs, tables, light etc) arrangement - 15000/-; (4000 (40 chair) + 1000 (5 tables) is inr 26,000; Laptop is inr 16000, Printer is inr 16000 (4000 for 10 days) Total 60k
 Remuneration of 4 DEOs from WTL - inr 40,000 (1000/ day - DEO) (12,000*4) = 48/ 3 = INR 20,000 per camp per DEO
 Food + Accommodation + Contingency = INR 20,000 (500/ day-DEO)
 Printing costs - INR 10,000 (2 page per registration)
 Advertisement Material - INR 30,000
 Vehicle = INR 20,000 (for 10 days)
 TA for DEO and inter block / district movement = INR 20,000
Total = INR 2 lakhs for each camp.

This includes cost of vehicle, desktop/ laptop hiring, printing of stationary, food costs, travel costs for DEO etc. Assumption: 4 DEOs for each camp. Target for each camp: 1000 registrations. INR 200 / cost of each Udyam registration

⁴⁵ Assumption: - The cost of conducting Duare Udyam camps in the urban municipalities has been assumed to be INR 20000.

⁴⁶ Assumption: - Target for each mobile van/district = 400 udyam registration per month. INR 80,000 per month-vehicle including 1 DEO (INR 20,000/cost) . Y1 - 2 months, Y2, Y3, Y4 - 6 months in a year with 1DE

⁴⁷ Assumption: - Advertisement cost: earmarked 0.6 cr - @INR 125k quarter page ad ; providing ad at least 24 times in a year in at least 2 top Bengali newspapers (ABP et al)

⁴⁸ Assumption: - Payout to the West Bengal e-district system integrator for integration of trade license (for manufacturing sector) with Udyam Registration

⁴⁹ Cost is assumed to be INR 1L each for 20 districts

Intervention #2: Deploy chatbot and helpdesk to provide information related to schemes and capacity-building & promotion sessions.

Objective: Innovative and efficient solution designed to facilitate the awareness and application process for state government schemes in India tailored for Micro, Small, and Medium Enterprises (MSMEs) through the utilization of a WhatsApp chatbot.

Rationale: Limited understanding of different schemes and lack of access to digital infrastructure impact the participation of MSMEs in different schemes. The Ministry of MSME, India, as well as the Department of MSME & Textiles, West Bengal, have formulated several schemes aimed at supporting the development of MSME ecosystem. The Ministry has launched 35+ schemes for the MSME ecosystem. Similarly, flagship programs launched by GoWB include the Bhabishyat Credit Card Scheme, Banglashree Scheme, WBIS for Tourism Unit and other industry-specific schemes. Thus, it can be challenging for an entrepreneur to have a comprehensive understanding of all these schemes. It results in limited awareness of these schemes and their benefits. In addition, limited access to digital infrastructure also impacts participation in these schemes.

Thus, the department plans to design a WhatsApp chatbot to provide a scheme and streamline registration processes for MSMEs. This feature will provide information about ongoing government schemes, documents required to avail of the benefits of the schemes, and with upcoming awareness camps and trainings scheduled across districts. It will act as a virtual bulletin board, ensuring that MSMEs stay updated with the latest developments in the industry. WhatsApp, owned by Meta, has become the market leader in messaging, with more than 1.5 billion monthly active users distributed across 180 countries. Therefore, the popularity of this application can be leveraged to address the persistent challenge of a lack of awareness of government schemes among MSMEs.

The Food and Supplies department in West Bengal has introduced a dedicated WhatsApp chatbot with resources including ration card application forms, monitoring applications, links to AADHAR, instructions on scheduling sale of paddy etc. By texting "Hi" to a designated number, the user must initiate the chat. The chat-bot is built with full-service capabilities and eliminates the need for people to visit ration office in person to get their queries addressed or submit requests.

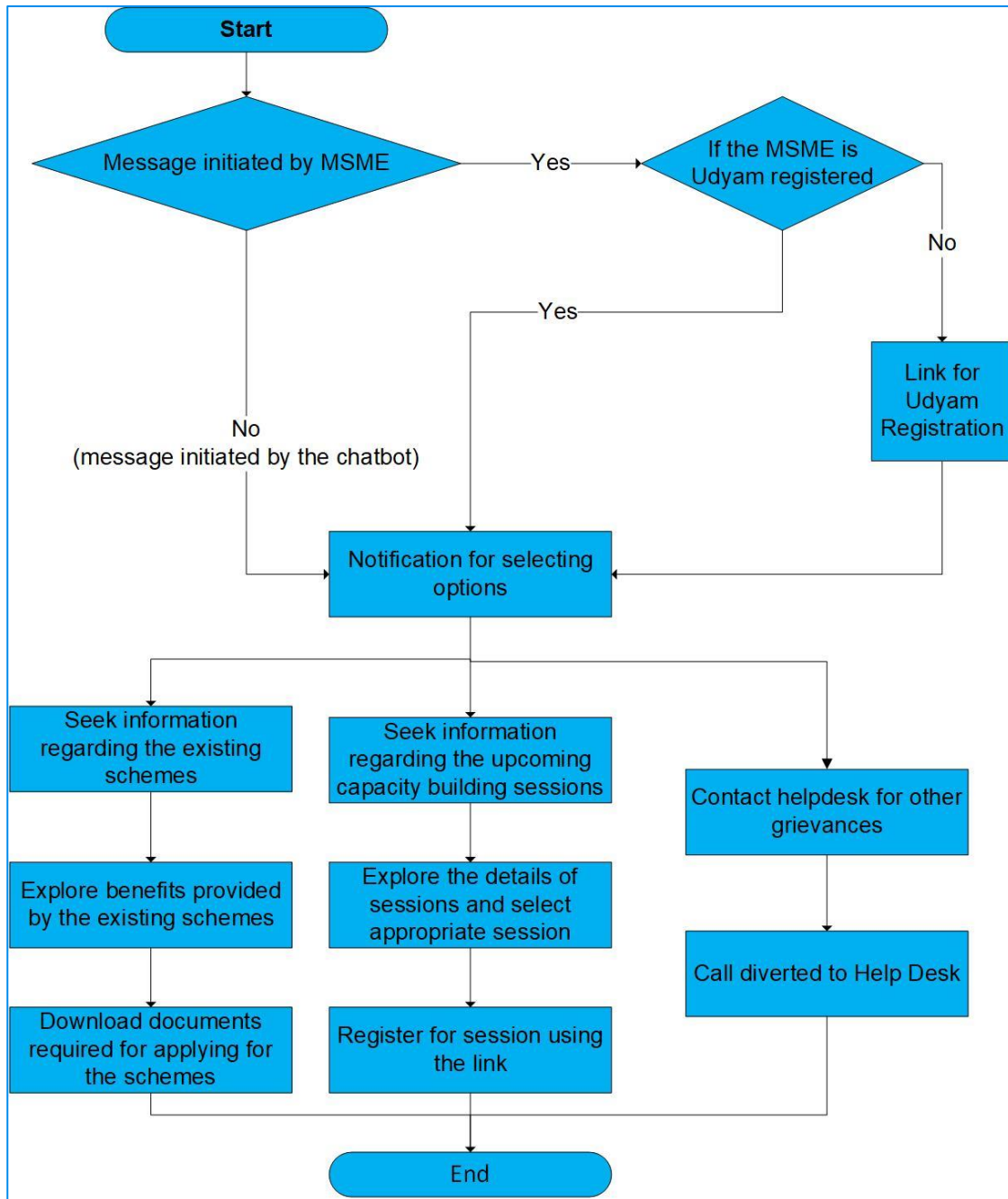
Overview of the chatbot: The chatbot's user-friendly interface will be created to promote simple and seamless information delivery to MSMEs. In addition, inquiries from the users will receive prompt replies from the chatbot, minimizing need for manual intervention. The department will onboard a business solution provider for developing and managing the chatbot. The chatbot will incorporate Bengali language capabilities and ensure accurate translation and contextual understanding of the language to provide a seamless experience to users. In addition, MSMEs will be able to contact helpdesk (established as a part of the intervention) with the help of a chatbot. The conversation can be initiated either by the MSME or by the chatbot. The functioning of the chatbot entails:

1. The conversation can be initiated either by chatbot or from the registered phone number of the MSME (provided during Udyam registration). Awareness sessions will be conducted to encourage MSMEs to initiate the conversation. The conversation can be initiated by texting "Hi" to the proposed toll-free number. Initially, the MSME will receive a prompt seeking information regarding their Udyam registration. In case the entrepreneur is yet to register its enterprise on the portal, they will be directed to the Udyam portal. If they are already registered, they can access information regarding the existing scheme and benefits.
2. The conversation will be initiated by the chatbot if it hasn't been initiated by the MSME. The chatbot will initiate the conversation in two instances (after the registration of MSMEs on the Udyam Portal and prior to capacity building sessions scheduled in their districts). Once the MSME gets registered on the Udyam Portal, it will receive a notification from the chatbot. It will assist entrepreneurs in learning about

the ongoing schemes, exploring potential benefits, and obtaining information about the documents required to apply.

In the second instance, the MSMEs will get a notification prior to the capacity building program/promotion program scheduled in their district. The chatbot will provide information regarding the planned session and will assist MSMEs in the registration process.

Figure 47:Process flow to showcase the functioning of Chatbot



Approach: The proposed approach for the intervention has been outlined below:-



Methodology:

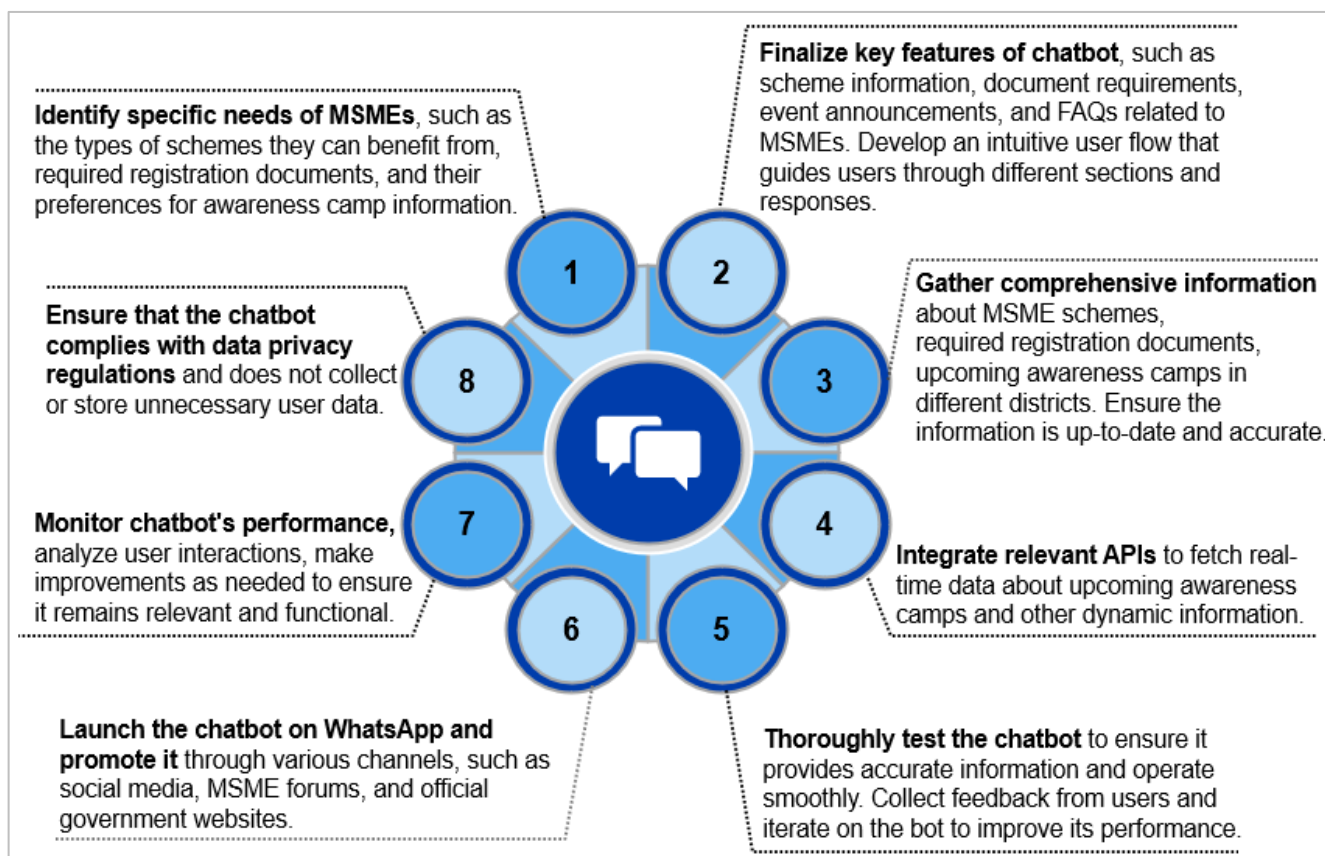
Facilitate onboarding of business solution provider

First, the department will identify the specifications for deploying the chatbot, and expertise required to develop the platform. Upon finalization of the specifications, the department will conduct a tendering process to onboard a business solution provider. Once onboarded, the firm will acquire necessary information pertaining to ongoing schemes, documentation required for registration and upcoming workshops from secondary sources and publications available online and consultation with the department. In addition, a list of udyam registered enterprises will be provided to feed into the chatbot.

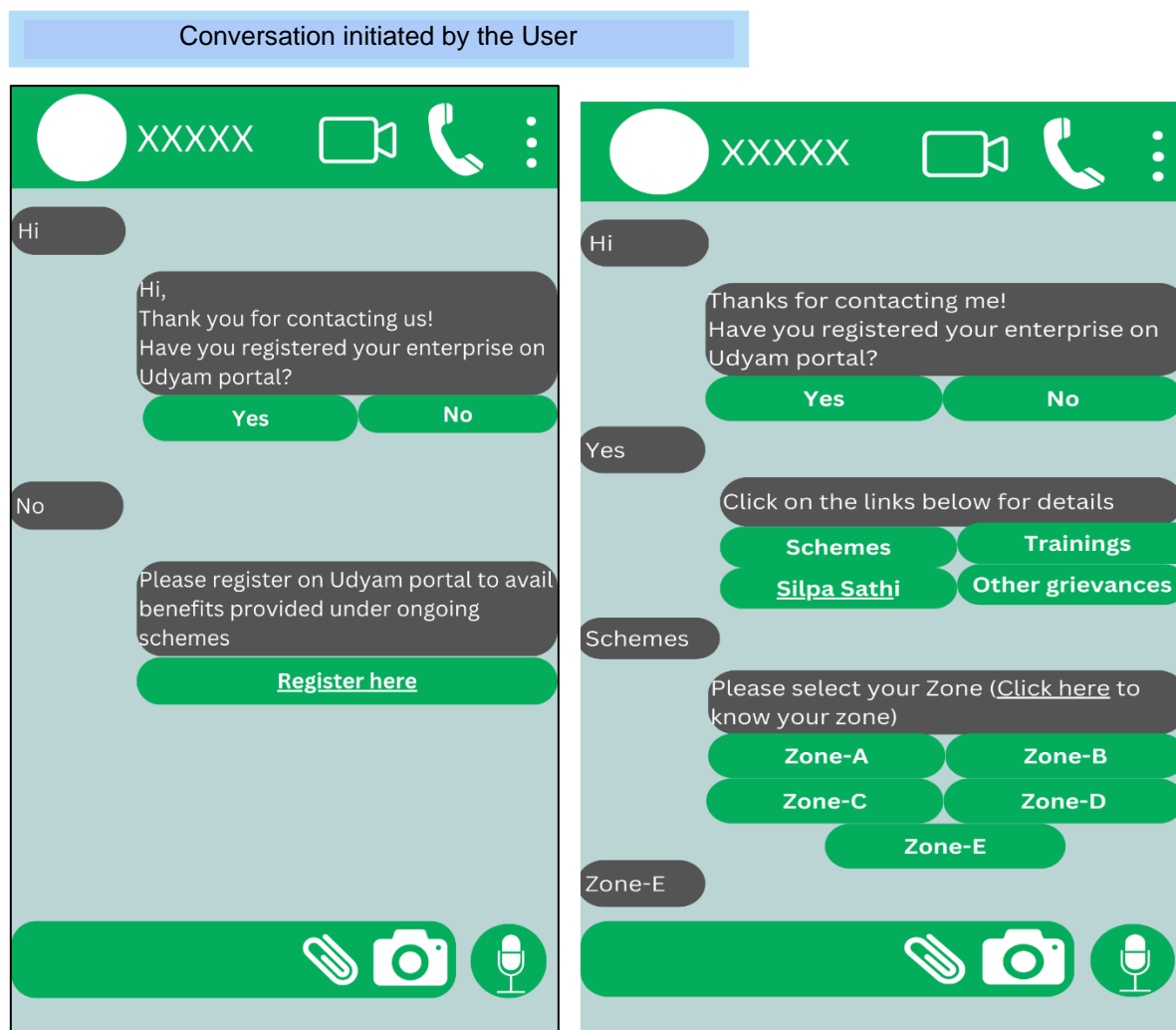
Formulate algorithm for WhatsApp Chatbot

Next, to formulate the algorithm for the chatbot, the following considerations should be undertaken:

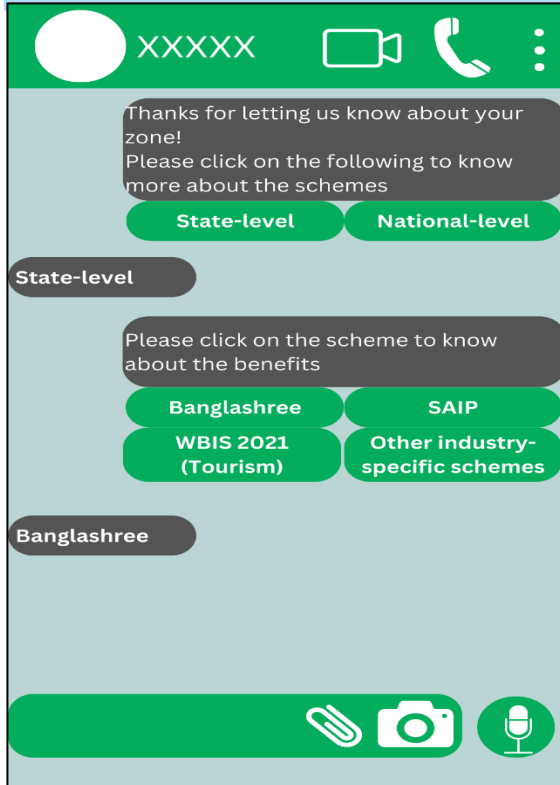
Figure 48: Overview of steps for formulating algorithm



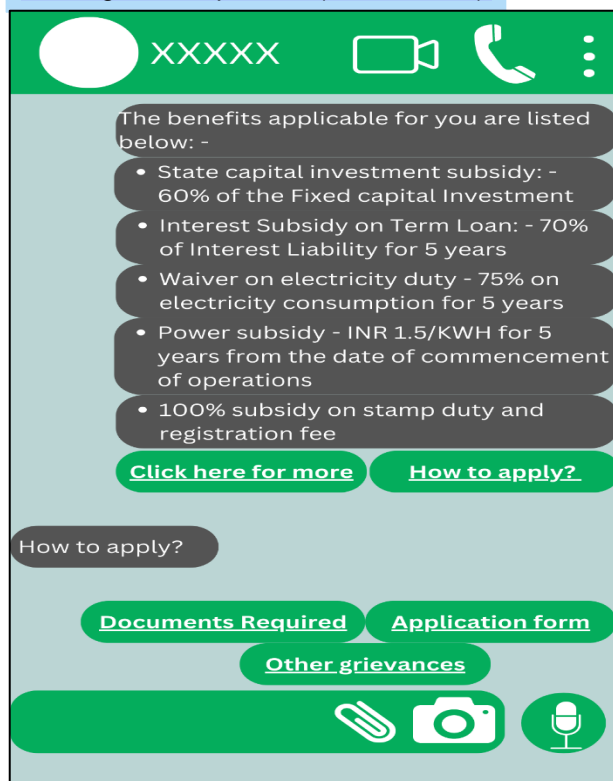
The following figures illustrates the indicative template of the WhatsApp chatbot. This content will be available in Bengali language as well to ease user experience:



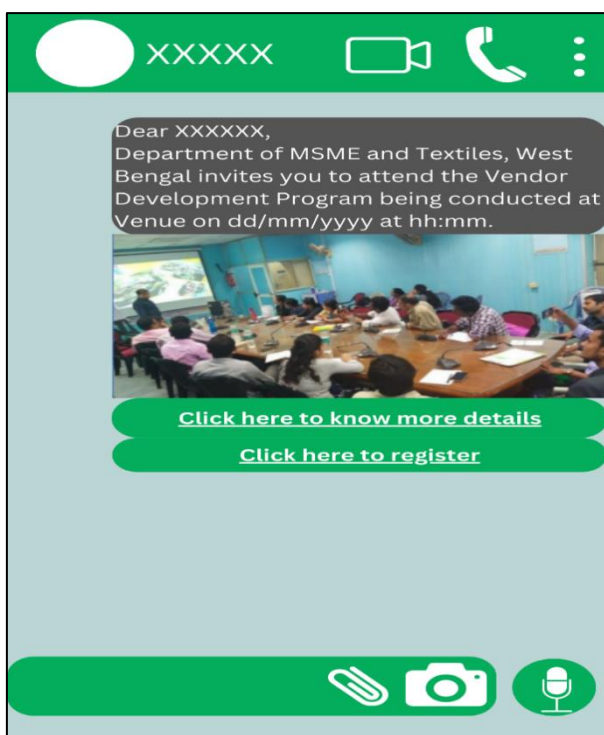
Text to avail information on schemes, and registration process (user initiated)



Text to avail information on schemes, and registration process (user initiated)



Information shared on upcoming events with



Formulate establishment of helpdesk

- **Establish a toll-free number for helpdesk:** The task force will assist the department in selecting an appropriate service provider for cloud-based Interactive Voice Response (IVR). The awareness campaign regarding the toll-free number will be conducted with the help of promotion sessions, and MSMEs will be encouraged to contact helpdesk for sorting out their queries.
- **Grievance redressal for helpdesks:** A group of 46 helpdesk/ BPO professionals will be onboarded by the task force. Two specialists will be assigned in each district for managing the helpdesks. The experts should have technical knowledge of the MSME landscape of West Bengal, which will allow them to address concerns raised by the entrepreneurs. The grievances commonly raised will be addressed by the chatbot using a predefined script or algorithm to provide instant solutions. These scripts will be based on the frequent issues faced by MSMEs and may use AI. For cases which cannot be addressed by chatbot, the grievances will be escalated to the human help desk. The data collected will be an aid in improvement in the grievance process. Machine learning models will be used to analyze the data, identify trends in grievances and refine the chatbot's response over time.
- **Integrate ticket management software:** The taskforce will also support the deployment of ticket management software to ensure that grievances are handled and closed in a time bound manner. The ticket management software will ensure the automated allocation of tickets to the concerned personnel. It will also help in managing data regarding the raised and solved grievances.
- **Upgrading Silpa Sathi portal and integration with chatbot:** The WhatsApp chatbot will be configured to provide MSMEs with a link to the existing single window portal. The integration will be done by creating a mechanism within the chatbot response logic to generate and present a clickable link to the portal. The portal will be updated on a continuous basis to provide accurate information about government guidelines, policies, incentives, and other resources to entrepreneurs across the state.
- **Monitoring grievances and issues raised during Synergy:** The chatbot will have a dedicated dashboard designed to handle queries related to Synergy. It will use Natural Language Processing to understand the concerns raised during the meet. The concerns/ grievances shall be documented and assigned to specific members in the help desk after categorization through the ticket management system. The system assigns a unique identifier to each query, allowing for easy reference and monitoring. The ticket management system shall log the query content, status of resolution and resolution time and the contact numbers of the MSME and key point of contact to whom the grievance has been assigned for the concerned department. The help desk will send regular alerts through text messages and emails to concerned department officials to expedite the process of grievance redressal. Depending on the status of addressal, the list of issues on the dashboard will be color coded. That is, queries for which redressal is pending beyond agreed timelines may be colour coded as red, the queries being addressed within due timelines shall be marked in orange and the ones which have been closed or addressed shall be marked green. In addition, the dashboard will record the time taken to address each query and feedback received from the users regarding their concern/ grievance being addressed.

Conduct awareness sessions to promote the use of chatbot and helpdesk among entrepreneurs:

To promote the use of the chatbot, the following steps shall be undertaken:

☐ **Preparation and Planning:**

The department shall first define the objectives of the awareness sessions, such as increasing awareness about the chatbot, educating MSMEs about available schemes, benefits, and registration processes. Identify the target districts and venues for conducting the sessions. In addition, set clear key performance indicators (KPIs) to measure the success of the awareness campaign. For instance, the KPIs may include: the number of attendees, their level of engagement, and the increase in chatbot usage after the sessions.

☐ **Content Creation:**

The department, in consultation with the task force shall develop informative and engaging content for the awareness sessions. The content will be created in the form of presentations, videos, and visual aids along with informative handouts or pamphlets that participants can take home for reference. The content will explain the benefits of using the chatbot, showcase the various schemes, and walk through the registration process. In addition, awareness about the facilities of the chatbot will be advertised across the districts with a dedicated number under the header "MSME helpline number".

☐ **Training and Resources:**

The department will provide technical support to facilitators or speakers who will conduct the awareness sessions. They should be well-versed with the features and functionalities of chatbox. Conducting the Awareness Sessions. Overall, the layout entails:

- ☐ Begin the session with a brief introduction to the importance of MSMEs and the impact of government schemes on their growth, followed by an introduction to the WhatsApp chatbot, explaining its features and how it can assist MSMEs in accessing scheme-related information easily.
- ☐ Demonstrate how to interact with the chatbot and access different types of information; highlight the benefits of using the chatbot, such as real-time updates on schemes and upcoming awareness camps
- ☐ Clarify the registration process and address any potential concerns or queries from the attendees
- ☐ Encourage participation and engage the audience with interactive elements like Q&A sessions.

☐ **Feedback Collection:**

Gather feedback from the participants after each session to evaluate the effectiveness of the awareness campaign. Use this feedback to make improvements in future sessions. In addition, contact information for additional support and assistance related to the chatbot and MSME schemes will be provided. Follow-up with participants through emails or WhatsApp messages will be conducted to encourage them to use the chatbot and stay informed about upcoming events. Based upon the feedback, sources that drive traffic, such as social media, website and referrals, shall be identified to further assess the effectiveness of the promotional channels.

Key outputs and evaluation parameters:

Key Outputs	Evaluation parameters
Increase in the registration for ongoing schemes	<ul style="list-style-type: none"><input type="checkbox"/> Number of unique users (identified through the Udyam Registration Number) who interact with the chatbot during the year<input type="checkbox"/> Total number of conversations with unique users<input type="checkbox"/> Number of users that downloaded documents required for the application process of the scheme

Key Outputs	Evaluation parameters
Greater participation in the capacity building sessions	<input type="checkbox"/> Percentage of users who successfully complete the registration process for capacity- building sessions through the chatbot
Better understanding of schemes and programs among MSMEs	<input type="checkbox"/> Number of queries handled by the Helpdesk

Key Milestones:

Milestones	Year-1	Year-2	Year-3	Year-4
Newly onboarded MSMEs (in lakhs) ⁵⁰	3.67	5.22	5.22	5.22
Existing MSMEs (in lakhs) - beginning of year	8.30	11.97	17.19	22.42
Total MSMEs - end of year	11.97	17.19	22.42	27.64
Number of MSMEs that initiated the use of chatbot ⁵¹	0.42	1.20	3.44	5.60
Number of MSMEs for which conversations were initiated by chatbot ⁵²	11.56	16.00	18.98	22.03
Number of awareness sessions for all interventions/ district ⁵³	48	48	48	48
Number of Marketing conversations (including promotion messages for capacity building sessions and onboarding messages) - in lakhs ⁵⁴	25	36	47	58
Number of Service Conversations - in lakhs ⁵⁵	26	78	165	288

⁵⁰ Assumption: - In the initial year, Duare Udyam camps will be conducted in 25% of all the blocks and municipalities, which is expected to result in Udyam registration of 1000 MSMEs. For the remaining 75%, it is assumed that the Udyam registration will be 400. In the remaining years, Duare Udyam camps will be conducted in all municipalities and blocks, which will result in Udyam registration of 1000 MSMEs. The mobile clinics will be conducted in each of the district on a monthly basis, thus resulting in a conversion of 4800 (400*12) MSMEs per year per district.

⁵¹ Assumption: - The proportion of MSMEs that initiated the usage of chatbot is assumed to be **5%, 10%, 20% and 25%** in Year-1, Year-2, Year-3 and Year-4 respectively.

⁵² Assumption: - Chatbots would initiate messages for those, who didn't message on their own

⁵³ Assumption: - It has been assumed that the number of awareness sessions that will be conducted per district will be 48 (4 sessions per month) in each year.

⁵⁴ Assumption: - All the MSMEs will receive notifications for sessions being conducted in their district

⁵⁵ Assumption: - It has been assumed that the number of service conversations initiated by the MSME has been 6, 12, 15 and 20 in year-1, year-2, year-3 and year-4 respectively. The number of service conversations initiated by the chatbot has been 2, 4, 6 and 8 in year-1, year-2, year-3 and year-4 respectively.

Timeline Chart

Activities	Y e a r 1	Year 2			Year 3		Year 4	
	H1	H2	H3	H4	H5	H6	H7	H8
Conduct empanelment process for onboarding business solution providers								
Finalise intended benefits of the chatbot								
Design features and process flow for chatbot								
Launch Chatbot for increasing awareness regarding the existing schemes and capacity building sessions								
Establish toll-free number for Helpdesk								
Recruit personnel for managing Helpdesk								
Integrate ticket management software								
Conduct sessions for promoting the chatbot								
Establish monitoring mechanisms								

Budget:

Line items	Expenses (in INR crores)				
	Y1	Y2	Y3	Y4	Total cost
Cost incurred for messaging ⁵⁶	0.26	0.49	0.82	1.26	2.82
Payment to business solution provider ⁵⁷	0.02	0.02	0.02	0.02	0.08
Cost incurred for establishing Cloud IVR ⁵⁸	0.015	0.015	0.015	0.015	0.06
Cost incurred for publicity of chatbot and popularizing the 10-digit chatbot	0.46	0.46	0.46	0.46	1.84

⁵⁶ Assumption: - The costs per each marketing and service conversation have been determined on the basis of pricing provided by Meta (WhatsApp). The charges per marketing conversation and service conversation is INR 0.7265 and INR 0.2906.

⁵⁷ Assumption: - The budgeted cost for the business solution provider has been assumed to be INR 2 lakh per year.

⁵⁸ Assumption: - The cost for deploying a cloud-based IVR has been assumed to be INR 1,50,000 per year.

Line items	Expenses (in INR crores)				
	Y1	Y2	Y3	Y4	Total cost
number (viz sample number 9838588888) ⁵⁹					
Payment to helpdesk personnel (1 in each district) to resolve queries unresolved by chatbot ⁶⁰	0.48	0.90	1.38	1.38	4.14
Cost incurred for integrating ticket management software ⁶¹	0.035	0.035	0.035	0.035	0.14
Costs incurred for integrating grievances obtained via Synergy event ⁶²	0.50	0.50	0.20	0.20	1.40
Costs incurred for strengthening of Silpa Sathi portal ⁶³	0.50	0.50	0.30	0.30	1.60
Total cost (year-wise)	2.27	2.92	3.23	3.67	12.09
Grand total cost	12.09				
Contribution from State Government (@25% of the total budget: including policy and scheme supports)	3.02				
Support sought under RAMP from Central Government	9.07				

State Departments to be involved for successful implementation:

- I. Department of MSME & Textiles

⁵⁹ Assumption: - INR 200,000 comprising publicity material, hoarding, banner, audio-visual and publicity in key points in the district

⁶⁰ Assumption: - The budgeted remuneration for one helpdesk personnel has been assumed to be INR 50,000 per month. 1 personnel for 23 districts each.

⁶¹ Assumption: - Cost of integrating ticket management software has been assumed to be INR 350000 per year.

⁶² Assumption: - The costs incurred will be INR 50 lakh in the first two years followed by INR 20 lakhs in following years

⁶³ Assumption: - Costs incurred for strengthening Silpa Sathi portal have been determined based on prior engagements and stakeholder consultations.

Intervention 3: Platform to connect investors with startups in West Bengal

Objective:

This intervention entails inviting investors from across the world to invest in startups in West Bengal, mentor entrepreneurs to grow their businesses and marketing their products in domestic and foreign markets.

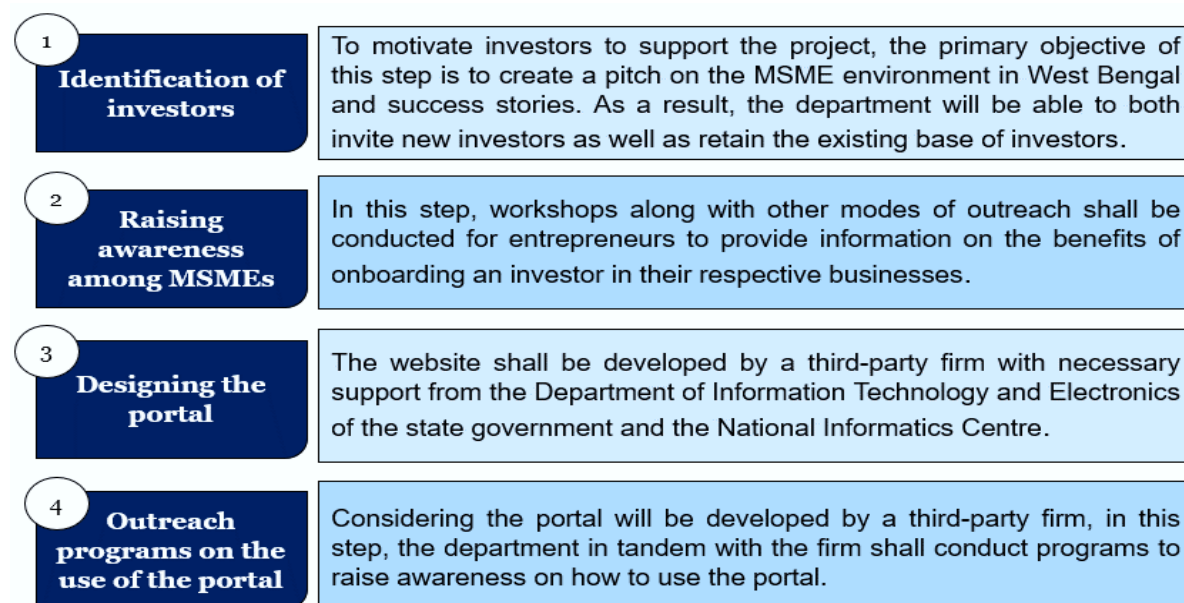
Rationale:

Engaging an angel investor in the business entails accessing their knowledge, skills, and experience, which enables MSMEs to maximize their growth potential in addition to obtaining the financial support that MSMEs need at different stages of development. Investors help start-up businesses build credibility in their industries by introducing entrepreneurs to possible clients and investors, identifying potential issue areas, and more.

Therefore, to strengthen the MSME sector in the state, it is essential to create a platform that would allow MSMEs and angel investors to connect based on their respective industry interests. To further such initiatives and bridge the gap between investors and entrepreneurs, the government aims to build a platform that will have a network of angel investors, venture capitalists and business supporters primarily interested in early-stage funding. On this platform, start-ups are required to submit project proposals and avail free online project evaluation which can be powered by institutions such as SIDBI, India Impact Investors Council, IIM Calcutta among others. The online examination of the credit profile of business proposals can serve as a preliminary check on the veracity of the information presented, which will allow investors to identify potential proposals for further appraisal of projects that are of interest to them. In addition to connecting entrepreneurs with the investors, details about the flagship program of the department “Bhabishyat Credit Card Scheme” will be also integrated into the platform. This scheme is aimed at supporting emerging entrepreneurs by providing financial support (in the form of subsidy and credit guarantee). The credit guarantee is jointly provided by the GoWB and CGTMSE program. In this intervention, we elaborate on the concept and goal of the platform and outline the approach, methodology and key components that will be present in the portal. The website shall be named “bengalinvestsinmsmes”.

The Government of West Bengal formed an MSME Venture Capital Fund with a budget of INR 200 crores in 2012, realizing the significance of capital infusion for MSMEs throughout their early and growing stages. The fund, which was established with SEBI, aimed to identify lucrative and scalable business projects, including new products and technology and creative business models. Using this fund, two of the three firms that were chosen for investment were able to scale and grow their businesses.

Proposed Approach and Methodology: The following steps shall be undertaken for the development, launch and use of the investor’s portal. The following methodology shall be adopted towards completing the aforementioned steps:



Step 1: Identification of investors to be onboarded in the portal

Business angel investors often form networks and associations that are private or semi-public in nature and facilitate access to capital for business owners. They support the exchange of information and alleviate any information asymmetries that may arise among business owners. Furthermore, their engagement in capacity development assists small firms seeking finance in improving their investor readiness. To onboard such investors on the platform, the following activities shall be undertaken:

- The task force shall prepare an investor pitch deck in 10 focus areas as identified in the Sector Leadership programme (Leather, Foundry, Forging, gems and jewellery, textiles, carpet, zari, incense stick, jute diversified products, packaged and processed food) deck in collaboration with eminent institutions in particular area.
- With support from the department, the task force shall circulate the deck among investors from the Bengal diaspora across the countries.
- Two industry connect sessions shall be conducted on an annual basis. One in South Bengal (Kolkata) and another in North Bengal (Siliguri)⁶⁴ wherein angel investors with varied sectoral expertise shall be invited. The sectors, for instance, can be the leading MSME clusters in Bengal, viz. food products and processing, jute and other fiber-based products, metal fabrication and furniture, textiles, and ready-made garments.⁶⁵ In addition to inviting new investors, the department shall also invite the existing network of angel investors in the State. The deck prepared by the task force will be presented during the sessions.

Step 2: Raising awareness among MSMEs

The task team shall create a brochure and distribute it to all GM DICs, who will then conduct outreach efforts in their respective districts to promote awareness of the value of onboarding an angel investor on board with their businesses.

Step 3: Designing the web-portal

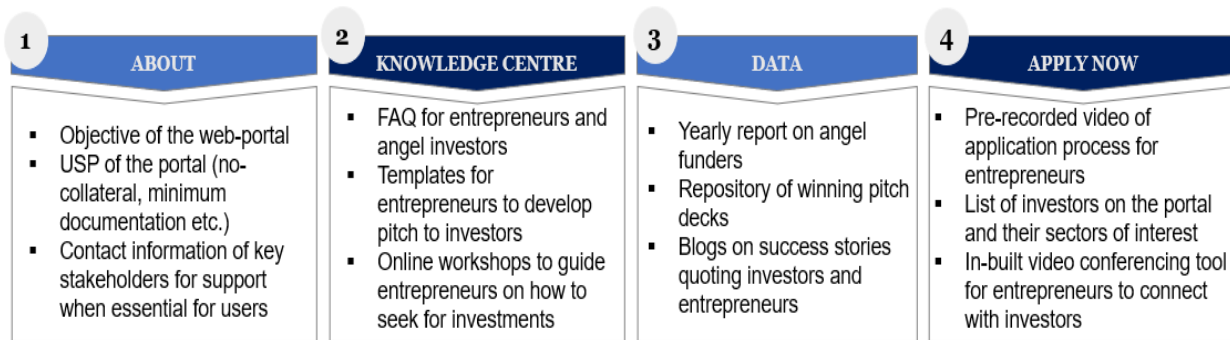
In this step, first, the task force shall provide assistance to the department in conducting the procurement process for onboarding a website development firm. This entails the preparation of bid documents, inspection of notices inviting tenders, preparation of cost estimates for procurement, among others. It should be noted that, in terms of the timeline, hired firm should initiate designing the portal, in tandem with the task team completing steps 1 and 2 of this intervention. Upon selection, the firm is expected to demonstrate a prototype of the envisioned website and further develop it once approved by the department officials. Similar procurement support shall be provided to onboard an institution with expertise in finance and investments to monitor investor profiles and pitch decks uploaded by entrepreneurs seeking investments.

The web-portal will also provide information regarding “Bhabishyat Credit Card” Scheme as it will be instrumental in supporting the entrepreneurs. A link will be integrated into the platform, which will direct entrepreneurs to the web portal of “Bhabishyat Credit Card”. It will facilitate greater participation of entrepreneurs in the scheme.

⁶⁴ Prominent locations as per zones. The locations will further be finalised with consultation with relevant stakeholders.

⁶⁵ Data on the clusters is available on the Directorate website - <https://wbmsme.gov.in/msmecluster>

In the figure below, we present an indicative list of sub-tabs that should be present in the web-portal.⁶⁶



After designing the layout, the task force shall create the content to be uploaded on the portal and complete the necessary verifications or approvals. This entails:

- ☐ Review of investor applications and creation of a repository of information pertaining to details on the professional background of the investor along with their sectors of interest in investments. After the primary review by the task force, the investors would be onboarded into the platform.
- ☐ Establish a startup repository that will be accessible to investors. In other words, the investors will examine a customized list of businesses depending on their focus industries, startup stages, and capital needs.
- ☐ Assist entrepreneurs with creating their profiles on the platform and submitting basic information including the pitch deck, problem statement, and current revenue model. There will be onscreen directions and resources to guide an entrepreneur if they get stuck. Once approved, the site will compile a list of potential investors who may be approached. With support from the task force, the initial screening will be completed after which the presentations will be shared with the appropriate investors for evaluation.
- ☐ If an investor is interested in a deck, the task force will connect the entrepreneur with the investor through a phone call or alternative modes of communication.

Step 4: Outreach programs on use of the portal

The task force will primarily focus on coaching business owners in this phase to increase their chances of attracting investors. The team will first create a module outlining the essential skills and information that an entrepreneur should have while creating their pitch deck and communicating with investors. This comprises:

- (a) Encourage business owners to be informed about financial metrics such as gross sales, net profit, cost of goods (cost of items delivered to them, wholesale cost, etc.), profit margin or profit as a percentage of revenue, inventory value, and projected sales for the next three to five years.
- (b) Awareness of the need for cash, i.e., an entrepreneur should be aware of whether they are seeking the finances for inventory requirements, business expansion, and the opportunity cost of pursuing a strategic relationship with the investor. In total, two awareness sessions every six months will be created at each zone across Bengal.

⁶⁶ The prototype of the website has been added at the end of this intervention.

Once developed, the module will be presented by trainers to small and medium enterprise owners across districts with prominent MSME clusters across the State in the form of workshops and focused group discussions and camps.⁶⁷Initially the training will be provided by the task force once every two months.

Key Outputs	Evaluation Parameters
Creation of a network of angel investors across the State	<input type="checkbox"/> Number of industry-connect sessions and workshops conducted for onboarding investors <input type="checkbox"/> Number of investors onboarded in the portal on monthly basis
Capacity building of entrepreneurs on areas of business improvement along with use of technology	<input type="checkbox"/> Number of workshops conducted on yearly basis to train entrepreneurs on the use of the portal and ways to improve their chances of getting an investment <input type="checkbox"/> Number of entrepreneurs uploading a pitch on the portal vis-à-vis the number of selected businesses for investments on monthly basis <input type="checkbox"/> Number of deals made between investors and entrepreneurs on yearly basis

Key Milestones:

Parameters	Year 1	Year 2	Year 3	Year 4
Number of industries connect sessions	2	2	2	2
Number of investors onboarded in the portal*	10	20	30	40
Number of workshops to train entrepreneurs	16	24	32	40
Number of deals made between investors and entrepreneurs	5	10	15	20

Timeline Chart:

Activities	Year 1		Year 2		Year 3		Year 4	
	H1	H2	H1	H2	H1	H2	H1	H2
Conduct procurement for website-development firm								
Draft investor pitch deck								
Conduct workshops and industry-connect sessions to onboard investors into the platform								
Design module to train entrepreneurs as mentioned in the design stage of the outreach programs								
Launch website and upload content on the portal								
Onboard investors and entrepreneurs into the portal								
Conduct workshops to train entrepreneurs in business arenas								
Maintain website								

⁶⁷ Data on the clusters is available on the Directorate website - <https://wbmsme.gov.in/msmecluster>

Budget:

Cost Heads	Year 1	Year 2	Year 3	Year 4	Total
	(In INR Crore)				
Hiring website-development firm	1	0.15	0.15	0.15	1.45
Collaboration with institution for preparation of pitch decks	0.5	1	1.5	1.5	4.5
Industry connect session ⁶⁸	0.04	0.04	0.04	0.04	0.16
Workshops/Trainings conducted ⁶⁹	0.32	0.48	0.64	0.80	2.24
Total Budget	8.35				
Contribution from State Government (@25% of the total budget: including policy and scheme supports)	2.09				
Support sought under RAMP from Central Government	6.26				

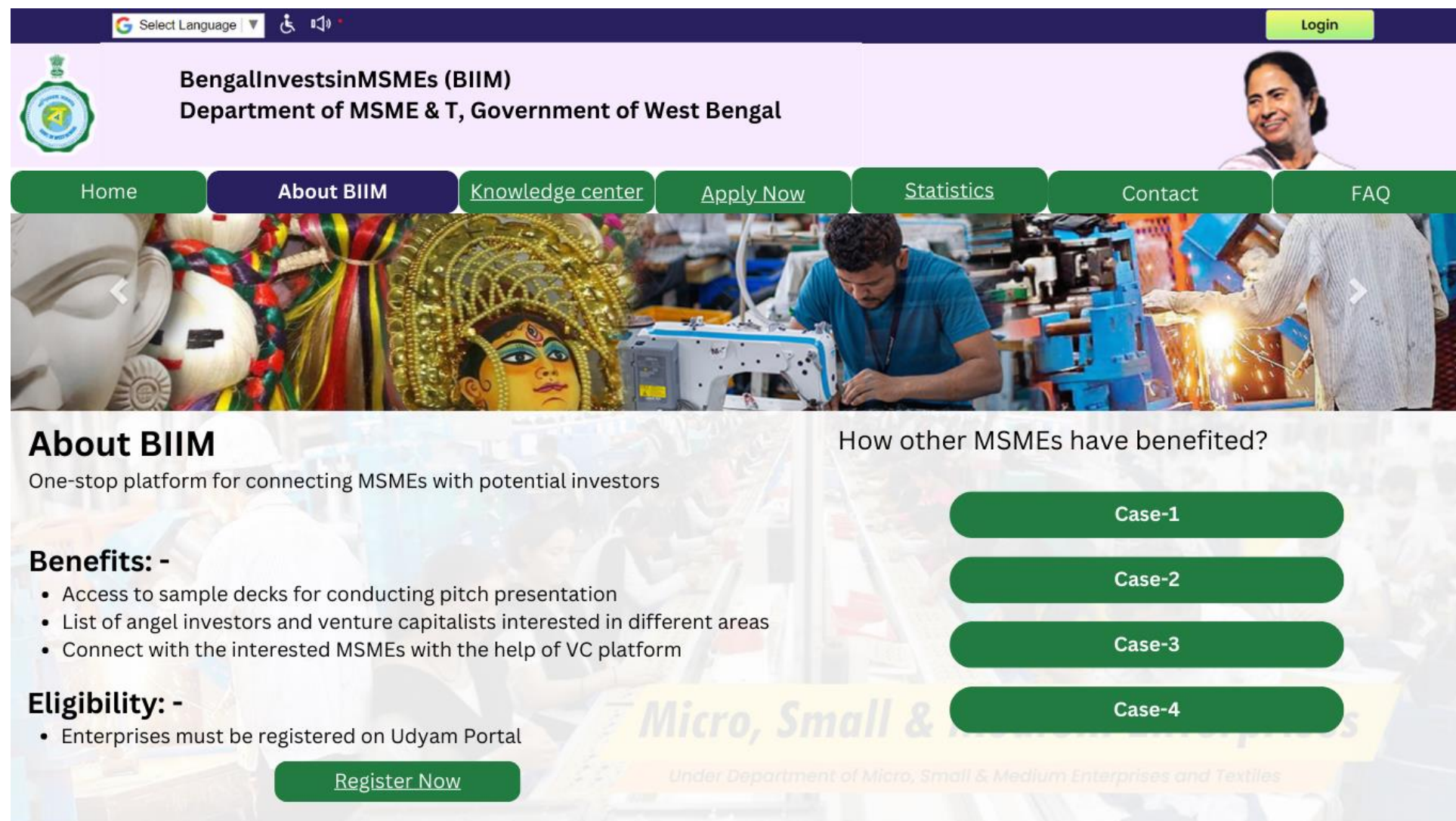
State Departments to be involved for successful implementation:

1. Department of MSME and Textiles
2. Department of Industry, Commerce and Enterprise
3. Department of Information Technology and Electronics
4. Skill Development and Technical Education Department

⁶⁸ Considering INR 2 lakh will be spent to conduct each industry connect session, annually the budget will be INR 4 lakh.

⁶⁹ There will be 2 camps every 6 months. In total there will be 4 workshops in each zone per year i.e., 16 in year 1. Assuming workshops at the district level is INR 1.5 lakh, as per prior experiences, the estimated cost for conducting sessions at the zone level is INR 2 lakh. This includes refreshment cost, technical training provided by task force along with guidance on usage of the portal.

Proposed design of the website⁷⁰



⁷⁰ Please note that the prototype has been prepared using the **Canva platform** and non-chargeable infographics have been used for preparing these prototypes.

Intervention 4: Promotion of women entrepreneurship in West Bengal

Objective:

This intervention aims to increase awareness of central schemes among women-entrepreneurs in Bengal along with providing hand-holding support to register and avail benefits of the schemes.

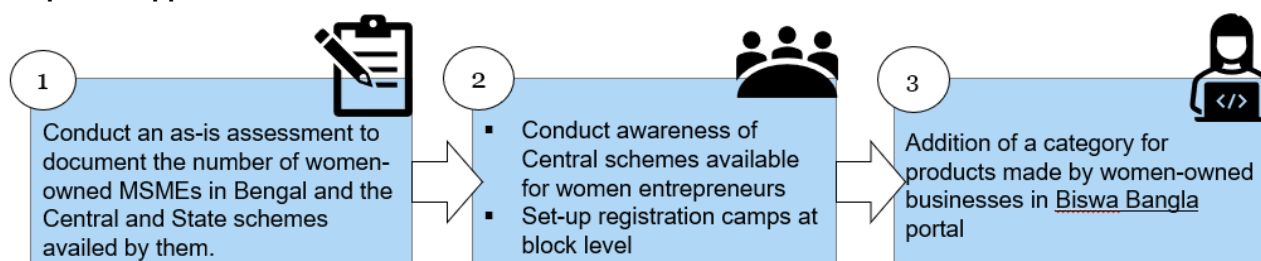
Rationale: The importance of an enabling ecosystem for catalyzing women entrepreneurship has gained traction in West Bengal. Over the years, through various fiscal incentives, the West Bengal Government has encouraged women entrepreneurs to expand and renovate their existing industrial units. The Directorate of MSME has designated field officers at the district level and industrial development officers at the block level to provide essential assistance and information to entrepreneurs since women-owned businesses are typically home-run, micro, and informal in nature. The array of guidance offered entails spreading knowledge about the various ongoing programmes and incentives accessible to women, offering technical assistance for project report preparation, providing information sources on the purchase of land, machinery, and equipment for their businesses, ensuring financial assistance through banks and WBFC under Self Employment Schemes and offering marketing assistance through WBSIDC/NSIC Ltd., ancillary industry tie ups and linkages with government organizations. In addition, for capacity building, trainings are offered to entrepreneurs for the further development of their businesses.

The Directorate of MSME oversees Paschim Banga Mahila Samabay Mahasangha (PBMSML), an apex organization for women handcraft artisans. It organizes marketing facilities and supports business owners in their efforts to promote their products through attending state-sponsored fairs. For instance, the State Handicraft Expo (which is held annually in Kolkata) offers a forum for buyer-seller meetings that allow female entrepreneurs to directly access the market.

Leveraging the support provided to women, Bengal ranks first in terms of the number of women-owned enterprises,

across India. Additionally, West Bengal is among the top 7 states that account for 43% of the total schemes designed to support entrepreneurship in India.⁷¹ For instance, in 2022–2023, around INR 32 crore was given for the clearance of claims under Banglashree for MSME, an umbrella programme that offers fiscal benefits to MSME units throughout Bengal coupled with special incentives for women-owned businesses. Several awareness campaigns are held across the districts supervised by the GM DICs to ensure that women are utilizing the program's advantages to promote their involvement in the programme. However, despite the improvements observed, the persistence of lack of knowledge of state and central schemes specifically, acts as an impediment to the growth of businesses owned by women entrepreneurs. Within this context, this intervention aims to increase awareness of ongoing schemes and provide hand-holding support to women entrepreneurs, along with expanding opportunities to market their products.

Proposed Approach:



Methodology:

The following steps shall be undertaken to implement the envisioned intervention.

Step 1: Profiling of women entrepreneurs/ As-Is assessment in districts

⁷¹ https://www.niti.gov.in/sites/default/files/2023-03/221007_NITI_MSC%20Entrepreneurship%20Schemes%20Research%20Report_Final.pdf

It is important to evaluate the existing situation in Bengal to comprehend the extent of knowledge of central and state initiatives among women entrepreneurs. The collection of gender-disaggregated data will aid in understanding the current programmes available to women, the benefits received from them, and how the schemes have affected business in terms of production, scalability, and employment. Additionally, the upkeep of such a database would allow for the development of efficient strategies for awareness campaigns to further promote women's involvement in the different programmes. Below are the activities required to be completed by relevant stakeholders to conduct the as-is assessment:

First, the task force shall prepare a template for a questionnaire, which will be shared with GM DICs upon finalization of the contents with the Department of MSME. The template could cover the following sections: the first section will feature a profile of women-owned businesses; the second and third segments will evaluate the engagement of women in different state and federal programmes and the benefits received as a result of their participation. The final section will aid in determining the level of knowledge or awareness of various initiatives

Figure 49: Indicative list of questions in the template

<p>1</p> <p><i>Profile of enterprise</i></p> <ul style="list-style-type: none"> <input type="checkbox"/> Name of women-owned enterprise <input type="checkbox"/> Type of product sold <input type="checkbox"/> Completion of Udyam registration <input type="checkbox"/> Channel through which product is sold (wholesale/retail, direct to consumer) 	<p>2</p> <p><i>Schemes availed</i></p> <ul style="list-style-type: none"> <input type="checkbox"/> No. of Central schemes and State schemes availed by the enterprise in past 5 years (or since inception) <input type="checkbox"/> Names of schemes and nature of benefits/incentives currently used by the enterprise
<p>4</p> <p><i>Extent of awareness</i></p> <ul style="list-style-type: none"> <input type="checkbox"/> Areas of limited knowledge/awareness (for instance, green technology, digital marketing, identification of buyers, access to finance etc.) <input type="checkbox"/> Mode/nature of awareness about the schemes availed (word of mouth, peer learning etc.) 	<p>3</p> <p><i>Business figures</i></p> <ul style="list-style-type: none"> <input type="checkbox"/> Plant/machinery purchased with certain incentive <input type="checkbox"/> No. of products sold in past 3 years <input type="checkbox"/> No. of products made per person/hour <input type="checkbox"/> Increase/decrease in employee count in past 3 years

across thematic areas of finance, technology, market linkages etc., along with understanding the most effective and common mode of awareness that enables MSMEs to participate in the ongoing programs. An indicative list of questions that could be present in the template is illustrated in figure 48.

☐ The GM DICs can provide the questionnaires to IDOs, who will collect information from women-owned enterprises at the block level. The IDOs shall complete the exercise and share the information with GM DICs within

four months. A weekly report on the quantity of responses obtained may be created by IDOs and shared with the GM DICs to track the progress of the responses gathered. The report should also include challenges faced in data collection.

- ☐ In addition, the task force will develop an MS Excel template on which the GM DICs will assemble the material after two months of receiving the responses. After completion, the task force will compile the sheets from the GM DICs across the 23 districts into one excel workbook and examine the data gathered. This involves data cleaning and fundamental analyses such as identifying thematic areas with the least awareness, etc. The figures will be updated in the workbook on an annual basis.

After completion of the RAMP program, the task of collating information into the workbook shall be taken upon by one-official in the Department of MSME.

Step 2: Awareness camps on schemes

Based on the responses from women-owned businesses in step 1, awareness campaigns at the district level would be held to increase knowledge regarding the accessibility of various central and state programmes and hand-holding assistance for registering for the programmes. The following activities shall be conducted under this step:

- ☐ The task force will compile a list of central and state programmes under thematic categories where there is the least understanding or awareness among women-owned enterprises. These areas might be (a) capacity development and skill enhancement (b) financial inclusion (c) early-stage support (d) market access, etc.
- ☐ The task force can prepare the necessary materials to conduct the awareness camps after the list of schemes has been finalized with the Department of MSME. This involves drafting the content that must be included in brochures and pamphlets that will be circulated among female-owned enterprises in the camps.

The information created should emphasize the name of the programme, the benefits it provides to women, an indicative list of the outcomes that MSMEs may attain after they register for the programme and documents necessary to register. In addition, information on portals such as Women Entrepreneurship Platform will be spread among women entrepreneurs.

- Each zone in Bengal will have an overall of two awareness campaigns every six months. The first camp will be held in the second half of year 1 once the information on awareness of schemes is received from Step 1. In each cycle, a different district (within each zone) will host the awareness camp depending on the number of MSME clusters there and geographical proximity and accessibility to other districts in the zone. The task force and GM DICs from each area will lead the camps.
- The GM DICs can ensure their respective district is informed about the camps. The mechanism of information dissemination will be word-of-mouth and the transfer of camp-related information to IDOs, who will then spread it at the block level.
- Following each session, a 3-day kiosk will be hosted during which women business owners may receive facilitation services from MSME facilitation centers located in the districts. The kiosk will have an official helping women-entrepreneurs register for Udyam based on the requirement of the scheme application. Daily reports on the uptake of the schemes for the 3 days must be produced by the GM DIC and shared with the task force who will forward it to the department.

In 2017, the NITI Aayog announced the WEP, a project funded by the Government of India, with the goal of fostering an environment in India that is favorable to women entrepreneurs. By serving as a centralized aggregator of pertinent data and services, WEP aimed to do this. It would improve connections between industries and raise knowledge of current programmes among women entrepreneurs. Access is especially given to programmes for a) incubation and acceleration, b) entrepreneurial skilling and mentorship, c) marketing support, d) finance and financial aid, e) compliance and tax assistance, and f) community and networking. Over 26,500 women across India have enrolled and used the platform since WEP launched in 2018 and reaped its benefits.

Step 3: Creation of category for products by women-led enterprises

Following the completion of the RAMP program, the list of schemes on which awareness shall be raised will be created by the Department of MSME and the contents will be developed by the GM DICs based on the template prepared by the task force in the four years.

In this step, a separate category shall be created on the Biswa Bangla portal to drive traction on women-made products while encouraging competitiveness in the sector. In figure 49, we present a snippet of the existing Biswa Bangla portal with an addition of a category of products called “Made by Women”. Once a consumer and buyer selects the category, the page will display products with a pink tag highlighting products solely designed by women-owned enterprises.

Figure 50: Illustrative prototype of Biswa Bangla website with tag about products made by women



The following activities shall be conducted in this regard:

- ☐ The task group will compile a list of resources that might assist female entrepreneurs in extending their market reach through the portal. This includes: (a) individualized training resources to help business owners get started on the portal (b) account management assistance, in which a member of the Biswa Bangla team will mentor the entrepreneur for the first two months of their use of the site (c) assistance with imagery and cataloguing, including assistance with product photoshoots and listing help to get the account online (d) greater consumer visibility; and (e) using Biswa Bangla's marketing campaigns to advance their own brands.
- ☐ After compiling the list, the task force will confer with Biswa Bangla and the Department of MSME to determine the detailed level of assistance that may be given to the female entrepreneurs.
- ☐ Biswa Bangla shall use their independent database of women entrepreneurs along with the data collected in step 1 to present the products under the new-category titled "products by women-entrepreneurs".
- ☐ The products will go through the routine quality inspection that Biswa Bangla does for the goods that are offered for sale on the internet. For micro-entrepreneurs, parameters such as participation of enterprise in "Banglashree for MSME" can be considered wherein fiscal incentives are provided to enterprises for certification on product quality, patent registration etc.

A department official will be responsible for providing Biswa Bangla authorities with the necessary information (from the block level) about women-owned businesses and the products they prepare to increase their market reach.

Key Outputs	Evaluation Parameters
Database on women-owned enterprises across Bengal	No. of Udyam registered women-owned businesses
Awareness of State and Central schemes	<input type="checkbox"/> No. of schemes availed <input type="checkbox"/> No. of registration per scheme during each hand-holding session
Expansion of market reach for products made by women entrepreneurs	<input type="checkbox"/> No. of women-owned enterprises supported by Biswa Bangla

Key Outputs	Evaluation Parameters
	□ Sales of products under “products by women entrepreneur”

Key Milestones: -

Key Milestones	Year 1	Year 2	Year 3	Year 4
No. of awareness camps (1 per each district)	23	23	23	23
No. of registrations in each handholding session during the awareness camps ⁷²	20%	25%	30%	35%
No. of women entrepreneurs onboarded on Biswa Bangla portal (as % of total Udyam registered women-owned enterprises in Bengal)	5%	10%	15%	20%

Timeline chart:

Activities	Year 1		Year 2		Year 3		Year 4	
	H1	H2	H1	H2	H1	H2	H1	H2
Creation of database on women-owned enterprises in Bengal								
Creation of template for questionnaire by task force								
Maintenance of workbook by GM DICs on annual basis through information shared by IDOs ⁷³								
Awareness camps and hand-holding session for increase in women participation on central schemes								
Review of database to identify schemes under specific thematic areas								
Finalize location of camps								
Prepare materials required for awareness camps								
Conduct awareness camps and hand holding sessions								
Expand reach of products through Biswa Bangla								
Biswa Bangla team to onboard entrepreneurs into their platform								

⁷² Of the total no. of target beneficiaries. For instance, in year 1, 1 out of 4 women attending the awareness camp, could register in schemes during hand holding sessions conducted.

⁷³ The 6-month process of collection of information from MSMEs will be continued post the first year. The GM DICs shall update the workbook on an annual basis and share it across with the Department for review.

Budget:

Cost Heads	Year 1	Year 2	Year 3	Year 4	Total
	(In INR Crore)				
Profiling of women entrepreneurs and documentation - Deliverable: Report on women entrepreneurs, products involved in, access to markets (district wise) ⁷⁴	0.92	0.92	0.92	0.92	3.68
Updation of Biswa Bangla website to include tag for women/separate product category ⁷⁵	0.2	0.03	0.03	0.03	0.29
Total Budget	3.97				
Contribution from State Government (@25% of the total budget: including policy and scheme supports)	0.99				
Support sought under RAMP from Central Government	2.98				

State Departments to be involved for successful implementation:

1. Department of MSME and Textiles

⁷⁴ Assumption: - The state would profile the women entrepreneurs in the state regarding the activities they are involved .

⁷⁵ Assumption: - Since it is an existing website, the cost to add a category will be INR 20 lakh and 15% will be annual maintenance costs (AMCs).

4.1.2. Access to Finance

Implementation of the proposed interventions will result in improving access to financial resources and expediting the resolution of disputes related to delayed payment. Adoption of peer-to-peer financing will help MSMEs overcome the challenges arising due to increased interest rates and declining credit scores. Supporting the SMEs in the listing process will improve their access to capital and also help them enhance their brand equity. One of the interventions is also aimed at increasing participation on the TReDS platform, which will help address the challenges arising due to inadequate working capital. The department has already undertaken some initiatives for expediting the resolution of disputes, and the proposed intervention will help in executing the next phase of reforms.

List of Interventions: -

Intervention 1: Facilitate Financing platform for MSMEs (for easier access to finance through marketplace lending mechanism)

Objective:

The key objectives of the intervention would be to encourage the MSMEs to use the alternate source of financing such as the marketplace lending mechanisms (FI/ NBFCs/ P2P platforms) for their short-term liquidity requirements

Rationale: One of the most pertinent issues faced by MSMEs is the availability and accessibility of the sources of finance. As per a study published by the International Finance Corporation (IFC)⁷⁶, the demand for MSME credit Rs. 87.70 Lakh Cr out of which Rs. 18.50 Lakh Cr is in terms of equity and Rs. 69.30 Lakh Cr. is in terms of debt. However, the formal financial sector caters only to 16 percent of the debt demand or Rs. 10.90 Lakh Cr. and the rest is financed through informal sources⁷⁷. Moreover, the study also shows that the Low-Income States account for 23 percent of the overall credit gap or Rs. 5.90 Lakh Cr. The state of West Bengal accounts for 30 percent of the credit gap or 1.77 Lakh Cr⁷⁸. As per the data published by NABARD⁷⁹, the banking sector provided a total credit of 87,166 Cr. to the MSME sector in the state in FY2023.

Some of the major reasons for the limited penetration of formal sources of MSME financing include the reluctance of the banks to offer small ticket loans to micro-enterprises, lack of adequate collateral from the MSME, the poor CIBIL score of the promoters, and other socio-economic factors⁸⁰. These factors, together, force MSMEs to explore informal sources of funding. However, these informal lending are often done Over the Counter (OTC) and the transactions are not very transparent, putting the MSME borrowers at a disadvantage.

DoMSME, Government of West Bengal intends to create a financing platform for MSMEs. The alternative financing platform would onboard Financial institutions, NBFCs and Peer-to-Peer (P2P) lending platforms (only

⁷⁶ IFC. 2018. "Financing India's MSMEs: Estimation of Debt Requirement of MSMEs in India"

⁷⁷ The informal sources include borrowings from family, friends, moneylenders, chit funds and other businesses.

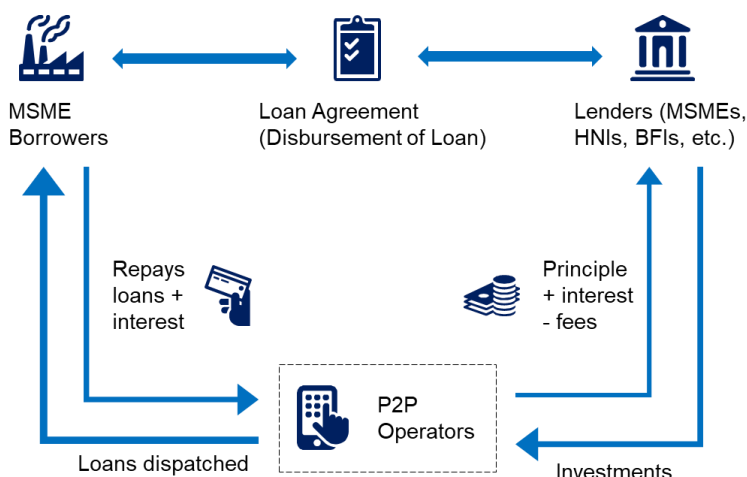
⁷⁸ IFC has categorized West Bengal as a Low-Income State (LIS) based on its GDP per capital at factor cost (at current prices)

⁷⁹ NABARD. 2023. "State Focus Paper 2022-23: West Bengal"

⁸⁰ These include factors such as NPL level in the sector, socio-political unrest in the region, prospects of loan recovery, etc.

the P2P platforms whitelisted by RBI shall be onboarded). Peer to Peer lending is one of the promising solutions and is increasingly adopted in many geographies. These P2P platforms facilitate financial transactions between the borrowers and the lenders without the use of an official financial intermediary in a digital mode (Figure 51). The solution is increasingly used across various countries to provide loans to small and medium enterprises (SMEs). On a global scale, the funding through such platform reached USD 114 billion in 2021⁸¹. In the United Kingdom (UK), **more than one third of the SMEs (36 percent) used P2P platforms for receiving trade credits in 2020**⁸².

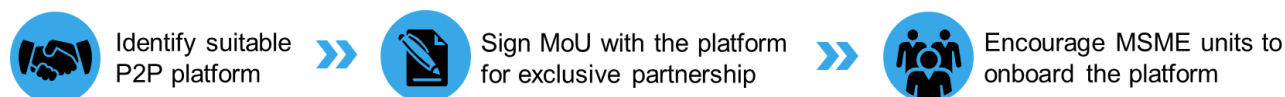
Figure 51: P2P lending mechanism



In India, the Reserve Bank of India through its directive “Master directions- Non-Banking Financial Company- peer to peer lending platform (Reserve Bank) Directions 2017”, brought P2P lending under formal financial regulations. Following this, P2P lending has gained traction and is expected to reach a market size of Rs. 84,000 Cr. by 2026. Given the lower regulatory requirements for P2P loans, therefore, the P2P MSME lending platform could facilitate quicker loans without any collaterals from the MSME borrowers. The WB DoMSME developed platform would also host the FIs and NBFC apart from P2P service providers to offer a competitive interest rates to MSMEs and a wide variety of institutions to choose from

Proposed Approach:

In this intervention, the role of the state would be to enter into an MoU with one of the FIs/NBFCs/ P2P lending platforms and encourage the MSMEs to onboard the platform as a means to provide as well as raise collateral-free financing. In this regard, our proposed approach involves the following steps:



Detailed Methodology:

Identify suitable platform

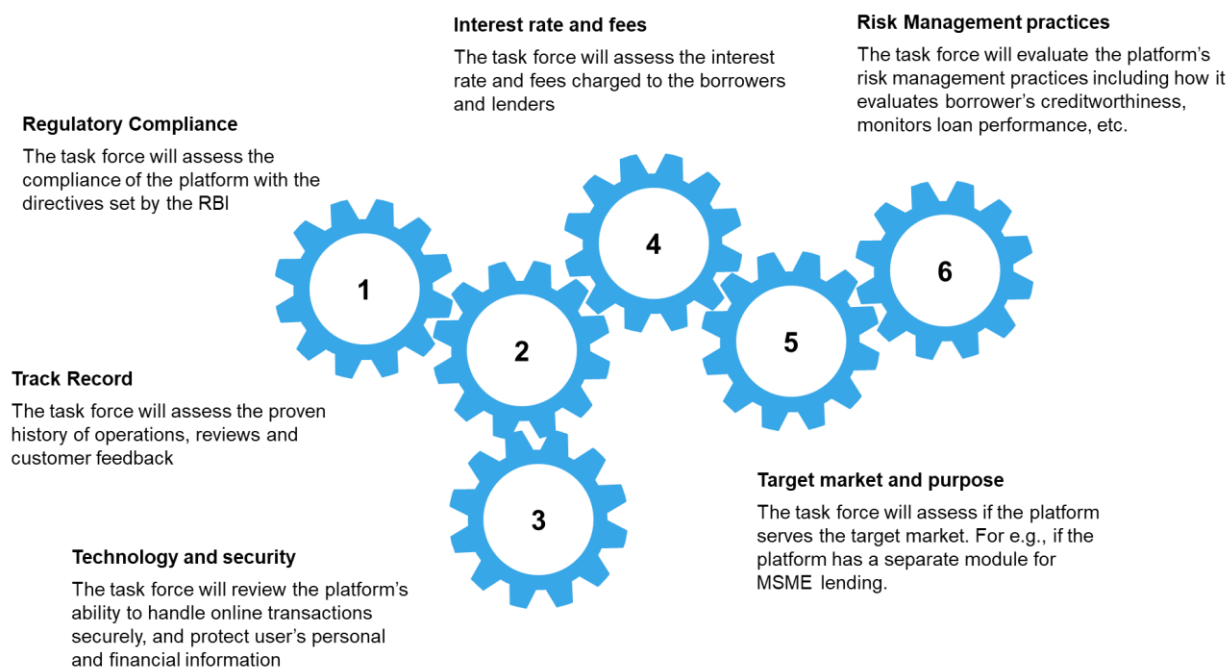
In this stage, the major objective would be to identify suitable P2P lending platform whose objectives align with the state's MSME priorities. In this regard, the various steps involved are as follows:

- Identifying government objectives:** The first step would involve the task force to clearly define the state's objectives for engaging with a NBFC/ FI/ P2P lending platform. These objectives could be related to promoting financial inclusion, supporting the MSMEs, fostering economic growth, addressing social or developmental challenges across specific sectors, or enhancing access to credit.
- Identify the criteria for selection:** In this step, the task force will establish suitable criteria for selecting the vendor. Some of the illustrative criteria for this purpose have been outlined below:

⁸¹ OECD. 2022. “Marketplace and Fintech lending for SMEs in the COVID 19 Crisis”

⁸² OECD. 2022. “Financing SMEs and Entrepreneurs 2022: An OECD Scoreboard”

Figure 52: Illustrative criteria for P2P platform operator selection



- (c) **Platform due diligence:** In this step, the task force will perform the due diligence on the basis of the established criteria., The task force will adopt a suitable procurement method for the vendor selection based on the results of the due diligence exercise.

Sign Memorandum of Understanding (MoU) with the platform for exclusive partnership

An exclusive MoU with one of the platform operators will enable the state government to promote financial inclusion in the state, as well as strengthen the collaboration and cooperation between the platform operator and the state government. The stage will involve the following steps:

- (a) **Preparation of the MoU:** Once a platform is selected, the task force, in consultation with the relevant government stakeholders, will prepare the MoU. The document will outline the specific objectives, roles, and responsibilities of both the state and the platform operator, in addition to aspects such as regulatory compliance, consumer protection framework, data sharing arrangements, and public awareness initiatives.
- (b) **Review and Negotiation:** Once the MoU is drafted, the task force (on behalf of the state) and the platform operator will engage in negotiations to finalise the terms and conditions of the MoU. In addition, it will also involve a detailed legal review of the MoU to ensure it is legally binding, protects the rights of each party, and complies with the applicable laws and regulations.
- (c) **Finalizing and implementation:** Once the terms and conditions are finalised by both parties, the task force will assist the state in coordinating with various departments to obtain the necessary approvals. After the MoU is signed, the task force will provide the necessary support and oversight to ensure smooth execution of the collaboration.

Encourage the MSMEs to onboard the WB MSME alternative financing platform

This stage is mainly concerned with creating awareness amongst the MSMEs in various clusters and districts to not only inform them of an alternate financing platform, but also encourage the MSMEs with surplus cash to onboard the platform as potential investors, as such investment is likely to provide greater returns than some of the conventional investment instruments (e.g., fixed deposits). The investor base can gradually be expanded through structured awareness initiatives amongst the various classes of investors including HNIs, Large Corporates, etc. The various ways to achieve this has been explained in Table 16.

Table 16: Illustrative ways to increase awareness of P2P lending amongst the MSME units

Sl#	Initiatives	Details
1.	Conducting Workshops and Seminars	The task force will help the state in organizing workshops and seminars dedicated to educating MSME owners and entrepreneurs about P2P lending. Such sessions will share industry insights, success stories and provide practical tips on using the platform to access capital.
2.	Webinars and online events	The task force will support the state in organizing webinars and online events that the SMEs can attend from their workplace. Such sessions will be interactive and mostly will address the concerns of MSMEs about P2P lending.
3.	Government website and portals	The task force will provide the necessary technical assistance in customizing their official website to provide comprehensive information about P2P lending, including FAQs, guides, and links to the partner P2P lending platform.
4.	Incentivize for successful referrals	The task force will assist the state in developing non-fiscal incentives if an MSME unit that would have benefitted from alternative financing platform refers other MSME units to the portal. Such initiatives may include faster renewal of trade licenses, prioritization in terms of providing services by the DICs, etc.
5.	Conducting local business events	The task force will provide the necessary assistance to the state in developing the framework for conducting local business events to showcase the benefits of alternative financing and interacting directly with the MSME owners. These events could be jointly conducted by the state and the industry associations (e.g., small scale detergent and soap manufacturers association, FICCI, West Bengal Garment Manufacturers and Dealers Association, etc.)

Key Outputs and Evaluation Parameters:

The key outputs and evaluation parameters of the intervention are as follows:

Key Outputs	Evaluation Parameters
a) Greater access to credit by the MSMEs	a) Number of MSME onboarded in the platform
b) Increase in transparency in credit transactions between MSME borrower and investors	b) Amount of capital raised by the MSMEs through WB MSME alternative finance platform

Key Milestones:

Milestones	Year 1	Year 2	Year 3	Year 4
Amount of capital raised by the MSMEs in this platform (in Cr)	30 ⁸³	36 ⁸⁴	45	55

Timeline Chart:

⁸³ Assumption 1: In the UK, each SME unit on an average raises INR 50000 equivalent through alternative finance platform. Given that in the formal banking sector, the outstanding loan for each SME in the UK is approx. 3 times that of in India. Therefore, it has been assumed that a Typical SME in the UK could raise 3 times the amount that an MSME can raise in India. Therefore, it has been assumed that approximately Rs. 15,000 could be raised by a MSME through alternative finance platform in India.

Assumption 2: Since within the first year of operation, approximately 60,000 firms registered in the Udyam portal. Therefore, it has been assumed that at least one-sixth or 20,000 firms could be onboarded in the WB MSME alternative finance platform within the first year of commencement. Therefore, the total amount that could be raised through this platform could be 15000*20000=30 Cr. in the first year of its operation.

⁸⁴ Assumption 3: It has been assumed that the growth in credit raised in the P2P platform will be equal to the industry growth i.e., 21.60 percent as per the Industry ARC report. Ref. <https://www.industryarc.com/Report/19467/india-p2p-lending-market.html> (accessed on 24 July 2023)

Activities	Year 1		Year 2		Year 3		Year 4	
	H1	H2	H1	H2	H1	H2	H1	H2
Identify government objective								
Identify criteria for selection of P2P/NBFC/ FI service providers								
Perform due diligence and shortlist suitable P2P/NBFC/FI finance platform								
Prepare MoU/ contracts with respective								
Negotiate and finalise the terms of reference of the MoU								
Encourage MSMEs to onboard the platform through awareness								
Assess and evaluate the capital raised by the MSMEs through the P2P platform								

Budget:

Cost heads	Year 1	Year 2	Year 3	Year 4	Total
	(In Cr)				
Developing an Alternate financing platform for MSMEs (comprising the costs for onboarding NBFC/ FI/ P2P platforms service providers, conducting due diligence and facilitating contracts/ MoU) Support to P2P platforms for hosting West Bengal's specific interface and a common user interface to be developed on an alternative financing platform by NIC ⁸⁵	0.9	0.9	0.9	0.9	3.6
Capacity building initiatives for government officials and legal costs for MoUs with P2P platform providers ⁸⁶	0.4	0.4	0.4	0.4	1.6
Awareness programs (including seminars, webinars, industry connect, etc.) and Handholding and awareness sessions for FI/ NBFC/P2P platform representatives ⁸⁷	0.48	0.48	0.48	0.48	1.92
Total	7.92				
Contribution from state government (@25% of the total budget: including policy and scheme supports)	1.98				
Support sought under RAMP from central government	5.94				

⁸⁵ Assumption: - The NIC will host the alternative finance portal and we are assuming 9-10 P2P/ NBFC/ FI players will host their own platforms. Local business events to showcase the benefits of P2P lending. These events could be jointly conducted by the state and the industry associations. The cost for such sessions has also been budgeted in this activity.

⁸⁶ Assumption: - Training by NBFC/ FI/ P2P platform providers - Capacity building costs (all incl) @ 5,000 per participant once in a quarter for 250 participants (from 23 districts). 4 quarters

⁸⁷ Assumption: - 24 programs (2 per month) per year and cost incurred per program is assumed to be INR 2 lakhs.

Intervention 2: Measures aimed at increasing the participation of MSMEs and enterprises in the TReDS platform

Objectives:

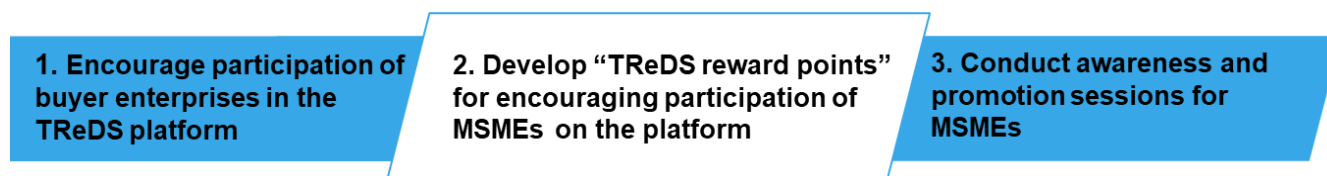
The key objectives of this intervention are to increase the registration of buyers (corporate enterprises and State PSUs), increase the registration of MSMEs in the platform and incentivize the usage of TReDS platforms.

Rationale: - Participation on the TReDS platform will facilitate better working capital management.

Invoice factoring ensures that MSMEs have access to working capital as financiers provide the required capital within a shorter period. However, the participation is yet to witness significant adoption in West Bengal due to lack of awareness among MSMEs and reluctance of corporate buyers. Corporate buyers are reluctant because of the lack of insurance against risks arising due to sub-optimal delivery of goods and services, provision of “reverse-factoring” already facilitated by their corporate treasury departments and limited presence of players in the platform. RBI has recently implemented some modifications in the regulations and has planned to include insurance players, expand the ambit of financiers and permit secondary market transactions on the platform. The department has already planned to publish an official notification and it will indicate formal recognition of all TReDS platform providers in West Bengal. In addition, the department intends to implement measures envisaged as a part of the intervention for encouraging the participation of corporate buyers and MSMEs.

Proposed Approach: The proposed approach has been categorized into three steps: -

Figure 53: Overview of the approach for promoting usage of TReDS platform



- 1. Enhance participation of buyer enterprises on the TReDS platform:** - The department will sign an MoU with the platform providers. The objective of the MoU is to ensure discounted transaction fees for enterprises established in West Bengal. In addition, the department will prepare a proposal for mandating the participation of certain section of the state public sector enterprises on TReDS and will submit it to GoWB. This will result in an increase in the participation of public sector enterprises on the platform. The task force will conduct awareness sessions for the private sector enterprises for informing them about the functioning of TReDS platform and incentives available for them.
- 2. Develop “TReDS reward points” for encouraging participation of MSMEs on the platform** - The task force will develop a mechanism for providing “TReDS reward points”. The points will be earned based on the number and value of transactions. The partnered TReDS platform provider will be requested to provide a certificate comprising information regarding these parameters and will be compensated by the government for the first three years. MSMEs will bear a minimal fee for availing this functionality after these three years. MSMEs can use these “TReDS reward points” for availing additional benefits in the capacity building initiatives of the department.
- 3. Conduct awareness and promotion sessions for MSMEs:** - The task force and partnered TReDS platform provider will conduct awareness & promotion sessions for “TReDS reward points” for encouraging the participation of MSMEs.

Proposed Methodology: - The methodology for each step has been mentioned below: -

Enhance participation of buyer enterprises on the TReDS platform

1. **Collaborate with TReDS platform provider:** - The task force will support the department in conducting discussions with the service providers. The aim of these interactions will be to discuss regarding the additional benefits offered by these platform providers for enterprises in West Bengal. The provision for sharing certificate (comprising information on the number of transactions and volume of transactions) with the MSMEs will be also discussed with the platform providers. The task force will evaluate their proposals and help the department sign an MoU with the suitable platform provider.

2. **Establish a mandate instructing the State PSUs to register on the TReDS platform:** - The Govt. of India (GoI) has mandated TReDS participation for companies with turnover greater than 500 crores and for central public sector enterprises.⁸⁸ Thus, the department will also prepare a proposal for the Government of West Bengal to make it mandatory for certain sections of the state PSUs. (To be determined based on the number of MSME suppliers and volume of transactions with MSMEs).

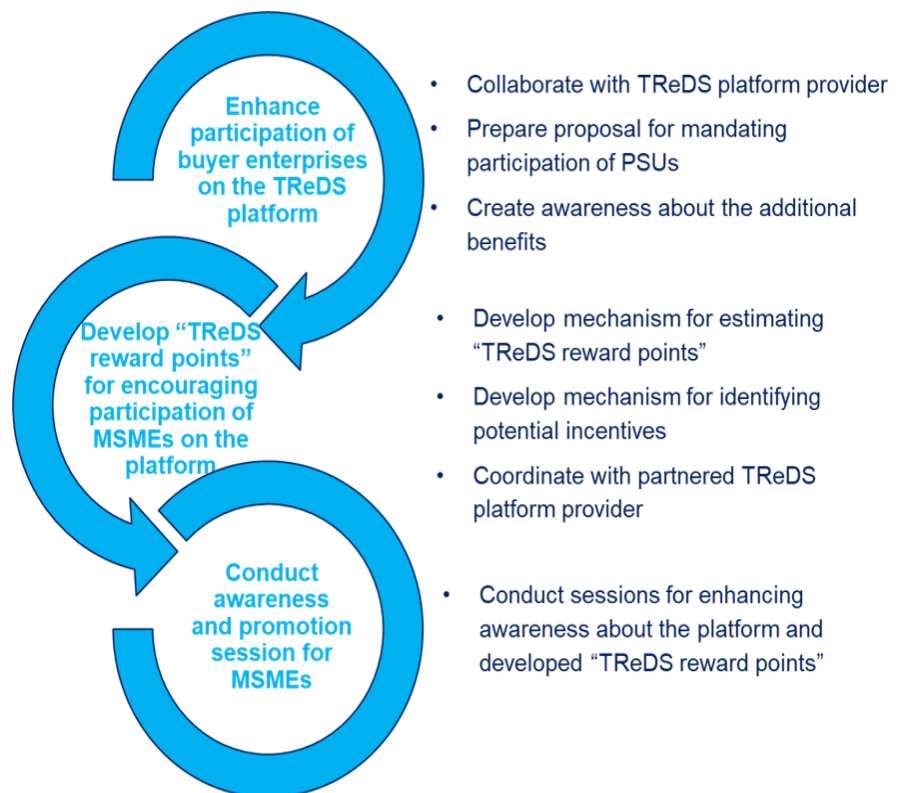
In pursuit of the strategy, the following actions will be undertaken.

- I. The task force will support the department in determining appropriate criteria for mandatory registration of state PSUs on the TReDS platform.

- II. The department will also consult with the Department of Industries, Commerce and Enterprises & other relevant line departments and discuss regarding this proposition. The threshold on the revenue can be established after discussing it with these stakeholders.

3. **Create awareness regarding the additional benefits for the enterprises of West Bengal:** - Once the related discussions with the partnered TReDS platform provider are concluded, the department will publish

Figure 54: Overview of methodology for implementing this intervention



⁸⁸ Source: - Annual Report 2020-21, Ministry of MSME, India

a notification regarding additional benefits available for the enterprises. In addition, task force will conduct promotional sessions at the district level for encouraging the participation of private enterprises. The discounts on the transaction fees will be available for a limited duration.

Develop “TReDS reward points” for encouraging participation of MSMEs on the platform

1. **Develop criteria for determining reward points for MSMEs:** - The task force will develop a framework for determining reward points, based on the number of transactions and volume of transactions but the weightages will vary according to the type of MSME. For instance, in case of Micro-enterprises, higher weightage will be given to the number of transactions but in case of small enterprises, the weightages can be similar for number of transactions and volume of transactions. The task force will prepare the criteria for determining reward points. An illustration of the same has been provided.

Table 17: Determination of TReDS reward points (for illustrative purpose only)

	Number of Transactions	Volume of transactions (in lakhs)
Micro-enterprises	0.8	0.2
Small enterprises	0.5	0.5
Medium enterprises	0.2	0.8

Suppose a micro-enterprise “ABC” has 1000 transactions and the volume of transactions is INR 50 lakhs. The reward point will be calculated as $(1000 \times 0.8) + (0.2 \times 50) = 810$. Similarly, suppose a small enterprise “XYZ” with 10000 transactions and transaction volume worth INR 2 crores, the reward point will be calculated as $(10000 \times 0.5) + (0.5 \times 200) = 5100$.

2. **Design incentives on the basis of reward points:** - The task force will design incentives for MSMEs on the basis of these reward points. The department aims to link the reward points with the benefits to be provided in the upcoming schemes. MSMEs will be able to redeem “TReDS reward points” for availing of these benefits. Once the incentives are well-defined, the department will publish an official notification addressing it to MSMEs, enterprises and financial institutions. TReDS reward points can be utilized for availing monetary benefits while availing the skill vouchers proposed in Section 4.1.5. The average compensation offered to micro, small and medium enterprises has been considered to be INR 1500, INR 2000 and INR 2000 respectively.
3. **Coordinate with the partnered TReDS platform provider:** - The task force will coordinate with the TReDS platform provider once the mechanism for providing incentives is determined. The task force will develop a standardized template for sharing certificates. The certificate will comprise information regarding number of transactions, volume of transactions and “TReDS reward points”. MSMEs can request for certificate from the partnered TReDS platform provider over mail or phone.

Conduct awareness and promotion session for MSMEs

1. **Conduct sessions for enhancing awareness about the platform and developed “TReDS reward points”:** - The task force along with the personnel of partnered TReDS platform provider, will conduct awareness sessions at the district level. The objective of these sessions is to increase awareness about the TReDS platform as well as the functioning of “TReDS reward points”. The platform provider will also share the certificates for some of the MSMEs in those sessions.

Key outputs and evaluation parameters: -

Key Outputs	Evaluation parameters
Increase in participation on the TReDS platform	<input type="checkbox"/> Number of State PSUs and total enterprises onboarded to the platform <input type="checkbox"/> Number of MSMEs onboarded to the platform <input type="checkbox"/> Number of MSMEs that have redeemed “TReDS reward points”

Key Milestones: -

	Year-1	Year-2	Year-3	Year-4
Number of awareness sessions for buyer enterprises ⁸⁹	12	23	23	23
Number of awareness sessions for MSMEs ⁹⁰	-	100	100	100
Number of MSMEs onboarded to the platform ⁹¹	-	15,000	20,000	20,000
Number of MSMEs that have redeemed "TReDS reward points" ⁹²	-	12,000	16,000	16,000

Timeline Chart

Activities	Year 1		Year 2		Year 3		Year 4	
	H1	H2	H3	H4	H5	H6	H7	H8
Sign MoU with TReDS platform provider								
Prepare proposal for mandating participation of PSUs								
Create awareness about the additional benefits								
Develop mechanism for estimating "TReDS reward points"								
Develop mechanism for								

⁸⁹ Awareness sessions will be conducted at the district level. The awareness sessions will be conducted at 50% of the districts in the 1st year as the mandate will be implemented in this year. It will be conducted in all the 23 districts during the subsequent years.

⁹⁰ The number of awareness sessions conducted for each district is 5 and number of districts for conducting the session is assumed to be 20.

⁹¹ Targets have been established based on discussions with the officials and other relevant stakeholders.

⁹² It has been assumed that the proportion of onboarded MSMEs that apply for availing benefits attained by TReDS reward points is 80% in Year-2, Year-3 and Year-4 respectively.

Activities	Year 1		Year 2		Year 3		Year 4	
	H1	H2	H3	H4	H5	H6	H7	H8
identifying potential incentives								
Coordinate with partnered TReDS platform provider								
Conduct sessions for enhancing awareness about the platform and developed "TReDS reward points"								

Budget: -

Line items	Expenses (in INR crores)				Total cost
	Y1	Y2	Y3	Y4	
Cost incurred for awareness sessions conducted for buyer enterprises ⁹³	0.18	0.35	0.35	0.35	1.22
Payment to partnered TReDS service provider for sharing "TReDS reward points" certificate ⁹⁴		0.12	0.16	0.16	0.44
Awareness sessions conducted for MSMEs (seller enterprises) at the cluster level ⁹⁵		1.50	1.50	1.50	4.50
Expenditure incurred on account of providing redeemable TReDS reward points in online learning platforms (micro enterprises) ⁹⁶		1.44	1.92	1.92	5.28
Expenditure incurred on account of providing redeemable TReDS reward points in online learning platforms (small enterprises) ⁹⁷		0.29	0.38	0.38	1.06
Expenditure incurred on account of providing redeemable TReDS reward		0.19	0.26	0.26	0.70

⁹³ Assumption: - The cost incurred for conducting awareness session (each will span across 5 days) for the buyer enterprises is INR 1,50,000 including the refreshment, audio-visual costs, advertisement costs, etc.

⁹⁴ Assumption: - The average cost for providing each certificate has been assumed to be INR 100.

⁹⁵ Assumption: - Each awareness session INR 150000/-. Cost of 100 awareness session at clusters.

⁹⁶ Assumption: - Micro enterprises have been assumed to be 80% of the total enterprises (15000 in Y2 and 20000 in Y3, Y4). The average expenditure incurred for providing TReDS reward points has been assumed to be INR 1500 per enterprise.

⁹⁷ Assumption: - Small enterprises have been assumed to be 12% of the total enterprises. The average expenditure incurred for providing TReDS reward points has been assumed to be INR 2000 per enterprise.

Line items	Expenses (in INR crores)				
	Y1	Y2	Y3	Y4	Total cost
points in online learning platforms (medium enterprises) ⁹⁸					
Total cost (year-wise)	0.18	3.89	4.57	4.57	13.20
Grand total cost	13.20				
Contribution from State Government (@25% of the total budget: including policy and scheme supports)	3.30				
Support sought under RAMP from Central Government	9.90				

State Departments to be involved for successful implementation:

- I. Department of MSME & Textiles
- II. West Bengal Finance Department
- III. Department of Industry, Commerce and Enterprises
- IV. Other line departments responsible for the functioning of State PSUs

⁹⁸ Assumption: - Medium enterprises have been assumed to be 8% of the total enterprises. The average expenditure incurred for providing TReDS reward points has been assumed to be INR 2000 per enterprise.

Intervention #3: Facilitate listing of small and medium enterprises from West Bengal in stock exchange

Objectives:

The key objectives of the intervention are to encourage SMEs to get listed on the exchange platform, enhance their access to financial sources and support SMEs in earning recognition

Rationale: - Listing SMEs will help them in enhancing access to a larger number of investors and also facilitate greater visibility and popularity. Both Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) have formed dedicated platforms for listings SMEs. BSE SME⁹⁹ was established in 2012 and till date, around 360 enterprises have been listed and have raised around INR 3823.6 crores. The market capitalization of the SMEs listed on the BSE SME platform is around INR 51,704 crores. The NSE has also established a platform called “EMERGE”¹⁰⁰ for listing MSMEs. 301 companies have been listed on this platform as well.

The regulations and requirements for getting listed on the SME exchange platform are a bit lenient as compared to the listing on the main board. For example, enterprises must have a pre-tax operating profit of at least INR 15 crores in 3 out of the last 5 years to get listed on the main board of BSE but there is no such requirement for getting listed on the “BSE-SME” platform, although SMEs should have a positive net worth. In the case of the NSE EMERGE platform, the minimum number of allottees in the IPO process should be 50 while for the main board, it should be 1000.¹⁰⁰

Thus, SMEs can consider listing on these platforms and can later consider migrating to the main board in accordance with the policies of these platforms. Listing will help enhance the pool of investors and support in brand-building. In addition, SMEs can consider offering Employee Stock Option Plans (ESOPs) to their employees, which will help in better retention. In addition, it also provides other benefits such as exit options for its existing investors, attracting investors for mergers & acquisitions and increasing transparency in its governance practices. Thus, the intervention is aimed at increasing awareness about the benefits of listing and supporting SMEs in their listing process. The department will encourage the listing of SMEs by collaborating with the exchange platform and onboarding advisors for the listing process (merchant bankers, accountants, lawyers, etc.). **Proposed Approach: -** The proposed approach for supporting the SMEs in the listing process has been outlined in [Figure 55](#).

Figure 55: Overview of approach for supporting the listing of SMEs



Proposed Methodology: - The methodology for the intervention has been described below: -

⁹⁹Source: - Brochure of BSE SME platform, URL: - https://www.bsesme.com/downloads/BSE_SME_EBOOK.pdf

¹⁰⁰Source: - Brochure of EMERGE platform, National Stock Exchange, URL - <https://www.nseindia.com/products-services/emerge-platform-about-sme>

1. **Onboard a team of experts and conduct discussions with the key stakeholders:** - The task force will conduct the empanelment process for recruiting a team of experts. Experts will be responsible for creating awareness regarding the listing process and its benefits. The team of experts and task force will interact with the management of SMEs, potential investors, and other relevant stakeholders to gain their perspective on the listing process. The insights from these discussions will be helpful in determining the way forward.
2. **Identify a set of potential SMEs for listing:** - The team of experts will develop a criterion for assessing the readiness of SMEs for listing. The criterion may involve a combination of parameters such as market potential, financial performance and the capabilities of management. The task force will assist the department in using the developed criterion for shortlisting some potential SMEs for listing.
3. **Collaborate with the Exchange platform:** - The department will collaborate with either of the Exchange Platforms (NSE or BSE). The task force will provide the necessary support in signing an MoU with the Exchange platforms. The exchange platforms will provide the required handholding support for the listing process.
4. **Onboard advisors for the listing process:** - The task force will assist the department in empaneling experts who can support SMEs in the listing process. The experts will comprise Merchant Bankers, Accountants, Lawyers, Chartered Accountants, etc. The task force will assist the department in conducting the empanelment process for these experts. Information regarding the appointed advisors, along with their contact details, will be available on the department's website. The fees for these services will be borne by the SMEs. A support assistance worth INR 200000 will be provided as a part of RAMP program.
5. **Conduct awareness sessions at the district level¹⁰¹:** - The task force and personnel from Exchange Trading Platforms will collaborate and conduct awareness sessions for the SMEs. The details regarding the shortlisted advisors will be conveyed during the awareness sessions. The awareness sessions should outline the following points:
 - a. Benefits of Listing
 - b. Process of Listing, Eligibility criteria for listing
 - c. Different types of assistance provided by the government
 - d. Details about the "Offer for Sale" mechanism (OFS allows existing shareholders, such as promoters or early investors to sell their shares directly to the public. This will help SMEs achieve liquidity without diluting their ownership or raising new capital.
6. **Establish monitoring and evaluation framework:** - The task force will help in developing the monitoring and evaluation framework. The task force will help in capturing information regarding the key evaluation parameters and will provide recommendations for improving the listing process further.

Key Outputs and Evaluation parameters:

Key Output	Evaluation Parameters
Increase in access to financial resources	<input type="checkbox"/> Number of SMEs listed on the platform <input type="checkbox"/> Amount raised by the SMEs

Key Milestones:

	Year-1	Year-2	Year-3	Year-4
No. of awareness sessions conducted ¹⁰²	23	69	69	69

¹⁰¹ Please note that costs for these sessions have not been budgeted as these are planned to be conducted as a part of "Duare Udyam" and mobile clinics.

¹⁰² The awareness sessions will be conducted at the district level. Thus, it is planned that the number of awareness sessions conducted per district will be 1 in Year-1 and then 3 sessions per district in the subsequent years.

	Year-1	Year-2	Year-3	Year-4
Number of medium enterprises to be listed ¹⁰³	-	10	10	10
Number of small enterprises to be listed ¹⁰⁴	-	20	20	20

Timeline Chart

Activities	Year 1		Year 2		Year 3		Year 4	
	H1	H2	H3	H4	H5	H6	H7	H8
Onboard a team of experts								
Discussion with the stakeholders								
Sign MoU with exchange trading platform								
Onboard advisors for listing process								
Conduct awareness sessions								

Budget: -

Line items	Expenses (in INR crores)				Total cost
	Y1	Y2	Y3	Y4	
Cost for hiring experts for onboarding MSMEs in SME exchange (consultations on Technology access portal/ physical consultations at GM-DIC offices) ¹⁰⁵	0.125	0.125	0.125	0.125	0.50
Subsidies incurred for supporting listing process of medium enterprises (partial		0.20	0.20	0.20	0.60

¹⁰³ Targets have been established based on discussions with officials.

¹⁰⁴ Targets have been established based on discussions with officials.

¹⁰⁵ Assumption: - The number of man-days has been determined based on the number of awareness sessions and support required for identifying potential SMEs. 5 experts will be onboarded for 20 days during the whole year. The per day cost is assumed to be INR 12500/-.

Line items	Expenses (in INR crores)				
	Y1	Y2	Y3	Y4	Total cost
reimbursement for preparation of red herring prospectus) ¹⁰⁶					
Subsidies incurred for supporting listing process of small enterprises (partial reimbursement for preparation of red herring prospectus) ¹⁰⁷		0.40	0.40	0.40	1.20
Total cost	0.13	0.73	0.73	0.73	2.30
Grand total cost	2.30				
Contribution from State Government (State provided 25% of the total budget: including policy and scheme supports)	0.58				
Support sought under RAMP from Central Government	1.72				

State Departments to be involved for successful implementation:

1. Department of MSME & Textile
2. West Bengal Finance Department
3. Department of Industry, Commerce and Enterprises

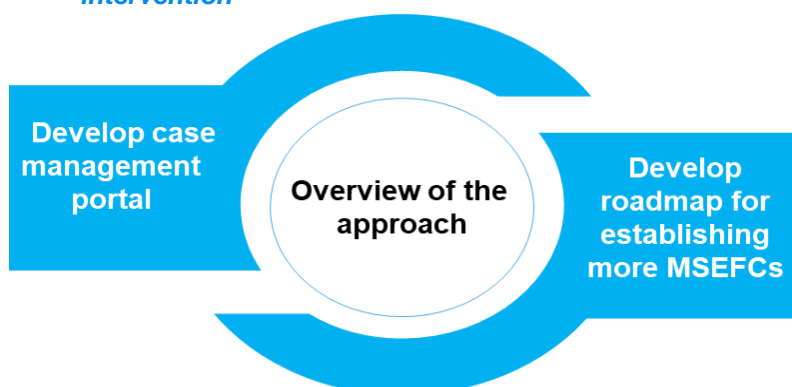
Intervention #4: - Implementation of measures aimed at expediting the resolution of payment related disputes

Objectives:

The key objectives of the intervention are to improve dispute resolution process and achieve faster and effective resolution of disputes.

Rationale: - The steps undertaken by the department have helped in faster resolution of cases and will sustain their efforts towards effective resolution of disputes. MSEFCs are responsible for resolving disputes related to delayed payment. GoWB has increased number of MSEFCs to three and has established facilitation councils at Siliguri (North Bengal), Kolkata and Durgapur (South Bengal). The MSEFCs established in Kolkata and North Bengal are responsible for resolving cases in 8 districts, and the MSEFC in Durgapur is responsible for handling cases in the remaining 7 districts. The initiatives undertaken by the GoWB helped increase the number of resolved cases by almost five times during FY 2019-23. In addition, the department plans to further increase and establish MSEFC in each district. However,

Figure 56: Proposed approach for implementing this intervention



¹⁰⁶ Assumption: - The average support assistance provided to medium enterprises has been assumed to be INR 2,00,000.

¹⁰⁷ Assumption: - The average support assistance provided to small enterprises has been assumed to be INR 2,00,000.

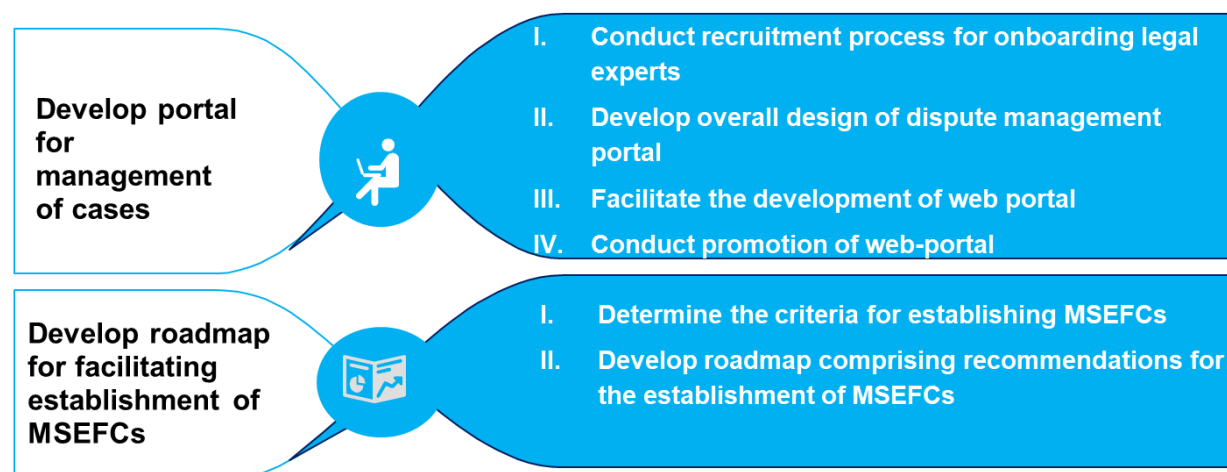
the department considers the regulatory framework to be a constraint. The MSMED Act 2006 mandates the conciliation and arbitration process to be chaired by the Director. Thus, increasing the number of MSEFCs may not result in an appreciable impact on the rate of resolution unless there is some devolution of responsibilities in the conciliation process. Thus, the department has identified some measures for expediting and achieving greater efficiency in the resolution of cases.

Proposed Approach: - The department will adopt a two-pronged approach for implementing the measures:

- I. **Develop online dispute management portal:** - The department aims to increase the number of MSEFCs. Thus, the department is planning to establish a dedicated portal called “WB-Samadhaan” for case management, that will be integrated with the MSME Samadhaan Portal. It will ensure seamless transfer of information between the MSME Samadhaan Portal and “WB-Samadhaan” portal. In addition, the portal will have additional functionalities such as:
 - a. **Centralised case repository:** - It will comprise information regarding the cases transferred to each of the MSEFCs of West Bengal.
 - b. **Active status tracking:** - The involved parties in the cases will be able to track active status of the cases. In addition, intimation will be sent to the involved parties in key stages of dispute resolution.
 - c. **Virtual conciliation platforms:** - The functionality of virtual conciliation platform will also be integrated into the portal. It will ensure that virtual conciliation can be performed for a certain proportion of cases. The criteria for determining suitable cases for virtual conciliation can include parameters such as location of involved parties, amount involved in the dispute, technological infrastructure in the MSME facilitation center into consideration.
 - d. **Secure platforms for sharing information:** - The involved parties will be able to upload their documents on the portal required for resolution process. Appropriate cyber-security mechanisms will be in place to ensure safety and security of the data.
 - e. **Payment gateway for settling pending dues:** - The virtual conciliation process can also lead to resolution of the dispute and the outcome of the mediation process may result in pending dues. The payment gateway shall be integrated to help the involved parties settle their amounts on the platform itself.
- II. **Develop roadmap for facilitating establishment of MSEFC:** - The department aims to establish MSEFC in each district for expediting the resolution of cases. Thus, it is critical to develop a roadmap that would indicate the approach followed for establishing these MSEFCs. The roadmap will indicate the criterion for selecting districts for establishing MSEFCs, list of selected districts and indicative timelines.

Proposed Methodology: - The methodology for implementing this intervention has been outlined in [Figure 57](#) and has been divided into three sub-sections:

Figure 57: Methodology for implementing this intervention



Develop portal for management of cases

- I. **Conduct the recruitment process for legal experts:** - The task force will assist the department in conducting recruitment process for a team of six legal experts. Legal experts will assist taskforce in determining the functionalities of the online dispute management portal. In addition, they will be helping MSEFCs expedite the resolution of cases related to delayed payment.
- II. **Develop the overall design of the online dispute management portal:** - The department will seek the support of task force in identifying key features and functionalities required for the website. The task force will assess the features of MSME Samadhaan portal to ensure that all functionalities of the WB-Samadhaan portal are completely aligned with those of the MSME Samadhaan portal. The task force will assist in developing an outline of the website so that it can be easily communicated to the website development team.
- III. **Facilitate the development of web portal-** The task force will determine criteria for selecting an appropriate website development firm and prepare Terms of Reference (ToR). It will provide assistance in the evaluation of proposals and selecting the appropriate firm.
- IV. **Conduct promotion of the web-portal:** - The task force will conduct a launch ceremony, to which all the relevant stakeholders will be invited. The ceremony should include a live demonstration of the services available through the portal. The promotion sessions will be conducted at the district level and MSEs will be invited from different clusters. The task force will conduct a demonstration of the services and enhance awareness about the portal.
- V. **Set up a grievance addressal mechanism:** - The concerned stakeholders (MSEs, experts and digital service providers) may face challenges during the initial stage. Thus, the task force will assist these stakeholders in solving their queries.

Develop roadmap for facilitating establishment of MSEFCs

- I. **Determine the criteria for establishing MSEFCs:** - The task force will determine parameters that should be considered for determining the sequence for establishing MSEFCs. The list of parameters can include number of MSEs located in the district, size of the district, trends regarding the number of cases and others.
- II. **Develop roadmap for establishing MSEFCs:** - The task force will be responsible for developing a roadmap indicating the sequence and timelines for establishing the MSEFCs. The task force will prepare a report in this regard and submit it to the department for further consideration. In addition, support assistance will be also provided to facilitate the digitization of 23 district level MSEFCs and strengthening the M& E framework pertaining to project and schemes.

Key Outputs and Evaluation parameters: - The key outputs and evaluation parameters of the intervention are as follows:

Key Outputs	Evaluation Parameters
Better management of dispute	Number of cases managed through the online portal
Increase convenience for the involved parties	Number of virtual mediations conducted via the portal
Faster rate of resolution	Number of cases resolved through the portal

Key Milestones:

Milestones	Year 1	Year 2	Year 3	Year 4
Number of awareness sessions conducted at district level ¹⁰⁸	-	80	80	80

¹⁰⁸ Awareness sessions have been determined based on consultations with the officials.

Milestones	Year 1	Year 2	Year 3	Year 4
Number of cases managed through the online portal ¹⁰⁹	-	419	807	1727
Number of virtual conciliations conducted via the portal ¹¹⁰	-	251	565	1381

Timeline Chart:

Activities	Year 1		Year 2		Year 3		Year 4	
	H1	H2	H3	H4	H5	H6	H7	H8
Develop overall design of the online dispute management portal								
Onboard website development firm								
Facilitate the development of web portal								
Conduct promotion of web-portal								
Determine the criteria for establishing MSEFCs								
Develop roadmap comprising recommendations for the establishment of MSEFCs								
Provide digitization support to MSEFCs								

Budget: -

Line items	Expenses (in INR crores)				
	Y1	Y2	Y3	Y4	Total cost
Compensation of legal experts (for resolution of cases, virtual reconciliation and preparing roadmaps for MSEFCs) ¹¹¹	0.43	0.43	0.43	0.43	1.73
Digitization of 23 district level MSEFC (laptop, internet connectivity, printer, high speed scanner) and strengthening the M& E framework pertaining to project and schemes. Includes costs of capacity	0.80				0.80

¹⁰⁹ The number of cases witnessed a CAGR of 17.42% during FY 2020-23 and it has been assumed that it will increase by 3 percentage points in year-1 and year-2 on account of awareness. The establishment of portal will lead to further increase in popularity, thus resulting in an increase of 5 percentage points in year-3 and year-4. It has been assumed that 20%, 30% and 50% of the cases will be managed through the portal in Year-2, Year-3 and Year-4 respectively.

¹¹⁰ It has been assumed that 60%, 70% and 80% of the cases captured in the portal will be managed through virtual conciliation in Year-2, Year-3 and Year-4 respectively.

¹¹¹ Assumption: - Six legal experts will be hired for 4 years. It is assumed that their remuneration per day will be INR 12000 per expert and the number of man-days in a year will be 60.

Line items	Expenses (in INR crores)				
	Y1	Y2	Y3	Y4	Total cost
building experts (for establishing MSEFCs) ¹¹²					
Payment for Website Development Platform (for managing the functions) ¹¹³	1.00	0.15	0.15	0.15	1.45
Payment for cloud storage ¹¹⁴	0.025	0.025	0.025	0.025	0.10
Payment for video conferencing platforms ¹¹⁵		0.045	0.045	0.045	0.14
Payment for integrating payment gateway ¹¹⁶	-	0.02	0.01	0.01	0.04
Awareness sessions conducted at district level ¹¹⁷	1.20	1.20	1.20	1.20	4.80
Total cost	3.46	1.87	1.86	1.86	9.04
Grand total cost	9.04				
Contribution by the State Govt. (State govt aims to allocate 25% of the total budget: including policy and scheme supports)	2.26				
Contribution sought from Central Government under RAMP	6.78				

¹¹² Assumption: - The average cost for setting up 20 new MSEFCs at the district has been assumed at 400,000 per district.

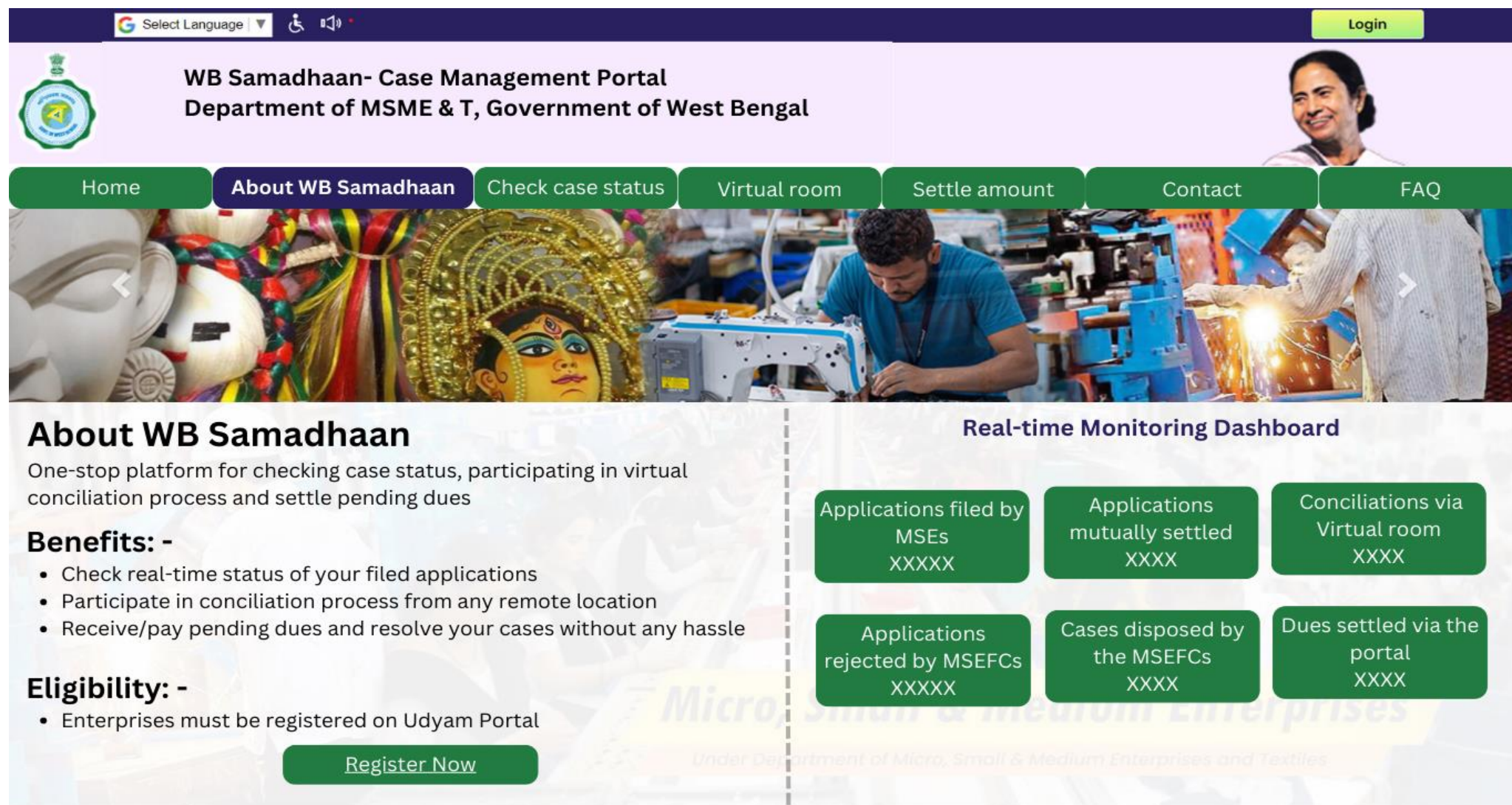
¹¹³ Assumption: - The compensation for developing the website is INR 1 Crore and the management costs for the subsequent years is INR 15,00,000 as per our prior engagements.

¹¹⁴ Assumption: - The cloud storage will be required for managing the documents filed for the conciliation and arbitration process. The charges levied by one of the cloud service providers is USD 0.35 per hour for a temporary storage of 490 GB. Thus, the charges per year is assumed to be INR 250000.

¹¹⁵ Assumption: - The charges levied by one of the video conferencing platforms is INR 18000 per user per year. Assuming that it will be used by the 23 MFCs, the number of users has been considered as 25. Thus, the annual cost is assumed to be INR 450000.

¹¹⁶ Assumption: - The setup cost for initial year is assumed to be INR 30000 and the maintenance cost for the subsequent years is assumed to be INR 10000 for each payment gateway. The department aims to integrate 5 payment gateways.

¹¹⁷ Assumptions: - The budgeted cost per each awareness session is INR 1,50,000/- including the audio-visual arrangements, refreshment, advertisement costs and other miscellaneous costs.



¹¹⁸ Please note that the prototype has been prepared using the Canva platform and non-chargeable infographics have been used for preparing these prototypes. The website of MSME-Samadhaan Portal (Ministry of MSME) has also been referred for preparing this design.

4.1.3. Access to Market

Access to markets refers to the ability of MSMEs to reach and engage with potential customers and target markets, both nationally and internationally. The proposed interventions are aimed at improving customer experience on the e-commerce websites of Tantuja, Manjusha, and Biswa Bangla, enhancing the efficiency of the manufacturing process of the MSMEs, and encouraging the units to increase exports. The first intervention aims at improving and strengthening e-commerce platforms by incorporating recent trends in consumerism and web technology. It also proposes the integration of the website with Open Network for Digital Commerce (ONDC) and exposing them to a variety of buyer platforms. Incorporated as the second intervention, the focus of the MSME Lean scheme on improvement in the manufacturing process, enterprise will benefit from the reduction in wastage and streamlining of the units, thereby reducing the cost of production and simultaneously increasing output. The last two interventions deal with export promotion via infrastructure development and a specialised focus on chosen MSME units. The execution of interventions under this pillar will be coordinated and monitored by a four-member task force in each of the four zones in West Bengal.

List of Interventions: -

Intervention 1: Strengthening existing e-commerce websites of Tantuja, Manjusha and Biswa Bangla and integrating them with ONDC; marketing activities for other MSME products.

The objective of this intervention is to empower the existing e-commerce websites under the department with the latest trends and technologies in the digital space. Additionally, to expand the number of buyer platforms that feature these brands, it proposes to partner with ONDC.

Rationale:

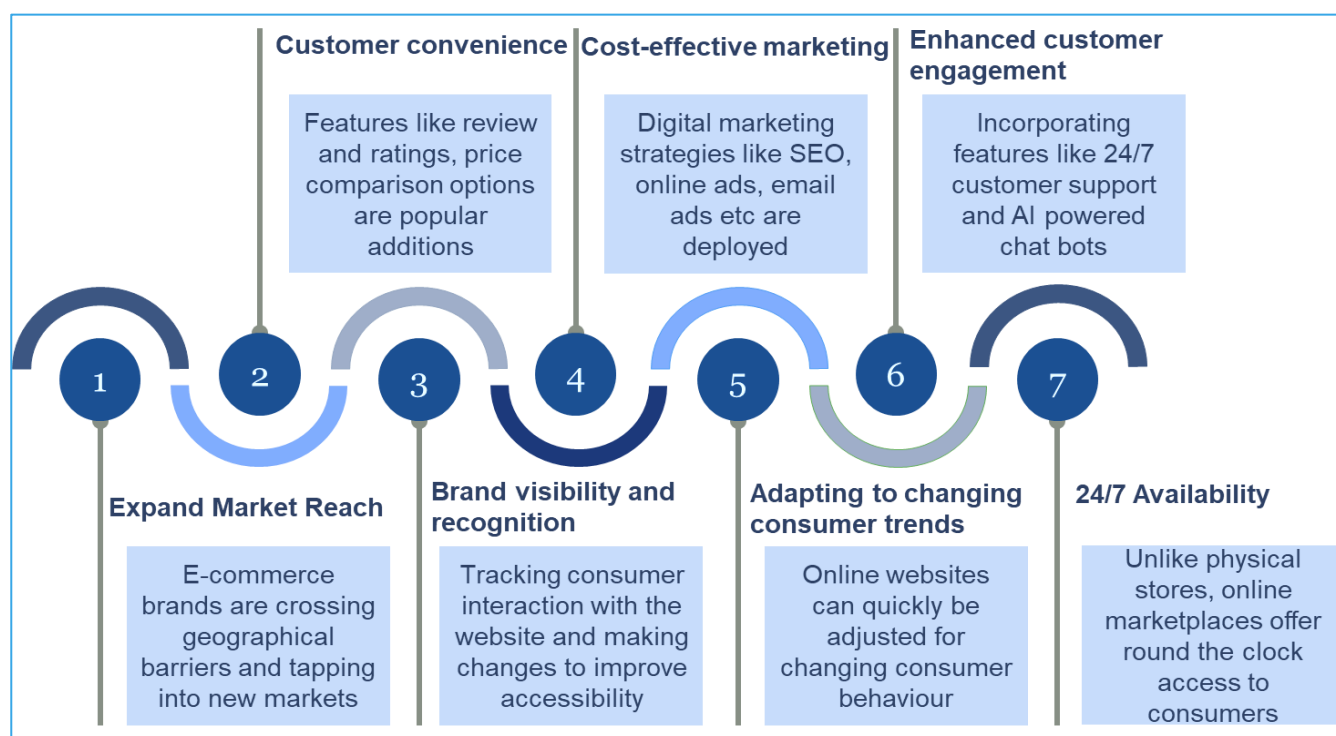
West Bengal is known for its rich handloom heritage, which spans centuries. It is deeply imprinted in the cultural fabric of the state and the craft of handloom weaving has been passed down through generations. Most of the units belong to the MSME sector and are significant contributors to employment in the state. Thousands of weavers and artisans are dependent on this sector for their livelihood, especially women. In fact, as per the 2019-20 Handloom Census in the country, West Bengal has the second highest number of women employed in this sector at approximately 3.7 lakh. This sector is also characterized by very low carbon footprint due to the use of natural fibers and manual machinery, thus furthering the sustainable and environmental cause of the state.

In recognition of the importance of this sector, the Tantuja brand was established in 1954. The brand gets its name from the Bengali saree known as “Tant sarees”, woven with finesse and precision by artisans who have inherited the art from their forefathers. Today the brand is operated by the West Bengal State Handloom Weavers’ Cooperative Society Ltd. and has played a significant role in empowering rural weavers, especially women. It had not only preserved the generational art but also contributed to the social-economic development of many weaving communities. Next to be established was the Manjusha brand, in 1976, by the GoWB. The enterprise is principally into the promotion and marketing of the handicrafts and handloom products of the artisans of West Bengal through its showrooms.

Biwa Bangla, which translates to “the world of Bengal” was launched by the present state government in 2014 to promote the diverse cultural heritage of the state. The brand serves as a platform to support local artisans, weavers, and craftsmen by giving them a global stage to showcase their skills and products. Its flagship store in Kolkata brings together a myriad of products from different regions of West Bengal, for example, the hand-woven sarees like Kantha, Dhakai, and Baluchari, intricately crafted terracotta pottery and unique leather goods.

All the three brands have expanded their product catalogue and established an online presence through their e-commerce websites. However, in today’s digital age, these websites are in competition with the likes of major e-commerce companies who are heavily invested into brand adaptability, technological upgradation, and global marketing. The figure below lists some of the changes being implemented by these brands to increase brand success.

Figure 58: Trends seen in website design



Therefore, it is imperative for Manjusha, Tantuja and Biswa Bangla to follow suit and work upon improving their visibility the national and international marketplace by incorporating the above-mentioned changes.

As a part of increasing availability, the three platforms will be integrated with the Open Network for Digital Commerce, an initiative of the Department for Promotion of Industry and Internal Trade of the Government of India. It seeks to give enterprises, especially MSMEs, a platform to be able to reach a wider range of customers. The ONDC acts as an interface between buyer and seller platforms. By integrating their own e-commerce platforms with ONDC, the seller is automatically registered on several partner buyer platforms of ONDC thereby eliminating the need to individually do so. Another benefit of the ONDC platform comes from the onboarding of logistics service providers such as Delhivery and e-Samudaay, which will enable MSMEs to avail of these services all under one roof and at a reasonable rate.

Proposed Approach:



Proposed Methodology:

As a part of this intervention, the department will hire a web development firm to conduct an as-is assessment of the Biswa Bangla, Manjusha and Tantuja websites, followed by a report on proposed changes. The web development firm will implement changes approved by the department. The marketing activities for the re-redesigned website will be structured and executed by the zonal task force. The next step is integrating the three websites with ONDC. The department will facilitate the collaboration with ONDC, and the zonal task forces will provide the required assistance.

Another aspect of this intervention pertains to inculcating awareness about the authentic GI tagged products in West Bengal. This will be achieved by creating and advertising promotional videos about these products and their authentic sources with the State. Additionally, a system of QR codes will be launched to empower the buyers to be able to authenticate the seller's GI certificate.

Part I: Website redesign

Step 1: Conduct a current state assessment:

The first step is to conduct an as-is assessment of the e-commerce websites of Biswa Bangla, Manjusha and Tantuja. The task force will be responsible for the empanelment process of a web development firm, which will be responsible for the assessment. It will prepare the Terms of Reference (ToR) and also develop the criteria for evaluating proposals. Once the proposals are received, the task force can provide assistance in the evaluation and selection of a suitable firm.

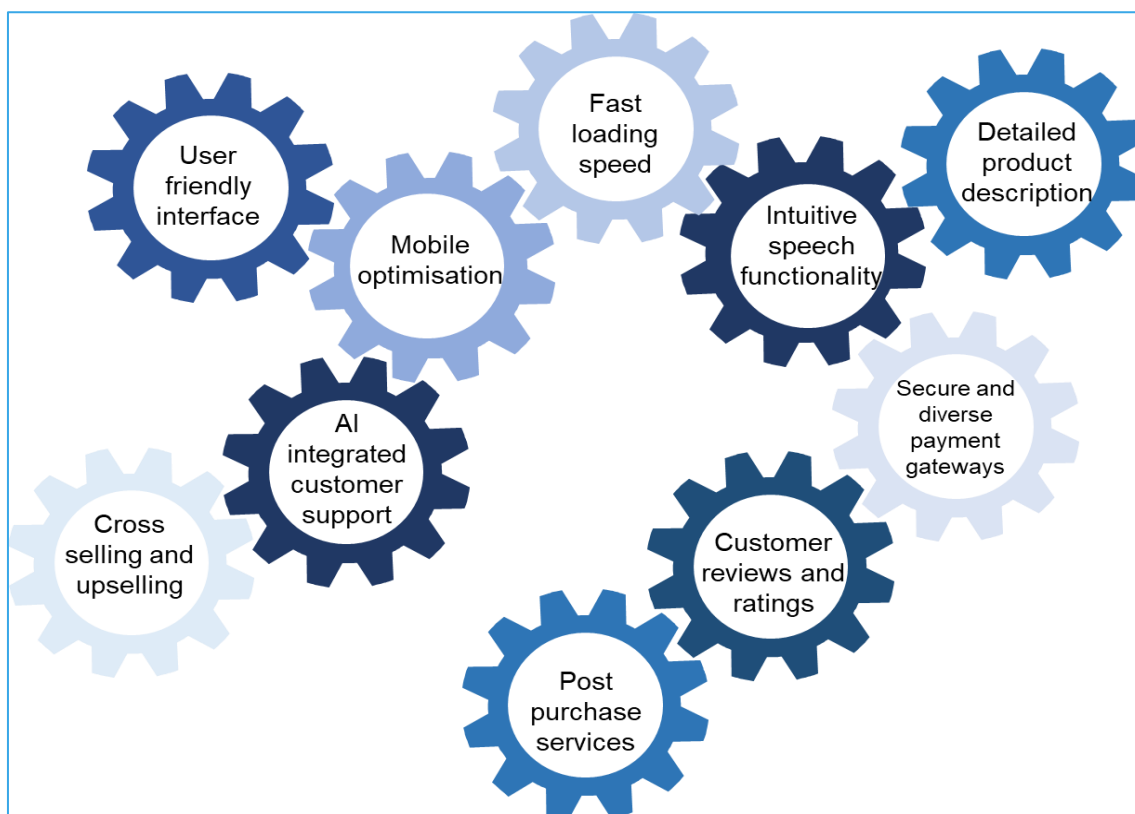
The task force onboarded will begin by conducting a thorough assessment of the three websites in their current state. The assessment will have the following considerations:

- (a) **Evaluate the User Experience:** This involves the website's navigation, layout, and the overall user friendliness of the website. All the steps involved in making a purchase, i.e., product search via key words to the payment gateway, will be assessed for smooth functioning and understandability.
- (b) **Content review:** This aspect of the assessment involves reviewing the quality of product descriptions, images, and any other related content. The consistency of such content across the website will be assessed.
- (c) **Review analytics and performance:** This entails testing the website's loading speed, performance in case of traffic, response to searches etc.
- (d) **Review inventory management:** The website will be checked for real-time connection with product availability.
- (e) **Security assessment:** The website encryption and security while making payment will be assessed for any threats and any possible vulnerabilities on the website will be explored.
- (f) **Benchmarking:** The task force will also be responsible for benchmarking to competitor website and industry best practices to find out the scope of improvement.

Step 2: Re-designing the websites

- (a) Once the assessment is complete, the web development firm will prepare a report on proposed changes and submit it to the department for consideration and approval. The approved changes will be applied to the website, and a prototype will be showcased to the department. The feedback received from the department will be incorporated into the website design and the final changes.

Figure 59: Indicative list of changes to the e-commerce websites



- (b) The next step will be to collaborate with the Department for Promotion of Industry and Internal Trade to integrate the websites with the ONDC platform. The web development firm will be responsible for the technical integration of the two platforms.



Step 3: Website re-launch and marketing strategy

- (a) The redesigned and upgraded website will be launched by the department, and the relevant stakeholders will be invited to the ceremony. The new features of the website will be demonstrated along with the announcement of integration with ONDC. The re-launch will be an opportune time to showcase the products available on the website and their availability on the several buyer platforms integrated with ONDC. The task force will be responsible for assisting the department in organizing the relaunch ceremony with event planning, sending out invites, logistics support, etc.
- (b) Once the website is re-launched, the focus will be on marketing. Sensitizing national and international audience via print and electronic media will be the key to increasing footfall and ultimately the sales of the website. The task force will prepare a marketing strategy for the department and also be in charge of its implementation. The marketing strategy will include both mediums of advertisements with a greater focus

on social media as it can provide a much larger reach. This will include posts from Biswa Bangla's social media handles at regular intervals and collaboration with influencers.

Part II: Marketing GI products

- (c) Currently, there are 23 GI tagged products in West Bengal. For each of these products, a promotional video of upto 20 secs will be curated and marketed across print and electronic media. The video will contain information regarding the authentic sellers of the GI tagged products and familiarize the audience with the GI logo and the GI barcode.
- (a) The Department of Science, Technology and Biotechnology that is responsible for overseeing GI certification in the state of West Bengal will facilitate the creation of a QR code for all the 717 authorized sellers of GI products registered with CGPDTM. The sellers will be able to avail the QR code free of cost and one thousand stickers that they can display on their packaging material. The QR codes when scanned by the customers, will lead them to a central/state website that can confirm the GI certificate of the sellers.

Key Outputs and Evaluation parameters: -

Key output	Evaluation Parameters
Updated e-commerce websites with improved functionality	Increase in sales from the website.
Increase in brand availability due to integration with ONDC	No. of visits to the websites and Value of sale from different buyer platforms
Increase in awareness about authentic sellers of GI tagged products in West Bengal	No. of QR codes rolled out and the frequency with which they are scanned by a new user.

Timeline Chart:

Activities	Year 1		Year 2		Year 3		Year 4	
	H1	H2	H3	H4	H5	H6	H7	H8
Empaneling a web development firm								
Conducting the as-is assessment								
Preparation of the report on proposed changes and implementing changes								
Website re-launch and marketing activities								
Integration with ONDC								
Creation of QR codes for authentic sellers of GI tagged products								

Activities	Year 1		Year 2		Year 3		Year 4	
	H1	H2	H3	H4	H5	H6	H7	H8
Preparation of marketing materials for GI products								
Promotion of GI products								

Budget:

Line items	Expenses (in INR crores)			
	Y1	Y2	Y3	Y4
Payment for website assessment and redesign ¹¹⁹	0.9			
Payment for website maintenance ¹²⁰	0.09	0.09	0.09	0.09
Creation of an integrated portal wherein the MSMEs not covered by Tantuja, Manjusha and Biswa Bangla can upload their products for sales ¹²¹	-	0.9	0.1	0.1
Marketing activities for the GI products/ Biswa Bangla/ Tantuja/ Manjusha- Newspaper ¹²²	0.288	0.288	0.288	0.288
Marketing activities for the Biswa Bangla/ Tantuja/ Manjusha- YouTube ¹²³	0.36	0.36	0.36	0.36
Marketing activities for the Biswa Bangla/ Tantuja/ Manjusha- Television ¹²⁴		1.095	1.095	1.095
Costs of collaborating with QR generator ¹²⁵		0.01	0.01	0.01
Costs of printing QR codes ¹²⁵	0.23	0.27	0.33	0.42
Preparation/ Production costs of marketing videos and audio-visuals (AVs) - (69 A.V.s in 4 years for GI products) ¹²⁶		0.46	0.46	0.46
Print brochures containing GI products authorized sellers in each district along with Geographic co-ordinates (in Google maps) ¹²⁷	0.552	0.552	0.552	0.552

¹¹⁹ Assumption: The cost per website is assumed to be Rs 30 lakhs

¹²⁰ Assumption: The cost per website for maintenance is assumed to be Rs 3 lakhs

¹²¹ Assumption: - Integration with online commerce sites like Amazon/ Flipkart/ Myntra and a launch event for this integrated marketing portal. Costs have been determined based on stakeholder discussions and market rates.

¹²² Assumption: - INR 120k for quarter page ad; providing ads 4 times in a year for 3 websites in 2 leading newspapers.

¹²³ Assumption: - Assumption: 20 lakhs views for the ad/ year; YouTube ads cost @ Rs 1.80 per view

(<https://www.themediaant.com/digital/youtube-advertising>)

¹²⁴ Assumption: - Cost of television ad is assumed to be INR 1500 per second. The 20-second ad to be telecasted every day in a national (Hindi) channel with high TRP.

¹²⁵ Assumption: - Costs have been determined based on market rates.

¹²⁶ Assumption: - Year 1: Production cos- 0.46 cr per year (23 videos * 2 lacs/audio-visual) . Currently there are 23 GI products in west bengal. 76 GI products are in the process of getting GI tags in next 3 years. Assumption: 1 Audio visual for each GI products.

¹²⁷ Assumptions: - Print brochures containing GI products authorized sellers in each district along with Geographic co-ordinates (in Google maps).

Line items	Expenses (in INR crores)			
	Y1	Y2	Y3	Y4
Marketing activities for the 23 GI products in year 1 to be gradually increased to around 80 GI products by Year 4 – Television ¹²⁸	0.828	0.828	0.828	0.828
Marketing activities for the 23 GI products in year 1 to be gradually increased to around 80 GI products by Year 4 – YouTube ¹²⁹	0.36	0.36	0.36	0.36
Total Cost (year-wise)	3.608	5.213	4.473	4.563
Grand total	17.86			
Contribution from State Government (@25% of the total budget: including policy and scheme supports)	4.46			
Support sought under RAMP from Central Government	13.39			

State Departments to be involved for successful implementation:

- ☐ Department of MSME and Textiles
- ☐ West Bengal Handicrafts Development Corporation Limited
- ☐ Biswa Bangla Marketing Corporation
- ☐ West Bengal State Handloom Co-operative Society Limited
- ☐ Department of Science, Technology and Biotechnology

Intervention 2: Facilitate implementation of “MSME Competitive (Lean) Scheme” in West Bengal

Objectives:

The objective of this intervention is to familiarize MSME manufacturing units and district officials with the concept of Lean Manufacturing. This will be followed by awareness programmes and handholding support for the implementation of MSME Lean Scheme.

Rationale:

In West Bengal, the manufacturing sector is a major contributor to the GDP of the state. In the past 15 years, its contribution has nearly doubled, from 9.11% in 2008-09 to 20 percent in 2020-21. As seen below, there are several manufacturing industries in West Bengal, the majority of which falls under the MSME category and are extremely labour-intensive. The sector suffered a great deal during the pandemic experiencing a contraction by 2.1% in 2020-21. It is crucial for the sector to grow again to support the state's economy by, among other things, providing employment opportunities for semi-skilled workers who find it difficult to transition into the services sector. The sector requires assistance in increasing output and reducing the cost of production. This is where Lean Manufacturing can benefit the sector in a number of ways.

Figure 60: List of manufacturing industries in West Bengal

Basic Metals	Coke & Refined Petroleum Products	Chemicals and chemical products	Electrical Equipment
Non-Metallic mineral Products	Leather, Tea, textiles	Gems & Jewelry	Engineering products

¹²⁸ Assumption: - The 20 seconds ad is shown twice in a month for each of the 23 GI products

¹²⁹ Assumption: - Assumption: 20 lakhs views for 23 GI product ads during the year; YouTube ads cost @ Rs 1.80 per view (<https://www.themediant.com/digital/youtube-advertising>).

Figure 61: Lean Manufacturing Tools



The concept of lean manufacturing has its roots in the Japanese company, Toyota, and aims to eliminate waste, improve efficiency, and optimize resources. Lean manufacturing tools are wide set of production practices that can help the MSME units in waste reduction of material and time at all levels of production thereby not only increasing their output but also their bottom line. The adjacent figure showcases some of the lean manufacturing tools in use today. Workplace Management tools such as 5S, which stands for Sort, Set in Order, Shine, Standardize & Sustain, are that help get in the “junk” out of the work area and set of procedures to keep it that way and can be applied to industries with several steps in the manufacturing process. Others, like Jidoka (Low-Cost Automation) focus on partially automating the manufacturing process (partial automation is typically much less expensive than full automation)

and automatically stopping when defects are detected.

Given that more than 90% of the MSMEs in West Bengal belong to the micro category, they operate in very small units, and the application of such concepts to their businesses doesn't appeal to them. The MSME Lean Scheme of the central government solves this issue by providing the necessary support at subsidized rates. The scheme was first piloted in 2009, covering 100 clusters nationwide. Since then, it has undergone many iterations, and in the previous version, the state had 14 Lean Clusters with 111 units. The upgraded scheme does not require the formation of an SPV anymore and has been divided into three distinct level, making its application simpler. An outline of the scheme is given in Figure 63.

Figure 62: Overview of the MSME Competitive (Lean) Scheme

MSME COMPETITIVE (LEAN) SCHEME			
Objective	Reduce	Optimise	Enhance
	<ul style="list-style-type: none">Rejected RatesProduct and Raw Material MovementsProduct Cost	<ul style="list-style-type: none">Space UtilizationResources like Water, Energy, Natural Resources etc.	<ul style="list-style-type: none">Quality in Process and ProductProduction & Export CapabilitiesWorkplace SafetyKnowledge & Skills Sets etc.
Levels	Basic	Intermediate*	Advanced*
	Self learning through modules (2 months)	Self learning through modules + handholding support by lean consultant (5S, kaizen, visual control, etc.) (6 months)	Handholding support by lean consultant (VSM, SMED, Poka Yoke, etc.) (12 months)
* A Group of Enterprises (GoE) comprising of 4-10 MSME units has to be formed for these levels			
Cost	Basic	Intermediate	Advanced
	Free, to be accessed on the scheme website	Rs 1,20,000 (90% subsidy applicable)	Rs 2,40,000 (90% subsidy applicable)
Implementing Agency	Quality Control India		
	National Productivity Council		
They will oversee the overall implementation of the scheme and empanel the Lean Consultants			

Proposed Approach:



The intervention begins with assessing the current gaps in the manufacturing processes of different industries to complement the central scheme on lean. It then proceeds to the capacity building of DICs, the immediate point of contact of the MSMEs, and the creation of awareness. Finally, it proceeds to scheme implementation, comprising an awareness session and handholding support for registration.

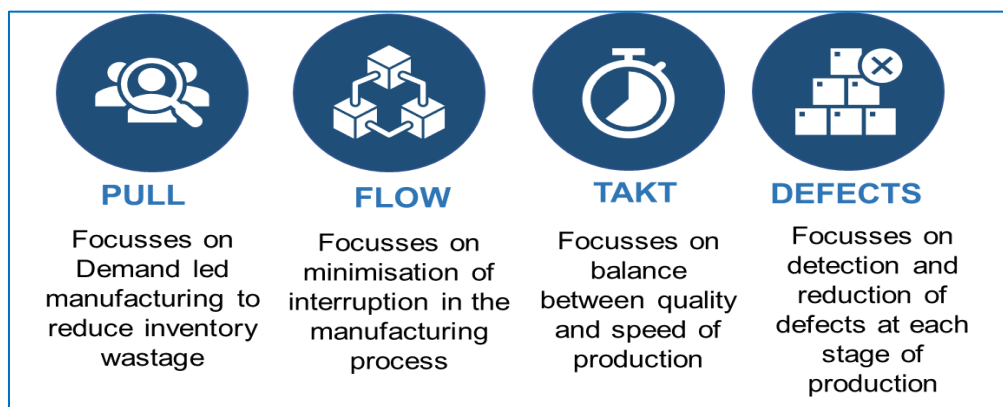
Detailed methodology:

Current state assessment:

The MSME Lean Scheme focuses on optimizing the manufacturing process of MSMEs. As a precursor to implementing this scheme in West Bengal, the department will assess the manufacturing processes of all the industries that involve MSMEs. This task will be undertaken by a manufacturing or business process consultant who specializes in Lean Tools. The consultant will be empaneled by the department with assistance from the task force.

- The consultant will conduct a thorough assessment of the manufacturing process of the products in each district and draft a “*Current State Map (CSM)*”. The map will highlight the flow of material as well as information about the entire manufacturing process and the time taken at each step.
- The consultant will analyse the CSM along the four principles of Lean Manufacturing, given below, to identify the areas where wastage occurs, such as overproduction, excess inventory, defects, long waiting times and unnecessary transportation. Based on the analysis, the consultant will prepare a report on the applicable Lean Tools in each industry and its impact in the manufacturing process.

Figure 63: Principals of Lean Philosophy



Capacity building of DICs

The concept of Lean Manufacturing is highly specialised and nuanced. The DICs, who will be responsible for organizing awareness sessions in their respective districts, will require training sessions to get versed with the concept and the scheme. The consultants will head the training on Lean and the task force will make them aware of the scheme guidelines. The task force will be in charge of organizing the training sessions in coordination with the department and the consultant.

- Preparing the training material:** The consultant will prepare the training material on Lean Manufacturing and Tools. The material will be customized for each industry and distributed among the attendees.

- (b) **Target Audience:** There are 23 districts and 342 blocks. There will be 1 training session for every 2 districts where the GM-DICs and the IDOs will be invited. The district officials will also have the opportunity to participate in a virtual training session, which will be conducted by the consultants 4 times for every district.

Scheme implementation

The first step will be to conduct numerous awareness sessions at the district level to enlighten the MSME units of the concept of Lean Manufacturing and the central government scheme. The awareness programs will also be leveraged to have dedicated session on registering on the Lean Scheme platform to participate in the three levels.

- (a) **Awareness programs:** The task force will assist the GM-DICs in conducting monthly awareness programs in their respective districts. Two sessions will be organized each month in each district so that several manufacturing units can have the opportunity to attend. The session will cover the findings from the CSM report and the applicability of lean tools in their industry. The MSME Lean will be explained in detail with live demonstration and query addressal.
- (b) **Handholding support:** The venue for this awareness sessions will also feature helpdesks to assist MSMEs with UDYAM registration, as it is a prerequisite in the scheme, and to obtain Lean pledge.
- (c) **Formation of GoE:** The first level in the Lean Scheme pertains to self-paced training on lean manufacturing which the MSMEs can do themselves. The other two levels, intermediate and advanced, require the MSME to form a group of enterprises (GoE) with 4-10 units. The GoE members will have to sign an MoU to proceed to intermediate level which will be facilitated by the task forces.

Key output and Evaluation parameters

Key Outputs	Evaluation Parameters
a) Increased awareness about Lean Manufacturing	(a) No. of awareness sessions conducted in each district
b) Increase in no. of MSMEs registered for Lean scheme	(b) No. of MSMEs with Lean Pledges
	(c) No. of MSMEs in different levels of Lean Scheme

Key Milestones:

Description	Year-1	Year-2	Year-3	Year-4
No of Lean Pledges	100	100	100	100
No. of MSMEs with basic certificate	100	100	100	100
No. of MSMEs with intermediate certificate		50% of those with basic certificate	50% of those with basic certificate	50% of those with basic certificate
No. of MSMEs with advanced certificate			50% of those with intermediate certificate	50% of those with intermediate certificate

Timeline Chart

Activities	Year 1		Year 2		Year 3		Year 4	
	H1	H2	H3	H4	H5	H6	H7	H8
Assessment of current state via Value Stream Mapping								
Training of district officials								
Awareness programmes on Lean Manufacturing for MSMEs								

Budget

Cost Heads	Year 1	Year 2	Year 3	Year 4
	(In INR Crore)			
Cost of conducting Value Stream Mapping especially for "green" products and implement green technologies ¹³⁰	1.0			
Physical Training of officials for each district to focus GoI Lean scheme (for GM - DICs, MSME - DFOs, MSME Testing Centers, Technology Centers, Design Incubation Centers, IPFC) ¹³¹	0.92	0.92	0.92	0.92
Virtual training sessions for district officials ¹³²	0.14	0.14	0.14	0.14
Industry Awareness Programs /Workshops / Registration Camps. Half-day workshops. Minimum 50 participants. Minimum 15 (new) LEAN pledges ¹³³	0.64	0.64	0.64	0.64
Financial assistance supporting MSMEs (with Intermediate and Advanced Lean certification) for ISO 9001 certification ¹³⁴		0.10	0.15	0.15
Financial assistance supporting MSMEs (with Intermediate and Advanced Lean certification) for upgrading digital infrastructure		0.05	0.08	0.08

¹³⁰ Assumption: Cost for preparing current state map for 8 reports have been assumed at 0.8 cr (at the rate of 10 lakhs / report).

¹³¹ Assumption: - 4 training sessions (in a year) for each of the district @ Rs 100,000/- per session

¹³² Assumption: - 1 virtual sessions per district @ 60,000 per session. (As per the value mentioned in the MSME Lean Scheme guideline)

¹³³ Assumption: - 4 awareness sessions per district @70,000 per session. (As per the value mentioned in the MSME Lean Scheme guideline)

¹³⁴ Assumption: - Financial assistance worth INR 20000 will be provided to MSMEs with (Intermediate and Advanced Lean Certification) to attain ISO 9001 certification.

Cost Heads	Year 1	Year 2	Year 3	Year 4
	(In INR Crore)			
aimed at process optimization and improving supply chain management ¹³⁵				
Total (Year-wise)	2.50	1.85	1.93	1.93
Grand Total	8.21			
Contribution from State Government (@25% of the total budget: including policy and scheme supports)	2.05			
Support sought under RAMP from Central Government	6.16			

State Departments/ Other Institutions to be involved for successful implementation:

- ☐ Department of MSME
- ☐ West Bengal Industrial Development Corporation
- ☐ West Bengal Small Industries Development Corporation Limited.
- ☐ Industry Associations

¹³⁵ Assumption: - Financial assistance worth INR 10000 will be provided to MSMEs with (Intermediate and Advanced Lean Certification) to upgrade their digital infrastructure.

Intervention 3: Utilizing funds under the “Trade Infrastructure for Export Scheme” to create Zonal Export Hubs.

Objectives:

The key objective of this intervention is to develop export hubs in each of the four zones in West Bengal by channeling funds from the Trade Infrastructure for Export Scheme (TIES).

Rationale:

West Bengal enjoys an immense locational advantage with the presence of extensive road networks and ports. The State offers, state-wise, the **third largest road network, India’s first private sector greenfield airport, the highest navigable inland waterways, the largest warehousing capacity in eastern India and the second largest cold-storage facility in the country**. Exports from the state accounted for 3.29% of the total in 2021-22, a slight increase from 3.08 % in 2020-21¹³⁶. The Federation of Indian Export Organisation stated that it aims to work closely with GoWB to increase its exports from USD 13.9 billion to USD 50 billion by 2030. This requires two things, infrastructure development and export product diversification. The state has the second- highest number of MSMEs that produce a variety of products, such as readymade garments, variety of handloom products, wooden products, bell metal, etc. which can become a part of international trade. To expand the export catalogue of West Bengal, the right kind of infrastructure is required that can provide support in the areas of logistics, IT, R&D etc. The proposed export hubs will have the following impact on the state of West Bengal.

Figure 64: Conditions favoring development of export hubs in WB



Figure 65: Benefits of developing export hubs in West Bengal

Efficient Trade Facilitation	Attracting Foreign Investment	Supply chain Efficiency	Trade Balance Improvement	Revenue Generation
Connectivity to Global Markets	Enhanced Competitiveness	Employment Creation	Regional Development	Economic Diversification

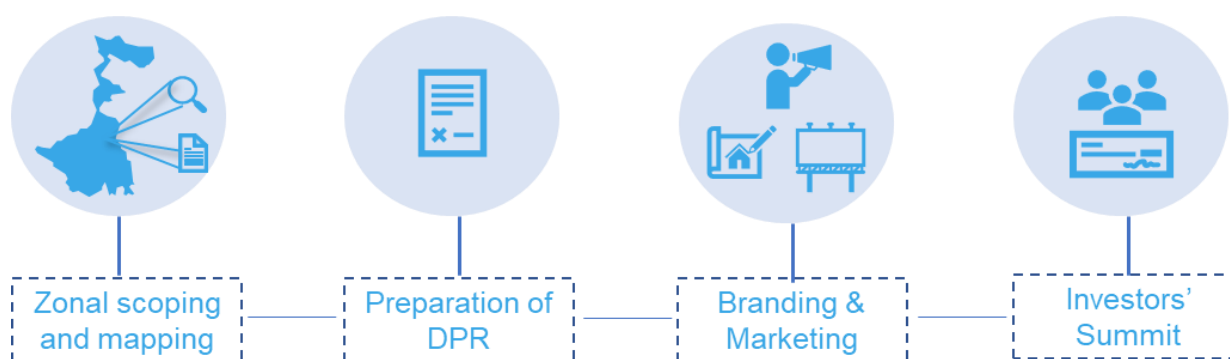
Proposed Approach:

In this intervention, the role of the state would be to appoint a “Implementing Agency” who will be in charge of overseeing the preparation of the DPR and its proper submission to the Empowered Committee¹³⁷. It will also be responsible for maintaining documents related to the approved export infrastructure projects and establishing a monitoring and evaluation system.

¹³⁶ Exports from West Bengal vis-à-vis India in last 5 years, FIEO

¹³⁷ The Empowered Committee is responsible for the approval of the projects/schemes and has the final authority to take a decision on the proposal.

Figure 66: Proposed Approach



Detailed Methodology: This implementation of this intervention entails the following steps-

Scoping and mapping

The first step will be to conduct a detailed assessment of the districts in terms of their present export capabilities and the potential to expand it. The corresponding infrastructure needs will be identified and structured in to an “Action Plan” corresponding to each of the four zones in West Bengal.

- (a) The task force will conduct the scoping and mapping exercise for each district with the help of associated stakeholders like industry associations, GM-DICs, Export Promotion Councils and education institutions in the state, etc. It will collate a list of export infrastructure requirement for each zone.
- (b) The task force, under guidance of the IA, will structure the list of export infrastructure requirement into plans for Zonal Export Hubs. The Export Hubs will be so designed that they will establish exceptional export linkages for the state.

Preparation of Detailed Project Report (DPR)

The scheme requires the preparation of a DPR which will be undertaken by the task force in the following manner:

- (a) The task force, under the guidance of the IA to prepare the DPR which will cover the technical, financial and implementation aspects of the export hub installation. It will also detail out the timelines for completion of the project, including those for achieving financial closure, and the monitoring mechanism proposed to be put in place.
- (b) The IA will be responsible for the submission of the DPR after it has been vetted by the concerned state departments and a third-party verifier.

Branding and Marketing

The TIES scheme proposes to fund 50-80% of the project cost, thereby inviting investors from various sectors. The branding and marketing of the Exports Hubs can have a significant influence of the extent of gap funding received. The GoWB will adopt the following strategy for the same:



(a) Branding: The task force will develop a cohesive and recognizable brand identity for the export hubs to attract investors.

- ☐ The first step to do so will be to identify the Unique selling point (USP) for each of the Export Hub. This can be in terms of infrastructure available, product- specific, connectivity superiority etc.
- ☐ The next step will be to develop a brand identity. This involves the name of the Export Hub, logo design, digital architecture, tagline that represents the hub, its vision, and its mission statement. The visual appeal of the hub will be developed with the target audience in mind.

(b) Marketing: The marketing strategy will include awareness programmes in the districts and ad campaigns via print and electronic media.

- ☐ The ultimate beneficiaries of the Export Hubs are the MSMEs, who will be invited to attend awareness session and encouraged to set up their units in these hubs. They will be presented with the features of the hub and the comparative advantage they can gain by becoming a part of it.
- ☐ Ad campaigns will be used to garner global attention for the Export Hubs, to reach potential importers from various countries. Print media such as pamphlets and hoardings can be used for national impact but to reach global audiences, electronic mode such as social media will be used. This will include Google Ads and advertisement posts on various platforms, such as Twitter, Instagram, and Facebook.

Organizing Investor's Summit

The Export Hubs will be showcased at investor summits to generate awareness and funding for the same. The task force will assist the department in the planning and execution of these events. This will entail defining objectives, selecting venues, identifying key speakers, making a list of potential investors, arranging logistics, and ensuring the overall successful execution of the event. The summit will occur once the proposals are approved under the TIES scheme.

Key Outputs and Evaluation Parameters:

The key outputs and evaluation parameters of the intervention are as follows:

Key Outputs	Evaluation Parameters
a) Action plan for development of export and logistics hub	a) No. of proposals approved under the TIES scheme.
b) Detailed Project Report for each Export Hub	b) No. of investment proposals received via the Investors' Summit

Key Milestones:

Milestones	Year 1	Year 2	Year 3	Year 4
No. of proposals submitted under the TIES scheme	1	1	1	1

Proposed Timeline:

Activities	Year 1		Year 2		Year 3		Year 4	
	H1	H2	H1	H2	H1	H2	H1	H2
Scoping and Mapping for export infrastructure requirement in and preparation of Action Plan for each zone.								
Preparation of DPR								
Branding and marketing, Investor Summit								

Budget:

Line items	Expenses (in INR crores)			
	Y1	Y2	Y3	Y4
Scoping and mapping export infrastructure requirement and preparation of an Action plan ¹³⁸	0.20	0.20	0.20	0.20
Marketing Activities for the Export Hubs ¹³⁹	0.34	0.34	0.34	0.34
Investor summit ¹⁴⁰		0.5	0.5	0.5
Total Cost (year-wise)	0.54	1.04	1.04	1.04
Grand total	3.66			
Contribution by the state government (State govt aims to allocate 25% of the total budget: including policy and scheme supports)	0.92			
Support sought under RAMP from Central Government	2.75			

State Departments to be involved for successful implementation:

- ☐ Department of MSME & Textiles
- ☐ Export Promotion Council
- ☐ Federation of Indian Export Organisations
- ☐ State Finance Department

Intervention 4: Design and implement New Generation Exporters Development Programme

The objective of this intervention is to empower the new generation with exposure and knowledge about the value addition to their businesses that can be achieved by becoming a part of the international trade chain.

Rationale: West Bengal is a major contributor to India's overall export of products such as tea, leather, and jewelry, however, the increase in the state's share in overall export has been very minimal. For instance, in 2018, the share of West Bengal in India's exports was 3.06%, followed by 3.08% in 2020-21 and 3.29% in 2021-22. A close inspection of various clusters, such as Readymade Garment, Handloom and Zari reveals that the value chain in West Bengal begins and ends with traders. The traders, most of them from other states, not only buy the final products almost in its entirety from the manufacturers but are also the ones to supply them with raw materials and design instructions. Therefore, although manufactured in West Bengal, these products are exported from other states. This system has been in place for many generations. As a result, the manufacturers have not explored the idea of directly engaging in exports, in fear of severing relations with the traders. This can be attributed to a lack of knowledge and the loss-aversion nature of the older generations, making the case for engaging the newer generation.

The intervention begins with the assessment of clusters to identify the ones with maximum export potential, from which 10 will be chosen every year for the course of the programme. The task force will collaborate with the EPC to conduct outreach programmes in these 10 clusters to onboard 3-4 businesses from each. The new generation of leaders of these businesses will be named as Export Ambassadors (EAs). They will be exposed

¹³⁸ Assumption: This includes the travel cost, hotel cost and the cost incurred in case of collaborations with education institutions for assistance in the study.

¹³⁹ Assumption: Advertisement cost: earmarked 30 lakhs - @INR 120k quarter page ad; providing ads 4 times in a year in at least 5 newspapers + social media campaign: 10 lakhs

¹⁴⁰ Assumption: It is assumed that the Summit will be conducted in a government owned venue. The cost refers to event management overheads such as arrange for mic/projector, refreshments, marketing material etc.

to various awareness and training session on topics such as export procedures and documentation, international quality standards, packaging requirements, potential new markets, pricing standards, marketing tools etc. They will also be given the opportunity to attend international and national trade shows to examine the market for their products and meet new buyers.

Proposed Approach:



Methodology: The following methodology shall be adopted to implement this intervention. It should be noted that at every step, the task force shall assist the department in conducting the cluster assessment, curating a selection criterion for Export Ambassadors, and conducting awareness programmes.

Step 1: Conducting cluster assessment

The first step will be to conduct a preliminary assessment of the clusters to identify those with the highest potential for exports. The task force will begin by aligning the products manufactured in West Bengal with those with high demand in the international trade chain. Among the clusters that manufacture these products, those with the highest comparative advantage in terms of amount produced, quality, export infrastructure, etc. will be shortlisted for conducting outreach drives.

- The task force shall identify the products with high international demand and the clusters that produce them. The focus will be on both traditional and non-traditional items, so as to diversify the list of exported products from the state.
- Among these clusters, the task force will conduct a comparative analysis based on the quantity of goods produced, quality standards, export infrastructure, and other parameters. At this stage, they will collaborate with agencies such as FIEO, EPC and research institutions to identify a list of 10 clusters with high export potential.

Step 2: Engaging with the businesses

The next step will be to engage with the businesses in these 10 clusters. The task force will prepare the agenda for outreach drives and assist the respective GM-DICs to conduct these sessions. This will be an interactive endeavor to get to know the business and their inclination towards exporting.

- The task force will prepare a presentation on the features of the programme and conduct an interactive session with the business. The goal will be to identify 3-4 businesses per cluster that can be onboarded onto the programme.
- The task force will prepare a questionnaire for the businesses, to obtain details about them and collect it at the end of the drive.

- (c) The EPC will assist the task force in analysing the business that attended the outreach drives and select a few for the programme. The EPC will contact them and onboard the new generation leaders of 3-4 businesses as *Export Ambassadors*. The task force will take care of the registration process.
- (d) The EPC will issue an identity card to the EAs identifying them as so which they will be required to produce when taking part in further events.

Step 3: Awareness and Training

Once the Export Ambassadors have been identified and recruited, they will be exposed to multiple awareness programmes and training sessions. The task force will organize a kick-off session and invite agencies that assist businesses with exports, such as FIEO, EPC, and financial institutions. The kick-off session will be an opportunity for the EAs to interact with these agencies and institutions and build relations with them.

- (a) The Export Ambassadors will be required to attend various awareness sessions about product demand in the international market, quality standards, packing requirements, marketing assistance and export infrastructure.

International Quality Standards

Adhering to international quality standards is the key to increasing exports from the State. With the expanding food trade, quality standards such as the **Sanitary and Phytosanitary (SPS)** regulations have become vital to importers around the globe. Set out by the World Trade Organisation, Agreement on the Application of SPS Measures provides basic rules for the safety of food, plant and animal health standards. It allows the member countries to establish their own food safety standards within the set guidelines to limit arbitrariness.

Food exports from West Bengal include rice (largest producer in the country), potatoes, a variety of fruits and vegetables, tea and marine products to countries like Bangladesh, Nepal, Bhutan, Singapore, Malaysia, UK, Italy, Germany and Sweden. The state has set out a target to double the export of agricultural and allied products by 2030. To achieve this, markets apart from the ones mentioned previously have to be explored. Increasing adherence to SPS measures will bring recognition to the state's products. The awareness sessions will focus on such topics and encourage businesses to adhere to international quality standards.

- (b) The department will partner with research institutions¹⁴¹ to provide one on one training to the Export Ambassadors. The institution will develop a training curriculum and schedule for each cluster, and will include topics such as export logistics, international quality standards, prospective markets, and much more.
- (c) The Export Ambassadors will be given a chance to attend 1 international trade show and 1 national trade show annually. The state will also organize buyer-seller meets where the EA will be able to showcase their products and interact with prospective buyers.

Step 4: Programme Continuation

The first year of the programme will be accessible to all the EA; however, participation in the following 3 years will depend on their prior performance. The task force will set up an evaluation criterion to assess the EA in terms of their participation in the programme and export metrics such as orders received, quantity of products exported, revenue generated etc.

- (a) The task force will prepare a digital template for the assessment of the EAs. The criteria for assessment will include programme- related parameters such as the no. of awareness programmes attended, no. of training sessions attended, etc., and those related to export, such as no. of orders received, quality certifications obtained, quantity exported, new markets accessed etc.

¹⁴¹ Institutes like The Indian Institute of foreign Trade (IIFT) had previously been engaged to provide export-oriented training sessions to businesses.

- (b) The assessment will be conducted by the task force for the first two years of the RAMP scheme and then handed over to the EPC. The task force will provide training sessions to the EPC official if required.
- (c) Based upon the assessment, those EAs with the lowest participation scores and export development will be removed from the programme, and new ones will be onboarded.

Step 4: Export Assistance

The aim of the programme is to encourage the new generation of existing businesses to increase their participation in export. The awareness sessions and training will be successful only if they lead to quantitative outcomes such as an increase in exports, and access to new markets.

- (a) Selling to traders eliminated the need for marketing. However, in order to export, the EAs will require marketing assistance and handholding support in availing of related national and state schemes. The EPC will ensure that the EAs have all of the necessary information to ensure their participation in these schemes.
- (b) The EPC will maintain a digital copy of all the queries from EAs and the assistance that was provided to them. The department will review the document quarterly and intervene as necessary.

Key Outputs	Evaluation Parameters
a) Increased awareness and knowledge about export	a) No. of businesses onboarded onto the programme
b) Increase in exports from the selected exports from the selected cluster	b) Increase in the value of export from the selected cluster

Key Milestones:

	Year-1	Year-2	Year-3	Year-4
No of cluster identified	10	10	10	10
No. of outreach drives (2 per cluster)	20	20	20	20
No. of Export Ambassadors appointed	30-40	30-40	30-40	30-40
No. of awareness programs in every cluster	40	40	40	40
No of trainings (1 per semiannual for EAs from each cluster)	20	20	20	20

Timeline Chart

Activities	Year 1		Year 2		Year 3		Year 4	
	H1	H2	H3	H4	H5	H6	H7	H8
Identification of national/ sub national fairs								
Outreach drives in each cluster and onboarding 20 EAs each for 100 national fairs, 20 EAs each for 40 sub national fairs and 2 EAs each for 8 international fairs								
Awareness programmes and training sessions								
Training sessions by institutes								
Visit to national and international trade fair								

Budget

Cost Heads	Year 1	Year 2	Year 3	Year 4
	(In INR Crore)			
Outreach drives ¹⁴²	0.3	0.3	0.3	0.3
Awareness programs ¹⁴³	0.6	0.6	0.6	0.6
Training program by institutes ¹⁴⁴	0.8	0.8	0.8	0.8
Participation of EAs in international trade shows (16 per year) ¹⁴⁵	0.4	0.4	0.4	0.4
Participation of EAs in national trade shows (2000 per year) ¹⁴⁶	7.2	7.2	7.2	7.2

¹⁴² Assumption: Yearly cost-10 Clusters * 2 (outreach drives) * 1.5 lacs

¹⁴³ Assumption: Yearly cost-10 Clusters * 4 (awareness sessions) * 1.5 lacs

¹⁴⁴ Assumption: Yearly cost-10 Clusters * 2 (Training sessions) * 4 lacs

¹⁴⁵ Assumption: Yearly cost-8 international fairs; per fair 2 people. Stall costs will be reimbursed. Stall cost has been approximated at 250000 per stall.

¹⁴⁶ Assumption: Yearly cost-100 national fairs; per fair 20 people. Stall costs will be reimbursed. Stall cost has been approximated at 36,000 per stall.

Cost Heads	Year 1	Year 2	Year 3	Year 4
	(In INR Crore)			
Participation of EAs in sub- national trade shows ¹⁴⁷	1.6	1.6	1.6	1.6
Total cost (year wise)	9.3	9.3	9.3	9.3
Grand Total	37.20			
Contribution from State Government (@25% of the total budget: including policy and scheme supports)	9.30			
Support sought under RAMP from Central Government	27.90			

State Departments/ Other Institutions to be involved for successful implementation:

- ☐ Department of MSME
- ☐ Export Promotion Council
- ☐ Federation of Indian Export Promotion Organisation
- ☐ Export Import Bank of India

¹⁴⁷ Assumption: - Yearly cost-40 sub-national fairs; per fair 20 people. Stall costs will be reimbursed. Stall cost has been approximated at 20,000 per stall.

4.1.4. Access to Technology

Implementation of proposed interventions will assist MSMEs in using and leveraging various digital software and solutions to enhance their competitiveness and improve operational efficiency. Two dedicated portals will be developed as part of this pillar, namely, the WB Technology Access Portal (WB TAP) and WB Intellectual Property Directory (WB IPD). The “Inception” services of WB TAP are aimed at improving access to experts and the “Growth” services of WB TAP will help MSMEs procure licenses from different digital software providers. The “Innovation” services will help in the adoption of AI and IoT solutions in the MSME ecosystem. Using the “Foresight” services of WB TAP, the MSMEs will be able to access firms with expertise in foresight services and request services from these firms. The WB IPD will be the central repository for different intellectual properties and will help in the commercialization process.

List of Interventions: -

Intervention #1: Development of one-stop platform called “West Bengal Technology Access Portal” for providing access to digital service providers and experts.

Objectives:

The key objectives of this intervention are to enhance capacity of MSMEs in preparing DPRs, availing sectoral expertise and increase adoption of digital software.

Rationale: - Lack of adequate technical expertise in the preparation of detailed project reports constrained the ability of MSMEs to access financial resources. Detailed Project Report is a consolidated report that provides information regarding technical, financial and operational aspects of the project. The preparation of DPRs requires sectoral, technical and financial expertise. MSMEs have limited capacity and technical expertise to prepare the DPRs. The personnel of MSMEs have limited expertise in conducting market research, conducting competitive analysis, analyzing the technical feasibility of projects and preparing financial projections. In addition, they have limited awareness about the availability of experts, who can support them in the preparation of DPRs.

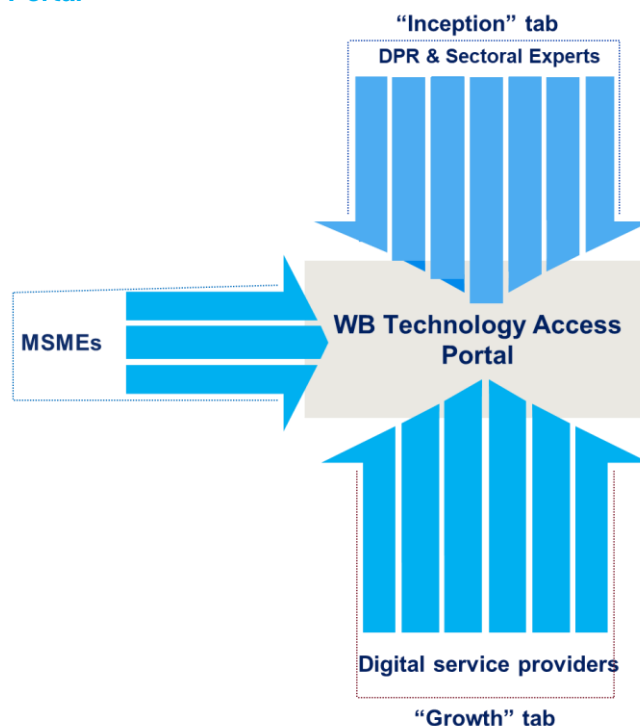
Limited availability of sectoral expertise and inadequate understanding of market trends impact the operational efficiency of MSMEs. MSMEs usually face challenges in having adequate access to skilled labor and thus, are unable to leverage their capabilities effectively. In addition to sectoral knowledge, limited awareness regarding evolving market trends, customer preferences and industrial developments constrain the performance of MSMEs. This also impacts the innovative potential of MSMEs as they are unable to identify and capitalize on innovations. Thus, this intervention will facilitate easier access of MSMEs to such sectoral experts or firms possessing that expertise.

Lack of adequate knowledge and access to financial resources constrained the ability of MSMEs to access and use different digital services. Digital software services can help MSMEs in improving productivity, automating certain procedures, offering customised services and achieve more informed decision-making. The service providers have been offering software aimed at digitalizing several processes such as accounting, payment, customer relationship management, collaboration, data analytics and cyber-security. However, lack of awareness and limited availability of technical expertise constrain the ability of MSMEs from procuring such services. In addition, some of them find it challenging to opt for these software because of financial constraints. Hence, providing access to these digital service providers on a single platform can help encourage the usage of these software among MSMEs.

Overview of the portal: - The web-portal will be a one-stop platform for connecting MSMEs with experts and service providers. The experts will help MSMEs in preparing Detailed Project Reports (DPRs) and obtaining sectoral expertise. The digital service providers will be providing access to software such as accounting, payment gateways, data analytics (visualisation and statistical software), customer relationship management and cyber-security. The web-portal will be established as part of the “wbmsme.gov.in” website, and the user ID for accessing the web-portal will be the Udyam registration number. The web portal will comprise two tabs, namely “Inception” and “Growth”. The services will be available at subsidized costs. The costs for availing these services will be subsidized for Micro enterprises by 90%, for small enterprises by 75% and for medium enterprises by 50%.

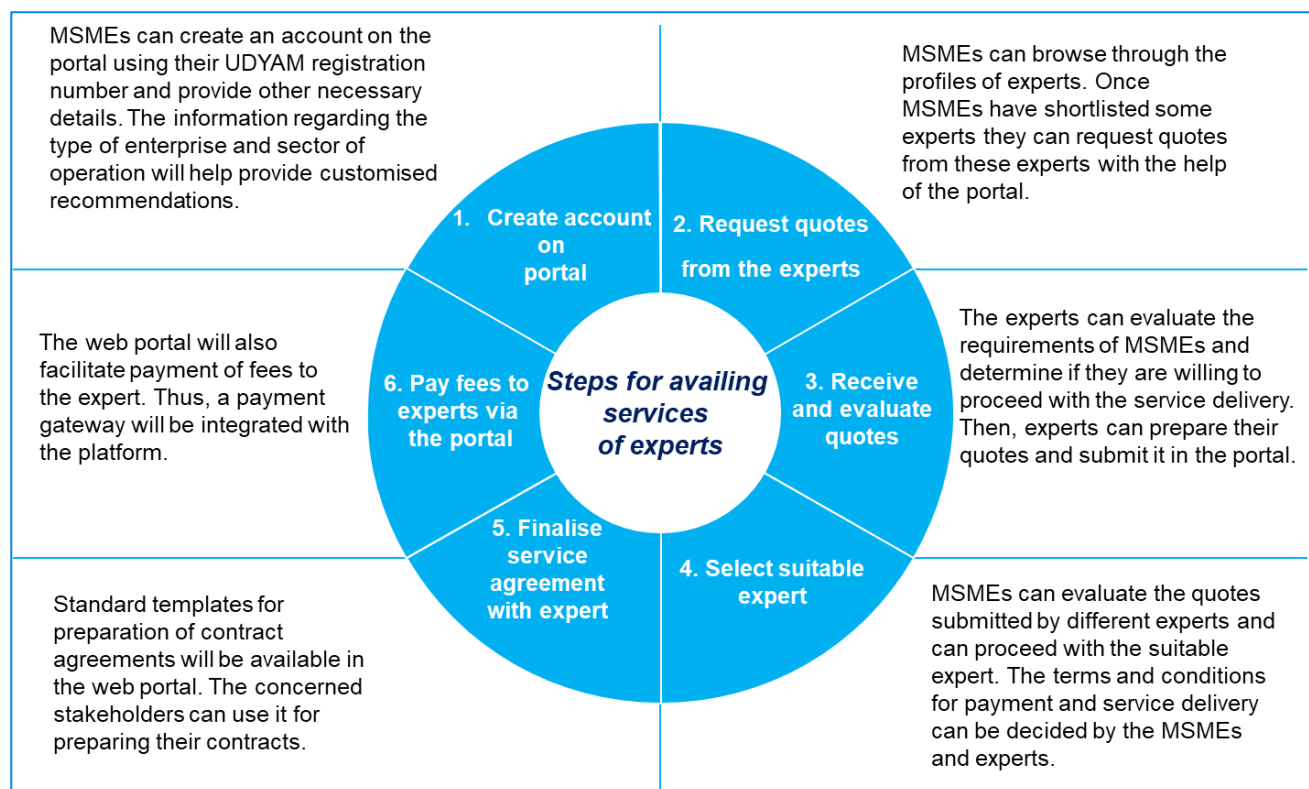
The “Inception” tab will provide access to the list of experts empaneled to assist MSMEs in preparing DPRs and availing services of experts.

Figure 67: Overview of WB Technology Access Portal



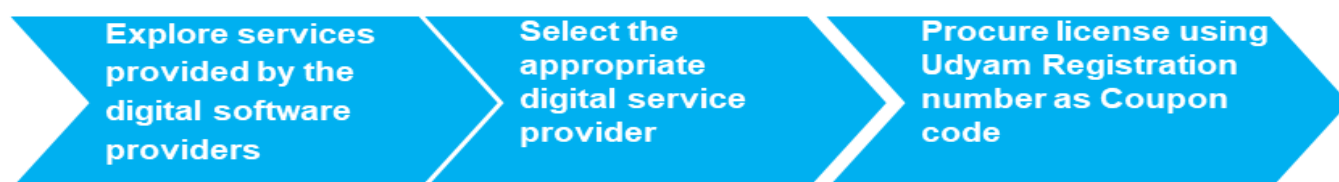
- I. **“DPR Expert” services:** - MSMEs will be able to seek the support of experts for preparing their detailed project reports using these services. The department will empanel experts to assist MSMEs in preparing DPRs. It will be ensured that the pool of experts comprises individuals from key sectors such as leather, Metal fabrication & furniture, food products and processing, jute & fibre-based products, and others. MSMEs can browse through the profiles of experts to shortlist the appropriate ones. Then, MSMEs can request quotes from these experts. Once MSMEs receive the quotes, they can evaluate the quotes and select an appropriate expert. The compensation of the expert will be borne by MSMEs. An overview of the steps to be followed for availing these services has been provided in [Figure 68](#).
- II. **“Sectoral-Expert” services:** - The portal will provide access to onboarded experts and firms, possessing expertise across different sectoral operations. The services will be available for 10 sectors (as defined in Sector Leadership Programme) at first and will be later expanded to other sectors. MSMEs can ask for quotes and select the relevant experts. These experts will also help MSMEs in overcoming challenges associated with their current business model and developing business strategies. It will be ensured that the onboarded experts also possess legal expertise, so that they can help MSMEs in dealing with legal and regulatory challenges.

Figure 68: Overview of the process to be followed for availing services of the experts



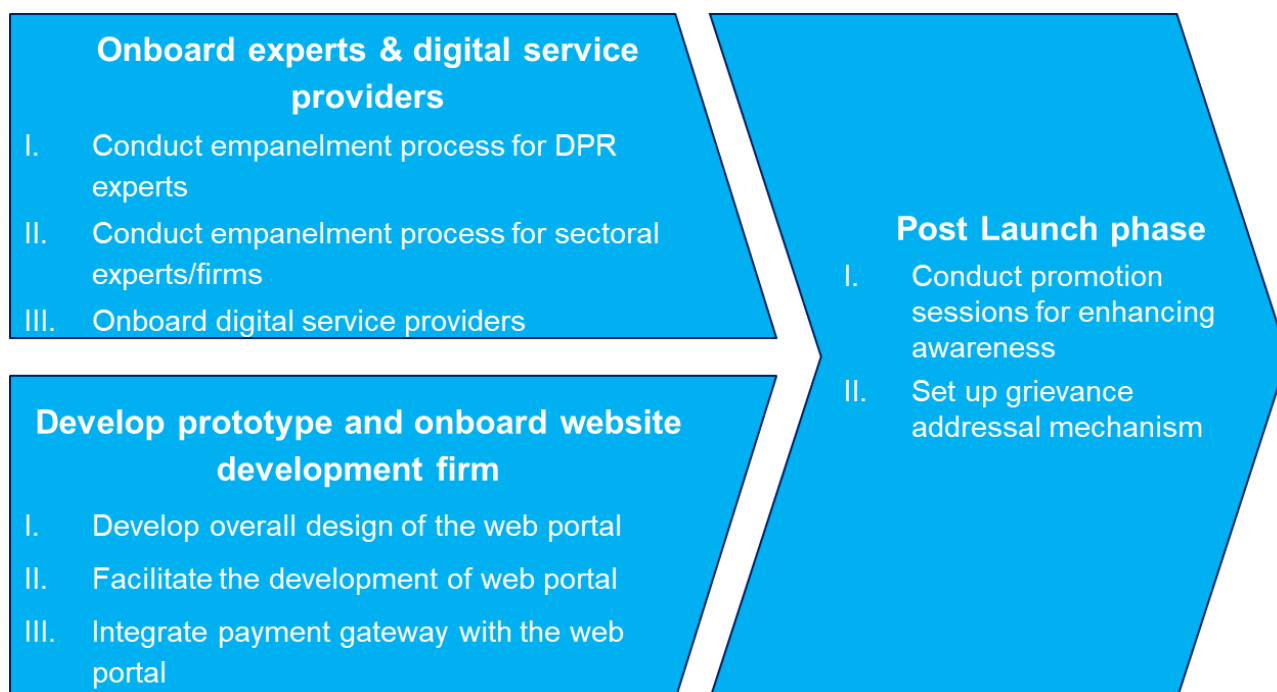
The “Growth” tab will mention the list of digital software service providers. The department will sign MoUs with these service providers with the assistance of the task force. The department has identified some services, such as accounting, payment gateway, filing GST returns, data analytics (visualisation tools and statistical tools), customer relationship management and cyber-security and will select enterprises offering these services. MSMEs can assess the details of these service providers and procure licenses from the appropriate service providers. MSMEs will be able to avail of these services at subsidized rates.

Figure 69: Steps followed for availing services of digital software providers



Proposed Approach: - The approach for establishing the web-portal can be categorized into three sections: -

Figure 70: Overview of the approach for developing West Bengal Technology Access Portal



Proposed Methodology: - The methodology for developing the web-portal has been categorised into three sections, namely “onboard experts and digital service providers”, “develop prototype and onboard website development firm” and “post-launch phase”.

Onboard experts and digital service providers

- I. **Conduct the empanelment process for DPR experts** - The task force will be responsible for conducting the empanelment process for onboarding experts, who will assist MSMEs in the preparation of DPRs. The task force will develop criteria for the selection of experts and will support the department in publishing advertisements. Once proposals are received, the task force will assist in the selection of appropriate proposals.
- II. **Conduct empanelment process for onboarding sectoral experts/firms:** - The task force will support the department in conducting the empanelment process for these sectoral experts/firms. It will be ensured that a considerable number of experts are available in each of the 10 sectors (outlined in the “Sector Leadership Program”).
- III. **Onboard digital service providers:** - In this stage, the task force will facilitate signing MoUs with the digital software providers. The department has identified some of the key areas with potential for the implementation of digital solutions such as payment gateway, accounting, point of sale, data analytics & visualization, customer relationship management and cyber-security.
 - a. The task force will identify the specifications required for these digital software services. Thus, they will help prepare the terms of reference for conducting the shortlisting process.
 - b. Once proposals are received, the task force will assist in evaluating proposals and select appropriate service providers. The task force will further assist the department in signing MoUs with these service providers. The service providers will be expected to provide their services to MSMEs at subsidized rates.

Develop prototype and onboard website development firm

- I. **Develop overall design of the web portal:** - The department will seek the support of task force in identifying key features and functionalities required for the website.
 - a. The task force will study existing portals of the department and prepare an outline for the website.

- b. Then the task force will assist in developing an outline of the website so that it can be easily communicated to the website development team.
- II. Facilitate development of web portal-** The task force will conduct procurement process for onboarding website development firm. The task force will prepare the Terms of Reference (ToR) and develop criteria for evaluating proposals. Once proposals are received, the task force will aid in the evaluation of proposals and select the appropriate firm.
- III. Integrate payment gateway with the web portal:** - The integration of payment gateway will facilitate seamless transactions between MSMEs and experts & digital service providers. The task force will assist the department in shortlisting relevant payment gateways.

Post-Launch phase

- I. Conduct promotion of the web-portal:** - The task force will develop a roadmap for the phased implementation. The phased implementation will ensure that the portal is tested adequately, and all bugs are fixed before full-scale implementation. Please note that these promotion sessions will be a part of the Duare Udyam and Mobile camps established for facilitating Udyam registration.
 - a. The task force will conduct a launch ceremony, to which all relevant stakeholders will be invited. The ceremony should include a live demonstration of services available under each tab ("Inception" and "Growth").
 - b. The promotion sessions will be conducted at the district level to increase awareness in the MSME ecosystem. The digital service providers will conduct a demonstration of their services and enhance awareness about the use-cases. The personnel of the MSME facilitation centre should be informed in this regard, and their support can be sought to increase awareness of the portal.
- II. Set up a grievance addressal mechanism:** - The stakeholders (MSMEs, experts and digital service providers) may face challenges during the initial stage. Thus, the task force will assist the department in solving their queries. The stakeholders will be able to contact the task force using their contact details shared in the web portal.

Key Outputs and Evaluation parameters: -

Key Outputs	Evaluation Parameters
Improved convenience in preparing DPRs	Number of MSMEs that have availed "DPR expert" services
Greater understanding of sectoral operations and effective resolution of business problems	Number of MSMEs that have availed "Sectoral-Expert" services
Enhanced productivity and performance on account of the implementation of digital software	Number of MSMEs that have availed the services of digital software providers

Key Milestones:

	Year-1	Year-2	Year-3	Year-4
Number of MSMEs that have availed "DPR expert" services ¹⁴⁸	-	600 (Micro-360, Small-120 and Medium-120)	600 (Micro-360, Small-120 and Medium-120)	600 (Micro-360, Small-120 and Medium-120)
Number of MSMEs that have availed "Sectoral-Expert" services (including	-	1000	1000	1000

¹⁴⁸ The number of MSMEs that will avail the "DPR expert" services, is estimated on the basis of stakeholder consultations.

	Year-1	Year-2	Year-3	Year-4
individual and institutional Expert services onboarded via contracts/MoUs) ¹⁴⁹				
Number of MSMEs that have availed the services of digital software providers (for providing services related payment gateway, accounting, point of sale, data analytics & visualization, customer relationship management and cyber-security) ¹⁴⁸	-	400	400	400

Timeline Chart:

Activities	Year 1		Year 2		Year 3		Year 4	
	H1	H2	H3	H4	H5	H6	H7	H8
Recruitment of professional for assisting in preparation of DPRs								
Recruitment of professional for assisting in solving sectoral problems								
Onboard enterprises providing services related to digital software								
Development of roadmap for the website								
Hiring of website development firm								
Integration of payment gateway								
Facilitate launch of the website								
Conduct promotion sessions for the web portal								
Set up grievance addressal mechanism								

¹⁴⁹ It is assumed that the average number of MSMEs that avail these services is 100 per sector and total number of sectors has been assumed to be 10.

Budget:

Line items	Expenses (in INR crores)				
	Y1	Y2	Y3	Y4	Total cost
Payment for Website Development Platform ¹⁵⁰	1.00	0.15	0.15	0.15	1.45
Fees for integration with payment gateway ¹⁵¹	-	0.02	0.01	0.01	0.04
Subsidies incurred for onboarding DPR experts for micro enterprises ¹⁵²		0.90	0.90	0.90	2.70
Subsidies incurred for onboarding DPR experts for small enterprises ¹⁵³		0.60	0.60	0.60	1.80
Subsidies incurred for onboarding DPR experts for medium enterprises ¹⁵³		0.60	0.60	0.60	1.80
Cost of facilitating individual expertise (experts involved on a part-time basis) for 1000 MSMEs spanning across 8 sectors ¹⁵⁴	0.6	1.20	1.20	1.20	4.20
Cost of facilitating institutional expertise for 8 sectors [Leather, Light Engineering, Foundry, Forging, Carpet, Gems and Jewelry, Textile and apparel (RMG), Packaged and Processed Food (incl fisheries), Zari, Incense Stick/ Firecrackers] ¹⁵⁵	1.20	2.40	2.40	2.40	8.40
Support to MSMEs for access to adoption of digital software services ¹⁵⁶		0.80	0.80	0.80	2.40
Total cost	2.80	6.67	6.66	6.66	22.78
Grand total cost	22.78				
Contribution by the State Govt. (State govt aims to allocate 25% of the total budget: including policy and scheme supports)	5.69				
Contribution sought from Central Government under RAMP	17.08				

State Departments to be involved for successful implementation:

- I. Department of MSME & Textiles
- II. Department of Industry, Commerce & Enterprises, Department of Science & Technology

¹⁵⁰ Assumption: - Payment for developing the website is INR 1 Crore and the management costs for the subsequent years is INR 1500000 for the subsequent years

¹⁵¹ Assumption: - The setup cost for initial year is assumed to be INR 30000 and the maintenance cost for the subsequent years is assumed to be INR 10000 for each payment gateway. The department aims to integrate 5 payment gateways.


¹⁵² Assumption: - 360 enterprises will be compensated an amount worth INR 25000/- in each year.

¹⁵³ Assumption: - 120 enterprises will be compensated an amount worth INR 50000/- in each year.

¹⁵⁴ Assumption: - The average value of institutional agreement is assumed to be INR 15 lakhs per contract/MoU. 4 sectors will be targeted in 1st year followed by 8 sectors in the following years.

¹⁵⁵ Assumption: - The average value of institutional agreement is assumed to be INR 30 lakhs per MoU. 4 sectors will be targeted in 1st year followed by 8 sectors in the following years.


¹⁵⁶ Assumption: - The state technology access portal will host these digital solutions on its portal to be provided to MSMEs. The value of services that can be availed shall have an upper cap of INR 20,000 for each MSME.



WB MSME Technology Access Portal (WB TAP)

Department of MSME & T, Government of West Bengal

[Home](#)[About WB TAP](#)[Inception](#)[Growth](#)[Innovation](#)[Foresight](#)[FAQ](#)



About WB TAP

One-stop platform for accessing DPR experts, sectoral experts, digital software, and AI-IoT solution providers

Benefits: -

- Seek expert support for preparing DPRs, solving sectoral challenges & and preparing business strategies
- Procure licenses of different digital software at discounted prices
- Explore use cases and connect with AI & IoT solution providers
- Download foresight reports and prepare your strategy accordingly

Eligibility: -

- Enterprises must be registered on Udyam Portal

[Register Now](#)

How others have benefited?

[Case Study-1](#)[Case Study-2](#)

[Case Study-3](#)[Case Study-4](#)

Micro, Small & Medium Enterprises

Under Department of Micro, Small & Medium Enterprises and Textiles



WB MSME Technology Access Portal (WB TAP) Department of MSME & T, Government of West Bengal



Home

About WB TAP

Inception

Growth

Innovation

Foresight

FAQ



DPR-Expert

Choose from 15+ sectoral experts and outsource preparation of DPR

- Choose your area/sector of operation
- Browse through profiles of experts
- Request quotes from shortlisted ones
- Finalise contract and pay using gateway

Sign in

Sectoral-Expert

Select experts from 10+ sectors and leverage their expertise for addressing problems

- Browse through profiles of experts
- Select appropriate expert
- Finalise contract and pay using gateway
- Share information on business problems

Sign in



WB MSME Technology Access Portal (WB TAP) Department of MSME & T, Government of West Bengal



Home

About WB TAP

Inception

Growth

Innovation

Foresight

FAQ



Growth

One-stop platform that provides access to popular digital software

How others have benefited?

Case Study-1

Case Study-2

Case Study-3

Payment gateway

Manage payments of customers and suppliers

[Click here for more details](#)

Data analytics

Analyse large datasets and achieve informed decision-making

[Click here for more details](#)

GST filing

Create invoices and file GST returns without any hassle

[Click here for more details](#)

CRM

Manage interactions and achieve better satisfaction

[Click here for more details](#)

Accounting

Store and manage financial data

[Click here for more details](#)

Collaboration

Coordinate with your team members across locations

[Click here for more details](#)

Intervention #2: Develop a one-stop platform for providing access to AI and Industrial IoT solution providers

Objectives:

The key objectives of this intervention are to enhance awareness regarding the use-cases of AI and IoT solutions among MSMEs and increase adoption of AI and IoT solutions in the MSME clusters.

Rationale: - While the department has undertaken initial steps towards increasing adoption of AI and IoT solutions in the MSME ecosystem, their coverage is still at a very nascent stage. The Webel Fujisoft Vara Centre of Excellence in Industry 4.0¹⁵⁷ has been established by GoWB to encourage adoption of industrial IoT solutions in the industrial ecosystem. It provides a single platform for students, professionals, start-ups and enterprises to collaborate and develop innovations in this regard. The Center of Excellence (CoE) offers IoT solutions in the fields of “Solution Designing & Prototyping”, “Platform Assessment”, “System integration” and “Prototyping & Proof-of-concept”.

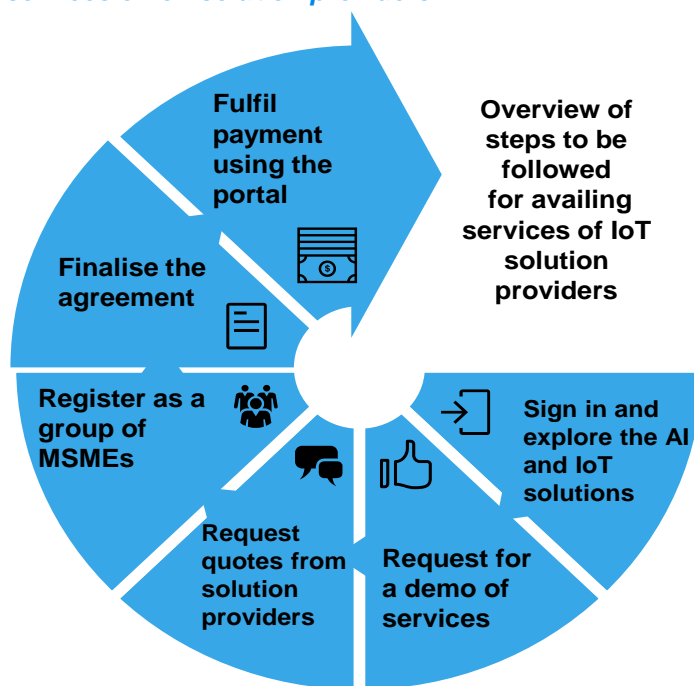
However, the department has found that limited awareness about the benefits of Industrial IoT and a lack of adequate financial resources restrict MSMEs from using these solutions. Thus, sharing information regarding the use-cases will enhance awareness regarding the applications of Industrial IoT and their benefits. The adoption of use-cases at a firm level may be financially challenging for MSMEs and thus, the intervention is also aimed at increasing adoption at the cluster level. In addition, a one-stop platform that provides details about IoT solution providers will provide ample opportunities to MSMEs, allowing them to avail services of the relevant solution provider at subsidized rates.

Overview of the platform: - The platform will be a part of the “West Bengal Technology Access Portal” (WB-TAP). The “Innovation” tab will provide details regarding the AI and IoT solution providers. The department has inferred that AI and IoT solutions can be helpful in improving the productivity of MSMEs. Some of these solutions can be remote asset tracking, predictive maintenance solutions, fleet management, remote surveillance using unmanned aerial vehicles and others.¹⁵⁸ The web page will provide details of the IoT solution providers (including start-ups, educational institutions and enterprises providing these solutions). It will be expected from solution providers that they come up with customised solutions for MSME clusters. In addition, they will also showcase some case studies portraying the use cases and their impact on implementation. The details regarding the “Webel Fujisoft Vara Centre of Excellence in Industry 4.0”¹⁵⁹ will also be integrated into this page.

The steps for availing the services have been outlined below: -

- I. **Sign in and explore the AI and IoT solutions:** - The department has already identified some of the critical application areas and will onboard solution providers in these areas. The task force will assist them in conducting the empanelment process and special focus will be given on start-ups and clubs

Figure 71: Overview of the steps to be followed for availing services of IoT solution providers



¹⁵⁷ Source: - Details about the Webel Fujisoft Vara Centre of Excellence in Industry 4.0, URL: - <https://webelfujisoftvara.com/Home/Index/MjUy>

¹⁵⁸ Source: - “SME Guide for Industrial IoT”, Small Business Standards, European SME Alliance

¹⁵⁹ Source: - Details about the Webel Fujisoft Vara Centre of Excellence in Industry 4.0, URL: - <https://webelfujisoftvara.com/>

from educational institutions. MSMEs can log in using their Udyam registration number and can explore the AI/ IoT solution services.

- II. **Request for a demo of services:** - MSMEs can explore different solution services provided in the portal. They can evaluate the specifications, use-cases and case studies to identify suitable solution providers. Once they have shortlisted some service providers, they can request a demonstration of prototypes in their enterprise, cluster and industrial park.
- III. **Request quotes from solution providers:** - MSMEs can request quotes from the solution providers using the portal, if they are satisfied with the demonstration,
- IV. **Register as a group of MSMEs:** - Implementation of AI and IoT solutions usually involves significant investment, and MSMEs may find it challenging to procure these services at an individual level. A group of MSMEs (in a cluster) is more likely to opt for these services as compared to individuals. Thus, the portal will include a feature called “Cohort”, that will allow MSMEs to register as a group. One of the MSMEs can register as a “Captain” enterprise and can invite other enterprises using their Udyam registration numbers. The other enterprises can join the group by accepting invitations in their respective accounts on the portal.
- V. **Finalise the agreement:** - The enterprise or group of enterprises can discuss with the solution providers regarding the details of the service contract. They can use the standard contract template available in the portal for finalising the agreement.
- VI. **Fulfil payment using the portal:** - A payment gateway will be integrated into the portal during the launch of the web-portal. The payment obligations with the group of enterprises should ideally be decided before finalising the contract and information should be captured in the template. Thus, MSMEs can make the payment to the solution provider as per contract details. The costs will be subsidized for micro enterprises by 90%, for small enterprises by 75% and for medium enterprises by 50%.

Proposed approach: - An overview of the approach has been provided in [Figure 72](#).

Proposed methodology: - The methodology for developing the web-portal has been categorised into three sections, namely “onboard AI and IoT solution providers”, “develop prototype and onboard website development firm” and “post-launch phase”.

Onboard AI and IoT solution providers

- I. **Conduct awareness sessions for encouraging participation:** - The department aims to achieve greater participation of youth in ideating solutions for MSME ecosystem and thus, the focus will be on onboarding student clubs from technical educational institutions and start-ups as solution providers. The task force will conduct awareness sessions in some of the select reputed universities and shortlist some of the potential service providers. In addition, two experts from Fujisoft Vara Centre of Excellence in Industry will also be invited for supporting the task force.
- II. **Onboard solution providers:** - The task force will assist department in conducting the empanelment process for onboarding start-ups and other enterprises as solution providers. It will be ensured that

Figure 72: Overview of the approach proposed for the intervention



considerable number of solution providers are empaneled for each type of service such as remote asset tracking, predictive maintenance solutions, fleet management and remote surveillance using unmanned aerial vehicles.

Develop prototype and onboard website development firm

- I. **Develop overall design of the “innovation” portal-** The task force will prepare an outline of the website and will showcase it to the department for suggestions. This portal will have an added functionality called “Register as a cohort” and the task force will detail out all the specifications of this feature.
- II. **Facilitate development of web portal-** The task force will coordinate with the onboarded website development firm for developing the web portal. It will share the finalised design and provide other necessary details.

Post-Launch phase

- I. **Conduct promotion sessions for enhancing awareness:** - The web-portal will be launched along with the WB Technology Access Portal. The ceremony should include a live demonstration of “Innovation” services. The promotion sessions will be conducted at the district level to increase awareness among MSMEs. The solution providers will conduct a demonstration of their services and enhance awareness about the use-cases. The employees of MSME facilitation centres should be informed in this regard, and their support will be sought to increase awareness of the portal. Please note that these promotion sessions will be a part of the digital upgradation sessions conducted at the cluster level.
- II. **Set up grievance addressal mechanism:** - The stakeholders (MSMEs and solution providers) may face challenges during the initial stage. Thus, task force will assist the department in solving their queries.

Key Outputs: The key outputs and evaluation parameters for the intervention are: -

Key output	Evaluation parameter
Increase in the adoption of IoT and AI solutions	Number of MSMEs/MSME cohorts that have availed the services of AI and IoT solution providers

Key Milestones:

	Year-1	Year-2	Year-3	Year-4
Number of promotion sessions conducted at the educational institutions ¹⁶⁰	-	10	10	10
Number of deals signed between MSMEs/MSME cohorts and solution providers ¹⁶⁰	0	100 (Micro-40, Small-40 and Medium-20)	200 (Micro-80, Small-80 and Medium-40)	200 (Micro-80, Small-80 and Medium-40)

¹⁶⁰ Determined based on stakeholder discussions.

Timeline Chart:

Activities	Year 1		Year 2		Year 3		Year 4	
	H1	H2	H3	H4	H5	H6	H7	H8
Conduct AI/ IoT sessions conducted at the technical institutions								
Onboard AI and IoT solution providers								
Conduct promotion sessions for the web portal and Set up grievance addressal mechanism								

Budget:

Line items	Expenses (in INR crores)				
	Y1	Y2	Y3	Y4	Total cost
Cost incurred for AI/ IoT sessions conducted at the technical institutions ¹⁶¹		0.20	0.20	0.20	0.6
Payment for Website Development Platform (for managing the function of “Innovation” portal) ¹⁶²		0.2	0.10	0.10	0.40
Support to MSMEs for adoption IoT / AI solutions ¹⁶³		0.48	0.96	0.96	2.40
Total Cost (year-wise)	0.00	0.88	1.26	1.26	3.40
Grand total cost	3.40				
Contribution by the state government (State govt aims to allocate 25% of the total budget)	0.85				
Support sought under RAMP from Central Government	2.55				

State Departments to be involved for successful implementation:

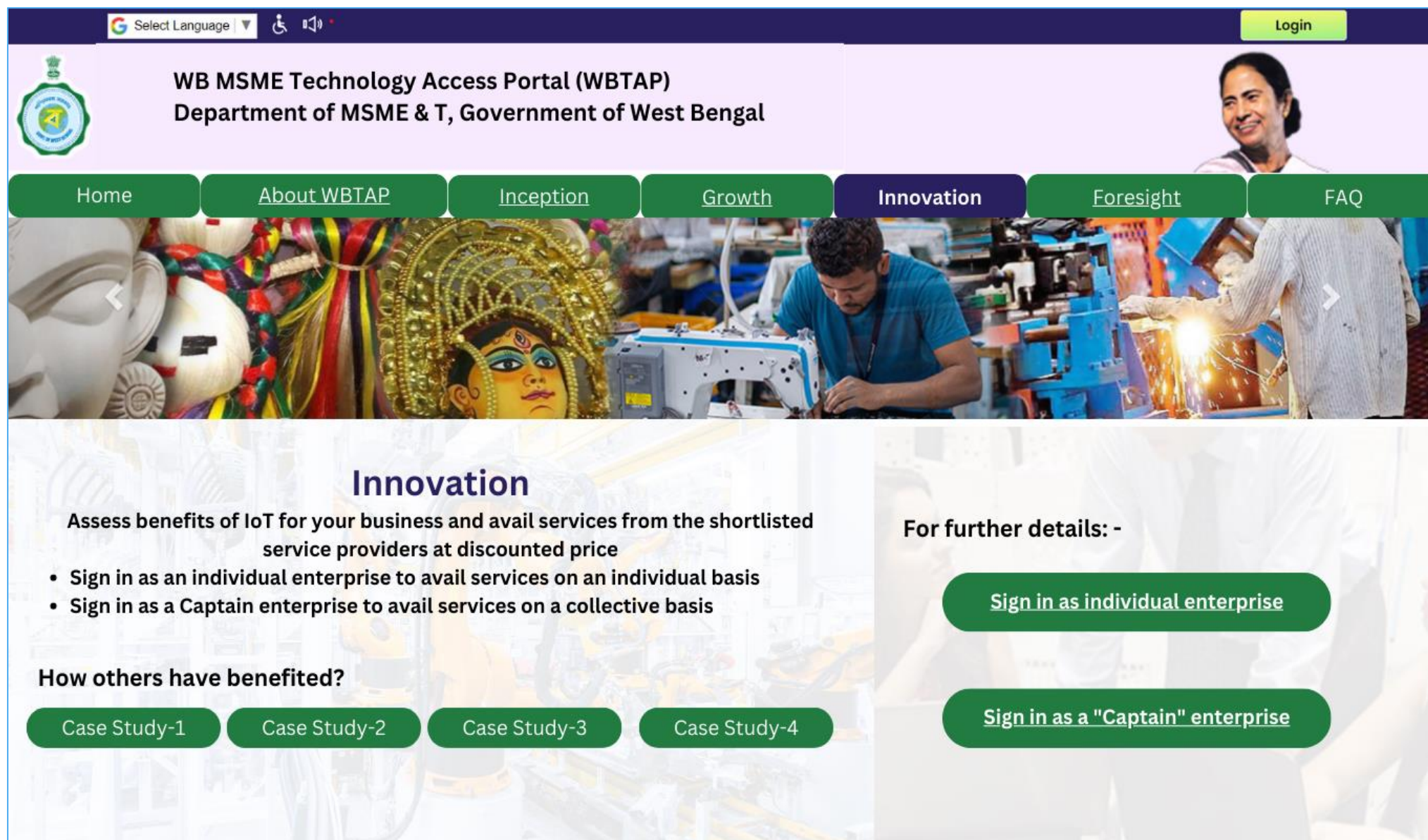
- I. Department of MSME & Textiles
- II. Department of Industry, Commerce & Enterprises

¹⁶¹ Assumption: - Cost for each AI/ IoT session is INR 2 lakhs (JU, IEST, NIT Durgapur etc)

¹⁶² Assumption: - The additional cost for developing the “Innovation” web page will be INR 20 lakhs and the maintenance cost will be INR 3 lakhs in the subsequent years.

¹⁶³ Assumption: - Support to micro, small and medium enterprises is INR 30000, INR 60000 and INR 60000 respectively for adopting AI/ IoT solutions.

Prototype of the website (for illustrative purpose only)⁷⁰





WB MSME Technology Access Portal (WB TAP) Department of MSME & T, Government of West Bengal

Home

About WB TAP

Inception

Growth

Innovation

Foresight

FAQ



Webel Fujisoft Vara Centre of Excellence in Industry 4.0

An initiative of Govt. of West Bengal to
develop IoT capabilities among students,
start-ups & enterprises

[Click here for more details](#)

Remote Surveillance
Monitor your operations with
the help of drones

[Click here for more details](#)

Asset Tracking
Real time monitoring of your
assets

[Click here for more details](#)

Fleet Management
Real-time monitoring of delivery
and autonomous vehicles

[Click here for more details](#)

Predictive maintenance
Forecast maintenance requirements in
advance and manage productivity

[Click here for more details](#)

Intervention #3: - Preparation of strategic foresight reports and development of web-portal for providing access sector-specific foresight reports

Objectives:

The key objectives of the intervention are to increase awareness regarding the importance of strategic foresight for formulating strategies and enhance capabilities of clusters in utilising the future projections for developing their strategies.

Rationale: - Integration of foresight capabilities in the strategy formulation stage will facilitate informed decision-making, identification of key technological trends, and the development of innovative capabilities. It comprises estimating the maturity state of technological areas and, thus, supporting enterprises in making informed decisions in their strategy formulation stage. Thus, the benefits of adopting this approach are: -

- I. Using appropriate methodologies, it can generate both quantitative and qualitative insights for making informed decisions.
- II. The insights help enterprises in being better equipped for taking corrective action in the event of any adverse trend.
- III. The approach also helps in identifying research initiatives being undertaken across the globe.
- IV. Analysis of the research initiatives (research papers and intellectual properties) will help in determining the potential collaborators.

The Department of Science and Technology, India, has already established an autonomous organisation called Technology Information Forecasting and Assessment Council (TIFAC). TIFAC has analysed different trends that can impact the economy of India and has developed roadmaps for Healthcare, ICT, Manufacturing, Education and Materials till 2035.¹⁶⁴ The department is also keen on adopting a similar practice for the industrial ecosystem of West Bengal. This will help MSMEs assess technological trends and, thus, undertake measures for developing capabilities in those areas.

Illustration of Strategic Foresight

An illustration of the methodology conducted for “Smart Textile” has been provided to showcase the benefits of conducting strategic foresight. Smart textiles correspond to the usage of electronics in the textiles, which helps in responding to environmental stimuli. In the illustration, S-curves are used to determine the saturation state of technology.

Determine maturity level of technologies using S-Curve

“S-curves” are one of the popular tools used for determining the maturity level of a technological area. Once the current maturity level of technology is determined, it will be helpful in formulating strategies for developing capabilities in that technological area.

The lifecycle of technologies generally resembles that of an S-curve in which there is an “introductory” phase (of minimal growth rate) followed by a high “growth” phase and then, it attains saturation with a declining growth rate. The metric used for indicating the diffusion of technology in this case is the cumulative number of patents published. Moreover, other appropriate metrics can be considered in this model as well.

This equation for the S-curve¹⁶⁵ is: -

$$L = K / (1 + a * \text{EXP}(-bt))$$

where, L = cumulative number of patents published by period t

¹⁶⁴ Source: - Technology Vision Documents, Technology Information, Forecasting and Assessment Council, URL: - <https://www.tifac.org.in/>

¹⁶⁵ Source: - Mingers J., “Exploring the dynamics of Journal Citations: Modelling with S-curves”, Kent Business School

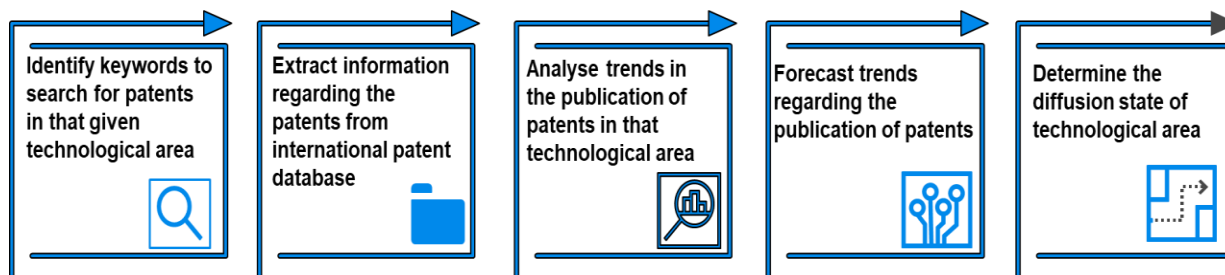
K= maximum number of patents that will be published

a= “parameter denoting the location of the curve”

b= “parameter denoting the steepness/shape of the curve”

We have outlined methodology for conducting S-curve analysis and have explained each of these steps.

Figure 73: Methodology for conducting S-curve analysis



The methodology for identifying the relevant patents has been outlined below: -

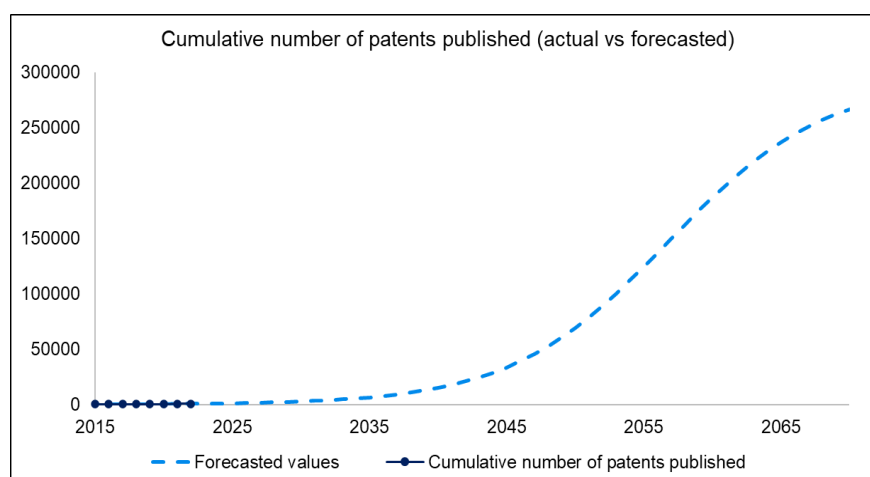
- **Identify keywords to search for patents in that given technological area:** - It is important to identify the appropriate keywords to search for patents in each technological area. The patents will be shortlisted using those keywords.
- **Extract information regarding the patents from international patent database:** - After filtering the patents related to “Smart Textile”, the applications areas will be analysed. The International Patent Classifications (IPC) and its description will be referred to in this regard. For Smart Textile, the top 4 IPCs have been highlighted based on the number of patents.

IPC	Explanation	No. of patents
A61B5	“Medical Science: Measuring for diagnostic purposes”	103
A41D1	“Wearing apparel: Garments for Children”	86
A41D13	“Wearing apparel: Professional, industrial or sporting protective garments”	73
D03D15	“Weaving: Woven fabrics”	52

- **Analyse trends in the publication of patents in that technological area:** - The next step is to analyse trends in the publication of patents in that technological area. In case of “Smart Textile”, publication of patents started in 1919 but gained significant traction only in 2017-19 and in 2021, the number of patents was greater than 100 for the first time since the time of publication.

- **Forecast trends regarding the publication of patents:**

- In this step, the curve-fitting methodology is used to extrapolate the number of patents. The comparison of forecasted trends with the actual

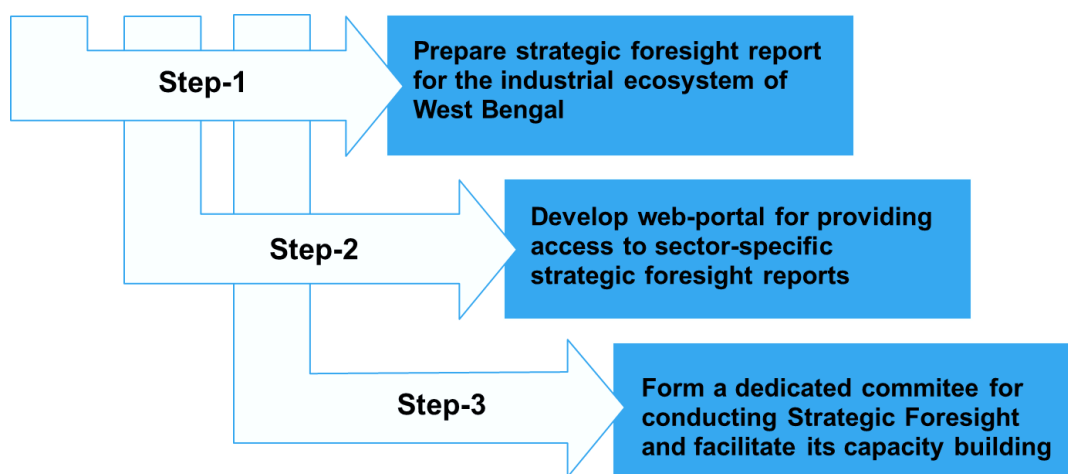


values will indicate the current state of technology diffusion and provide inferences for developing an appropriate strategy.

- **Determine the diffusion state of the technological area:** - In this stage, the diffusion state of technology will be identified based on a comparison of the actual number of patents published vs. the forecasted figures. The current state of diffusion for “Smart Textile” is at the introductory phase and there is ample time until its maturity. Thus, it indicates that there is adequate time for developing innovative capabilities in this space. Hence, enterprises can consider investing in R&D related to this space.

Proposed Approach: The approach for implementing this intervention has been captured in [Figure 74](#).

Figure 74: Approach for the intervention



- I. **Prepare Strategic Foresight report 2025-27 for the industrial ecosystem of West Bengal:** - The strategic foresight report will provide insights regarding the technological trends across the important economic sectors and help GoWB formulate strategies in line with the forecasted trends. The task force will support the department in onboarding a team of experts called “Foresight team”, who will be capable of preparing the foresight report. The team will also comprise sectoral experts from the industrial ecosystem. The compensation of the experts will be budgeted as a part of this intervention.
- II. **Develop web-portal for providing access to firms that are capable of developing sector-specific strategic foresight reports:** - The web-portal will be developed as a part of “WB Technology Access Portal”. The portal will provide access to experts, who will be capable of developing sector-specific strategic reports. The task force will conduct an empanelment process for onboarding such firms. MSMEs can explore profiles of these onboarded firms and can request quotes for preparing sector-specific reports. After the selection of firm, MSME can finalise the agreement. The payment for these reports will be borne by the respective MSMEs.
- III. **Form a dedicated committee for conducting Strategic Foresight and facilitate its capacity building:** - The task force will help form a dedicated committee to sustain the practice. The “Strategic Foresight” Committee will comprise experts from educational, research and industrial ecosystem. The responsibilities of the “Strategic Foresight” Committee will include preparing foresight roadmaps and providing intermittent support to MSMEs as well. The “Foresight team” will conduct knowledge transfer sessions for the Committee and will support them in developing the methodology for conducting “Strategic Foresight”. The compensation of the committee members will be borne by GoWB.

Proposed Methodology: - The methodology for implementing the intervention has been categorized into three sub-sections, as mentioned below: -

Figure 75: Overview of methodology proposed for the intervention



Prepare strategic foresight report for the industrial ecosystem of West Bengal

- Establish a team of experts for conducting foresight:** - The task force will be responsible for conducting empanelment process for onboarding the team of experts. The department understands that expertise in statistical methodologies and technological areas will be crucial for the Foresight team and thus, will ensure that the empanelment process is aligned with the required expertise.
- Appoint sectoral experts from clusters:** - The inputs from the sectoral experts will be helpful in identifying the important technological areas for their respective sectors. The task force will work with the “Foresight team” for identifying sectoral experts. The Foresight team will work with sectoral experts to identify the technological areas for the industrial ecosystem of West Bengal. In addition, the Foresight team will also review the “Technology Vision” roadmaps developed by TIFAC and analyse the global trends that can impact the industrial sector of West Bengal.
- Prepare “Strategic Foresight Report 2025-27” for the industrial ecosystem of West Bengal:** - The Foresight team and sectoral experts will prepare the “Strategic Foresight Report 2025-27”. The report will outline trends regarding the key economic sectors of West Bengal and strategies for developing technological capabilities in these potential areas. The report will be shared with GoWB so that these inferences can be used for formulating appropriate strategies.

Develop web-portal for providing access to sector-specific strategic foresight reports

- Onboard firms for preparing sector-wise strategic foresight reports:** - The department has assessed clusters and International Patent Classifications to identify potential sectors for conducting foresight. The selected sectors are Textile, Chemical products, Food products, Leather, Jute, Metal Works, Clay and Ceramic and Mechanical Engineering. Moreover, additional sectors will be added every subsequent year. The task force will assist the department in conducting empanelment process for onboarding firms that can prepare foresight reports for these sectors.
- Develop overall design of the “Foresight” portal-** The task force will prepare an outline of the website and will share it with the department for suggestions. The web-portal will indicate the list of firms onboarded for preparing strategic foresight reports for each sector.
- Facilitate development of web portal-** The task force will coordinate with the onboarded website development firm for developing the web portal. It will share the finalised outline and share other necessary information.

- II. **Conduct promotion of web-portal:** - Once the functionality of the “Foresight” webpage is integrated into the WB Technology Access Portal, a launch ceremony will be conducted by the department. The integration of this functionality will be conducted after the development of “Inception”, “Growth” and “Innovation” web pages and thus, separate promotion sessions will be conducted at the district level. The personnel of the MSME facilitation centre should be informed in this regard and their support will be sought for increasing awareness of the portal. These promotion sessions will also facilitate digital upgradation, enhancing energy efficiency, abiding with environmental compliance, increasing adoption of AI/IoT sessions & increasing usage of green energy).

Form a dedicated committee for conducting Strategic Foresight and facilitate its capacity building

- I. **Establish Committee for conducting Strategic Foresight:** - A committee will be established for conducting strategic foresight on a regular basis. The committee will include statisticians, technological experts, sectoral experts and other relevant personnel. The key responsibilities of the committee will be to conduct foresight exercise and provide relevant suggestions, as and when required by GoWB.
- II. **Conduct capacity building exercises for the committee:** - The Foresight team will conduct capacity-building exercises for the committee members. The Foresight team will conduct knowledge transfer sessions and will finalise the methodology for conducting strategic foresight. The Foresight team will work with the committee members in developing manuals and the manual will outline methodology for conducting strategic foresight.

Key Outputs: The key outputs and evaluation parameters of the intervention: -

Key outputs	Evaluation parameters
Greater awareness regarding the importance of conducting Strategic Foresight	Number of downloads of the “Strategic Foresight 2025-27” report
Increase in the integration of strategic foresight studies	Number of enterprises that availed the benefits of “Strategic Foresight” experts

Key Milestones:

	Year-1	Year-2	Year-3	Year-4
Number of digital upgradation sessions conducted at the cluster level ¹⁶⁶	0	50	50	50

Timeline Chart:

Activities	Year 1		Year 2		Year 3		Year 4	
	H1	H2	H3	H4	H5	H6	H7	H8
Establish “Foresight team”								
Appointment of sectoral experts								

¹⁶⁶ The promotion sessions will be conducted at 10% of the total number of clusters.

Activities	Year 1		Year 2		Year 3		Year 4	
	H1	H2	H3	H4	H5	H6	H7	H8
from clusters								
Prepare Strategic Foresight Report for 2025-27								
Conduct empanelment process for firms that can prepare Strategic Foresight reports								
Facilitate the development of web portal								
Conduct promotion of “Foresight” web-portal								
Establish Committee for conducting Strategic Foresight								
Conduct capacity building exercises for the committee								

Budget

Line items	Expenses (in INR crores)				Total cost
	Y1	Y2	Y3	Y4	
Session for digital upgradation (energy efficiency, environmental compliances, use of AI/IoT sessions & green energy) and detailing strategic foresight reports at cluster level (10% coverage in clusters each year) ¹⁶⁷	0.00	0.75	0.75	0.75	3.00
Fees for preparing Strategic Foresight Report 2025-27 and capacity building exercise ¹⁶⁸		1.50	2.00	2.00	5.50
Compensation of sectoral experts for providing inputs to the preparation of Strategic Foresight Report 2025-27 ¹⁶⁹	0.375	0.375			0.75

¹⁶⁷ Assumption: - Cost incurred for each detailed interactive session is INR 150000/-.

¹⁶⁸ Assumption: - The compensation for preparing “Strategic Foresight Report 2025-27” will be INR 5 Crore across 10 sectors. The number of sections prepared in year-2, year-3 and year-4 has been assumed to be 3,4 and 3 respectively. The compensation for preparing sectoral report for each report has been assumed to be INR 50 lakhs. 10 capacity building sessions will be conducted and compensation for each capacity building session has been assumed to be INR 5,00,000

¹⁶⁹ Assumption: - 10 sectoral experts will be onboarded for 60 man-days (30 man-days each in year-1 & year-2) and the per-day charge has been considered as INR 12500.


Line items	Expenses (in INR crores)				Total cost
	Y1	Y2	Y3	Y4	
Payment for Website Development Platform (for managing the functions of "Foresight" web page) ¹⁷⁰		0.2	0.03	0.03	0.26
Total Cost (year-wise)	0.38	2.08	2.03	2.03	6.51
Grand cost	6.51				
Contribution by the state government (State govt aims to allocate 25% of the total budget: including policy and scheme supports)	1.63				
Support sought under RAMP from Central Government	4.88				

State Departments to be involved for successful implementation:

- I. Department of MSME & Textiles
- II. Department of Industry, Commerce & Enterprises,
- III. Department of Science & Technology
- IV. Department of Higher Education


¹⁷⁰ Assumption: - The additional cost for developing the "Foresight" web page will be INR 20 lakhs and the maintenance cost will be INR 3 lakhs in the subsequent years.

Prototype of the website (for illustrative purpose only)⁷⁰




WB MSME Technology Access Portal (WB TAP)
Department of MSME & T, Government of West Bengal

[Select Language](#)



Login

[Home](#)
[About WB TAP](#)
[Inception](#)
[Growth](#)
[Innovation](#)
[Foresight](#)
[FAQ](#)



Foresight

A one-stop platform for seeking experts' help in preparing sector-wise Strategic Foresight Reports

- Explore details about the expert firms
- Request quotes from firms
- Finalise agreement using template
- Pay on completion of service

[Learn more about Strategic Foresight](#)

Textile	Food products	Metal works	Chemical Products
Explore details about firms	Explore details about firms	Explore details about firms	Explore details about firms
Jute	Leather	Mechanical Engineering	Clay & Ceramic
Explore details about firms	Explore details about firms	Explore details about firms	Explore details about firms

Intervention #4: Enhance awareness about intellectual properties and strengthen capabilities in the registration, management, and commercialisation of intellectual properties

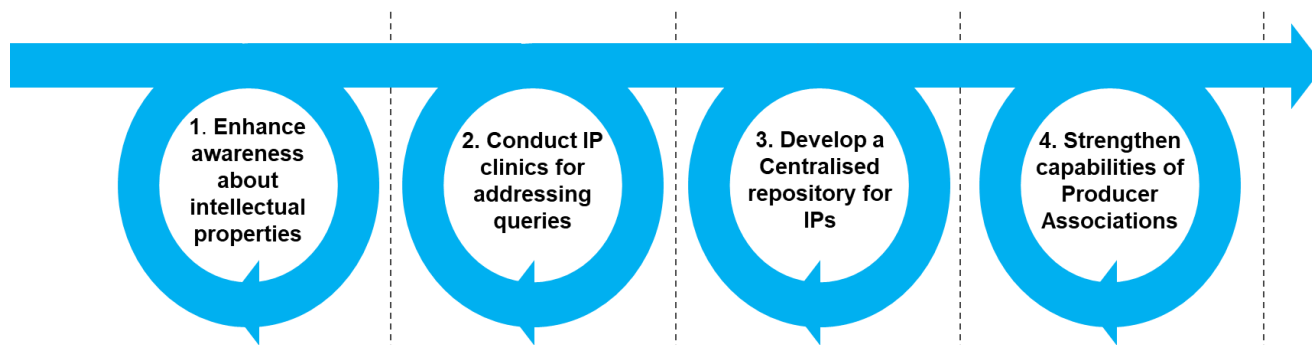
Objectives:

The key objectives of the intervention are to increase awareness about different types of intellectual properties and benefits of developing IP assets, support MSMEs in filing or registration of intellectual properties and encourage MSMEs to opt for commercialisation of their intellectual properties.

Rationale: - The department is committed towards strengthening capabilities in the management and commercialisation of intellectual properties. The department has been conducting sessions to increase awareness on various intellectual properties (Patent, Industrial Design, Trademark, Copy right, Geographical Indications) among MSMEs. In addition, the Patent Information Centre of WB State Council of Science & Technology has been supporting the MSME ecosystem by increasing awareness and assisting them in the registration process. Additional responsibilities of the center include conducting novelty assessments of findings, providing support in conducting patent searches, guiding start-ups in the field of intellectual property rights (IPRs) and providing support for enhancing GI registrations. One of the components of the “MSME Innovative Scheme” (launched by the Government of India) is aimed at supporting the establishment of an IP facilitation centre (IPFC) and providing financial support for the registration of patents, GIs, trademarks and industrial design.¹⁷¹ The IPFC also provides support in other relevant areas such as “IP advisory & Consultancy, Prior art Searches, Novelty Search, Validity Search, Freedom to Operate (FTO) analysis, Drafting & Filing of application” and other legal matters. It has been often observed that MSMEs require support in assessing the novelty of a product at the initial stages. This support will ensure that their efforts are directed at novel findings. In addition, the department has identified potential for increasing awareness about the benefits and mechanisms of commercialisation. Thus, the proposed intervention is aimed at increasing awareness about different types of intellectual properties and then supporting MSMEs in the registration and commercialisation processes.

Proposed Approach: Our approach can be categorised into three key steps: -

Figure 76: Overview of our approach for this intervention



- I. **Enhance awareness about the intellectual properties in the MSME ecosystem:** - The task force will assist the department in empaneling a pool of IP experts. The Task force and empaneled IP experts will be responsible for conducting awareness sessions and managing IP Clinics. The awareness sessions will be aimed at increasing awareness about different types of intellectual properties and disseminating information regarding the registration process, rights of applicants and methods of commercialisation.
- II. **Conduct IP Clinics for providing support in the registration process:** - The pool of IP-experts will comprise patent attorneys, trademark attorneys, design experts, IP managers and consultants, and technology transfer experts. The IP clinics are helpdesks established at a district level after the

¹⁷¹ Source: - Guidelines for MSME Innovative Scheme, A component of MSME Champions Scheme, Development Commissioner (MSME), Government of India

conclusion of awareness sessions. IP Clinics will help MSMEs in addressing their preliminary queries and conducting a preliminary assessment of the novelty of inventions/findings.

- III. **Develop a Central Repository of intellectual properties:** - The central repository (called the WB Intellectual Property Directory) will include intellectual properties filed by enterprises and residents of West Bengal. Thus, the central repository will act as a one-stop platform for accessing information regarding the intellectual properties and thus, can help in facilitating the commercialisation process.
 - a. The list of IP-experts will be available on the portal. The interested MSMEs can explore their profiles and can request quotes from the shortlisted experts. After assessing their quotes, MSMEs can select relevant experts. The payment for these services will be borne by the concerned MSME.
 - b. The centralised repository will also help in promoting GI tagged products. The locations of the registered users of GI tagged products will be embedded into the website so that individuals can easily avail authentic products from their nearby stores. The details of these sellers will be available on the portal.
- IV. **Strengthen capabilities of Producer Associations in GI:** - Producer associations are going to play an increasingly important role in the registration of GIs and managing quality standards of products in near future. Thus, it is critical that producer associations are competent enough to understand the modalities of GI registration and possess relevant expertise of enforcing standards for GI tagged products. Thus, some initiatives will be undertaken for enhancing capabilities of producer associations. The capacity building of producer associations will comprise two measures. The first measure will be aimed at formulating Standard Operating Procedures (SOPs) for producer associations and second measure will be focused on increasing awareness of GI registration process among producer associations.

Proposed Methodology: - The methodology for implementing the proposed measures have been explained below:

Figure 77: Overview of the methodology



- I. **Conduct the empanelment process for IP Experts:** -The department will empanel a dedicated pool of IP experts with the help of task force. The pool of IP experts will comprise patent attorneys, trademark attorneys, design experts, IP managers and consultants and technology transfer experts. In addition, they will be also listed on the Centralised Repository pool and will be expected to provide services to interested MSMEs by submitting their quotes.

The details regarding empaneled IP experts will be included in the web portal. MSMEs can explore their profiles & offered services, and request quotes from the relevant service provider. The payment for these services will be borne by concerned MSME.

- II. **Conduct interactive seminars at the district level:** - The focus of these seminars will be on increasing awareness about the registration process, rights of applicants, methods of commercialisation and potential challenges.
- III. **Set-up mobile IP Clinics at the district level:** - The objective of establishing IP Clinics is to address preliminary queries of MSMEs and act as the first point of contact for assessing novelty of inventions and findings. Once the interactive seminars are conducted at the district level, the task force will assist IP experts in establishing IP Clinics at district level. The MSMEs will be encouraged to come up with their queries and discuss them with deployed personnel at the IP clinics. IP Clinics will assist MSMEs in conducting a preliminary novelty assessment of their ideas/proposals.
- IV. **Capacity Building of the personnel of MSME facilitation centre:** - The task force will collaborate with IP Experts to conduct short-term training sessions for select personnel of MSME facilitation centers. The aim of these training sessions will be to enhance the capabilities of facilitation centers so that they can assist MSMEs in handling fundamental queries.
- V. **Develop overall design and prototype of the “Intellectual Property Directory” portal** - The department will establish a dedicated web-portal, that will provide information regarding different intellectual properties registered by the residents and institutions of West Bengal. The repository will help in identifying potential areas of collaboration and commercialisation. Those interested in technology transfer or licensing can contact the applicant, using the details provided in web-portal.

In addition to the establishment of this “centralised repository” web-portal, the department will implement two measures for promoting GI-tagged products. Initially, the department will establish a dedicated tab for “GI tagged products” on the website of “Biswa Bangla”. In the second phase, the department will add a “map” feature to outline the locations of all authorized producers of “GI-tagged products” in West Bengal.
- VI. **Onboard website development firm:** - The task force will conduct the recruitment process of the website development firm and will develop the criteria for shortlisting website development firms and then, prepare the Terms of Reference (ToR). Once the proposals are received, the task force can assist in the evaluation of proposals and select the appropriate firm.
- VII. **Facilitate capacity building of Producer Associations:** - The task force will assist the department in onboarding a team of experts. The team will be responsible for developing the SOP, which will comprise modalities for functioning of producer associations. In addition, the onboarded experts and IP experts will be responsible for conducting capacity building sessions for the producer associations. The objective of these capacity building sessions will be to increase awareness about proposed modalities in SOP and registration process for GI-tagged products.
- VIII. **Embed locations for registered users of GI tagged products:** - The department is also interested in promoting GI-tagged products. Thus, it plans to embed location feature indicating location coordinates for all registered users of GI tagged products on the web portal. Individuals will be able to access the registered users for each GI-tagged product and can choose to buy authentic products from their nearby locations. The task force will help the department coordinate with relevant organisations such as Patent Office, GI registry, Trademark registry and others. This functionality will be also available in the “Centralised Repository” web portal.
- IX. **Add dedicated web-pages on “GI-tagged products” in the website of “Biswa Bangla”:** - “Biswa Bangla”¹⁷² is one-stop platform for handicrafts, food and clothing items manufactured in West Bengal and reflects the cultural heritage of West Bengal. The website development firm will add a dedicated page for GI-tagged products so that interested individuals can directly access those products.
- X. **Launch the web portal and conduct awareness & promotion sessions:** - The department will develop a roadmap for phased implementation with the support from task force. Phased implementation will ensure that the portal is tested adequately, and all bugs are fixed before the full-scale implementation. Thereafter, the department will launch web portal and conduct its promotion across different districts. In addition to the “WB-Intellectual Property Directory” web portal, the department will also aim at increasing

¹⁷² Source: - Biswa Bengal (where the world meets Bengal), URL: - <https://www.biswabangla.in/>

awareness of other portals that can help in this regard. IPR Exchange is an online platform that assists in commercial exchange of Intellectual Properties, and it has been established by the Federation of Indian Micro, Small and Medium Enterprises (FISME).¹⁷³ Please note that these sessions will be a part of the Duare Udyam camps and mobile clinics.

Key Outputs: The key outputs and evaluation parameters of the intervention are: -

Key outputs	Evaluation parameters
Enhanced capabilities in intellectual properties	<input type="checkbox"/> Number of intellectual properties filed and granted <input type="checkbox"/> Number of intellectual properties uploaded on the WB-IPD web-portal <input type="checkbox"/> Number of products that are tagged with Geographical Indications
Improved potential for commercializing intellectual properties	<input type="checkbox"/> Number of intellectual properties that were commercialised <input type="checkbox"/> Number of products sold through the “GI-tagged” web portal of Biswa Bangla

Key Milestones:

	Year-1	Year-2	Year-3	Year-4
Number of interactive seminars conducted at the district level ¹⁷⁴	25	30	40	-
Number of IP clinics established at the district level ¹⁷⁵	5	7	11	-
Number of short-term sessions conducted for employees of Facilitation centers ¹⁷⁶	6	6	6	5
Capacity building sessions conducted for producer associations ¹⁷⁷	-	6	18	18
Promotion sessions conducted for the web portal ¹⁷⁸	-	60	115	115
Number of intellectual properties uploaded on IPD portal (P)	-	5% of T ¹⁷⁹ (P1)	10% of T (P2)	20% of T

¹⁷³ Source – IPR-Xchange, Federation of Indian Micro, Small and Medium Enterprises, URL: - https://www.iprexchange.in/about_us.php

¹⁷⁴ Number of seminars have been determined based on the number of districts in Year-1 and there will be a gradual increase in the number of seminars in Year-2 and Year-3.

¹⁷⁵ IP Clinics will be also established across the districts.

¹⁷⁶ These capacity-building sessions will be conducted for all the facilitation centers at the district level. It is aimed at capacity building in the long term and thus, have been uniformly distributed.

¹⁷⁷ The total number of producer associations responsible for registration and enforcement of GI tagged product has been assumed to be 42 by the end of Year-4. Since the SOPs will be developed in year-2, the number of capacity building sessions planned for year-2 is 6 while it will be 18 each in the subsequent years.

¹⁷⁸ The number of awareness session conducted per each district will be 5 per year. Since the IP clinics would have been conducted in 12 districts by Year-2, hence the promotion sessions will be also conducted in those 12 districts only. Subsequently, it can be conducted across all the districts.

¹⁷⁹ T indicate the cumulative number of intellectual properties filed by the researchers, enterprises and institutions of West Bengal. The information will be obtained from the relevant offices such as Patent Office, GI registry, Trademark registry and others

	Year-1	Year-2	Year-3	Year-4
Number of intellectual properties commercialized via the portal	-	-	5% of P1	7.5% of P2
Percentage increase in the sales of GI tagged products ¹⁸⁰	-	-	-	10%

Timeline Chart:

Activities	Year 1		Year 2		Year 3		Year 4	
	H1	H2	H3	H4	H5	H6	H7	H8
Conduct empanelment process for IP Experts								
Conduct interactive seminars at the district level								
Set-up mobile IP Clinics at the district level								
Conduct short-term training sessions for employees of MSME facilitation centres								
Develop roadmap for developing the WB IPD								
Onboard service provider for developing website								
Integrated payment gateway with the website								
Launch “WB-Intellectual Property Directory”								
Onboard team of experts for preparing SOP								
Prepare SOP outlining modalities for functioning of producer associations								

¹⁸⁰ It is expected that introducing a separate tab for GI tagged products will lead to an increase of 10% in the sales of these products.

Activities	Year 1		Year 2		Year 3		Year 4	
	H1	H2	H3	H4	H5	H6	H7	H8
Conduct capacity building sessions for producer associations								
Conduct awareness and promotion sessions for the web portal								
Make envisaged changes to “Biswa Bangla” website								

Budget:

Line items	Expenses (in INR crores)				
	Y1	Y2	Y3	Y4	Total cost
Interactive seminars at the district level focused on foundry, plastics, chemical and textile (RMGs) ¹⁸¹	0.43	0.51	0.68	0.00	1.62
Cost incurred for managing IP Clinics ¹⁸²	0.07	0.10	0.15	-	0.32
Short-term training sessions for personnel of Facilitation Centre ¹⁸³	0.04	0.04	0.04	0.04	0.16
Remuneration for Website Development Platform ¹⁸⁴	-	1.00	0.15	0.15	1.3
Payment for integrating payment gateway ¹⁸⁵	-	0.02	0.005	0.005	0.03
Cost of preparing SOP for producer associations ¹⁸⁶		0.20	0.15	0.15	0.50

¹⁸¹ Assumption: - Budgeted cost per each session will be INR 170000/- and it will include refreshment, audio-visual, payment for experts and other miscellaneous expenses. Out of this amount, INR 70000 will be reimbursed as a part of the MSME IPR Innovative scheme as a threshold has been imposed as per the guidelines of MSME IPR Innovative Scheme.

¹⁸² Assumption: - The costs for managing IP clinics will comprise two components (payment to IP experts and operational costs for running IP Clinics). 5 IP experts will be hired for a period of 7 days, 10 days and 15 days in the Year-1, Year-2 and Year-3 respectively. The charges per day will be INR 10000 per individual. The operational cost for managing the IP Clinics is assumed to be INR 10000 per day.

¹⁸³ Assumption: - Budgeted cost per each session will be INR 70000/- including refreshment, compensation of trainers, cost of venue and other miscellaneous expenses. The total amount will be reimbursed as a part of the MSME IPR innovative scheme.

¹⁸⁴ Assumption: - - Cost incurred for developing website will be INR 1,00,00,000 in the 2nd year. In the subsequent years, the maintenance cost of the website will be INR 15,00,000/-.

¹⁸⁵ Assumption: - The setup cost for initial year is assumed to be INR 30000 and the maintenance cost for the subsequent years is assumed to be INR 10000 for each payment gateway. The department aims to integrate 5 payment gateways.

¹⁸⁶ Assumption: - The number of GI tagged products is 22 currently and it is subsequently increased to 40. Thus, average cost of preparing SOP of each producer association has been assumed to be INR 125000. SOPs will be prepared for 16,12 and 12 GI products in year-2, year-3 and year-4 respectively.

Line items	Expenses (in INR crores)				
	Y1	Y2	Y3	Y4	Total cost
Costs incurred for conducting capacity building sessions for producer associations ¹⁸⁷		0.02	0.05	0.05	0.13
Total cost	0.54	1.88	1.23	0.39	4.05
Costs to be reimbursed under "MSME Innovative Scheme"	-0.22	-0.27	-0.38	-0.09	-0.95
Remaining cost	0.32	1.61	0.86	0.31	3.10
Grand total cost	3.10				
Contribution by the State Govt. (State govt aims to allocate 25% of the total budget: including policy and scheme supports)	0.77				
Contribution sought from Central Government under RAMP	2.32				

State Departments to be involved for successful implementation:

- I. Department of MSME & Textiles
- II. Department of Industry, Commerce & Enterprises,
- III. Department of Science & Technology
- IV. Department of Higher Education

¹⁸⁷ Assumption: - The cost incurred per each capacity building session has been considered as INR 30,000 which includes refreshment, payment for expert, cost of venue and other miscellaneous expenses. It is expected these expenses will be reimbursed as a part of the MSME IPR Innovative Scheme.


Prototype of the website (for illustrative purpose only)⁷⁰



Prototype for the “Patent” tab (Similar outline will be followed for “Industrial Design” and “Trademark” tabs as well)

Select Language

Login



WB Intellectual Property Directory (WB-IPD)
Department of MSME & T, Government of West Bengal

About WB IPD

Patent


Industrial Design

Trademark


GI

Expert-Pool

Contact




Search using terms



OR

Search using International Patent Classification



Search Results


Patent-1

Patent-2

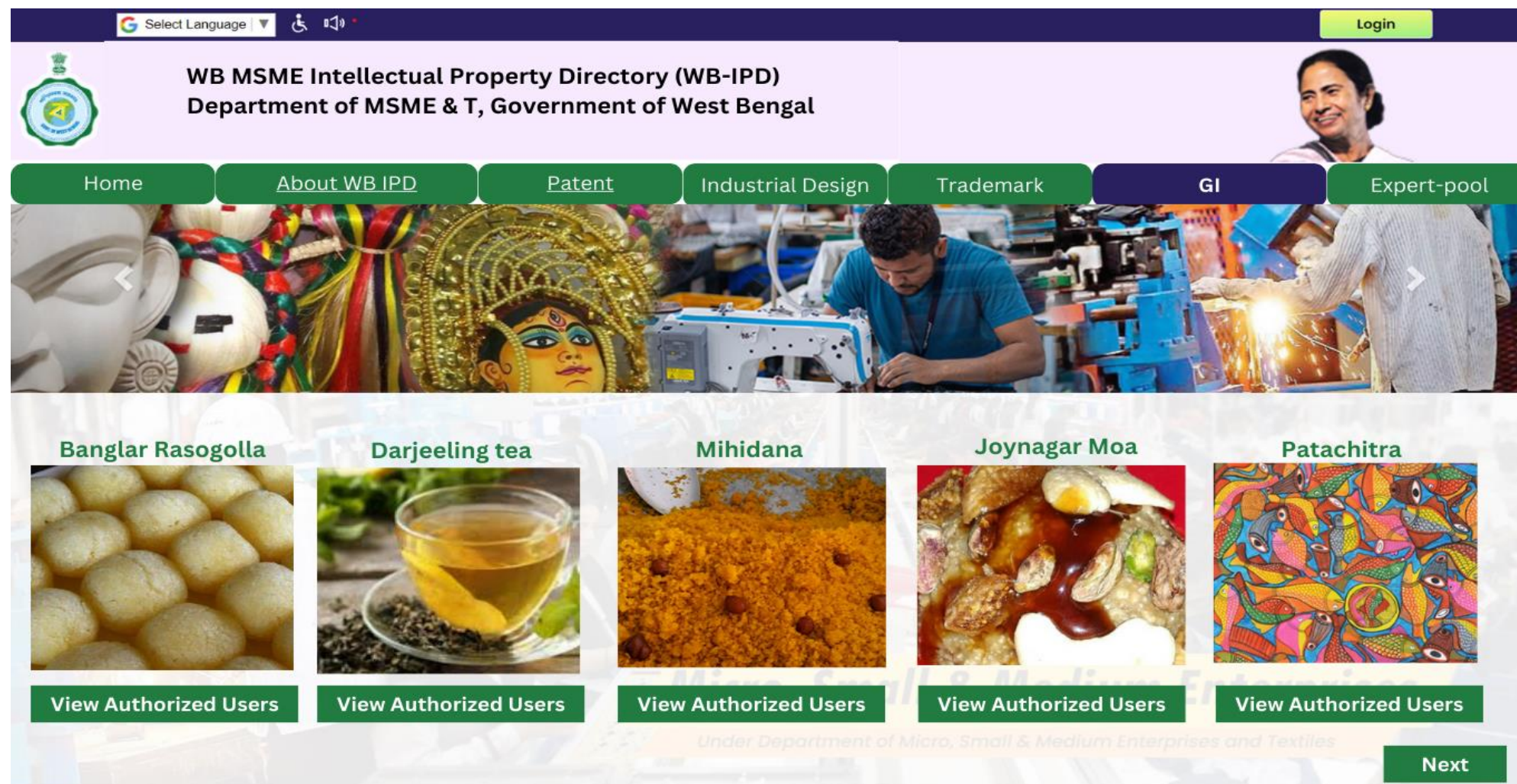
Patent-3

Patent-4

NEXT

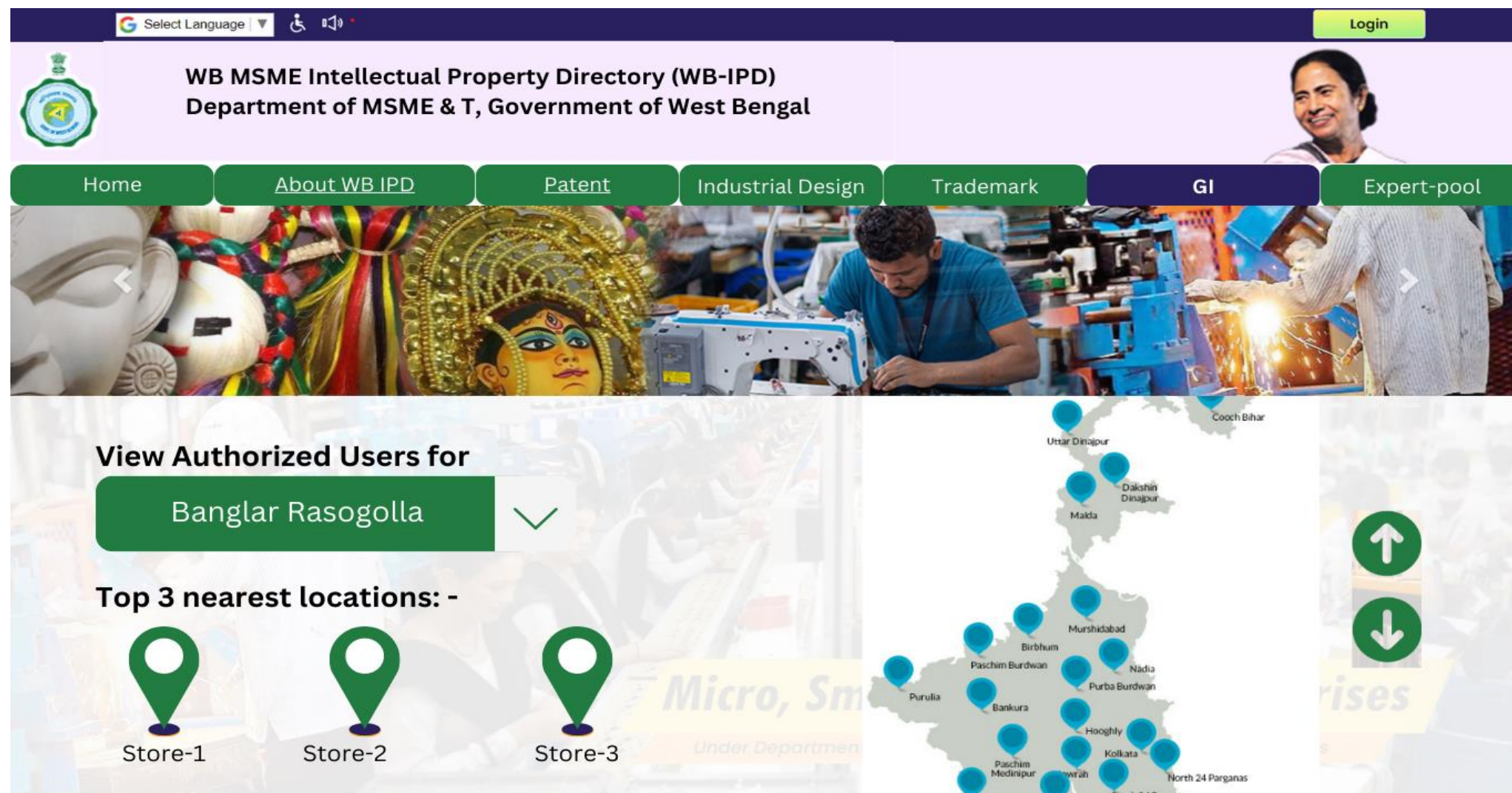


Snapshot of the selected result



¹⁸⁸ Source: - Image of “Banglar Rosogolla” has been considered from the “JU working with West Bengal govt. to increase shelf life of ‘Banglar Rosogolla’”, news report of the Hindu, URL: - <https://www.thehindu.com/news/national/other-states/ju-working-with-west-bengal-govt-to-increase-shelf-life-of-banglar-rosogolla/article29998590.ece>
Source of other GI tagged products have been considered from India Brand Equity Foundation

Prototype for the “Geographical Indication” tab (Upon clicking “View Authorized Users” for “Banglar Rosogolla”)¹⁸⁹



¹⁸⁹ Please note that the map of West Bengal has been considered from the West Bengal State Portal. URL: - <https://wb.gov.in/government-district-and-localgovt.aspx>

4.1.5. Capacity building

Building MSMEs' capacities is essential for promoting sustainable development and driving economic growth. These enterprises are the backbone of the Indian economy, creating jobs and making a major impact on GDP. MSMEs face a number of difficulties, including limited access to markets, finance, and technological developments. Initiatives to create capacity give MSME owners the guidance and training they need to enhance operations, raise product quality, get access to new markets, adopt cutting-edge technologies, and adhere to regulations. Investments made in MSMEs' capacity development can increase their resilience, promote employment growth, encourage entrepreneurship, and guarantee a more inclusive and dynamic economic environment.

List of Interventions: -

Intervention 1: Conduct sector-specific trainings

Objectives:

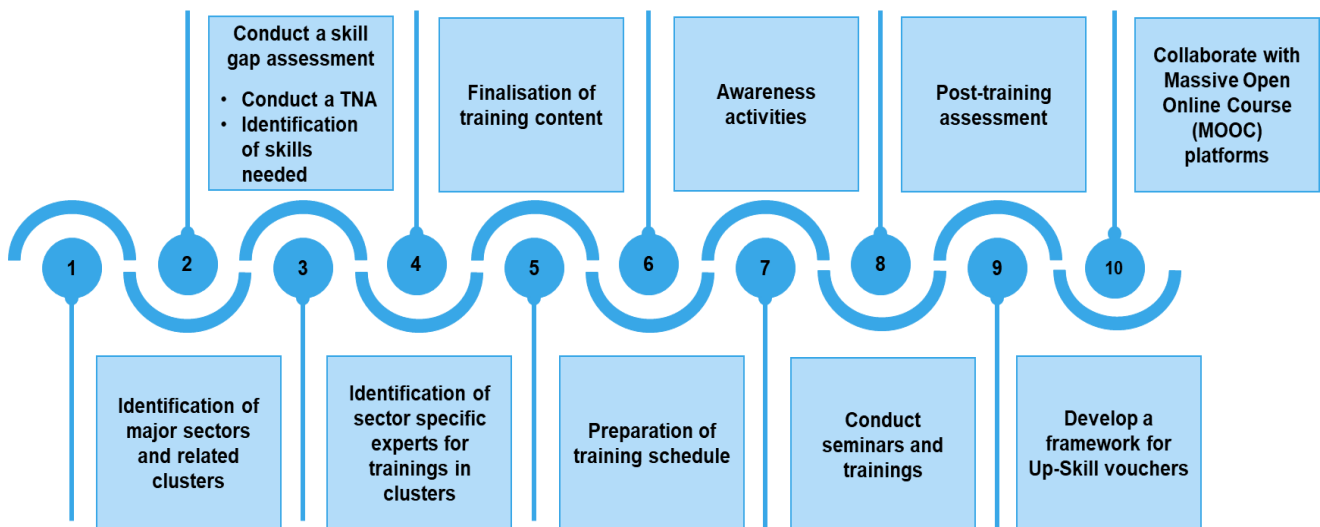
The key objectives of the intervention are understanding the sector-specific training needs of the clusters and conducting capacity building and knowledge transfer to MSMEs.

Rationale: Building capacity and training the workforce will enable MSMEs to take better actions with the acquired knowledge and skills to meet the demands of the industry. West Bengal is the sixth-largest economy in the nation and recorded a GSDP of Rs. 17.13 trillion (US\$ 221.37 billion) in 2022-23.¹⁹⁰ The state's GSDP grew at a CAGR of 11.54 % from 2015-16 to 2022-23. One of the key drivers of economic growth in any industry or state is a skilled labour force. Considering the dynamic and ever-growing local and international markets, States with high skill standards are better equipped to deal with the opportunities and difficulties that come their way. Due to the limited availability of skilling infrastructure and lower levels of awareness about newer techniques of production, as understood from our consultation with relevant stakeholders, this intervention is an attempt to bring access to the MSMEs world-class content and courses to enhance the abilities and skills of MSMEs.

Providing trainings to MSME clusters in West Bengal will increase the competitiveness of MSMEs across industries and build targeted skill sets. A wide range of advantages can be gained by customizing training initiatives to meet the specific needs of each sector. Through industry-relevant knowledge and best practices that are closely related to MSMEs' particular area of operation, the specialized training programmes assure precise skill enhancement. As a result, the quality of their goods and services improves, increasing their marketability and raising consumer happiness. Moreover, such sector-specific trainings acquaint MSMEs with the most recent business developments and technological advancements, enhancing their ability to deftly negotiate dynamic market environments and encouraging an innovation-friendly culture.

¹⁹⁰ Source- <https://slbcbengal.pnbindia.in/StateEconomy.asp> (accessed on July 7,2023)

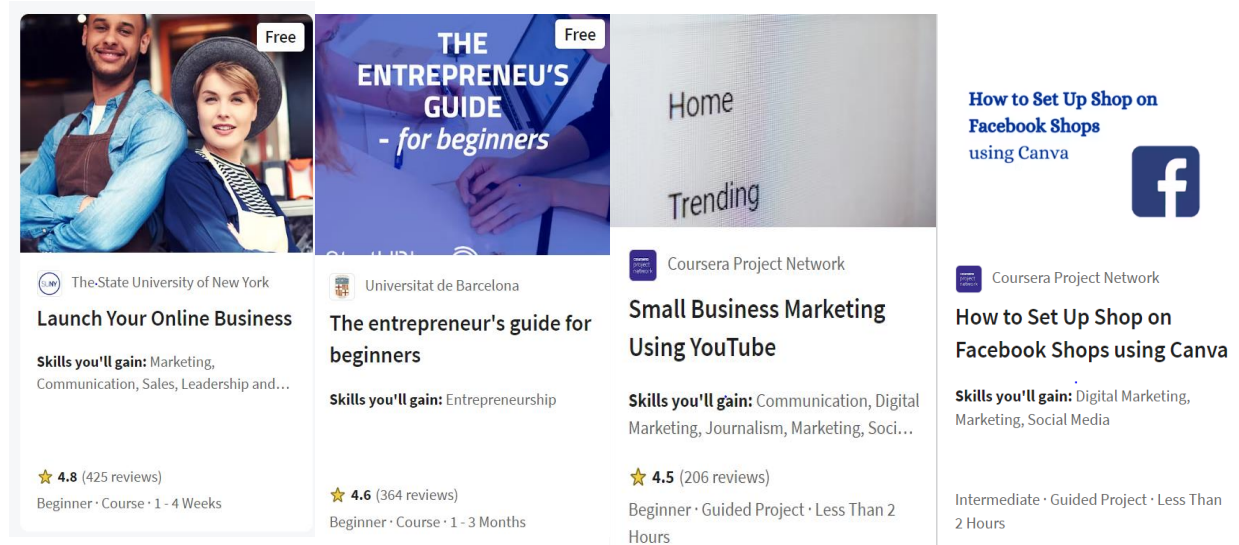
Proposed Approach & Methodology:



1. **Identification of major sectors and related clusters-** This will be done based on consultations and data provided by the department, considering factors like the size of the cluster, the number of people employed, importance from an export point of view etc. This stage will also identify barriers of development for the specific sector.
2. **Conduct a skill gap assessment-**
 - **Conducting Training Need Assessment (TNA)-** Physical consultations by means of Training Needs Assessment will be conducted by the agency hired to understand the scope of improvement in the areas of skill development. The availability of human resources with the required skills would be assessed, and the skills gaps and training needs would be identified. This would constitute the Training Need Assessment (TNA) report, which would be conducted in the top 10 sectors identified by the Govt of West Bengal during the Sector Leadership Programme.
 - **Identification of skills needed-** Based on the results on the TNA, the agency force will identify the skills and trainings that need to be imparted to the clusters for their knowledge upgradation and better performance.
3. **Hiring of sector specific experts for trainings in clusters-** In this step, two experts per sector with relevant knowledge in the area or sector will be appointed by the department, assisted by the taskforce, and will be identified and requested to conduct sessions at the clusters.
4. **Finalisation of training content-** The assessment of the skill gap, the needs of the sector, and the most recent technology that can help these MSMEs become more competitive will be used to determine the training content in this step. To enhance the impact, the sessions' material will also include information about the relevant state and central government schemes, their advantages, and actual case studies.
5. **Preparation of training schedule-** A training schedule will be prepared by the task force for each sector in the requisite districts to ensure the timely conduct of trainings. The length and period of trainings will be decided based on the basis of skill gaps assessment and the experts' opinions.
6. **Awareness activities-** The training schedule will be circulated on various department websites. The sessions as well as the rewards of the trainings (skill vouchers) will also be promoted by means of digital ads, pamphlets, and posters at the all the districts.
7. **Conduct seminars and trainings-** The trainings and seminars will be conducted by the experts in the various clusters as planned according to the schedule. The trainings will be spread over a period of two days. This will allow the experts to provide detailed knowledge about areas of improvement and tricks for performing various tasks while increasing efficiency.

8. **Post-training assessment** - A feedback form will be distributed following the trainings in order to measure their effectiveness and make any necessary adjustments for the upcoming sessions. The recipients will also be subjected to a brief evaluation in order to gauge the impact and knowledge transfer. The taskforce will use Google forms to collect comments and make assessments, which they will distribute to each training participant. Taking a post-training assessment will be advantageous since it will strengthen the impact of the sessions and encourage competition among beneficiaries. Skill vouchers would be given to the top 10 scorers in each cluster.
9. **Develop a framework for Up-Skill vouchers**- Up-skill vouchers are digital vouchers that will be awarded to MSMEs that are among the top 10 scorers in the post-training assessments conducted. They will be awarded 500 credit points (equivalent to INR 500) which can be redeemed while accessing paid courses on MOOC platforms. The skill vouchers would be an effective way of encouraging MSMEs to up-skill themselves by taking up courses of their choice and paying partially from the voucher.
10. **Collaborate with Massive Open Online Course (MOOC) platforms**- The department would sign MoUs with certain MOOC platforms (like Coursera, Edx, Udemy etc). This will be done to ensure that the skill vouchers can be redeemed on these platforms, thus providing access to the courses of their choice to MSMEs at a lower cost.

Figure 78: List of some general courses for entrepreneurs on Coursera



Key Outputs and Evaluation parameters:

Key Outputs	Evaluation Parameters
<input type="checkbox"/> Sector-specific training materials for MSMEs <input type="checkbox"/> Higher levels of knowledge and skill at cluster level	<input type="checkbox"/> Training content of 8 sectors <input type="checkbox"/> Number of training sessions conducted, and skill vouchers awarded

Key Milestones:

Milestones	Year 1	Year 2	Year 3	Year 4
No. of sectors where capacity building would be carried	2	2	2	2
No. of clusters to be taken in each sector for TNA	3	3	3	3

Milestones	Year 1	Year 2	Year 3	Year 4
Total number of clusters where survey would be done for Training need assessment	6	6	6	6
Indicative cluster sectors where capacity building needs to be performed	Leather, Light Engineering	Foundry & Forging, Carpet	Gems and Jewelry, Textile and apparel (RMG)	Packaged and Processed Food (incl fisheries industry), Incense Stick
No. of clusters per sector for training	10	10	10	10
Total no. of clusters	20	20	20	20
Total no. of vouchers	200	200	200	200
No. of districts to conduct awareness sessions	8	8	8	8

Timeline Chart:

Activities	Year 1		Year 2		Year 3		Year 4	
	H1	H2	H3	H4	H5	H6	H7	H8
Identification of major sectors and related clusters								
Hiring an agency for the TNA								
Training Need Assessment (TNA)								
Skill-gap assessment								
Identification of skills needed								
Hiring of sector specific experts for trainings in clusters								
Finalisation of training content								
Preparation of training schedule								
Approval from DoMSME								
Awareness activities								

Activities	Year 1		Year 2		Year 3		Year 4	
	H1	H2	H3	H4	H5	H6	H7	H8
Conduct seminars and trainings								
Post-training assessment								
Collaborate with MOOC platforms								
Develop a skill-voucher framework								

Budget:

Cost Heads	Year 1	Year 2	Year 3	Year 4	Total
(in INR Crore)					
Conduct Survey/ Training Needs Assessment at cluster ¹⁹¹	0.18	0.18	0.18	0.18	0.72
Preparation of trainings content for 2 sectors in each year ¹⁹²	0.20	0.20	0.20	0.20	0.80
Capacity building costs for 2-day session conducted at clusters (all inclusive) ¹⁹³	0.20	0.20	0.20	0.20	0.80
Skill ¹⁹⁴	0.04	0.04	0.04	0.04	0.16
Capacity building costs for 2-day session conducted at districts (all inclusive) ¹⁹⁵	0.24	0.24	0.24	0.24	0.96
Total	0.86	0.86	0.86	0.86	3.44
Grand total cost	3.44				
Contribution by the State Govt. (State govt aims to allocate 25% of the total budget: including policy and scheme supports)	0.86				
Contribution sought from Central Government under RAMP	2.58				

¹⁹¹ Assumption: - Cost for TNA= INR 1,50,000 per cluster; TNA will be conducted at 3 clusters in each sector

¹⁹² Assumption: - Cost for training content= INR 10,00,000 per sector. This material would be used while delivering training.

¹⁹³ Assumption: - Cost of trainings conducted per cluster for a 2-day training is INR 100,000. This includes logistics cost, setup costs, remuneration for faculty, refreshment for participants (200 per session) and travel.

¹⁹⁴ Assumption: - Value of each voucher= INR 2000; 5% of trainees in each session will be given skill vouchers which they can redeem in MOOC (Massive open online courses) platforms

¹⁹⁵ Assumption: - Cost= INR 150000 per session for 2 day at the district level; The focus will be packaging of products and export centric requirements (SPS standards, quality parameters etc.)

State Departments to be involved for successful implementation:

- I. Department of MSME & Textiles
- II. Department of Industry, Commerce & Enterprises,
- III. Department of Higher Education

Intervention 2: Develop MSME Exposure Program for promoting adoption of best practices**Objectives:**

The objectives of the intervention are to provide national level exposure to MSMEs in West Bengal and increase the overall skill and knowledge levels of MSMEs

Rationale- Participation in an exposure program offers a multitude of benefits that profoundly impact personal and professional development. The development of an MSME exposure programme, which entails sending West Bengali MSME owners to other states to acquire best practices and learnings, is grounded on the goal of all-encompassing growth and knowledge gain. Such a programme has a great deal of potential because it enables business owners to immerse themselves in various ecosystems (in their own field) and get knowledge from other successful entrepreneurs and cutting-edge ventures. This exposure not only promotes a culture of lifelong learning, but also makes it easier to pick up useful techniques, approaches, and skills that can be used in nearby MSME enterprises. Entrepreneurs can gain new insights on topics like operational efficiency, quality control, marketing strategies, and sustainable business models by participating in first-hand experiences and seeing best practices in action. This cross-pollination of ideas has the potential to invigorate West Bengal's MSME landscape with newfound dynamism and innovation. Additionally, the exposure programme expands networking possibilities by encouraging beneficial interactions between business owners and influential figures in the industry nationwide. These relationships may result in partnerships and collaborations, which would further accelerate the MSME sector's upward trajectory.

The programme can have an impact on the larger MSME ecosystem in addition to the immediate advantages for individual entrepreneurs. Entrepreneurs that have experienced exposure would act as knowledge ambassadors after returning, sharing fresh perspectives and best practices with their fellows. It will provide MSMEs with an opportunity to retrospect on their own processes and the scope for improvement. The resilience and competitiveness of the MSME sector in West Bengal would be strengthened because of this multiplier effect.

The programme also perfectly complements the state's development agenda by leveraging the advantages and effective models of other States. It serves as a channel for information flow and talent enrichment, empowering local MSMEs to stay attuned to evolving market dynamics and international standards.

Overview of the Exposure Program

The exposure program will be specially designed for the clusters of West Bengal. As part of the exposure program, entrepreneurs from various clusters (after a competitive selection process) will be selected and sent to clusters in other states in their specific sector of business. During the exposure program, the participants will be working full-time at the cluster (of another state), gaining hands-on experience at the clusters employing the latest technologies. This program will be crucial in expanding the horizons of these entrepreneurs, encouraging them to approach their manufacturing processes by employing new, cost- and time-effective and sustainable methods.

- I. **Applications process-** An application form will be rolled out online on the department website. The entrepreneurs can apply by filling out Google forms on the department's website. This program would be applicable for Udyam registered MSME units only.
- II. **Selection criteria-** After the individual units have applied online on the department website, the taskforce will scrutinize all applications by means of a well-defined evaluation process. After evaluation, the most deserving candidates will be selected.
- III. **Benefits-** Benefits and inclusions regarding the exposure program will be detailed out. Allowances for travel, food, rent and other basic expenses will be included as part of the program.
- IV. **Time-span-** The exposure program will be conducted for a period of 15 days, during which where up to 10 people from each cluster in West Bengal will be sent to clusters of the same sector (and product) in another state as elected and decided upon by the task force.

Approach and Methodology

1. **Preparation of proposition and detailing of the exposure program-** A proposition regarding the inter-state cluster- level exposure programs will be prepared with specific details about it by the task force.
2. **Identification of sector-specific, relevant clusters in other states-** The taskforce will be responsible for identifying the relevant clusters at which exposure programs can be conducted (based on the expertise of the clusters in a particular product). They will also be responsible for all the communication with the partner clusters to ensure a smooth onboarding process.
3. **Communication with MSME departments of other States-** The department will be communicating the program and its benefits to other relevant states' MSME Departments. After discussions and mutual agreement among States and clusters, the application forms will be rolled out.

Figure 79: Overview of approach and methodology for the intervention

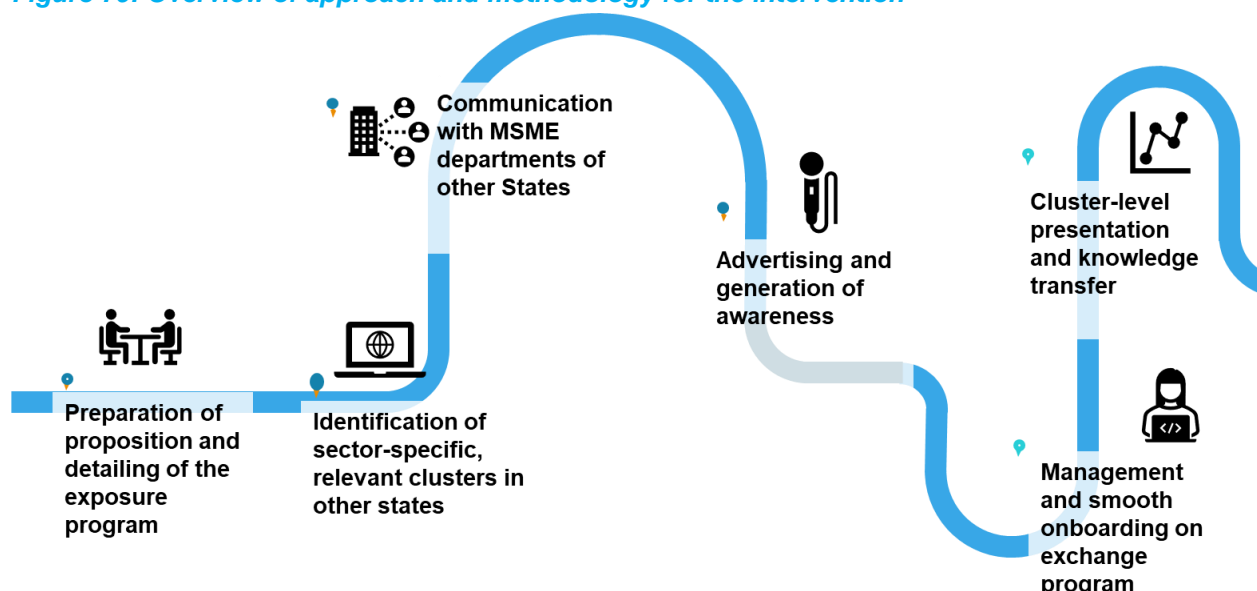


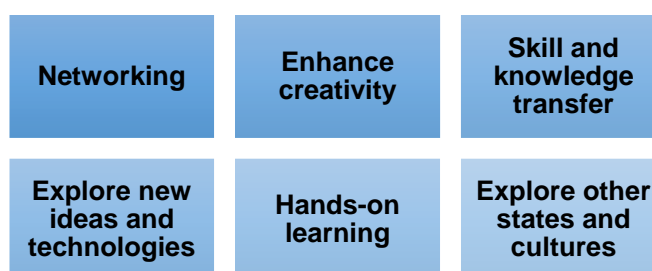
Table 18: Illustrative list of states West Bengal can collaborate with

Major sectors in West Bengal	Other States West Bengal can collaborate with
Textiles & readymade garments	Gujarat
Food products & processing	Andhra Pradesh
Jewellery	Gujarat
Wooden furniture	Uttar Pradesh
Leather & allied products	Tamil Nadu

4. **Advertising and generation of awareness-** The exposure programs will be promoted at the clusters. Awareness generation camps at clusters will take place along with rolling of advertisements on the department and other relevant websites.
5. **Management and smooth onboarding on exposure program-** The taskforce will be the point of contact for all communication regarding the program. They will be responsible for coordinating the program among the clusters and ensure a smooth and meaningful experience for the participants.

6. **Cluster-level presentation and knowledge transfer-** After the participants have successfully completed the exposure program, they will have to conduct knowledge transfer sessions for the cluster. This would be done by means of workshops or training sessions focusing on the key learnings from the exchange program. Trainings would include use of new technologies and modern methods of products, different processes involved in production, cost cutting among others. This will enable the cluster to benefit from the exchange-program.

Figure 80: Benefits of exposure programs



Key Outputs	Evaluation Parameters
Exposure programs leading to higher technical knowledge and national level exposure	Number of people attending the exposure programs conducted

Key milestones:

Milestones	Year 1	Year 2	Year 3	Year 4
Number of clusters	10	20	25	25
Number of beneficiaries (20 per cluster)	200	400	500	500

Timeline chart:

Activities	Year 1		Year 2		Year 3		Year 4	
	H1	H2	H3	H4	H5	H6	H7	H8
Preparation of proposition and detailing of exposure program								
Rolling out application forms								
Identification of clusters in other states								
Communication with MSME departments of other States								
Advertising and generation of awareness								
Exposure programs								
Cluster presentation and knowledge transfer								

Budget:

Cost Heads	Year 1	Year 2	Year 3	Year 4
	(In INR Crore)			
Compensation for Travel costs ¹⁹⁶	0.20	0.40	0.50	0.50
Compensation for food & other project expense ¹⁹⁷	0.28	0.56	0.70	0.70
Compensation for accommodation ¹⁹⁸	0.28	0.56	0.70	0.70
Information dissemination and knowledge transfer sessions ¹⁹⁹	0.05	0.10	0.13	0.13
Total Cost (year-wise)	2.23	2.62	3.00	3.39
Grand total	6.48			
Contribution from State Government (@25% of the total budget: including policy and scheme supports)	1.62			
Support sought under RAMP from Central Government	4.86			

State Departments to be involved for successful implementation:

- I. Department of MSME & Textiles
- II. Department of Industry, Commerce & Enterprises,
- III. Department of Higher Education

¹⁹⁶ Assumption: - The exposure program will be for 7 days. Travel allowances to beneficiaries= INR 10000 per beneficiary; up to 10 people from each cluster will be selected to travel to 5 identified states/CSIR labs

¹⁹⁷ Assumption: - Allowance for food expenses= 2000 per person per day; up to 10 people from each cluster will be selected.

¹⁹⁸ Assumption: - Allowance for accommodation expenses= 2000 per day per beneficiary; up to 10 people from each cluster will be selected.

¹⁹⁹ Assumption: - Cost for conducting knowledge transfer in each cluster= INR 50,000. The knowledge transfer session would be a one-day session.

4.1.6. Green/Sustainable Interventions

In the MSME sector, greening and sustainability are of utmost importance because they have the capacity to address urgent environmental concerns and foster a resilient, accountable, and competitive business environment. MSMEs are the backbone of the nation's economy, and by adopting sustainable practices, they may have a significant positive impact on the environment. MSMEs can lower their carbon footprint, preserve natural resources, and lessen pollution by incorporating greener and sustainable ideas into their business practices. Additionally, sustainability-driven practices like resource efficiency and waste reduction can result in cost savings and improve their marketability. MSMEs can increase their resilience to environmental and market volatility and open up new business opportunities by embracing sustainable ideas and technologies.

Notification of plastic waste management rule 2021 and Extended producers Responsibility (EPR) (Annexure 4: Notification of plastic waste management rule 2021 and Extended producers Responsibility (EPR))

In pursuance of the Plastic Waste Management Rules, 2016, as subsequently amended GSR No. 571 (E) dated 12 August 2021, the State Government has directed that the manufacture, import, stocking, distribution, sale, and use of following single use plastic items, including polystyrene and expanded polystyrene, commodities shall be prohibited with effect from 1 July 2022. The products are:

- Ear buds with plastic sticks, plastic sticks for balloons, plastic flags, candy sticks, ice cream sticks, polystyrene (thermocool) for decoration.
- Plates, cups, glasses, cutlery such as forks, spoons, knives, straws, trays, wrapping or packing films around sweet boxes, invitation cards and cigarette packets, plastics, or PVC banners with thickness of less than 100 microns and stirrers.

List of Interventions: -

Intervention #1: Devise environmental risk mitigation measures for encouraging adoption of environment-friendly and green practices in the MSME ecosystem

The key objectives of the intervention are to conduct an assessment to understand the impact of the MSMEs on the environment, conduct an environmental risk assessment study for certain sectors (relevant to West Bengal MSME ecosystem) and prepare risk mitigation measures for the same and incentivize MSMEs to move towards greener and energy-efficient ways of conducting business.

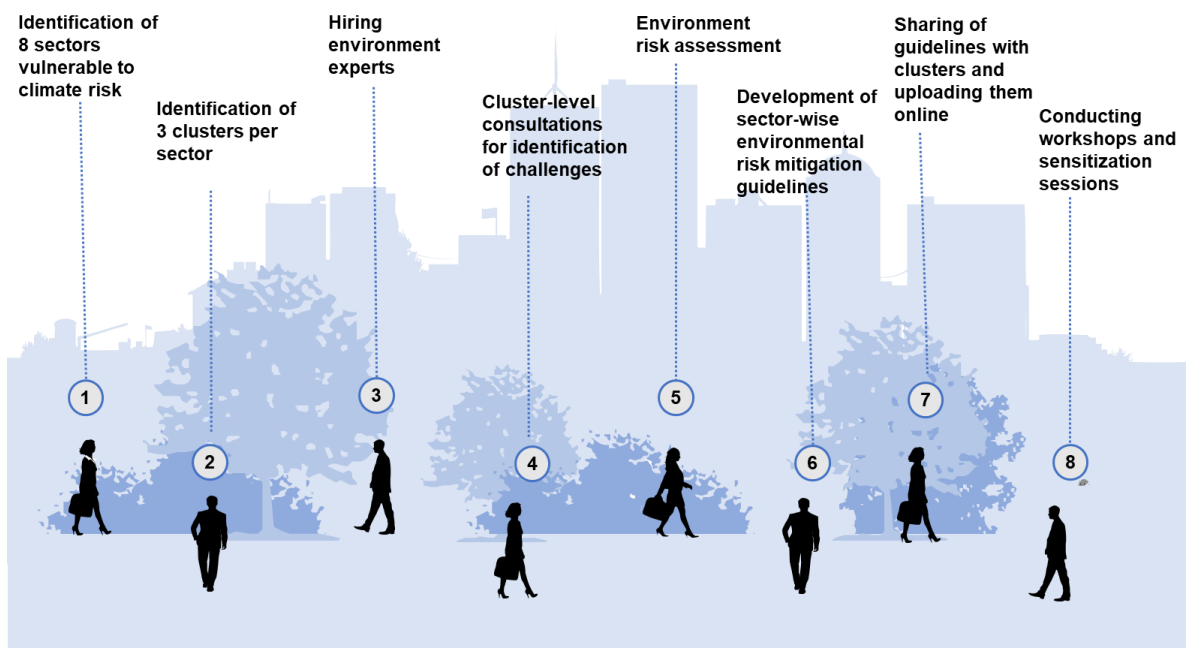
Rationale: Even though small enterprises may have minimal individual environmental footprints; their combined effects may outweigh those of major industrial enterprises. West Bengal is one of the top 10 most polluted states in India²⁰⁰ and is home to the second highest number of MSMEs (approximately 89 Lakh) in the nation. One of the important success factors in greening the economy is reducing the negative environmental effects of SMEs by achieving and exceeding environmental compliance in both manufacturing and services. SMEs play a critical role in the development of green industries and are crucial for the environment. Therefore, conducting sector-specific environmental risk assessments and taking a targeted approach would greatly contribute to get on the path to greening of these MSMEs. Moreover, providing MSMEs with tailored mitigation guidelines would be instrumental in guiding them towards adopting a greener and more responsible operations.

²⁰⁰ Source- <https://aqli.epic.uchicago.edu/country-spotlight/india/>

Proposed Approach & Methodology

1. **Identification of 8 sectors vulnerable to climate risk in West Bengal-** At this stage, a study will be conducted to understand the various sectors (like food processing, textile, leather etc.) that pose risks to the environment (like high levels of pollution, emissions, waste etc) and have a large presence in the state. This study will be conducted by a team of experts hired by the taskforce where two sectors each year will be identified and focused on.
2. **Identification of three clusters per sector-** Two or more clusters (depending on the different products produced, geographical locations etc.) from each sector will be identified and shortlisted based on importance from the point of view of quantity manufactured, power used, no. of units, no. of people employed etc. A total of three sectors each year will be focused on.

Figure 81: Overview of methodology proposed for the intervention



3. **Hiring environment experts-** A team of two sector-specific experts will be hired by the department, assisted by the taskforce. The experts will be responsible for carrying out the sector-specific environmental risk assessments. The aim of the assessment would be to understand the challenges, risks and negative impact on the environment over the last 10 years. The study will also take into account the geographical and climatic factors required for the production and manufacturing various products and the challenges faced by MSMEs due to changes in environmental factors.
4. **Cluster-level consultations for the identification of challenges-** The experts will consult with all the identified clusters after they have shortlisted them. Understanding how the environment has changed over the past 10 years is the goal of this step. It will make it possible for the expert team to comprehend the potential dangers and assess the detrimental current and potential effects that these clusters may experience because of changes in the environment (directly or indirectly).
5. **Environment risk assessment-** During the interviews with the various clusters, an environmental risk assessment process specific to the sector will be carried out. This will be done by assessing levels of resource waste, usage of resources, pollution levels and control measures, emissions, manufacturing processes and equipment, among others. This will be done to understand the various risks to the environment. For example, a cluster using outdated equipment may consume more electricity leading to high electricity bills, while producing lower levels of output.

6. **Development of sector-wise environmental risk mitigation guidelines-** The experts will be responsible for preparing risk mitigation guidelines and suggestive actions needed to be carried out, as well as the possible outcomes from the actions (if carried out) to transition to green and environment-friendly practices. The guidelines will include national and international best practices that could be adopted by the MSMEs of West Bengal.
7. **Sharing of guidelines with clusters and uploading them online-** After approval from the respective departments of the Govt. of West Bengal, the guidelines will be uploaded on the directorate websites. A copy of these guidelines will also be sent to all the relevant clusters according to the sectors they belong to.
8. **Conducting workshops and sensitization sessions on guidelines and schemes for transformation to greener technologies-** After the guidelines have been shared, workshops will be conducted at the clusters by the environment experts. The workshops will be targeted at promoting awareness and providing information to clusters on the transition and benefits of environment-friendly and green practices on their businesses and profitability ratios. As part of these awareness sessions, central government schemes- **MSME Scheme for Promotion & Investment in Circular Economy (MSME SPICE) and Green MSME Development Scheme** will also be promoted to ensure a maximum number of MSMEs benefit from these schemes to transform their businesses by using greener technologies and availing of financial support. MSME SPICE is a Central Sector Scheme that incentivizes MSMEs through the three components of the scheme namely, Credit Linked Capital Subsidy, Awareness Generation and Demand Creation Component and Information, Education, and Communication Component in brownfield and greenfield projects.
9. **Support in preparing proposals for availing Green MSME Development Scheme-** The Green MSME Development Scheme was developed with the objective of providing concessional financial assistance to MSMEs in the adoption of sustainable and eco-friendly technologies, practices and renewable energy sources in the MSME sector. It will provide financial assistance in the form of interest subvention (2% per annum up to a term loan limit of INR 5 crores) and a risk sharing facility (All loans to MSMEs up to INR 5 crores would be covered under the 75 % Risk Sharing Facility of 75%). The department will assist MSMEs in preparing relevant proposals and reports to enable interested beneficiaries to avail themselves of financial assistance through the Green MSME Development Scheme. The beneficiaries applying for the services will first be evaluated by the taskforce on their viability and ability to undertake investments, after which they will be consulted. A group of consultants experienced in the area would be appointed by the department, assisted by the taskforce.

Key Outputs and evaluation parameters:

Key Outputs	Evaluation Parameters
<input type="checkbox"/> Environment risk assessment of 8 sectors	<input type="checkbox"/> Number of sector-specific environment risk assessment carried out
<input type="checkbox"/> Environment risk mitigation guidelines for each-sector	<input type="checkbox"/> Number of sector specific risk mitigation guidelines
<input type="checkbox"/> Increase in number of beneficiaries of the Green MSME Development Scheme	<input type="checkbox"/> Number of beneficiaries of the Green MSME Development Scheme

Key Milestones:

Milestones	Year 1	Year 2	Year 3	Year 4
Number of sector specific environment risk assessment ²⁰¹	2	2	2	2
Name of sectors for which environment risk assessment would be conducted	Leather, Light Engineering	Foundry& Forging, Carpet	Gems and Jewelry, Textile and Apparel (incl RMG)	Packaged and Processed Food (incl fishery industry), Incense Stick
Number of clusters per sector to be interacted with	3	3	3	3
# of Risk Mitigation Guidelines/ awareness based on Environmental Risk Assessment (ERA) report ...	6	6	6	6
Number of clusters where pollution related awareness would be provided	20	20	20	20
Handholding for preparing DPR (# of clusters/ industrial parks of the Green MSME Development Scheme (SIDBI Green Finance Scheme))	10	10	10	10

Timeline chart

Activities	Year 1		Year 2		Year 3		Year 4	
	H1	H2	H3	H4	H5	H6	H7	H8
Identification of sectors vulnerable to climate risk-								
Identification of three clusters per sector								

²⁰¹ 2 sectors will be addressed each year; 1 risk assessment report will be prepared for each sector

Activities	Year 1		Year 2		Year 3		Year 4	
	H1	H2	H3	H4	H5	H6	H7	H8
Hiring environment experts								
Cluster-level consultations for identification of challenges								
Environment risk assessment								
Development of sector-wise environmental risk mitigation guidelines								
Sharing of guidelines with clusters and uploading them online								
Conducting workshops and sensitization sessions								

Budget

Cost Heads	Year 1	Year 2	Year 3	Year 4
	(In INR Crore)			
Environment risk assessment report and risk mitigation guidelines ²⁰²	0.48	0.48	0.48	0.48
Implementation of risk mitigation guidelines (50% grant for successful implementation of pollution abatement equipment in a cluster mode) ²⁰³	1.44	1.44	1.44	1.44
Cluster-level pollution related awareness sessions ²⁰⁴	0.25	0.25	0.25	0.25
Creating an industrial database (of polluting industry) to gain a comprehensive understanding of the MSMEs to ensure effective identification of beneficiaries of various greening schemes and initiatives ²⁰⁵		0.92		0.92

²⁰² Assumption: - Cost per report for 3 clusters is INR 24,00,000; 3 sectors will be focused on each year.

²⁰³ Assumption: - The grant would be provided only upon successful implementation of risk mitigation guidelines at the cluster. The ceiling of grant is 50% or 24 lakhs whichever is less.

²⁰⁴ Assumption: - The experts would conduct consultations for 2 days in each cluster.

²⁰⁵ Assumption: - Empaneled pollution control agencies from WBPCB for Awareness and sensitization of the guidelines will be conducted at all 23 districts, cost= INR 400000 for 23 districts.

Cost Heads	Year 1	Year 2	Year 3	Year 4
	(In INR Crore)			
Consultancy in preparing proposals for availing the Green MSME Development Scheme (to be given to cluster/ Industrial parks) ²⁰⁶		0.20	0.20	0.20
Total (year-wise)	2.17	3.29	2.37	3.29
Grand total	11.12			
Contribution from State Government (@25% of the total budget: including policy and scheme supports)	2.78			
Support sought under RAMP from Central Government	8.34			

State Departments to be involved for successful implementation:

- I. Department of MSME & Textiles
- II. Environmental Department, West Bengal

²⁰⁶ Assumption: - Cost of preparing DPR for SIDBI sponsored green finance scheme is INR 200,000 per cluster. The prepared proposal will be enabling MSMEs to select the relevant environment friendly technology adoption and attain financial assistance under the scheme.

Intervention #2- Increase participation in Zero Effect Zero Defect (ZED) Certification

The key objectives of the intervention are to increase ZED certifications and its awareness and inculcate the adoption of environment-friendly methods of production.

Rationale- The number of ZED certifications has been limited despite efforts from the government.

Therefore, this intervention is designed to attract people to procure ZED certifications and receive additional top-up benefits. The ZED scheme was designed to ensure that the quality of goods manufactured in the nation is high and exportable and that the production processes have least effects on the environment. The aim of the scheme is to make India a manufacturing hub and enhance the competitiveness of their MSMEs. Despite its intentions and the efforts of the state government, the MSMEs in West Bengal have not been able to make maximum utilization of the scheme, resulting in low certification levels.

Proposed Approach & Methodology:

- **Outreach and advertisements-** The taskforce will be carrying out outreach activities to spread awareness about the ZED certification and its advantages.

- i. **Awareness sessions-** The taskforce will conduct cluster-level awareness campaigns to enhance the understanding of the scheme, its benefits and the additional benefits provided by the RAMP program.

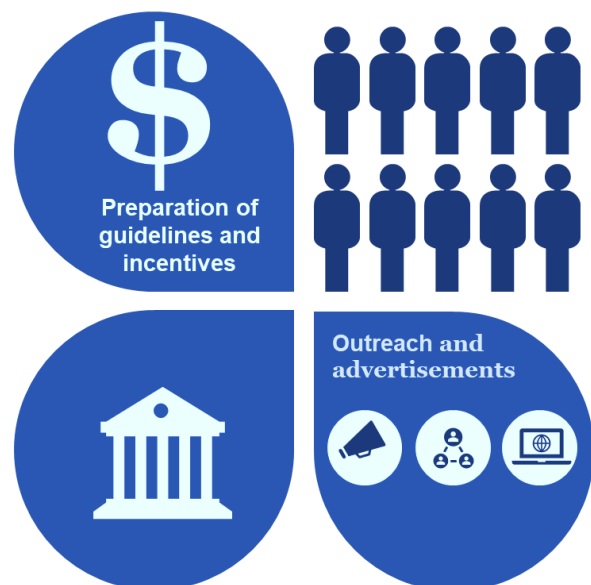
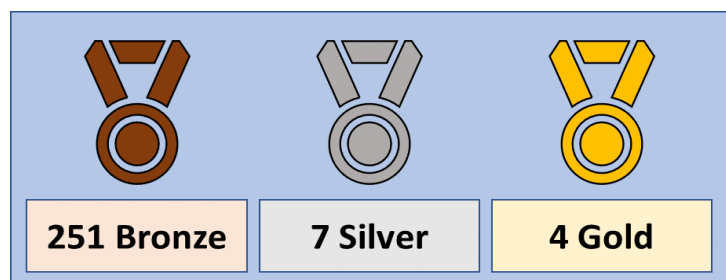
- ii. **Advertisements-**

- o **Social media campaigns-** The increasing rate of mobile and internet penetration can be leveraged and the awareness about ZED certifications and its benefits can be maximized through social media campaigns.
 - o **Pamphlets and posters-** Pamphlets and posters in Bengali, English and Hindi can be printed and distributed at areas of high footfall.
 - o **Newspaper Ads-** Advertisements could be published in the newspapers in West Bengal. The newspapers targeted should be Bengali, English, and Hindi.

- **Additional incentives** provided to beneficiaries by the State Government. These benefits will be applicable two years after the RAMP program has started-

- i. **Additional subsidy on certifications-** Assistance of 50% on ZED certification (only applicable for upgradation to silver and gold level ZED certification) cost after deducting the assistance received from the Government of India.

Figure 82: Number of ZED certified MSMEs in West Bengal (as on 26 July 2023)



- ii. **Additional reimbursement of testing expenses-** Reimbursement of 50% of expenses on testing of machinery and equipment (after deduction of assistance from Government of India) to upgrade from bronze to silver up to INR 200000 and INR 300000 for upgrading from Silver to Gold.
- iii. **Additional reimbursement on consultancy services-** Reimbursement of 50% on consultancy services up to INR 50000 (after deduction of assistance from Government of India) for availing ZED services.

Key outputs and evaluation parameters

Key Outputs	Evaluation Parameters
Increase in the number of ZED certifications	Number of ZED (Gold, Silver, and Bronze) certifications
Increased awareness about ZED certifications and environment friendly ways of production	Number of awareness sessions on ZED conducted

Key Milestones:

Sl.no	Indicator	Baseline ²⁰⁷	Year 1	Year 2	Year 3	Year 4
1	Number of MSMEs completing bronze level under ZED ²⁰⁸	251	80	100	120	150
2	Number of MSMEs completing silver level under ZED ²⁰⁸	7	5	5	10	10
3	Number of MSMEs completing gold level under ZED ²⁰⁸	4	2	4	6	8

Timeline Chart:

Activities	Year 1		Year 2		Year 3		Year 4	
	H1	H2	H3	H4	H5	H6	H7	H8
Finalization of incentives to be provided by State Government								
Awareness Creation								
Advertisements through various media								

²⁰⁷ The ZED scheme was launched in 2016. An average of the certifications over 5 years has been used to make the forecasting.

²⁰⁸ Based on consultations with stakeholders

Budget:

Cost Heads	Year 1	Year 2	Year 3	Year 4
Financial assistance supporting Bronze (50%), Silver and Gold certified MSMEs for ISO 14001 certification ²⁰⁹	0.01	0.05	0.07	0.08
Financial assistance supporting Bronze (50%), Silver and Gold certified MSMEs for Ecomark certification ²¹⁰	0.01	0.05	0.07	0.08
Awareness activities (Cost of ZED workshop is 0.5 lakhs / workshop at district); 2 workshops in a year ²¹¹	0.23	0.23	0.23	0.23
Advertisement in local Bengali newspapers promoting for ZED scheme ²¹²	0.24	0.24	0.24	0.24
Total (year-wise)	0.48	0.57	0.60	0.63
Grand total	2.28			
Contribution from State Government (@25% of the total budget: including policy and scheme supports)	0.57			
Support sought under RAMP from Central Government	1.71			

²⁰⁹ Assumption: - Financial assistance worth INR 10000 will be provided for availing ISO 14001 certification.

²¹⁰ Assumption: - Financial assistance worth INR 10000 will be provided for availing Ecomark certification.

²¹¹ Assumption: - Awareness creation activities will be conducted in each district by the taskforce. Each session will be conducted by two people. Cost= INR 50,000 per 1 day session; it will be carried out in 35 (10% of 342) blocks, in each year.

²¹² Assumption: - Newspaper ads will be provided 4 times a year in 5 newspapers in West Bengal; cost of quarter page ad= INR 120,000; Social media campaign cost= INR 10,00,000 per year; cost of posters and pamphlets for each district= INR 100,000.

Subsidies from State Government

Cost Heads	Year 1	Year 2	Year 3	Year 4
	(In INR Crore)			
Subsidy on certification cost ²¹³		0.03	0.04	0.05
Reimbursement of consultancy expenses ²¹⁴		0.19	0.36	0.56
Reimbursement of testing expenses ²¹⁵		0.04	0.08	0.12
Total (year-wise)	-	0.26	0.47	0.73
Grand total			1.46	

State Departments to be involved for successful implementation:

- I. Department of MSME & Textiles
- II. Environmental Department, West Bengal

²¹³ Assumption: - The number of ZED certified MSMEs for the next 4 years have been projected based on the current trends and have been mentioned below.

²¹⁴ Assumption: - Up to INR 200000 will be reimbursed on upgradation from bronze to silver levels and up to INR 300000 will be reimbursed on upgradation silver to gold.

²¹⁵ Assumption: - Up to INR 50000 will be reimbursed on availing consultancy services for ZED certifications on upgradation from Bronze to Silver and Silver to Gold

4.2. Summary of budgetary outlay

Table 19: Summary of budgetary outlay (in crores)

Values (in crores)					
Budgeted cost for Interventions	Year-1	Year-2	Year-3	Year-4	Total
Initial phase & promotion of women led MSMEs	9.13	17.16	17.93	18.53	62.75
Access to finance	5.54	8.26	8.93	8.93	31.65
Access to market	15.95	17.41	16.74	16.83	66.93
Access to technology	3.71	11.50	11.18	10.34	36.73
Capacity Building	1.67	2.48	2.89	2.89	9.92
Green and Sustainability	2.65	3.86	2.97	3.92	13.40
Other costs					
Budget for district/ zonal task force	7.40	7.77	8.16	8.57	31.91
Cost for transportation arrangements	1.66	1.74	1.83	1.92	7.14
Payment to State Project Implementation Unit	0.97	1.14	1.34	1.54	4.98
Year-wise costs	48.68	71.31	71.96	73.45	265.41
Total budgeted costs	265.41				
Support from the GoI under national schemes [MSME Innovative (IPR) Scheme]	-0.95				
Budgeted cost under RAMP	264.5				
Fund for contingency requirements (at the rate of 2.5% of the total fund)	6.61				
Total budgeted costs (incl Contingency)	271.07				
Proposed break-up of state and central contribution					
Contribution from State Government (@25% of the total budget)	67.77				
Support from GoWB for ZED subsidy*	1.46				
Total contribution from State Government	69.22				
Support sought under RAMP from Central Government	203.30				

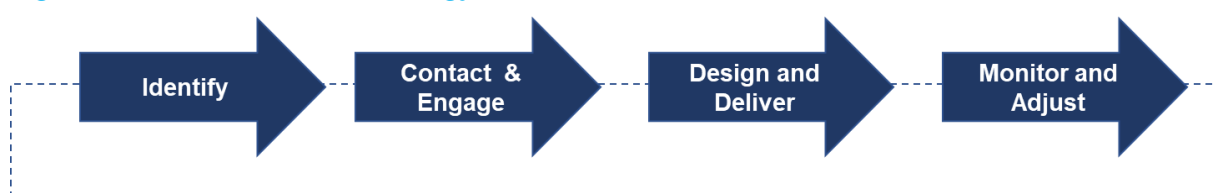
5. Partnership and Outreach Strategy

Overview

The enormity of the impact of the MSME sector in India surpasses any unit of measurement. It is estimated that there are approximately 633.9 lakh MSME in India, with almost equal presence in rural and urban areas. The sector is also a massive employment generator, with the official number²¹⁶ reading 93 lakhs. With this extensive network of MSMEs spread over a large geographic area, effective outreach and communication can become a challenge. One of the earliest solutions to this problem was the District Industries Centres initiative of 1978, connecting every district to the state and the centre. Since then, countless schemes have been formulated and successfully implemented by both the centre and the state, and various channels of inter- and intra-departmental channels of communication have been established.

This most recent initiative, Raising and Accelerating MSME Performance, is a unique step for this sector, demanding exceptional coordination and communication between all levels of ministries, departments and other related stakeholders. In West Bengal, the MSME department will not only utilize the existing channels of communication, but also install additional systems as per the requirement of the interventions mentioned in Chapter 4. The overall outreach strategy of the state under RAMP will be as follows:

Figure 83: Overall Outreach Strategy



- **Identify:** Identification of the target audience is the first step towards having a successful outreach strategy. This allows for focused communication with the audience, and customized information can be disseminated. Given the diversity and size of the MSME sector, outreach sessions will be conducted for groups of MSMEs within the same industry and location to maximise its efficacy.
- **Contact and Engage:** There are multiple modes of engagement nowadays. This includes both in-person engagement via visits to MSME units, awareness sessions in blocks or districts and virtual engagement via certain portals, social media virtual awareness session etc. The latter has not only reduced the cost of communication, but with the growing adoption of technology, it has established a wider reach even in remote areas. The department will employ a combination of both modes to have the maximum impact on MSMEs
- **Design and Deliver:** This refers to customized communication strategies and tools based upon the nature of the target audience. Customizing reduces waste and noise from the information being disseminated, thereby increasing the understandability and retention rates among the MSME. For instance, outreach programs for women-led entrepreneurs must be customized to the barriers faced by them, which, will be significantly different from the sector.
- **Monitor and adjust:** This step can be considered most important part of the outreach strategy. Until and unless outreach activities are monitored and the subsequent feedback is incorporated into the system, the scheme will fall short of success. With a strong monitoring system, the authorities can seamlessly identify the strengths and weaknesses in the outreach strategy and recalibrate it to make it more impactful and efficient. It also instills accountability in the entire system, thereby reducing the incidence of poor performance.

The outreach strategy will go beyond the interventions mentioned in this strategy document to include existing national schemes that align with RAMP programme objectives, as shown in figure 85. These schemes address some of the most prominent issues concerning the MSME sector like delayed payments, intellectual property

²¹⁶ Accounting for those MSMEs with UR

rights, inefficient manufacturing processes, and sustainability. Therefore, it is imperative to increase the outreach of the schemes. It will be arranged that the awareness session planned for the interventions double as outreach opportunity for these select schemes. Additional time will be dedicated during awareness sessions for the below mentioned central schemes for the MSME sector.

Figure 84: Schemes that align with the RAMP programme objectives



Stakeholders responsible for the outreach

Multiple stakeholders will shoulder various responsibilities under the outreach strategy for the RAMP scheme. The DICs are the first point of connection between the state and the MSMEs. They receive communication from the department regarding scheme implementation and activities to be conducted. For the interventions proposed under RAMP by the state of West Bengal, a task force for each of the pillars will assist the DICs in organizing and conducting all related activities. The DICs will be familiarized with all the aspects of the interventions by the task force. Most of the interventions will require multiple awareness session for the MSMEs at the district and block level in the coming four years. The success of the interventions will depend on these sessions; therefore, we will follow a uniform philosophy for them known as DISC. Any communication with the MSMEs will be conducted on these principals to ensure maximum benefit for them.

Figure 85: The DISC philosophy



The directorates in charge of communication with the DICs on behalf of the department will monitor the content and system of awareness programs under the RAMP project and take corrective measures wherever required. They will also be responsible for entering into partnerships with Industry Associations and experts, as demanded by the proposed interventions.

Modes of outreach

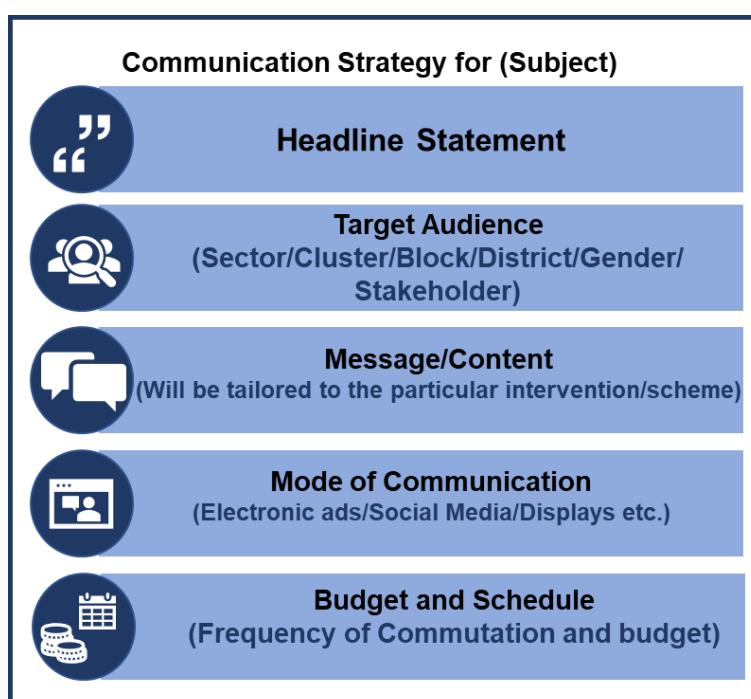
All the interventions proposed under RAMP call for multiple awareness sessions. Most of these will be held in person at various levels, such as a district, block, or cluster. Given below is a summary of all the awareness sessions that will be held as a part of RAMP:

Table 20: Number of awareness sessions under proposed interventions

Sl #	Pillar	Year 1	Year 2	Year 3	Year 4
1.	Initial phase	140	490	490	490
2.	Access to Finance	116	227	227	227
3.	Access to Market	132	132	132	132
4.	Access to Technology	36	109	135	83
5.	Capacity Building	36	36	36	36
6.	Greening	96	96	96	96
	Total	556	1003	1116	1064

In this digital age, leveraging social media and electronic advertisements will be the quickest and the most economical mode of outreach with the stakeholders of the MSME sector. The department will utilize the in-house marketing department to prepare a digital marketing strategy for the RAMP project. An outline of the strategy is given in **Figure 86**. This will allow the department to streamline the outreach process but at the same time, incorporate the differences in interventions, messages and audience. The strategy will be prepared quarterly and subject to approval of the department.

Figure 86: Tentative outline of communication strategy



6. Strengthening Capacity for Development & Delivery of MSME Support Programme

6.1. Overview of state policy on MSME

As mentioned above in Section 1.2, the GoWB has instituted a policy on MSME that focuses on increasing participation, employment, and revenue enhancement for the entities. The policy aims to create a sustainable ecosystem that can assist enterprises in maximizing the utilization of resources and generating new employment in the state. In total, the state offers eleven forms of fiscal incentives to new and existing businesses, with the type and quantum of incentives available for the approved projects based on the location of the enterprises. The Banglashree scheme, which forms the crux of the State MSME policy has benefited over 1800 MSME units, generating employment for over 42,5000 people across Bengal.

In force until March 2025, the MSME Policy focuses on creating a sustainable ecosystem in the MSME sector to optimally utilize resources and widen the sector of operation to support West Bengal as one of the MSME leaders in India. To achieve the targets of the State policy, the West Bengal government has enacted over 300 reform measures relating to business regulations, leading to an improvement in the state's performance in the Ease of Doing Business (EoDB) pan-India ranking. The thematic areas leading to the improvement include strengthening business regulations and practices, enhancing business competitiveness and embracing modern technology.

Leveraging EODB parameters and implementing the proposed interventions will create a more conducive environment for the MSME sector's growth. It will attract investments, encourage entrepreneurship, promote innovation, and enable businesses to operate with greater ease and confidence. This, in turn, will contribute to economic development, job creation, and a more vibrant MSME landscape in West Bengal. Some instances in terms of ease of doing business of many others are as follows:

- Simplified Business Registration: Streamlined business registration processes will enable MSMEs to establish themselves more quickly and with less bureaucratic hassle. This will encourage more entrepreneurs to enter the market, leading to increased competition and innovation within the sector.
- Enhanced Access to Credit: Smooth credit application process and improved credit information systems will make it easier for MSMEs to secure funding. This will provide them with the capital needed for growth, technological upgrades, and innovation.

Section 1 of this report further elaborates on the State Policy on MSME, interventions undertaken as part of the policy, and recent outcomes witnessed in West Bengal. In addition, section 6.7 highlights the strategy for improving EoDB in the state.

6.2. Strengthening State Portals and Integration with National portal

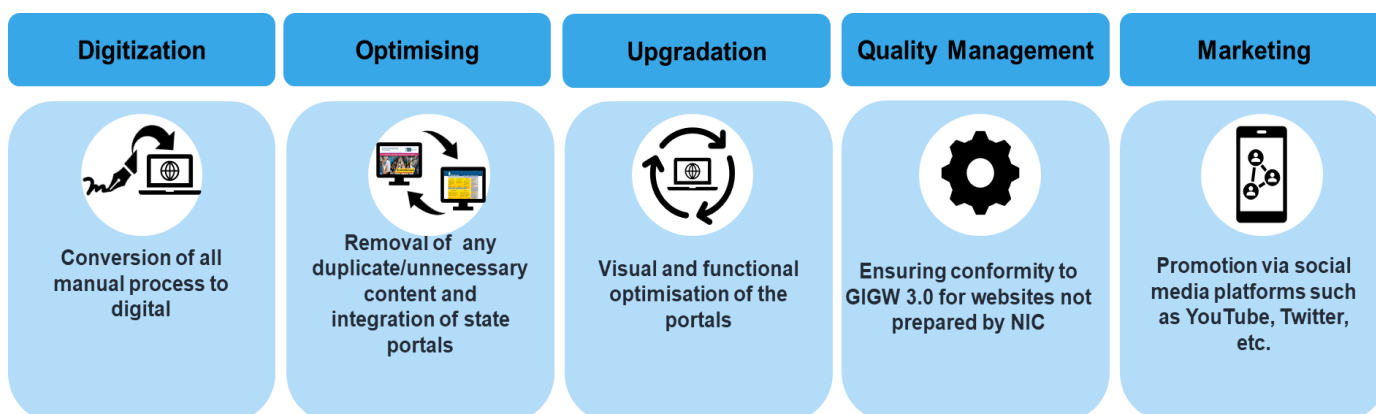
Strengthening State Portals

MSMEs, both economically and culturally, are an integral part of West Bengal. The state has the second highest number of MSMEs in the nation that are involved in the production of items such as Jamdani handloom, Tangail handloom, metal craft, dokra craft etc., thus keeping alive some of the most important historical facets of West Bengal. The existing schemes and interventions planned to uplift MSMEs and ensure their development will only be as effective as their reach within the sector. In this regard, a move towards complete and absolute digitization is needed, as it will not only increase accessibility but also ensure transparency and accountability. Currently, there are 3 key websites that MSMEs can visit to access information on schemes, certifications, state of development, etc. The details of these websites are given below. All other websites can be accessed via these portals.

SI #	Website	Developer
1.	Department of Micro, Small & Medium Enterprises and Textiles (MSME & T)	Designed and Developed by Telmac
2.	Directorate of Micro, Small & Medium Enterprises	National Informatics Centre
3.	MyenterpriseWB	Powered by Telmac

As one of the priorities under the RAMP scheme, the department will undertake measures to strengthen all the portals that cater to the MSME sector, to improve the chances of achieving programme objectives. The following approach will be taken:

Figure 87: Approach for strengthening state portals



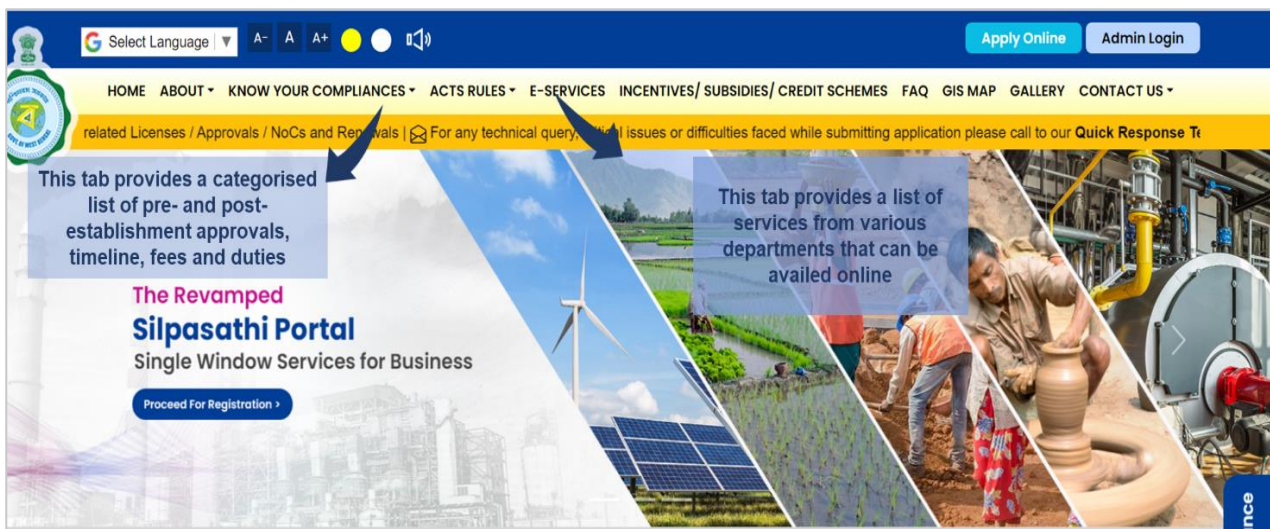
Detailed explanation:

Theme: Digitization

This entails digitizing all existing manual processes related to MSMEs. It will include everything from the perspective of the MSME, that is, registering the entity, obtaining licenses, applying for schemes, receiving updates about pending applications etc., and from the perspective of the departments relating to behind-the-scenes processes. The latter includes all forms of communication with the MSME and interdepartmental information exchange. Many of these above-mentioned processes are already digitized, for example, Silpasathi, the single window services portal allows an entrepreneur to access 98 services from 21 government departments at once place, as seen in [Figure 88](#). Similarly, application of most of the state schemes can be made through any of the three websites mentioned above.

Task to be undertaken: The department will undertake a comprehensive stock of all the services availed by MSME, and those that are still handled, manually will be digitized. As for the departmental side of things, a similar exercise will be performed, and a plan of action will be prepared.

Figure 88: Snapshot of the Silpasathi website

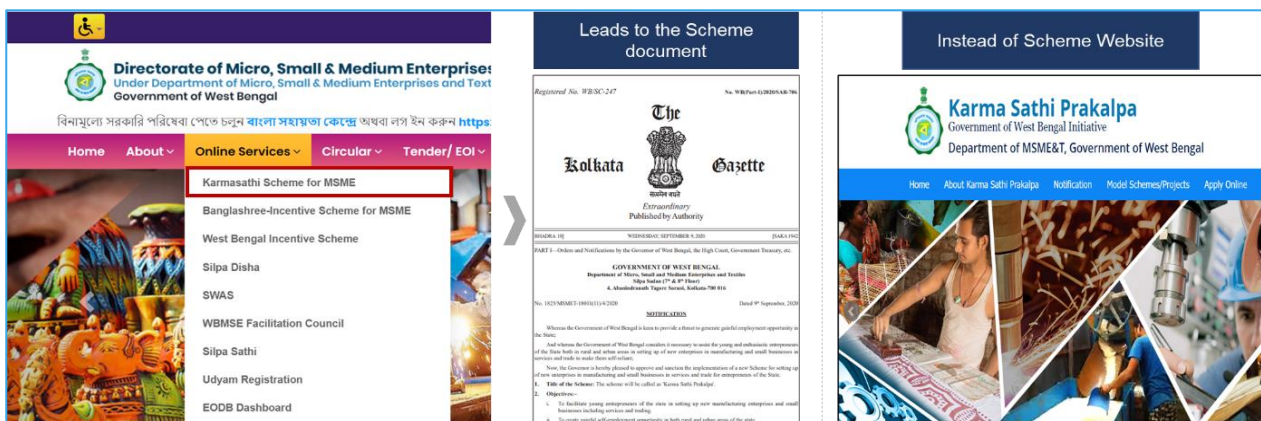


Theme: Optimisation

The purpose of this step is to ensure every tab on the state portals are providing optimal information and that there is inter portal linkages. For instance, a few options on the Directorate of MSME portal's online services tab directs to a PDF version of the scheme when they should instead lead to the website for the programme. An example of this is seen in figure 90. Additionally, there are some portals that direct to fake websites that need to be repaired, such as the www.msmebengalinvest.in portal.

Task to be undertaken: The department will check all the state websites for interconnectivity and the function of each option.

Figure 89: Snapshot of the Directorate of MSME website and the trail of certain option



Theme: Upgradation

This relates to the visual design of the portals. As per the Stanford Credibility Project, there is a clear link between visual design and perceived credibility. It showed that nearly half of all consumers (46.1%) make judgments about a site's credibility based on its design, including things like layout, typography, and color palette.

Task to be undertaken: We will hire third party web designers to get all the state portal checked for visual optimisation. Any changes suggested by the designers will be implemented gradually during the RAMP scheme.

Theme: Quality Management

The Guidelines for the India Government Websites 3.0 can be used to ensure the quality of the state portals developed by agencies other than the National Informatics Centre (NIC).

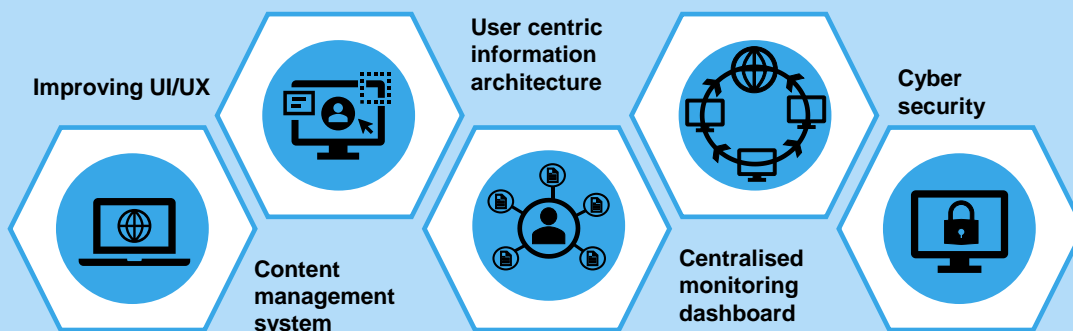
Task to be undertaken: Many of the state government portal have been developed by third party providers such as Telmac, the department will engage them for preparing a compliance report, benchmarking the portals with the said guidelines. In case of non-compliance, the third-party developer will be commissioned to make the necessary changes and if unable to, the department will take a decision on hiring alternate developers.

Guidelines for India Government Websites 3.0

The widespread adoption of digital technologies throughout the country has led governments to establish their online presence via different modalities, such as websites and mobile applications, offering information and services to the public. Given this backdrop, to maintain consistency in technology adopted, layout, navigation strategies, etc., across the numerous portals, the NIC formulated the Guidelines for Indian Government Websites (GIGW) in 2009. The guideline aims to:

“Ensure quality and accessibility of government guidelines, by offering guidance on desirable practices covering the entire lifecycle of websites, web portals and web applications, right from conceptualisation and design to their development, maintenance and management”

A second version of the guideline, GIGW 2.0, was developed in 2019 which incorporated inputs from industry experts and governments. The latest version is the GIGW 3.0 and was formulated in collaboration with Standardisation Testing and Quality Certification (STQC), Directorate of the Ministry of Electronics and Information Technology and the Indian Computer Emergency Response Team (CERT-In). Key thrust areas of GIGW 3.0 are given below:



Theme: Marketing

One of the cheapest and quickest forms of marketing available today is social media. Portals such as myEnterprisewb.in is an all-in-one website, having all the information that an entrepreneur may need in a categorized and organized manner; however, they have only received approximately 3.77 lakh visits till now. Thus, mass engagement is required to increase the uptake of state portals, and thus, the department will leverage the existing social media reach of government agencies and officials for launching campaigns and building awareness about the initiatives for the MSME sector.

Task to be undertaken Posts about MSME portals such as Myenterprise, Silpa Sathi and scheme- related portals will be curated by the task force and submitted to the department for approval. The task will also prepare a schedule for periodic posts about the portals.

Grievance Redressal Mechanism

The grievance redress mechanism employed by a government, serves as a tool to measure its efficiency and commitment towards its citizens. An effective mechanism acts as a check to the system and can reveal areas for improvement to those in charge. The department had commissioned a customised grievance redressal mobile- based application for the MSME. Currently, the app is under upgradation and will be relaunched as part of the RAMP programme.

Figure 90: Information on Silpa Disha and the proposed changes



As seen above, previously, the entrepreneurs were not required to enter the Udyam registration number; however, the updated application will mandate entering the UR number in two phases. Initially, it will be optional to enter the UR number, and in case the entrepreneur wishes to obtain one, there will be an appropriate option to redirect them to the UR portal. As the number of MSMEs with Udyam registration increases in the state, the department will make it mandatory to enter the UR number to proceed with filling out a grievance application on the app.

Integration with National Portals

The main state portals accessed by MSMEs are those that belong to the department, the directorate and the myEnterprisewb website. Currently, integration with national portals is limited to Udyam registration, accessible via the three websites. As a part of the efforts under RAMP, the department will facilitate greater integration with the national portal on all of its websites concerning the MSME sector. Firstly, the link to the website of the Ministry of MSME will be added to all state portals. Secondly, the tab on Online Services will be replaced with a tab on Schemes. This new tab will showcase both central and state schemes classified under different pillars. An illustration has been given in the figure below.



- Start up Phase
- Access to Technology
- Access to Finance**
- Access to Markets
- Schemes for Women-led MSMEs
- Schemes on Greening
- MSME Champions



Schemes

Home [Schemes](#) [Access to Finance](#)

Access to Finance

Government of West Bengal

- Banglashree Incentive Scheme for MSME
- Bhabisiyat Credit Card Scheme

Government of India

- Pradhan Mantri Mudra Yojana
- Credit Guarantee Scheme (CGTMSE)
- Credit Linked Capital Subsidy Scheme for Technology Upgradation (CLCSS)
- Scheme of Venture Capital Fund for Scheduled Castes
- Performance and Credit Rating
- Stand-Up India

6.3. Extent of Participation in various Central MSME schemes

The economic growth of India is supported by an increase in production and employment generated by MSMEs, which actively support large- scale enterprises. Due to their widespread distribution across economic sectors, MSMEs provide an array of goods and services that cater to global demands. In particular, the "Make in India" initiative has proved to facilitate growth orientation and entrepreneurship development in India. In order to support entrepreneurship development at the state level, the Government of West Bengal has been promoting central schemes and centrally sponsored programmes through awareness campaigns, workshops, and the delivery of technical training to entrepreneurs. Within this context, states participation in select central schemes is explained in this section. To understand the extent of participation, we have analyzed the implementation of the schemes across the 23 districts of West Bengal.

Table 21: Divisions of West Bengal

Divisions	Presidency	Medinipur	Burdwan	Malda	Jalpaiguri
Districts	Howrah Kolkata Nadia North 24 Parganas South 24 Parganas	Bankura Jhargram Purba Medinipur Paschim Medinipur Purulia	Purba Burdwan Birbhum Paschim Burdwan Hooghly	Malda Murshidabad Uttar Dinajpur Dakshin Dinajpur	Alipurduar Cooch Behar Darjeeling Jalpaiguri Kalimpong

6.3.1. Summary on achievement of participation

West Bengal has demonstrated the potential of synergistic effects in fostering MSME growth in the state over the years via strategic partnership between the State government and Central agencies. The table below provides a snapshot of the Bengal's participation in Central MSME schemes, where the State has made significant progress in terms of funds disbursed/ count of beneficiaries' vis-s-vis other States in India.

Table 22: Snapshot of Central Schemes ongoing in West Bengal

Scheme	Summary of achievement/ participation
MUDRA	During 2020-2023, MUDRA scheme has been availed of by approximately 1,58,02,871 units in the State across the three categories. West Bengal leads the list of the top 10 performing states across India under this scheme.
PMMY	In terms of the count of beneficiaries against the amount of funds disbursed, Jhargram, Kalimpong, Kolkata, Uttar Dinajpur, and Paschim Burdwan rank lowest relative to other districts in Bengal. In districts like Nadia and Dakshin Dinajpur, funds allocated per beneficiary are high, indicating the presence of small or medium enterprises in the districts.
MSE-CDP	Over 9000 units that employ over 83,000 people across districts in West Bengal have received funds under this scheme between 2013 and 2023. Successful implementation of the scheme can be attributed to the factory complex, power distribution network, water, telecommunication, drainage and pollution control facilities, roads, banks, raw material depots, etc.
CGTMSE	The state government aims to provide coverage up to 15% for projects sanctioned by banks under this scheme. In terms of the progress of CGTMSE in West Bengal, data indicates a 24% year on year growth in the number of guarantees and 78% in the amount approved (2020-2021 and 2021-2022). West Bengal is one of the top 10 performing states in the implementation of CGTMSE.

The subsequent section outlines the details of the schemes captured in [Table 22](#) along with several other schemes that are being implemented in West Bengal.

6.3.2. Details on achievement of participation

Scheme 1: Prime Minister's Employment Generation Program (PMEGP)

Brief description: The Prime Minister's Employment Generation Program (PMEGP) scheme provides financial assistance to aid micro entrepreneurs to scale up and implement projects that will help generate wide-scale self-employment opportunities. At the state level, the scheme is implemented through coordination and collaboration between State Khadi and Village Industries Commission (KVIC) Directorates; State Khadi, and Village Industries Boards (KVIBs); District Industries Centers (DICs); and commercial banks. The money margin or subsidy to MSMEs under the scheme is routed by State KVIC and distributed to beneficiaries/entrepreneurs in their bank accounts. Until 31 December 2022, over 46 lakh entrepreneurs have received benefits in India, with a total expenditure of about INR 1500 lakh. Table 23 outlines the count of projects and financial assistance provided to various entrepreneurs spread across various administrative divisions of West Bengal.

Table 24: Overview of PMEGP implementation in West Bengal

Division	Burdwan		Malda		Jalpaiguri		Medinipur		Presidency	
	No. of project	Margin Money	No. of project	Margin Money	No. of project	Margin Money	No. of project	Margin Money	No. of project	Margin Money
2020-2021	180	461	380	1259	346	955	726	2957	479	1896
2021-2022	226	605	437	1483	340	989	805	3677	553	1947
2022-2023	199	579	421	1331	335	1116	604	2458	636	2098
Avg. YoY growth	7%	13%	6%	4%	-2%	8%	-7%	-4%	15%	5%

Source: MSME Directorate Note: Cells highlighted in red indicate top 50% of no. of projects across divisions and green indicate top 50% of margin money (government subsidy) involved across all divisions. Districts under each division is listed in the annexure section. Margin Money is in INR lakh.

Successful implementation of the scheme can be attributed to the guidance provided by and close coordination amongst implementing agencies for various beneficiaries in West Bengal.²¹⁷ In terms of the count of beneficiaries against the amount of funds disbursed, Jhargram, Kalimpong and Kolkata, Uttar Dinajpur and Paschim Burdwan rank the lowest relative to other districts in Bengal. In districts like Nadia and Dakshin Dinajpur, funds allocated per beneficiary are high, indicating the presence of small or medium enterprises in the districts. This in-turn is reflected in the average year- on-year figures illustrated in the table above.

Scheme 2: Pradhan Mantri MUDRA Yojana (PMMY)

Brief description: The scheme provides financial assistance to well- performing units that have availed of the benefits of PMEGP, REGP and MUDRA units. It encourages entrepreneurs to employ new technology/ automation techniques to further modernize existing units. The maximum subsidy offered to enterprises offered is 15% of the project cost (an additional 5% subsidy is provided for north-eastern region and hill states). The balance amount of the total project cost is provided by banks as a term loan. The loans are accessible in three categories, such as Shishu, Kishore and Tarun, which signifies the stage of growth and funding needs of the beneficiary micro unit and entrepreneur; this also serves as a reference point for the next phase of growth for the beneficiary units.

²¹⁷ https://www.kviconline.gov.in/pmegpeportal/pmegpfeedback/detailFeedBackrepo.jsp?OFF_NAME=West%20Bengal

Table 25: Top 10 performing States

Sr. No.	Name of State	Sanction Amt (In crore) (2021-22)	Sanction Amt (In crore) (2020-21)	Year-wise % change
1	West Bengal	34893	29336	18.94
2	Uttar Pradesh	33664	29231	15.16
3	Tamil Nadu	32478	28968	12.12
4	Bihar	32097	25589	25.43
5	Karnataka	28695	30199	-4.98
6	Maharashtra	25798	25209	2.34
7	Rajasthan	18999	18571	2.30
8	Madhya Pradesh	18815	18474	1.84
9	Odisha	16900	15329	10.25
10	Gujarat	12152	11579	4.95

Source: MUDRA Annual Report 2021-2022

Across India, Murshidabad takes the lead in the list of the top 10 performing districts, closely followed by North 24 Parganas. Notably, this list includes Nadia, Howrah, and South 24 Parganas as well. The performance of these districts can be attributed to their urban nature, which fosters a conducive environment for business endeavors. In addition, the presence of financial establishments within these districts significantly contributes to their economic vibrancy. This trend underscores a positive trajectory for these urban centers and their potential for continued growth. The table below captures further breakdown of West Bengal's participation in the scheme.

Table 26: Overview of implementation of MUDRA scheme in West Bengal

Divisions	Presidency		Medinipur		Burdwan		Malda		Jalpaiguri	
	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
2020-2021	2089254	98%	543974	91%	859595	97%	1047766	98%	634793	98%
2021-2022	1601963	97%	588672	92%	750369	98%	1168241	97%	687908	98%
2022-2023	1749697	99%	678950	99%	865076	99%	1306633	99%	690121	99%

Source: MSME Directorate Note: "No" indicates total no. of units that has received benefits and "Amt." indicates the average disbursement amount as a percentage of the sanctioned amount in each division. Cells highlighted in green indicate top 50% of disbursement to sanctioned amount across all divisions.

Table 27: Overview of MUDRA scheme across categories Shishu, Kishore and Tarun

Years	Shishu		Kishore		Tarun	
	No.	Amt. (%)	No.	Amt. (%)	No.	Amt. (%)
2020-2021	172643	99.49	52040	97.16	2216	91.82
2021-2022	149246	99.75	51139	96.45	2547	91.85
2022-2023	15027	99.80	69809	99.50	4285	98.43

Source: MSME Directorate Note: "No" indicates total no. of units and "Amt." indicates the average disbursement amount as a percentage of the sanctioned amount in each division.

The beneficiaries within Presidency division experienced considerable growth in terms of count of units during 2020–2021, followed by enterprises in districts in the Malda division. In terms of loan categories, Shishu, which covers loans up to INR 50,000, has the most units, while Tarun, which covers loans between INR 5 lakh and 10

lakh, has the lowest number of units. Over the years, there has been a consistent increase in the number of units under the Kishore category. In the past 3 years, the ratio of funds sanctioned to funds distributed has, on average, been above 90%.

Scheme 3: Credit Guarantee Fund Trust for Micro and Small Enterprises

Brief description: The scheme encourages the creation of self-employment opportunities for first- generation entrepreneurs by facilitating credit guarantee support for collateral- free /third- party guarantee- free loans to MSMEs, especially in the absence of collateral. The scheme is applicable to both existing and aspiring entrepreneurs. As of 31 December 2022, cumulatively across India, 67.03 lakh proposals have been approved for guarantee cover of INR 3.86 lakh crores.

Acknowledging the importance of the scheme, the State MSME and Textiles department signed an MoU with CGTMSE, wherein the latter committed to provide credit guarantee coverage to the extent of 85% under the West Bengal Bhabisyat Credit Card Scheme. The state government aims to provide coverage upto 15% for projects sanctioned by banks under this scheme. In terms of the progress of CGTMSE in West Bengal, data indicates a 24% year on year growth in the number of guarantees and 78% in amount approved (2020-2021 and 2021-2022).

Table 28: Top 10 performing States in CGTMSE

Sr. No	States / UTs (Union Territories)	No. of Guarantees	Amount Approved (in INR Crore)
1	Uttar Pradesh	86616	5,628
2	Madhya Pradesh	64108	2,651
3	Maharashtra	56027	6,840
4	Andhra Pradesh	49848	1,456
5	Tamil Nadu	44897	4,134
6	Karnataka	41028	4,308
7	Rajasthan	38622	2,553
8	Jammu & Kashmir	38352	1,295
9	West Bengal	37033	2,887
10	Gujarat	34929	4,836

Source: Annual Report CGTMSE 2021-2022

Scheme 4: Coir Vikas Yojna

Brief description: The scheme focuses on utilization of raw material, develop improved equipment machinery, processes and new products, integration with digital platforms and development of skilled manpower in coir industry. This scheme comprises of the following components: (1) Welfare Measure (group personal accident insurance scheme) (2) Trade and Industry Related Functional Support (TIRFS) (3) Domestic Market Promotion (DMP) (4) Development of Production Infrastructure (DPI) (5) Export Market Promotion (EMP) (6) Skill Upgradation and Mahila Coir Yojna (MCY).

Table 29: Overview of implementation of Coir Vikas Yojna

Year	No. of Beneficiaries	Amount utilized as % of Amount received from HQ
2020-2021	600	91.40
2021-2022	511	96.40
2022-2023	511	96.40

Source: MSME Directorate

The particulars include awareness programs, workshops, EDP, VAP, MCY, spot publicity HRD. Majority of these events have been conducted in North 24 Parganas, South 24 Parganas, Howrah, Hooghly and Medinipur.

Scheme 5: Scheme of Fund for Regeneration of Traditional Industries (SFURTI)

Brief description: The scheme focuses on organizing traditional industries and artisans into clusters. The three forms of intervention covered under SFURTI include (a) soft interventions (b) hard interventions (c) thematic interventions. In 2022-2023 (as of 31 December 2020), the total number of beneficiaries across India is 2082765 against the total expenditure of INR 384.5 crore.

Table 30: Overview of ongoing cluster development under SFURTI in Bengal (2020-2021)

District	No. of clusters	Project cost (INR Lakh)	No. of cluster stakeholders
Bankura	2	357.19	600
Birbhum	1	215.56	360
Malda	2	479.79	812
Murshidabad	1	280.81	550
Purulia	1	258.49	378

Source: MSME Directorate

In the majority of clusters that received funding under this scheme, 90% of the civil work has been completed, and equipment has been installed in CFC. Along with delicacies like sweets, sugar, and jaggery, and non-edibles like acid-resistant brushes and cooking utensils, the activities in these clusters also include sabai grass crafts, bamboo handicrafts and cane goods, kantha stitch, zari works, embroidery, handprint, grand silk, cotton dyeing weaving, and bamboo and cane products.

Three clusters in Birbhum, Alipurduar, and South 24 Parganas have been approved under the project in 2022, with 1754 cluster stakeholders. The project's overall cost is INR 694 lakh. The activities include processing honey, producing arecanut plates, preparing palm gur and other culinary items, and kantha stitch.

Scheme 6: Micro and Small Enterprises – Cluster Development Program (MSE-CDP)

Brief description: MSE-CDP is a demand-driven central sector scheme, wherein the state government sends proposals for the establishment of Common Facility Centers (CFCs) and establishment and upgradation of Infrastructure Development (ID) projects as per the requirements in clusters. The CFCs can be used for testing, training centers, research and development, effluent treatment, raw material depots, complementing production processes, etc. The infrastructure development can be in new or existing industrial areas or clusters of MSEs, such as flat factory complex, power distribution network, water, telecommunication, drainage and pollution control facilities, roads, banks, raw material depots, etc. The scheme also includes thematic Interventions, support for the State Innovative Cluster Development Programme, and marketing hubs and exhibition centers by associations.

Table 31: Overview of implementation of MSE-CDP in Bengal (2017-2023)

District	No. of units	Employment	Cost (INR lakh)
Bankura	208	1600	217.62
Darjeeling	72	4000	424.17
Paschim Bardhaman	135	4500	887.7
Jalpaiguri	90	860	321.98
Kolkata	260	4860	279.76
South 24 Parganas	5150	13650	213.33

Uttar Dinajpur	150	1500	1293.72
----------------	-----	------	---------

Source: MSME Directorate Note: Cost included civil and plant and machinery

Over 9000 units that employ over 83,000 people across districts in West Bengal have received funds under this scheme between 2013 and 2023. Of the 9000 units, in 2022-2023, 23% received funding, employing over 34,000 people.

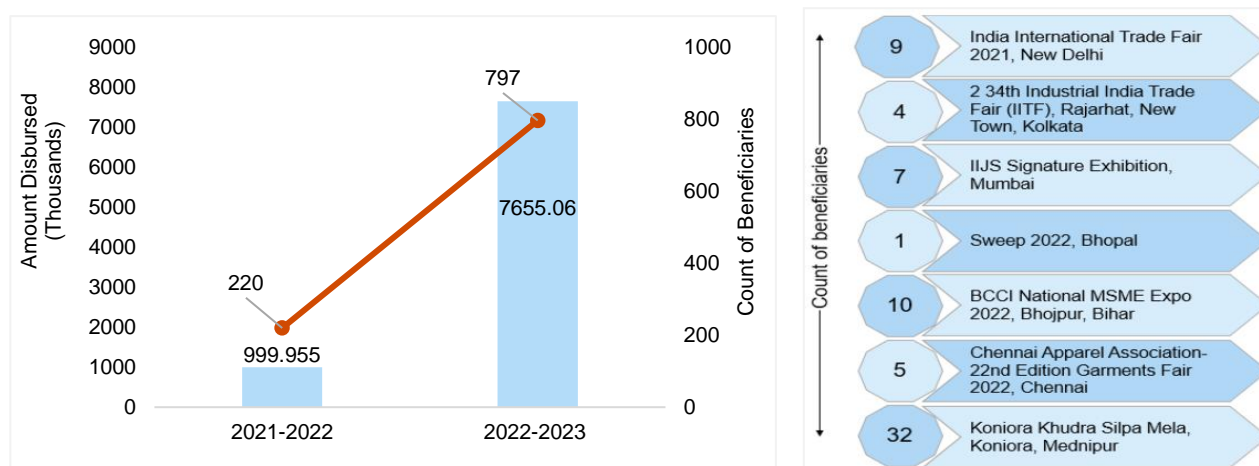
During 2021-22, officers of MSME-DI, Kolkata, participated in 15 awareness programs organized by DICs and Industry Associations in West Bengal and Andaman and Nicobar Islands to spread awareness about the MSE-CDP and SFURTI Scheme to MSEs and Cluster Members.

Scheme 7: Procurement and Marketing Support Scheme

Brief description: The scheme aims to promote new market access initiatives such as organizing or participating in national / international trade fairs, exhibitions and MSME expo, etc. This in turn raises awareness among MSMEs on topics such as the significance and process of packaging, marketing, import-export policies, GeM portal, MSME conclave, and the latest developments in technology for marketing products. It is a strategic initiative for the adoption of Modern Marketing techniques by MSMEs consistent with the requirements of global markets.

In West Bengal, funds under this scheme were not allotted in FY20-21. However, the state has witnessed an increase in the count of beneficiaries for the scheme during 2021-2022 and 2022-2023.

Figure 91: Overview of implementation of PMS (left) and participation in trade fairs (right)



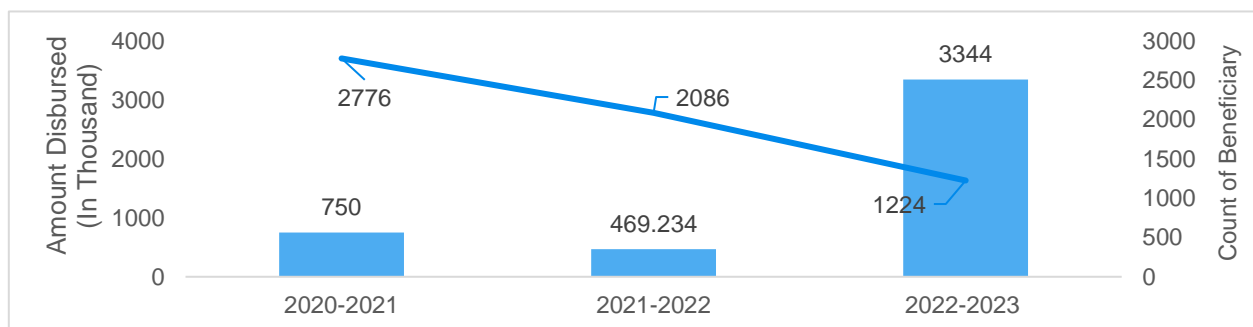
Under this scheme, vendor development programs are organized by the state to provide a common platform of interaction between buyers and sellers wherein the products and services of MSMEs and the requirements of large-scale buyer organizations and PSUs are displayed. MSME-Development Institute, Kolkata, acts as an implementing agency for the national and state- level vendor development programs. During FY21-22, 68 MSEs participated in 7 Domestic Trade Fairs under (PMS Scheme) and received reimbursement from the HQ (Figure 93).

Scheme 8: Entrepreneurship and Skill Development Programme (ESDP) Scheme

Brief description: The scheme aims to inspire young people from various societal groups, including SC/ST/women, physically handicapped, former servicemen, and people below the poverty line (BPL) to consider self-employment or entrepreneurship as a possible career path. The primary focus of the scheme is to support new businesses, enhance the capabilities of existing MSMEs, and instill an entrepreneurship culture throughout the nation. The nature of assistance provided includes, industrial motivational campaigns, entrepreneurship awareness programs, entrepreneurship-cum skill development programs, management development programs among other events.

MSME Development Institute, located in Kolkata organizes regular training courses which comprises of theoretical and practical sessions for skill development for improving the skills of workers engaged in MSME sector and equip them with better technologies for production.

Figure 92: Overview of the implementation of ESDP in West Bengal



Source: MSME DFO, Kolkata

Scheme 9: MSME Champions Scheme

The MSME Champions Scheme has been formulated with three components namely, 'MSME Sustainable' (ZED), 'MSME-Competitive' (LEAN) and 'MSME-Innovative' (Incubation, Design, IPR).

□ MSME Sustainable Zero Defect and Zero Effect (ZED):

The programme encourages the MSME sector to produce goods with "Zero Defect" and "Zero Effect" on the environment to enhance the nation's brand image and encourage the manufacture of high-quality goods that meet international standards. The programme provides ZED certification to MSME businesses that adhere to the rules and satisfy the requirements. Officers from this institute participated in two ZED Scheme awareness campaigns in 2021 and 2022.

□ MSME- Innovative (Incubation, IPR and Design)

On March 10, 2022, the MSME Innovative Scheme was introduced. The primary goal is to encourage the development of knowledge- based innovative MSMEs enterprises that are desired to be developed at reputable Technical Management institutions before they can become commercially viable and attract venture capital. The MSME Idea Hackathon 2.0 was launched on October 2, 2022, under the "Incubation" component, with 632 Host Institutes (HIs) accepted and INR 20.57 crore issued for 257 ideas approved. In total, 24 Professional Design and Student Projects have been accepted under the "Design" component, as well as memorandums signed with IISc, Bangalore, 6 IITs, and 11 NITs. The "IPR" component has authorized 7 IP facilitation centres and reimbursed 126 patents and 1,387 trademarks.

6.4. Strengthening M&E Framework for MSME Support

The creation of an output-outcome framework for suggested interventions is necessitated by the requirement for a systematic method of evaluating the efficacy and significance of the activities planned for the RAMP programme. The framework serves as a systematic guide to understanding how inputs translate into outputs and, eventually, outcomes. The constituents of the framework include clear objectives, defined outputs, and expected outcomes, which will help in the identification of key performance indicators (KPIs) to measure progress and success.

In the context of the West Bengal government, such a framework would play an essential role in their Monitoring and Evaluation (M&E) process. By aligning the output-outcome framework as an M&E tool, the government can establish a comprehensive assessment mechanism. The integration would facilitate the collection of relevant data, allowing for evidence-based decision-making. The output-outcome framework's insights would enable the refinement of annual and quarterly targets, as well as the adjustment of activities under each proposed intervention. Through continuous assessment of outputs and outcomes, the government can identify areas for improvement, allocate resources effectively, and adapt strategies for optimal results. This iterative process ensures that interventions remain relevant, efficient, and impactful, ultimately contributing to the betterment of the MSME landscape of the State.

6.4.1. Output-Outcome Framework under RAMP

This section lists the short-, medium- and long-term impact of the interventions developed in the Strategic Investment Plan under the RAMP program. The short- and medium-term impacts have been denoted as outputs, and the long-term impact is shown as the potential outcome of the intervention. The interventions are further linked to the disbursement linked indicators illustrated in the RAMP manual.

Each output is mapped to an array of indicators and an objective of short, medium, and long-term goals in the output-outcome framework. Long-term targets will be attained in four years and subsequent. Short-term goals are those that will be accomplished in year one, medium-term goals are this will be accomplished by the end of year three.

Table 32: DLIs for MSME RAMP

Disbursement Linked Indicators	Key
Implementing central government MSME Institutional Reform Agenda	D1
Accelerating MSME Sector Centre-State collaboration	D2
Enhancing the effectiveness of Firm Capabilities Schemes	D3
Strengthening the receivable financing market for MSMEs	D4
Reducing the incidence of delayed payments	D5
Enhancing Effectiveness of CGTMSE and “GG” delivery	D6

Pillar 1: Setting up-Enterprises and Support to women entrepreneurs

Activities	Output			Outcome		Link with DLIs
	Output description	Indicators	Targets	Outcome description	Indicators	
Intervention: Accelerate Udyam registration in West Bengal						
<ul style="list-style-type: none">❑ Conduct “Duare Udyam” camps in 342 blocks and 125 municipalities❑ MSME Outreach Activities❑ Integrate Udyam registration with WB e-district service platform	Increased percentage of Udyam registration in proportion to total MMSME	Count of MSMEs registered in Udyam platform (cumulative in lakhs)	ST: 11.97 MT: 22.42 LT: 27.64	Increase in knowledge and ability to access benefits of State and Central sponsored schemes	Count in applications for State and Central schemes	D1, D2
Intervention: WhatsApp chatbot to provide scheme-related information to MSMEs						
<ul style="list-style-type: none">❑ Launch chatbot for increasing awareness regarding existing schemes and capacity building sessions❑ Conduct sessions for promoting chatbot❑ Establish monitoring mechanism❑ Facilitate helpdesk at districts	Increased knowledge and ability to access benefits of schemes	Number of MSMEs contacted through chatbot in absolute numbers (in lakhs)	ST: 11.56 MT: 18.98 LT: 22.03	Increased registration in ongoing schemes	Count of Udyam registered enterprises in West Bengal availing State and Central schemes	D1
		Total no. of conversations in absolute numbers (in lakhs)	ST: 50.59 MT: 212.23 LT: 346.04			
Intervention: Platform to connect investors with startups in West Bengal						
<ul style="list-style-type: none">❑ Identification of investors❑ Portal to connect investors with entrepreneurs❑ Industry connect sessions	Increased network of investors	Count of investors	ST: 10 MT: 30 LT: 40	Availability of funds and mentorship for startups to scale their businesses	Volume of available fund for MSMEs by investors (in INR crore), count of MSMEs received funding from investors identified through the portal	D1 and D6
	Improved knowledge of entrepreneurs on techniques to scale businesses	Count of workshops conducted	ST: 2 MT: 4 LT: 2			
		Count of investment deals made	ST: 5 MT: 15 LT: 20			

Activities	Output			Outcome		Link with DLIs
	Output description	Indicators	Targets	Outcome description	Indicators	
Intervention: Promotion of women entrepreneurship in West Bengal						
<div><div></div>Collection of information on women-owned enterprises across Bengal</div> <div><div></div>Awareness of State and Central schemes</div> <div><div></div>Expansion of market reach for products made by women entrepreneurs</div>	Database on women-owned enterprises	Women MSME database in districts ²¹⁸	ST: 23 MT: 23 LT: 23	Improved awareness on schemes and uptake of registration to schemes by women entrepreneurs	Count of women in participation in central schemes, brand recognition of women-made products across markets, increase in employment	D6
	Increase in awareness on central schemes for women-entrepreneurs	Count of awareness camps and hand-holding kiosks	ST: 23 MT: 46 LT: 23			
	Expansion of market reach through Biswa Bangla portal	Count of women-entrepreneurs onboarded on portal ²¹⁹	ST: 5 MT: 15 LT: 20			

²¹⁸ The target is based on % of total Udyam registered women-owned enterprises

²¹⁹ The target will be a % of total women-owned enterprises in Bengal

Pillar 2: Access to Finance

Activities	Output			Outcome		Link with DLIs
	Output description	Indicators	Targets	Outcome description	Indicators	
Intervention: Facilitate MSMEs for easier access to finance through marketplace lending						
<ul style="list-style-type: none">❑ Perform due diligence and shortlist suitable P2P/NBFC/FI for MSME financing platform❑ Prepare MoU, negotiate and finalise terms of reference of MoU❑ Encourage MSMEs to onboard on platform❑ Assess and evaluate capital raised by MSMEs through platform	Greater access to credit by the MSMEs and increase in transparency in credit transactions between MSME borrower and investors	Amount of capital raised by the MSMEs in the platform (cumulative in crores)	ST: 30 MT: 111 LT: 166			D 3
Intervention: Measures aimed at increasing the participation of MSMEs and enterprises in the TReDS platform						
<ul style="list-style-type: none">❑ Sign MoU with TReDS platform provider❑ Prepare proposal for mandating participation of PSUs.❑ Develop mechanism for estimating “TReDS reward points.”❑ Develop mechanism for identifying potential incentives.❑ Coordinate with partnered TReDS platform provider.❑ Conduct sessions for enhancing awareness about platform	Increased participation of sellers in TReDS platform	Count of MSMEs onboarded to the platform (cumulative)	ST: 0 MT: 20000 LT: 40000	Easy access to working capital and financial resources for MSMEs	Increase in turnover of enterprises	D2, D4
Intervention: Facilitate listing of small and medium enterprises from West Bengal in exchange platforms						

Activities	Output			Outcome		Link with DLIs
	Output description	Indicators	Targets	Outcome description	Indicators	
<input type="checkbox"/> Sign MoU with exchange trading platform <input type="checkbox"/> Onboard advisors for listing process <input type="checkbox"/> Conduct awareness sessions	Increase in access to financial resources	Number of SMEs listed on the platform (cumulative in number)	ST: 0 MT: 60 LT: 90	- Easy access to financial resources for MSMEs - Increase in brand recognition - Improvement in corporate governance	Amount of capital raised by SMEs	D4
Intervention: Implementation of measures aimed at expediting the resolution of payment related disputes						
<input type="checkbox"/> Empanelment of legal experts <input type="checkbox"/> Develop proposal for legal amendment <input type="checkbox"/> Develop overall design of online dispute management portal <input type="checkbox"/> Facilitate development of web portal <input type="checkbox"/> Conduct promotion of web-portal <input type="checkbox"/> Determine the criteria for establishing MSEFCs <input type="checkbox"/> Develop roadmap comprising recommendation for establishment of MSEFCs	Effective management of dispute	Number of cases managed through the online portal (cumulative in number)	ST: 0 MT: 1226 LT: 2953	- Easy resolution of payment related disputes	Number of cases resolved through the portal	D3, D5
		Number of virtual mediations conducted via the portal (cumulative in number)	ST: 0 MT: 816 LT: 2197			

Pillar 3: Access to Markets

Activities	Output			Outcome		Link with DLIs
	Output description	Indicators	Targets	Outcome description	Indicators	
Intervention: Facilitate implementation of “MSME Competitive (Lean) Scheme in West Bengal						
<ul style="list-style-type: none">□ Awareness programs on lean manufacturing□ Empanel lean partners□ Conduct value stream assessme□ Prepare detailed project report on areas of improvement and applicable lean tools□ Assist MSMEs to compete basic level under MSME lean□ Implementation of lean tools via-handholding support□ Preparation of lean manufacturing manual	Uptake of lean manufacturing in Bengal	Value stream mapping	ST: 2 MT: 6 LT: 8	<ul style="list-style-type: none">□ Improvement in manufacturing process and reducing wastage□ Convergence with international standard		D1, D2
Intervention: Strengthening existing marketplace portals, integrate with ONDC, promotion of GI products of Bengal						
<ul style="list-style-type: none">□ Current state assessment of the existing e-commerce websites□ Re-design the e-commerce websites□ Integrate with ONDC□ Promotional videos for 23 GI products of Bengal	Increase in brand recognition and sales from the websites and from other buyer platforms	Value of sales from different buyer platforms (y-o-y)	ST: 10% incr MT: 20% incr LT: 10% incr	Greater access to market both nationally and internationally	Increase in revenue of the 3 brands: Manjusha, Tanuja, Biswa Bangla	D3
		No. of visits to the website	ST: 20% incr MT: 50% incr LT: 20% incr			
Intervention: Utilizing funds under the “Trade Infrastructure for Export Scheme” to create Zonal Export Hubs						
<ul style="list-style-type: none">□ Scoping and Mapping for export infrastructure requirement in and preparation of Action Plan for each zone□ Preparation of DPR□ Branding and marketing□ Investor’ summit	Action plan for growth of export/logistics hub along with preparation of DPR for each export hub	Count of proposals submitted under TIES scheme (cumulative)	ST: 1 MT: 3 LT: 4	Diversification of MSME products exports and increase in product certification as per international standards	Increase in number of clusters involved in exports Number of new markets accessed Increase in State tax revenue from exports	D 3

Activities	Output			Outcome		Link with DLIs
	Output description	Indicators	Targets	Outcome description	Indicators	
					Increase in volume of exports	
Intervention: Develop a “New Generation Exporters Development” program						
<input type="checkbox"/> Identification of clusters <input type="checkbox"/> Outreach drives in each cluster <input type="checkbox"/> Awareness programs and training sessions <input type="checkbox"/> Visit to national and international trade fair	Increased awareness and knowledge about national developments	# of EAs sent for national trade shows # of EAs sent for sub-national trade shows	ST: 2000 MT: 6000 LT: 8000 ST: 800 MT: 2400 LT: 3200	Diversification of MSME products exports and increase in product certification as per international standards	Number of new markets accessed Increase in State tax revenue from exports Increase in volume of exports	D 3
	Increased exports from selected cluster	# of EAs sent for inter-national trade shows	ST: 16 MT: 48 LT: 64			

Pillar 4: Access to technology

Activities	Output			Outcome		Link with DLIs
	Output description	Indicators	Targets	Outcome description	Indicators	
Intervention: Development of one-stop platform called “West Bengal Technology Access Portal” for providing access to digital service providers and experts						
<ul style="list-style-type: none">❑ Recruitment of professional for assisting in preparation of DPRs❑ Onboard enterprises providing services related to digital software❑ Integration of payment gateway❑ Facilitate launch of website❑ Set up grievance redressal mechanism	Improved convenience in preparing DPRs ²²⁰	Number of MSMEs that have availed “DPR expert” services (cumulative in number)	ST:0 MT: 1200 LT: 1800	Implementation of Industrial IoT solutions in MSME clusters	Improvement in turnover of enterprise	D4
	Enhanced productivity and performance on account of the implementation of digital software ²²¹	Number of MSMEs that have availed the services of digital software providers (cumulative in number)	ST: 0 MT: 800 LT: 1200			
Intervention: Develop a one-stop platform for providing access to AI and Industrial IoT solution providers						
<ul style="list-style-type: none">❑ Conduct awareness sessions for encouraging participation❑ Onboard AI and IoT solution providers❑ Development of roadmap for the website❑ Facilitate launch of the website❑ Conduct promotion sessions for the web portal❑ Set up grievance addressal mechanism	Increased in the adoption of IoT and AI solutions	Number of MSMEs/MSME cohorts that have availed the services of AI and IoT solution providers (cumulative in number)	ST: 0 MT: 300 LT: 500	Informed decision making on financial and operational aspects of business	Improvement in turnover of enterprise	D4
Intervention: Preparation of strategic foresight reports and development of web-portal for providing access sector-specific foresight report						

²²⁰ The number of MSMEs that will avail the “DPR expert” services, is estimated on the basis of awareness sessions. It is assumed that the team will be able to convert 3, 4 and 5 enterprises per each session in Year-2, Year-3, and Year-4 respectively

²²¹ The number of MSMEs that will avail the digital software services, is estimated on the basis of awareness sessions. The digital software solutions are available across 6 different areas and thus it assumed that the team will be able to convert one MSME for each service per cluster in the Year-2 and Year-3. The number of MSMEs that have availed the services of digital software per each area is assumed to be 2 in Year-4.

Activities	Output			Outcome		Link with DLIs
	Output description	Indicators	Targets	Outcome description	Indicators	
<ul style="list-style-type: none"> □ Establish “Foresight team” □ Appointment of sectoral experts from clusters □ Prepare Strategic Foresight Report for 2025-27 □ Conduct empanelment process for firms that can prepare Strategic Foresight reports □ Facilitate the development of web portal □ Conduct promotion of “Foresight” web-portal □ Establish Committee for conducting Strategic Foresight □ Conduct capacity building exercises for the committee 	Increase in the integration of strategic foresight studies in the strategy formulation stage	Number of enterprises that availed the benefits of “Strategic Foresight” experts	ST: 0 MT: 8 LT: 16	Informed decision making on financial and operational aspects of business	<ul style="list-style-type: none"> - Improvement in turnover of enterprise - Low cost of products and inventory 	D4
Intervention: Enhance awareness about intellectual properties and strengthen capabilities in the registration, management, and commercialization of intellectual properties						
<ul style="list-style-type: none"> □ Conduct empanelment process for IP Experts □ Conduct awareness/sensitization sessions for MSMEs at block level □ Conduct interactive seminars at the district level □ Set-up mobile IP Clinics at the district level □ Encourage personnel of facilitation center to opt for short-term training □ Develop roadmap for developing the WB IPD □ Onboard service provider for developing website □ Integrated payment gateway with the website □ Launch web portal and conduct promotion sessions □ Conduct knowledge transfer sessions aimed at increasing awareness about the commercialization platforms □ Make envisaged changes to “Biswa Bangla” website 	Enhanced capabilities in intellectual properties	Number of intellectual properties uploaded on the WB-IPD web-portal (cumulative in number) ²²²	ST: 0 MT: 0.15 T LT: 0.2 T	<ul style="list-style-type: none"> - Improved brand recognition - Improved quality of products and services - Collateral to obtain finances facilitating technology transfer - Growing license sales and royalty revenue - Opportunity for acquisition 	<ul style="list-style-type: none"> - Amount of investments - Quantity of products sold - Commercial partnerships made 	D1, D2
	Improved potential for commercializing intellectual properties	Number of intellectual properties that were commercialized via the portal (cumulative in number)	ST: 0 MT: 0.0025T LT: 0.01T			
		Number of products sold through the “GI-tagged” web portal of Biswa Bangla	ST: 0 MT: 0 LT: 10% ²²³			

²²² Please note that T indicates the total number of intellectual properties registered by the residents and educational institutions established in West Bengal. These numbers are incremental.

²²³ Increment in sales

Pillar 5: Capacity Building

Activities	Output			Outcome		Link with DLIs
	Output description	Indicators	Targets	Outcome description	Indicators	
Intervention: Conduct sector specific, cluster-wise trainings						
<ul style="list-style-type: none">□ Identification of major sectors and related clusters□ Conduct TNA□ Skill gap assessment□ Identification of sector specific trainings in clusters□ Awareness activities□ Develop skill voucher framework	Increased knowledge and skills at cluster level	Training sessions conducted in sector-specific clusters in all districts (cumulative)	ST: 200 MT: 600 LT: 800	Improvement in technical skills and knowledge required to scale businesses	Increase in productivity, product quality, volume of products exported, employment, average turnover of firm	D2, D3
Intervention: MSME cluster-level exposure programs						
<ul style="list-style-type: none">□ Preparation of proposition and detailing of exposure program□ Identification of clusters in other states/ CSIR labs□ Advertising and generation of awareness□ Cluster presentation and knowledge transfer	Higher technical knowledge and national level exposure	Number of beneficiaries taking part in the cluster exposure program	ST: 200 MT: 1100 LT: 1600	Improvement in technical skills and knowledge required to scale businesses	Increase in productivity, product quality, volume of products exported, employment, average turnover of firm	D2, D3

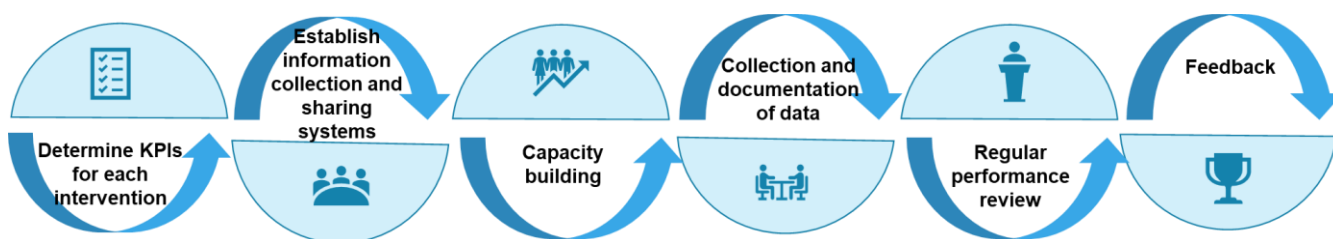
Pillar 6: Green/Sustainable Interventions

Activities	Output			Outcome		Link with DLIs
	Output description	Indicators	Targets	Outcome description	Indicators	
Intervention: Devise environmental risk mitigation measures for encouraging adoption of environment-friendly and green practices in the MSME ecosystem						
<ul style="list-style-type: none">□ Identification of sectors vulnerable to environmental risk□ Identification of clusters per sector□ Cluster-level consultations for identification of challenges□ Risk assessment□ Development of sector-wise environmental risk mitigation guidelines□ Sharing of guidelines with clusters and uploading them online□ Conducting workshops and sensitization sessions	Increased awareness about environment-friendly and green practices; and environment risk mitigation strategy for each sector	Number of sector specific environment risk assessment	ST: 2 MT: 4 LT: 2	Usage of green technology for production	Count of defects per product using new machinery vis-à-vis old equipment Production at competitive prices Reduction in operation cost Increase in employment of skilled labor	D3
		Number of sector-wise risk mitigation guideline document	ST: 2 MT: 4 LT: 2			
		# of beneficiaries of the Green MSME Development Scheme (cumulative)	ST:10 MT:30 LT: 40			
Intervention: Increase in ZED certification						
<ul style="list-style-type: none">□ Finalization of incentives to be provided by the state government□ Awareness creation□ Advertisements through media	Increased awareness and count of ZED certifications	Number of ZED (Gold, Silver, and Bronze) certifications	ST: Bronze-80, Silver-5, Gold- 2 MT: Bronze-300, Silver-20, Gold- 12 LT: Bronze-450, Silver-30, Gold 20	Improved product quality and environmental certification to expand market at domestic and international level	Count of entrepreneurs using platform and incentives to improve quality of products and processes	D1, D2

6.4.2. Proposed M&E framework

The MSME department's monitoring and evaluation structure can be strengthened to increase the department's effectiveness and impact. The department can more accurately evaluate the progress of its projects and spot areas for improvement by setting clear targets and quantifiable indicators. Putting in place a strong data management and collection system will give important insights into the performance of MSMEs and enable evidence-based decision-making. Accountability and trust among stakeholders will result from regular and transparent reporting of results. The department can improve strategies and concentrate on effective interventions by using impact assessments to determine the true consequences of its programs on MSMEs and the larger economy. It will be easier to incorporate lessons from both successful and unsuccessful initiatives if learning and adaptation are prioritized. Additionally, incorporating monitoring and evaluation data into policy design will result in interventions that are more specialized and successful. In the end, a strengthened monitoring and evaluation system will enable the MSME department to influence significant change, promote economic growth, and create an environment that is supportive of West Bengal's thriving MSME sector.

Figure 93: Strengthening M&E framework at the Institution levels



- 1. Determine well-defined indicators to measure the implementation of the interventions-** It is essential to establish clear indicators for officials of the Directorate at various levels. These indicators need to be aligned with the objectives and goals that the Directorate has for the MSME sector in intervention. This will enable the Directorate to track the actual progress of the implementation of schemes, disbursement of credit, trainings carried out and other parameters. Table 33 shows the M&E framework for the intervention and the parameters for evaluation of interventions are mentioned



Table 33: M&E Framework for project/scheme implementation (Illustrative)

Sl.no	Indicator	Baseline	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Intervention: WhatsApp chatbot to provide scheme-related information to MSMEs						
1	Cumulative number of MSMEs contacted through chatbot					
2	Total no. of conversations					
3	Count of downloads (information regarding the programs)					
4	Count of registrations for capacity building sessions through chatbot					

- 2. Establishing information collection and sharing arrangements-** After the evaluation parameters are decided, a platform for data reporting and program monitoring could be prepared by establishing Technology Platforms dashboards. A Management Information System (MIS) could be put in place for each

intervention to ensure tracking of beneficiaries through the life cycle of the intervention, gender-disaggregated beneficiary data etc.

3. **Conduct capacity building and training of officials-** After the establishment of digital platforms for data collection, it is essential to provide training on the usage of the platforms. Capacity- building sessions could be conducted at various levels (IDOs, GM-DICs, officials at the zone and the directorate level). Skills like digitization, sensitization to various new concepts, data analysis amongst others should be imparted to ensure maximum utilization of the MIS systems. This will enable the polishing of existing skills and the creation of new ones, resulting in better and faster output at all levels.
4. **Collection and documentation of records and data-** After training officials, data and records regarding beneficiaries of schemes, the amount of credit disbursed, promotional activities, training sessions etc. should be uploaded in real time and made available to the relevant stakeholders. The data uploaded should be gender disaggregated and by other social groups. This will allow higher levels of transparency and accountability for individuals at all levels. It will also enable the officials at various levels to understand the current scenario, the areas of success, and the areas in need of improvement, based on which the next steps will be decided.
5. **Conduct regular performance review-** Regular performance reviews—monthly—should be held, especially at the district and block levels. These reviews can be carried out through structured evaluation, including senior official evaluations, peer evaluations, and self-evaluations based on the pre-decided parameters. The focus should be placed on meeting targets and the progress under the various parameters.

Scheme implementations	Problem-solving abilities
 Increase in number of beneficiaries, promotional activities	 Problem solving, time management, adherence to timelines
6. **Provide feedback for further implementation-** There should be a constant feedback culture to gather inputs from various stakeholders at the directorate, industry associations, districts, and other relevant levels. Feedback could be collected during consultations as well as through online platforms. The relevant feedback should further be incorporated to address the challenges thus identified. This will enable processes to be carried out smoothly and ensure achievement of best results.

6.5. Environmental and Social Management for MSME support

The MSME sector is essential to West Bengal's economic growth and incorporating social and environmental management practices is necessary for long-term sustainability and responsible business operations. The department of MSMEs would take initiative so that MSMEs follow environmental standards, carry out adequate waste management and resource conservation, to promote ethical business practices. The department of MSME would raise awareness regarding adoption of green technologies and sustainable resource management techniques can help organizations reduce their environmental impact and, in the long run, save money. Here are some aspects which shall be considered in the social and environmental management within the MSME sector in West Bengal.

Initiatives	Strategy
Waste Segregation Facility	<input type="checkbox"/> Have a dedicated Waste Segregation Facility Management inside the facility (or at least clusters) premises such as separate collection system for Dry waste, Wet waste, Plastic waste and E-waste.
Green Certified Materials	<input type="checkbox"/> Identify quality aspects and implement systems for products and processes to ensure consistent, high quality, Eco-conscious and Eco-friendly (such as

Initiatives	Strategy
	Greenpro/ FSC certified) materials and/or products to ensure optimal inventory, reduce material wastage and associated risks.
Zero Defect, Zero Effect (ZED)	<ul style="list-style-type: none"> <input type="checkbox"/> Communicate and assist MSMEs in adopting ZED practices <input type="checkbox"/> Periodical review of organizational performance on the ZED parameters including regulatory requirements <input type="checkbox"/> Develop procedures to control hazards that may arise during non-routine operations
Extended Producer Responsibility (EPR)	<ul style="list-style-type: none"> <input type="checkbox"/> Product take- back requirements- Producers must take back their products from consumers when they become waste and are made responsible for their end-of-life management. Requirements often involve mandatory or voluntary recycling and collection targets for specific products or materials. <input type="checkbox"/> Market- based incentive- <ul style="list-style-type: none"> o Deposit refund schemes: Under the scheme, consumers pay a deposit at the time of purchasing an item, which is refunded at the time of waste item return. o Advance disposal fees: Under the scheme, consumers pay a fee based on estimated collection and treatment costs at the point of purchase, which is used to finance end-of-life management of the products. <input type="checkbox"/> Follow regulations and maintain performance standards which include product standards, such as requirements for minimum recycled content. <input type="checkbox"/> Use information-based instruments, which refer to providing information to consumers and/or producers to support the implementation of EPR.
Waste Minimization & Clean Technology	<ul style="list-style-type: none"> <input type="checkbox"/> Adopt programs for clean technologies and develop tools and techniques for pollution prevention <input type="checkbox"/> Emphasize on changing the nature of process inputs (ingredients, energy sources, recycled water, etc.), changing the final product or developing alternative products and on-site reuse of wastes and by-products.
Common Effluent Treatment Plants (CETP)	<ul style="list-style-type: none"> <input type="checkbox"/> Periodic monitoring of the toxicity of pollutants and the pollution load being generated and treated.

6.6. Details of activities carried out by the development centers and DIC/ sub DICs in the state and the strategy to strengthen the eco-system

6.6.1. District Industries Centre (DIC) /Sub-DIC

One of the most important facets of development is advancing awareness at the grassroots level. In the MSME sector, this responsibility is borne by the District Industries Centre (DICs). The DIC programme was enacted by the Government of India more than four decades ago, to foster the rapid development of industries in various corners of the country. They have been entrusted with the task of advancing the industrial profiles of their respective districts and making them a part of the overall industrial map of India. The responsibilities bestowed upon the DICs can be seen in the table below:

Responsibilities of the DIC	
Awareness programmes, seminars and campaigns to attract new entrepreneurs	Interaction with the entrepreneurs and providing them information on different schemes and programs related to promotion and development of micro, small & medium enterprises
Extending support to entrepreneurs for preparation of Schemes and Project Report	Issue of Pollution Clearance Certificate
Issue of acknowledgment against filing of Entrepreneurs Memorandum, Part I and Part II/ Udyog Aadhaar Memorandum	Providing handholding and facilitation services to the entrepreneurs in getting statutory clearances like electricity connection, land mutation and conversion, pollution clearance etc. through MSME Facilitation Centres (MFC) in liaison with other departments
Assisting the entrepreneurs for credit linkage with banks and financial institutions through Finance Clinic.	Providing information on source of Plant & Machinery and Equipments.
Implementation of cluster development programme	Arrangement for Entrepreneurship Development Programme and Entrepreneurship Skill Development Programme.
Registration and support to Industrial Co-operatives/artisan co-operatives	Implementation of Govt. sponsored programmes.
Recommendation for providing Infrastructural support like allotment of sheds/plots provided by WBSIDC Ltd.	Providing support for setting up Rural Haat, Karma Tirtha etc.
Processing and disbursement of subsidy under the State Incentive Scheme.	Providing marketing assistance through participation in exhibition, trade fair and handicrafts expo.
Organizing district level competition for artisans/and awarding to handicraft artisans	Recommendation to artisans for artisans' credit card

The state of West Bengal is divided into four zones, followed by a discrete number of districts in each, as seen in **Figure 94**. There are a total of 23 districts in the state and each of these has a DIC or sub-DIC, headed by a General Manager and referred to as the GM-DIC. The DIC have played a very significant role in the development of industries in West Bengal. They have been a bridge between the Directorate and the entrepreneurs, assisting in a continuous flow of support and information.

Recognition of budding entrepreneurs is done at various levels, such as cluster, block or district, through a finance clinic, direct communication or interaction. After recognizing potential entrepreneurs, they are advised to choose schemes like PMEGP, WBBCS, ACC, WCC, WBIS and Banglashree for financial support according to their requirements. The DICs in every district of West Bengal have focused greatly on bringing awareness about the national and state level schemes for the MSME sector. In the past five years, they have held many workshops, awareness programmes, training sessions and motivational seminars to encourage both potential and existing entrepreneurs. The activities performed by them, categorized in the pre- and post-investment stages, can be seen in the figure below:

Figure 94: Departmental hierarchy of DICs

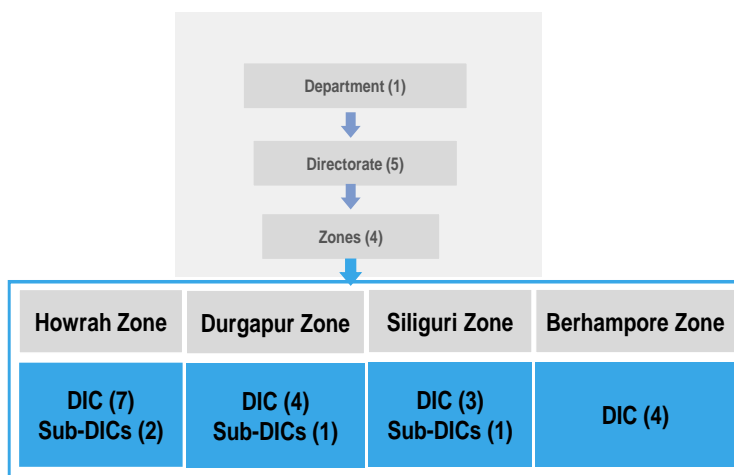
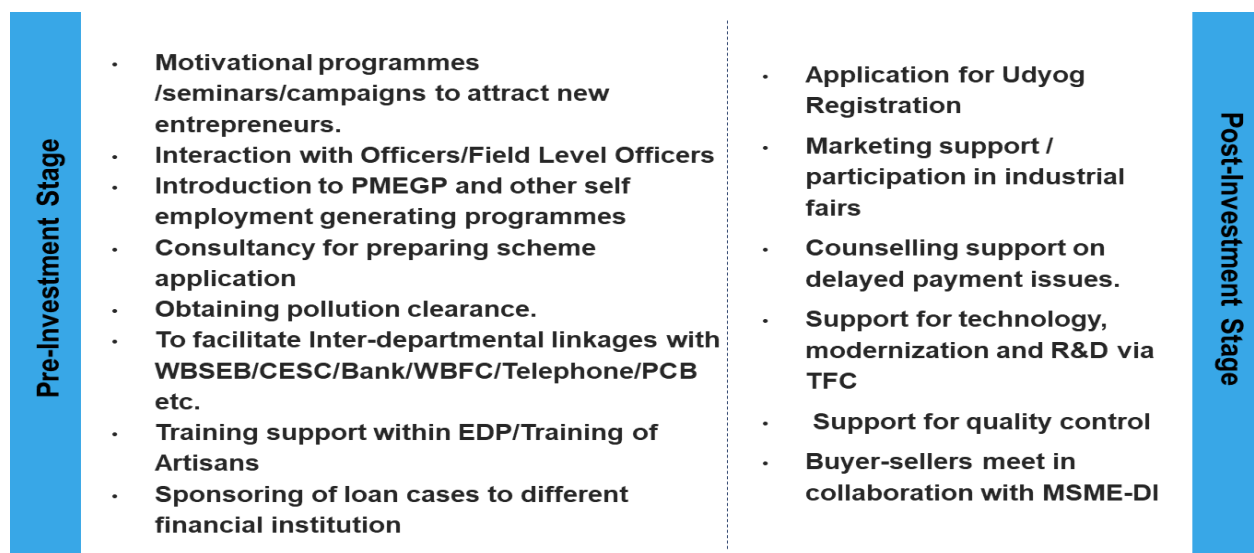
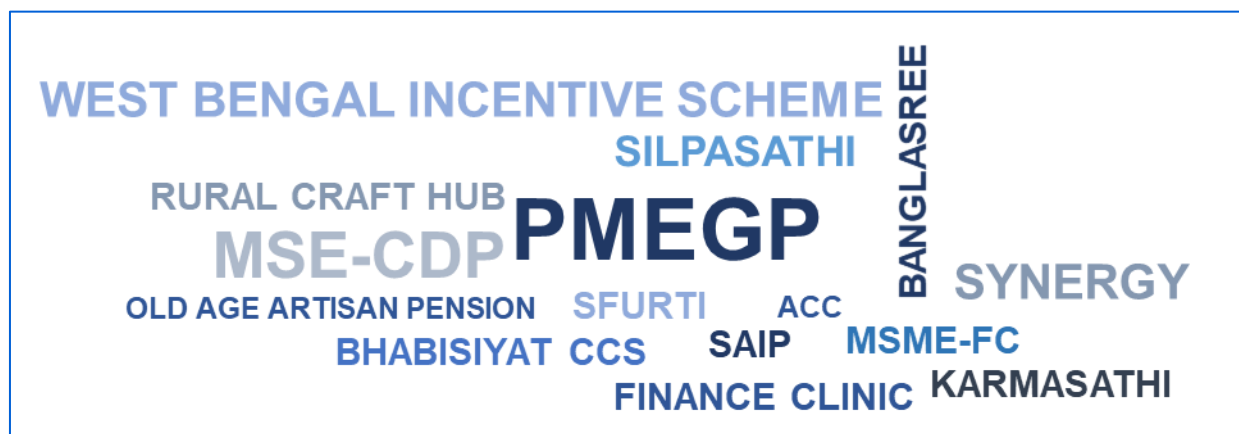


Figure 95: Stages of Investment



Scheme implementation is one of the most important responsibilities of the DICs. Beginning with awareness creation, the DICs in each district provide hand holding support in filling the application, gathering relevant documents and submitting it to the directorate, to the MSME units to avail both national and state schemes. A list of schemes that the DICs have focused on in the past 5 years is given below:

Figure 96: Awareness sessions has been conducted for the following schemes by the DICs



The GoWB launched "Utkarsh Bangla", a flagship scheme, on 16 February 2016 under the aegis of the PBSSD (Paschim Banga Society for Skill Development), for placement- linked short-term skill trainings across the State of West Bengal. The DICs are tasked with sensitization of MSME units to onboard them on the Utkarsh Bangla portal for fresh or re-skilled manpower. They also place demands on the skill training required by the MSME units in their district.

6.6.2. Development Centres

MSME Facilitation Centre

All the 23 districts in West Bengal have a MSME Facilitation Centre (MFC) located in their respective area of operation. The MFCs are dedicated service providers on statutory compliances for an MSME entrepreneur. The MFC is tagged to the online Single Application Gateway (SAG) through the MyenterpriseWB portal and act as a single point to receive all applications made by an entrepreneur to various government entities for compliances and to avail government incentives. The hands-on facilitation services provided by an MFC to Micro, Small & Medium Enterprises entrepreneurs include:

Figure 97: Services offered by the MFC

Information on statutory compliances needed to set up an enterprise or to avail government incentives.	Application forms of all kinds for required certificates, licenses, permission etc. relevant to MSMEs	Hand-holding support to fill out the forms.
Thorough checking of forms to ensure they are correct in all respects	Submitting the application to respective government office.	Collecting certificate/license on behalf of applicant (in person/through single application / electronics mode)

6.7. Strategy on improving EoDB in West Bengal

Overview

West Bengal has incubated the second highest number of MSME in the nation, as a result, establishing a favourable business environment is of utmost importance to the state. The manufacturing sector in the state managed to achieve a growth rate of 5.8% in the index of Industrial Productivity (IIP) in comparison to the negative growth of -1.4% of the nation as a whole. Instituting regulatory reforms has been a priority agenda of all the state government departments, especially in the past few years when the pace of reforms has been faster than ever. The 100 or so reforms implemented in 2015 have now totaled to 300 reform points. The state has reduced the burden of approximately 500 regulatory compliances for businesses. A list some of significant reforms is given below:



Reduced compliances and removal of redundant laws

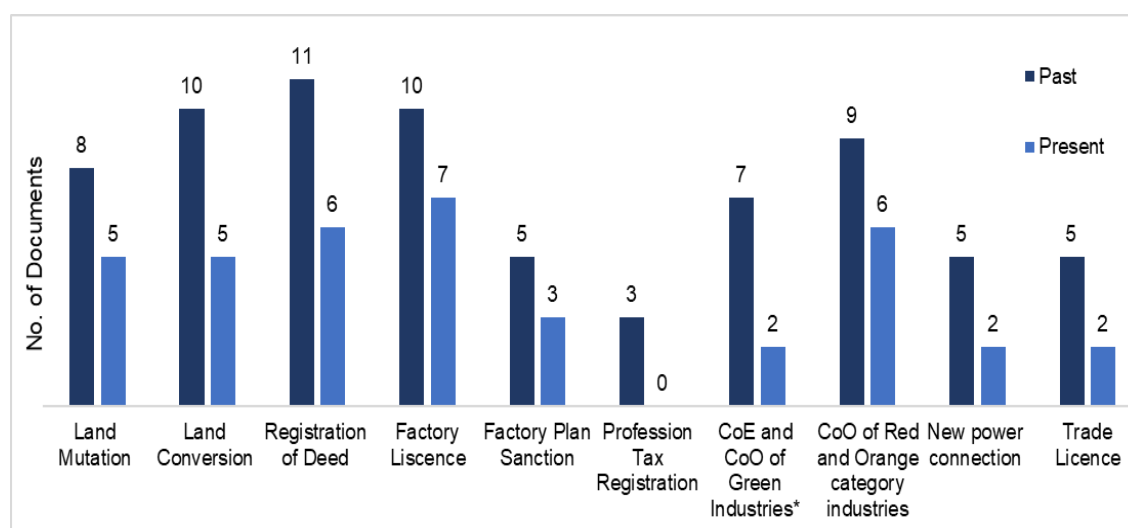
The state had constituted an Empowered Committee in August 2020, under the Chairmanship of Chief Secretary with the Secretary of Finance, Labour, Fire & Emergency Services, L&LR and RR&R, UD&MA, MSME & T, Law and Industry, Commerce & Enterprises as members to fulfil the task of minimizing regulatory burden.

Outcome:

- ☐ The compliance burden has been reduced by 503 for G2B services
- ☐ 41 obsolete laws have been identified for repealing
- ☐ The state launched online real-time issue of Trade License, Single Window for building plan approval along with NOCs from concerned departments
- ☐ Appointment of Sub-Nodal officers has been approved in each department to ensure identification and reduction of G2B and G2C services.

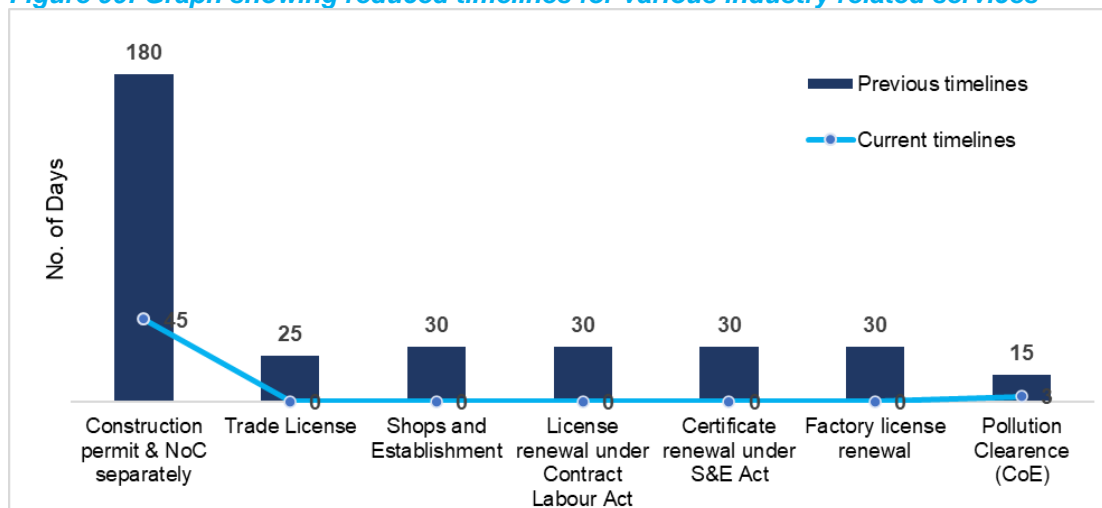
Apart from reduced compliances, there has also been deduction in documentation requirement and service delivery timelines. These have been illustrated in the graphs given below:

Figure 98: Graph showing reduced documentation for various industry related services



Source: Do Business with Ease, Department of MSME & Textile, April 2022


Figure 99: Graph showing reduced timelines for various industry related services



Way Forward


West Bengal has set out on the path of complete online presence. Most of the services that an entrepreneur might avail have been virtualized and others are in line as well. With the Sub-nodal officers being deployed in various departments, every year, the redundancies in compliances and additional steps will be curbed and the process of establishing and conducting business in West Bengal will be made hassle free. The two marquee reforms, the single window portal and the website for entrepreneurs will serve as complete guide for businesses to navigate the compliance regulations in West Bengal.

SILPA SATHI
Single Window System



Assisting investors in setting up industries in West Bengal by submitting a Common Application Form in the Single Window Cell at WBIDC

MYENTERPRISEWB



One-stop portal for MSMEs launched by GoWB for demystifying and simplifying the process of establishing and operating an enterprise in the state.

Annexures

Annexure 1: Awards received by MSME textile department

Sl#	Year	Awards	Organization
1.	2023	SKOCH Silver Award for “West Bengal Bhabishyat Credit Card”	
2.	2022	SKOCH Group conferred Gold Award to Manjusha for its excellent performance in promotion and development of handicraft sector of the State.	Manjusha
3.		Governance Now in its 9 th edition honored Manjusha with 9 th PSU Award in the category of Resilient Growth	Manjusha
4.		Tantuja was honored with SHOCH Platinum Award by the SKOCH Group for ‘Supply of Fabric for School Uniform’	Tantuja
5.		Governance Now in its 9 th edition honored WBSIDCL with 9 th PSU Award in three categories: (a) State PSU leadership (best MD); (b) Use of emerging technology; (c) Contribution in nation building	WBSIDCL
6.		Won SKOCH Governance Gold Award conferred by the SKOCH Group for implementation of online Bangla Shree incentive scheme for manufacturing MSMEs under Ease of Doing Business.	MSME Directorate
7.		Got ‘Excellence Award’ for performance of WB Micro and Small Enterprises Facilitation Council from the Confederation of Indian Micro, Small & medium Enterprises supported by the Development Commissioner, MSME, Govt. of India.	MSME Directorate
8.	2021	SKOCH Platinum Award for introduction of ‘Silpasathi portal- online single window system’.	
9.	2020	TANTUJA won SHOCH Platinum Award from the SKOCH Group for its transformational performance during Covid-19 Global Pandemic	Tantuja
10.		WBSIDCL won SHOCH Silver Award from the SKOCH Group for introduction of online land allotment, building plan sanction etc	WBSIDCL
11.	2018	MANJUSHA won SKOCH Gold Award in 2018 in the category of Turnaround of the organization’	Manjusha
12.		TANTUJA won national Award from the Ministry of Textiles, Govt. of India for ‘Design Development of Handloom Goods’	Tantuja
13.		Confederation of Indian Micro, Small & Medium Enterprises supported by the Development Commissioner, MSME, Govt. of India conferred ‘Excellence Award’ for performance of WB Micro and Small Enterprises Facilitation Council	MSME Directorate

Sl#	Year	Awards	Organization
14.	2017	Images Retail Award was conferred to MANJUSHA by India Retail Forum for in the category of 'Best Turnaround Story' for its outstanding performance	Manjusha
15.		The SKOCH Group honored MANJUSHA with SKOCH Award of Excellence in the category of 'Blue Economy'	Manjusha
16.		Images Retail Award was conferred to TANTUJA by India Retail Forum in the category of 'Best Turnaround Story' for its outstanding performance	Tantuja
17.	2015	Ministry of Textiles, Govt. of India conferred National Award to Tantuja for remarkable achievement in "Marketing of Handloom Goods".	Tantuja

Annexure 2: GI Tag products of West Bengal

Darjeeling Tea	Dhaniakhali Saree	Dalle Khursani chillies
Laxman Bhog Mango	Joynagar Moa	Tulaipanji Rice
Khirsapati Mango	Sitabohog of Bardhaman	Himsagar Mango of Malda
Fazli Mango of Malda	Dokra	Gobindbhog Rice
Nakshi Kantha	Patachitra	Mihidana
Santiniketan Leather Goods	Chau mask of Purulia	Banglar Rosogolla
Santipur Saree	Wooden mask of Kushmandi	
Baluchari Saree	Madurkathi mats	

Annexure 3: Notification of Citizen Charter



Govt. of West Bengal
Department of Micro, Small & Medium Enterprises and Textiles
Oilpa Bagan, 4 Abanindranath Tagore Sarani (Camac Gtrcct)
7th & 8th floor, Kolkata - 700016

No.: 3916-MSMET-III/2M-1/2023

Date: 14.09.2023

NOTIFICATION

With a view to provide effective and quick services to MSMEs and to set up a more organised system of delivery of services with transparency and responsibility, the proposal for notifying citizen charter of District Industries Centres was under active consideration of this Department for sometime past. Therefore, as a first step in that direction, the Department after careful consideration has decided to notify the citizen's charter as follows:

Preface:

West Bengal has the potential to become the leading state in terms of MSME productivity. This is not only because of presence of large number of MSME units, but also for the diversified approach from production to services. The varied segments are food processing, agro industries, leather, gems and jewellery, mineral based industries, iron and steel, handicrafts, manufacturing enterprises and service sector. District Industries Centres, located in each district of the State, are the functional arm of the Government in implementing various activities related to industrialisation of the State in the MSME sector. The major role of the District Industries Centre is to act as a facilitator to industrial promotion and sustainability of MSMEs in the State. The facilitative interventions of District Industries Centres are in the areas of creating an enabling eco-system, skill development, technology intervention, and marketing.

Vision:

To create a sustainable ecosystem in the MSME sector which can maximize the utilization of resources and widen the area of operation to make the State emerge as the MSME leader in the country.

Mission:

- To increase the ancillarisation and vendor linkage of MSME
- To create an enabling business environment and a synergistic approach
- To provide Incentives for energy efficient and cutting edge technology coupled with thrust on skill development
- Cluster development and regional innovation approach
- To facilitate additional flow of funds and other fiscal interventions

Objectives:

- To provide a better and more conducive business environment for MSME sector
- To propose reducing regulatory compliance burden
- To handhold MSMEs for obtaining all clearances through State Single Window Portal
- To propose introducing timelines defined in respect of clearances under WBRTPS Act
- To enhance the quality of human resources through training and skill development
- To promote pooling of common services and functions (common facility centre) under cluster approach for the benefit of smaller players
- To strengthen participation of and support to SHGs and Cooperatives in the production and marketing in micro enterprise sector with special focus on readymade garments, handicrafts and village industries
- To facilitate setting up of industrial estates for providing basic infrastructure to MSMEs
- To facilitate setting up MSE clusters in each Block of the State
- To create marketing infrastructure and marketing support through setting up of haats/parks and facilitate participation of MSMEs in fairs/expo/exhibitions

Services:

Page 1/2

Sl. No	Service	Designation of Officer Responsible	Timeframe for service delivery
1.	Consent to Establish & Consent to Operate (both fresh & renewal) for Green Category industries having capital investment upto INR 5 Crore except for industries located within Calcutta Leather Complex	General Managers of District Industries Centres & Officer in-charge of the Sub District Industries Centre, Siliguri	Approval will be given within 2 days after submission of complete application along with required documents. Certificate will be issued within a day after making successful payment
2.	Financial benefit under West Bengal Incentive Scheme 2013 for extended period and Bangla Shree (Approval Intent Letter)	General Manager/ District Industries Centre, and Officer-in-charge, sub-DIC, Siliguri	Approval will be given within 60 days after submission of application along with required documents
3.	Financial Benefit under West Bengal Incentive Scheme 2013 for extended period and Bangla Shree - Sanction	General Manager/ District Industries Centre, and Officer-in-charge, sub-DIC, Siliguri	After placement of required fund, sanction of application will be made within 20 days
4	Financial benefit under West Bengal Incentive Scheme 2013 for extended period and Bangla Shree-Disbursement	General Manager/ District Industries Centre, and Officer-in-charge, sub-DIC, Siliguri	After fulfilment of pre-disbursement formalities by the beneficiary, disbursement will be made within 20 days
5	Vetting of Scheme/ Project Report submitted by MSMEs	General Manager/ District Industries Centre, and Officer-in-charge, sub-DIC, Siliguri	Vetting will be done within 15 days after submission of Scheme/ Project Report complete in all respect
6	Sponsoring of loan proposals to Banks under Self-employment Programme and/ or other Schemes submitted by MSMEs	General Manager/ District Industries Centre, and Officer-in-charge, sub-DIC, Siliguri	Sponsoring will be done within 15 days after submission of proposals complete in all respect

Principal Secretary to Govt. of West Bengal

No. 3916/1(A)/MSMET-III/2M-1/2023

Date: 14/09/2023

Copy forwarded for information and necessary action to:

1. Director, MSME
2. Joint Director, HQ/ P & S/ BG/ Empl./ Baharampore zone/ Howrah Zone/ Durgapur Zone/Siliguri Zone
3. OSD & Ex-officio Deputy Director of MSME
4. General Manager, District Industries Centre _____

Joint Secretary to Govt. of West Bengal


Annexure 4: Notification of plastic waste management rule 2021 and Extended producers Responsibility (EPR)

Registered No. WB/SC-247

No. WB(Part-I)/2022/SAR-899

The

Kolkata



Gazette

सत्यमेव जयते

Extraordinary
Published by Authority

ASADHA 6] MONDAY, JUNE 27, 2022 [SAKA 1944

PART I—Orders and Notifications by the Governor of West Bengal, the High Court, Government Treasury, etc.

GOVERNMENT OF WEST BENGAL
ENVIRONMENT DEPARTMENT
PRANI SAMPAD BHAWAN, 5TH FLOOR, LB-2, SECTOR-III, SALT LAKE, KOLKATA-700 106

No. EN/1209/3C-22/2019

Kolkata, 27th June, 2022

NOTIFICATION

WHEREAS plastic carry bags and disposable single-use plastics, including thermocol, cause short-term and long-term environmental damage and health hazards;

AND WHEREAS Article 48A of the Constitution of India, *inter alia*, envisages that the State shall endeavour to protect and improve the environment;

AND WHEREAS it is observed that Single Use Plastic (SUP) items including Polystyrene (Thermocol) and expanded Polystyrene are non-biodegradable and produce toxic gases on burning and such items cause choking of sewers and drains, reduce soil fertility and pose a threat to life of cattle when they ingest plastic waste;

AND WHEREAS with a view to prevent the recurrence of such problems, Ministry of Environment, Forest and Climate Change, Government of India, has notified Plastic Waste Management Rules, 2016 *vide* GSR 320 (E) dated the 18th March, 2016, as subsequently amended *vide* G.S.R No. 571(E) dated 12th August, 2021 and G.S.R. 133 (E) dated 16th February, 2022, whereby the manufacture, import, stocking, distribution, sale and use of plastic carry bag made of virgin or recycled plastic of less than seventy-five (75) microns in thickness have already been banned and plastic carry bag made of virgin or recycled plastic of less than one hundred and twenty (120) microns in thickness, shall be banned with effect from 31st December, 2022;

AND WHEREAS the West Bengal Pollution Control Board has published a Public Notice on 22.04.2022 in different newspapers prohibiting the production, distribution, sale and use of Single Use Plastic (SUP) items in the State of West Bengal;