



Raising and Accelerating MSME Performance (RAMP)

(A Central Sector Scheme of Ministry of MSME supported by The World Bank)

PROGRAMME IMPLEMENTATION MANUAL

AUGUST, 2022

Amended Ver03.01.2024

ABBREVIATIONS AND ACRONYMS

ACG	Anti-Corruption Guidelines
BDS	Business Development Services
C&AG	Comptroller and Auditor General of India
CCA	Chief Controller of Accounts
CERSAI	Central Registry of Securitization Asset Reconstruction and Security Interest of India
CG	Central Government
CGA	Controller General of Accounts
CGTMSE	Credit Guarantee Trust for Micro and Small Enterprises
CPF	Country Partnership Framework
CPSE	Central Public Sector Enterprises
CSO	Civil Society Organizations
CS	Central Sector Schemes
CSS	Centrally Sponsored Schemes
CVC	Central Vigilance Commission
DBT	Direct Benefit Transfer
DC	Development Commissioner
DDG	Detailed Demand for Grants
DDO	Drawing and Disbursement Officer
DFS	Department of Financial Services
DIC	District Industries Centre
DLI	Disbursement Linked Indicator
DLR	Disbursement Linked Results
DPL	Development Policy Loan
DoI	Departments of Industries
DoM	Departments of MSMEs
DPE	Department of Public Enterprises
E&S	Environmental and Social
EAT	Expenditure, Advance, Transfer
EIS	Employee Information System
EoDB	Ease of Doing Business
ESSA	Environmental and Social Systems Assessment
GDP	Gross Domestic Product
GoI	Government of India
GRS	Grievance Redress Service
IA	Implementation Agent
IFSA	Integrated Fiduciary Systems Assessment
IndEA	India Enterprise Architecture
INMDP	Integrated National MSME Digital Portal
IP	Implementing Partner
IPCC	International Panel on Climate Change
IPF	Investment Project Financing
IPR	Intellectual Property Rights for MSME
IVA	Independent Verification Agency
KPI	Key Performance Indicators

Lean	Lean Manufacturing Competitiveness
M&E	Monitoring and Evaluation
MCRRP	MSME competitiveness – A post COVID Resilience and Recovery Programme
MDA	Ministries, Department and Agencies
MEA	Monthly Expenditure Plan
MoF	Ministry of Finance
MoMSME	Ministry of Micro, Small and Medium Enterprise
MoU	Memorandum of Understanding
MSEFC	Micro and Small Enterprises Facilitation Councils
MSME	Micro, Small and Medium Enterprise
MSME-DFO	MSME Development and Facilitation Office
NBFC	Non-Bank Financing Companies
NEGD	National e-Governance Division
NPMU	National Program Management Unit
ODR	Online Dispute Resolution
PDO	Project Development Objectives
PforR	Program for Results
PFMS	Public Financial Management System
PIM	Program Implementation Manual
PrAO	Principal Accounts Office
QCI	Quality Council of India
QEA	Quarterly Expenditure Allocation
RA	Results Area
RAMP	Raising and Accelerating MSME Performance
RPC	RAMP Programme Committee
RECP	Resource Efficiency and Cleaner Production
RBI	Reserve Bank of India
SO	Sanctions Order
SPIU	State Programme Implementation Unit
SCD	Systematic Country Diagnostic
SFB	Small Finance Bank
SID	State Industry Department
SIDBI	Small Industries Development Bank of India
SIP	Strategic Investment Plan
SIPEC	Strategic Investment Plan Evaluation Committee
SRPC	State RAMP Programme Committee
TFP	Total Factor Productivity
ToR	Terms of Reference
TReDS	Trade Receivables Discounting System
UC	Utilization Certificates
UT	Union Territory*
ZED	Zero Defect Zero Effect
SOE	State- owned Enterprise
NCGTC	National Credit Guarantee Trustee Company
CRI	Cash Return on Investment
SNA	State Nodal Agency

**Note: In this document, the 'State' refers to 'State/UT', unless otherwise specified.*

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Chapter 1–Introduction

- 1.1 The Micro, Small and Medium enterprises (MSME) sector has emerged as an immensely dynamic and evolving sector of the Indian economy and is considered an important driver of economic development in the country. MSME sector contributes to more than 48 per cent of exports¹, over 30 per cent of the country's GDP and generates employment for about 111 million people.² Being one of the most vibrant sectors of the Indian economy, the MSME sector produces and manufactures a variety of products for both domestic as well as international markets. MSMEs have played an important role in providing employment opportunities in rural areas. The sector has helped in rural industrialization, given the inherent advantages of low capital cost, high employment potential, and flexibility in operations, utilization of local resources, etc. Acting as a complementary unit to the large industrial sector, the MSME sector has significantly contributed to the overall industrial development of the country.
- 1.2 India has made significant progress in reducing absolute poverty, but the COVID-19 outbreak has reversed the course of poverty reduction. Between 2011 and 2017, the poverty rate is estimated to have declined from 22.5 percent to between 8.1 to 11.3 percent³ GDP per capita growth rate projections indicate that, as result of the pandemic, poverty rates in 2020 have likely reverted to estimated levels of 2016. Urban households are facing greater vulnerabilities: between 2019 and 2020, the proportion of people working in urban and rural areas has fallen by 4.2 versus 3.8 percentage points respectively⁴.
- 1.3 In addition to challenges of equitable growth, poverty reduction and climate change vulnerabilities, the repercussions from COVID-19 are being seen on the country's economy. Given the consequent economic fallout, there is a need to intensify efforts to support Micro, Small and Medium Enterprises (MSMEs) to raise productivity levels, generate jobs and accelerate economic transformation.
- 1.4 The emphasis for recovery of MSME sector is due to the critical role it plays in the Indian economy, and the potential devastation the COVID-19 crisis may have had on jobs, livelihoods, and economic growth. Various studies estimate that 150-180 million people are employed by 75-80 million MSMEs today, of which 100-130 million are hired workers and 50-55 million, are self-employed/own account firms, having no hired workers.⁵ Socially and economically, they are a critical source of non-farm employment, which needs to keep growing to absorb millions of new job market entrants. A study in 2019 by the Confederation of Indian Industries found that MSMEs had created over 13.5 million jobs annually for the past four years with a net job creation of 3.3 percent.⁶
- 1.5 Short term measures to provide immediate relief to MSMEs in the pandemic will need to be followed by interventions to support recovery and build resilience of the MSME sector. In May 2020, the Government announced the “Atmanirbhar Bharat” economic package of INR 20 trillion to fight the COVID-19 pandemic. Relief measures for MSMEs include Emergency Credit Line Guarantee Scheme (INR 4.5 trillion; USD 58 billion) where MSMEs can access a credit line of 20 percent of outstanding credit, which will be 100 percent credit guaranteed; provision of subordinate debt to promoters of stressed MSMEs (INR 200 billion; USD 2.7 billion); and a Fund of Funds to provide equity funding for MSMEs with growth potential (corpus of INR 100 billion; USD 1.3 billion).⁷

While these measures provide the much-needed liquidity support to MSMEs as an immediate response, the recovery phase will need to focus on returning firms to pre-crisis production/employment levels, as well as lay the foundations for longer-term productivity-driven growth.

- 1.6 Notwithstanding the contribution of MSMEs to the GDP and employment, the MSME sector faces major challenges, like physical infrastructural bottlenecks, absence of formalization, slow technology adoption, gap in capacity building, poor backward and forward linkages, lack of access to credit, risk capital, delayed payments, etc. RBI Expert Committee on Micro, Small and Medium Enterprises, highlighted these challenges in the Committee's report, in June 2019. The Committee recommended various regulatory, financial and implementation reforms, as well as firm level access reforms to provide targeted interventions to MSMEs across recognized challenge areas.
- 1.7 As a step to take forward the implementation of these recommendations, the Government of India (GoI) is focusing on strengthening the existing Programmes of Ministry of MSME to address the challenges of the last mile enterprises across institutional, financial, and technological areas with the overall objective of improving competitiveness of MSMEs in India.
- 1.8 This initiative called as the MSME Competitiveness Programme towards Covid Resilience and Recovery (MCRRP) will particularly focus on supporting the MSMEs in their journey from local to global, while also redesigning the Programmes to introduce greater outreach to women owned enterprises as well as to transit the MSMEs towards adopting greener practices.
- 1.9 The Government of India has launched a World Bank supported Scheme called "Raising and Accelerating MSME Performance (RAMP)", which supports the overall Covid Resilience and Recovery Programme of MoMSME and aims at improving market access, access to credit, strengthening institutions and governance at the Centre and State, improving Centre-State linkages and partnerships, addressing issues of delayed payments, and greening of MSMEs.

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1.10 To this end, the Ministry of MSMEs, in coordination with other central Departments and States will focus on the following priorities over the forthcoming 5 years.

Table 1: Implementation Priorities of MSME competitiveness Programme

	Outcome	Measurable Result Indicator (after five years)
I	Strengthening Institutions and Governance at the Center	
i	Greater Policy level expertise with linkages with MSME eco system	- Establish MSME Council with Ministries/State Governments representation - Strengthen Policy expertise within the Ministry
ii	Improved monitoring and evaluation frameworks for implementation of MoMSME schemes.	Digital platforms for M&E of Ministry schemes established and operational
II	Enhance Center- State synergies	
i	Understand State priorities and gaps in the MSME sector	Preparation of Strategic Investment Plans in States.
ii	Improved State participation to manage MSME Programmes.	All States to participate in the MSME competitiveness Programmes
III	Improve Market Access	
i	Increase in number of Implementation partners Increase in number of MSMEs adopting ZED/Lean/and other competitive Programmes.	- To add Implementing Partners (IPs) across six MSME Champions Schemes. - Five-fold increase in number of MSMEs under MSME Champions Scheme to cross 2,00,000 - To create 200,000 champion MSMEs
ii	<i>Of which, accessed by enterprises owned by Scheduled Castes, Scheduled Tribes and women (%)</i>	At-least one third of these to be enterprises owned by Scheduled Castes, Scheduled Tribes and women
IV	Addressing issue of delayed payments	
i	Increase in number of MSMEs on the TReDS platform	At least tenfold increase in the number of lending agencies
ii	Increase in volume of transactions on TReDS	At least three times increase from the current baseline in the volume of transaction on the TReDS platform to reach at least INR 1000 billion
iii	Greater efficiency in dispute resolution by MSEFCs	MSEFCs to reach 100% disposal of applications from the current 7% and increased use of online dispute resolution services through the Samadhaan portal
V	Increase access to finance	
i	Increase in volume of MSME term loans extended through Financial Institutions (FIs) under the CGTMSE umbrella.	Five-fold increase in volume of MSME term loans extended through Financial Institutions (FIs) under the CGTMSE umbrella to reach at-least INR 375 billion
ii	<i>Of which, accessed by SC, ST, and women</i>	- At-least one third of this volume, to be accessed by enterprises owned by Scheduled Castes, Scheduled Tribes, and women - Up to 300 Crore (\$41 Mn) on green investments
VI	Greening of MSMEs	

i	Number of MSMEs adopting green technologies and using green energy sources	All Champion MSMEs to adopt green technologies.
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The World Bank's Programme for Results (PforR) has been designed to address the challenges to achieving the results as identified by the MCRRP and support to delivery of higher quality integrated services to 555,000 MSMEs. To achieve this, the RAMP Programme supports fundamental shifts in the overall Government of India MSME support architecture. This includes actions at the Centre and State levels to augment institutional and coordination capacity to support the Government not just in the delivery of a more effective and impactful USD 3.4 billion MCRRP Programme, but also in its longer-term goal of effecting a nationwide shift in the GoI approach to MSME sector development.

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Chapter 2 – RAMP Programme: Salient Features

- 2.1 Raising and Accelerating MSME Performance (RAMP) supports the overall Covid Resilience and Recovery Programme of MoMSME and aims at improving market access, access to credit, strengthening institutions and governance at the Centre and State, improving Centre-State linkages and partnerships, addressing issues of delayed payments, and greening of MSMEs.
- 2.2 RAMP is a World Bank supported Central Sector Scheme of GoI. The scheme supports an overall Programme encompassing the following interventions –
- i. MSME institutional strengthening through, inter-alia, the MSME Council; digital portals, policy and M&E functions.
 - ii. The convergence of relevant State-level schemes and support Programmes through the preparation and implementation of the Strategic Investment Plans (SIPS).
 - iii. Firm competitiveness schemes including Technology upgradation and quality certification; marketing support schemes; capacity building for technology centres.
 - iv. Strengthening the receivables financing market for MSMEs
 - v. Enhancing the effectiveness of the Credit Guarantee Trust for Micro and Small Enterprises for greening investments and investments in women owned businesses.
 - vi. Addressing delayed payments through online dispute resolution. The Programme funds for RAMP would be provided to the Ministry by GoI through its annual budget and disbursements will be made by the World Bank to GoI on achievement of agreed Disbursement Linked Indicators (DLIs).
- 2.3 In addition to building the MoMSME's capacity at the National level, the RAMP Programme will seek to scale up implementation capacity and firm coverage in States. The total outlay approved under RAMP is for Rs 6062.45 crore out of which Rs. 3750 Crore or USD 500 Million is a loan from the World Bank and the remaining Rs. 2312.45 Crore or USD 308 Million is the counterpart funding by the Government of India.
- 2.4 **Objectives:** The aim of the RAMP Programme is to strengthen institutions and access to markets to enhance MSME Performance. The objectives of the Programme are:
- i. Strengthening coordination and institutions at the National and State level
 - ii. Building and integrating technology platforms
 - iii. Enhancing firm capabilities and access to markets
 - iv. Strengthening the receivables financing market
 - v. Enhancing guarantee products towards increased greening and gender participation

vi. Expanding access to Online Dispute Resolution Mechanism (ODR)

- 2.5 **Key Result Areas:** RAMP is designed in accordance with the World Bank **Programme for Results (P for R)** instrument. World Bank funds under RAMP would be provided to the Ministry on achievement of mutually agreed Disbursement Linked Indicators (DLIs). This will include Technical Assistance for strengthening implementation and monitoring capacity of MoMSME and of States. The Programme has identified two results areas viz:

Result Area#1: Strengthening Institutions and Governance of the MSME Programme, and

Result Area#2: Support to market access, firm capabilities, and access to finance.

The detailed RAMP Results Framework (Development and Intermediate Outcomes), together with the Monitoring and Evaluation Plan are included in **Annexure 1**

- 2.6 **Disbursement Linked Indicators (DLIs):** The key matrix to monitor progress under RAMP are the DLIs against Key results areas. The six DLIs are as follows:

- i. Implementing the National MSME Reform Agenda
- ii. Accelerating MSME Sector Centre-State collaboration
- iii. Enhancing effectiveness of MSME CHAMPIONS Scheme
- iv. Strengthening Receivable Financing Market for MSMEs
- v. Enhancing Effectiveness of CGTMSE and “Greening and Gender” delivery
- vi. Reducing the incidence of delayed payments

(Annexure 2 provides the complete DLI matrix.)

- 2.7 **State Participation:** In addition to building the MoMSME’s capacity at the National level, the RAMP Programme will seek to scale up implementation capacity and firm coverage in the participating States. All States/UTs will be invited to prepare Strategic Investment Plans (SIPs). MoMSME will support States interested in participating in the Programme to prepare the SIPs. SIP eligibility for part-financing would be appraised and approved by MoMSME through a rigorous process. (Refer Chapter 5). The RAMP Programme will support part-financing for selected interventions based on the quality of the SIPs submitted by the participating States, as approved by the RAMP Programme Committee (RPC), chaired by the Secretary MoMSME. In addition to this, the SIP will also provide a plan for scaling up coverage under MSME CHAMPIONS Scheme, CGTMSE; ODR and TreDS platform and strengthening of institutional capacity, platforms, and M&E systems at the State level.

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Chapter 3 – State Participation

- 3.1 As mentioned in Chapter 2, in addition to building the MoMSME's capacity at the National level, the RAMP Programme will seek to scale up implementation capacity and firm coverage in the participating States. The State Governments play a major role in the promotion and development of the MSME sector in the States. The effectiveness in implementation of the activities under RAMP Programme depends largely on the active involvement of the States. As per the design of the Programme, the States are required to prepare a long-term roadmap for enhancing the performance of the MSME sector through greater outreach. This is proposed to be achieved through a Strategic Investment Plan (SIP), as per the prescribed template, which would, inter alia include (i) identification of key constraints and gaps in interventions (ii) finalize the output-outcome milestones with baseline numbers and Programme goals, (iii) budgeting these interventions and prioritizing them and (iv) Outreach plan for identification and mobilization of MSMEs. This shall enable increased coverage of the RAMP Programme and focus on gaps identified by the participating States.

All States shall be invited to prepare their Strategic Investment Plans (SIPs) and criteria will be developed by the RAMP Programme Committee for the selection of projects identified under the SIPs. The participating States will be considered for various levels of part-financing based on the SIP. The Ministry of MSME will provide a grant of up to Rs. 5 Crore for the preparation of SIPs. Part - financing for identified interventions under SIPs of States will then be provided.

The various steps involved in preparation and submission of State Strategic Investment Plan (SIP) would be following:

- 3.2.1. Interested States/UTs will submit Letter of Undertaking (LoU) to MoMSME for expressing interest to participate in the RAMP Programme. The standard format of said LoU shall be shared by the Ministry of MSME with all the States/UTs. The States/UTs interested in participating in the RAMP Programme need to send the LoU committing to the following:
- i. Conducting a diagnostic exercise and developing a SIP as per the RAMP Programme guidelines and template clearly laying out convergence of financing from other sources.
 - ii. Formation of a State RAMP Programme Committee, the State Nodal Agencies (SNAs) and State Programme Implementation Unit (SPIU) having representation as detailed in this PIM. All States/UTs that submit the LoU to MoMSME within stipulated timelines, committing to the stated criteria will be provided financial support of up to Rs. 5 Crores for preparation of the SIPs.
 - iii. The LoU would come into effect once the State/UT expresses its willingness to participate in the programme and signs and submits the LoU within the stipulated time.
- 3.2.2 The participating States shall be required to set up a State RAMP Programme Committee headed

by an Officer not below the rank of Principle Secretary (Industries). The Committee shall oversee the preparation of SIP and approve the same before submission to the Ministry of MSME. The Committee shall also be responsible for overall implementation of the SIP by the SPIU and it shall review the performance of SPIU from time to time. The Committee shall nominate a Nodal Officer to co-ordinate with M/o MSME for the RAMP Programme. Such Nodal Officer shall be responsible for all coordination on behalf of the respective State/UT Government for overall implementation of the RAMP Programme.

- 3.2.3 For flow of funds under the RAMP Programme, the participating State/UT shall nominate a State Nodal Agency for RAMP (SNA) in the respective States/UTs (preferably State Industrial Development Corporation). Such Nodal Agency shall be responsible to maintain and monitor the financial management system related to the RAMP Programme, as per extant GFR and RBI guidelines. The agency shall cause preparation of financial Statements in accordance with consistently applied accounting standards, in a manner adequate to reflect both operational and financial conditions related to the RAMP Programme as notified by the MoMSME. The Agency shall ensure utilization of all funds from grant funding provided under the Programme exclusively towards the financing of specific interventions (excluding ineligible interventions) as per the approved SIP within the areas and as per the procedures laid down in Chapter 5 of this PIM. A separate budget line needs to be opened by the designated SNA to receive funds under the RAMP Programme. The funds for preparation of SIPs will be routed through CNA. The same procedure will be followed for the part-financing.
- 3.2.4 The State/UT shall establish a State Programme Implementation Unit (SPIU) within the State Department dealing with MSME sector/State Industrial Development Corporation, comprising competent, experienced and qualified staff and/or consultants, and vested with the relevant powers, financial resources, functions and competencies, to oversee the preparation of the SIP and further implementation. The selection of State Programme Implementation unit (SPIU) shall be done through competitive bidding process/nomination and the team deployment of SPIUs shall be as per the TORs provided in **Annexure -7** of this PIM.
- 3.2.5 The evaluation of SIPs submitted within the specified timelines will be undertaken by RAMP Programme Committee (RPC). The evaluation criteria are provided in **Annexure 5**. Part-financing of the projects based on the approved SIPs by the RPC on the recommendation of SIP Evaluation Committee (SIPEC) will be recommended.

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Chapter 4 – Strategic Investment Plan (SIP)

- 4.1 RAMP entails preparation and implementation of SIPs which will lay out a plan for a four-year period (FY 2023-24- FY 26-27) which will be results based with budgeted MSME support. The SIP will require formulation of milestones to be developed by States which will be approved by the Ministry. Financial assistance will be disbursed to the States based on achievements against agreed upon targets as per the SIPs.
- 4.2 **Objectives of SIP:** The SIP will serve as a strategic roadmap to strengthen the resilience of MSMEs and provide support for the development of the MSME sector in the State. It will address not just traditional challenges faced by the MSME sector but will also build systemic capacity to respond to emerging challenges. The objective of the Strategic Investment Plan (SIP) exercise is to develop a holistic MSME support Programme for the State that:
- i. Scales up number of MSMEs covered under competitiveness support schemes and the overall effectiveness of these interventions.
 - ii. Implements interventions and financing at the State level in a converged manner. This will include interventions in allied areas including skilling, training and development, and environmental improvements (reduced waste and pollution).
- 4.3 **Main Segments of SIP:** The SIP will be based on a diagnostic exercise which will gather evidence- based data and information on the MSME sector in the State. Guidance on the diagnostic exercise and standard SIP template is provided as **Annexure 5** of this PIM.

The SIP would focus on identification of gaps by the participating States. Moreover, as part of the SIPs, the States will converge other sources of financing including their own budgetary resources that are critical for development. So, the effective amount going into MSME development in the State through the SIP process is likely to be much higher. The main segments of the SIP will, inter-alia, include the following:

- i) Identification of key constraints and gaps in interventions in priority sectors including renewable energy, rural & non-farm business, wholesale and retail trade, village and cottage industries, women enterprises, etc.
 - ii) Finalise the output- outcome milestones- with baseline numbers and Programme goals.
 - iii) Budgeting for the above interventions and prioritising them- to include funding from existing MoMSME schemes, State MSME schemes and RAMP budgets.
 - iv) Outreach plan for identification and mobilization of MSMEs'. The identification of these MSMEs would be based upon national priority items which, inter-alia, include employment creation potential, Production Linked Incentive Schemes' ecosystem, utilisation of local raw material, Industry 4.0, deepening of global value-chain and enhancing exports.
- 4.4 The detailed diagnostic exercise for preparation of the SIP may, inter alia, include the following:

4.5 **Overview of MSME sector in the State:**

- i. Number of MSMEs and growth trend; geographical spread and concentration, industry/sector distribution of MSMEs and main industries/sectors in the State, presence of women-headed MSMEs; performance of the MSMEs in the State based on various parameters (employment, output, value added, productivity, size distribution); Exports and participation in GVCs; PSEs and large private anchor buyers and their MSME vendors.
- ii. Identification of key constraints to MSME growth in these sectors; access to inputs (including skilled labor, electricity etc.); technology; credit; markets and required product standards; regulatory constraints and costs; access to quality infrastructure and testing facilities; management capacity; improved energy efficiency and reducing waste; and enhanced outcomes for women-owned MSMEs.
- iii. Existing interventions for MSMEs -current schemes and Programmes and their outreach, existing budget allocations for the MSME sector, policies for MSME development, sector specific policies and programs (pharma, biotech, IT etc.)
- iv. Finalise the intermediate and development-level outcome goals – with baseline numbers and Programme goals over a four year period -for total number of MSMEs to be supported through RAMP to align with the overall objectives of RAMP.
- v. Finalising the interventions required to address the constraints and challenges identified.
- vi. Budgeting of investments for the above interventions and prioritising them over a four-year period – to include funding from existing MoMSME schemes, State MSME schemes and RAMP budgets.
- vii. Establishment of the M&E arrangements for the SIP implementation in line with RAMP Results Framework and relevant DLIs.
- viii. Outreach plan for identification and mobilization of MSMEs including communication strategy; partnerships with Industry Associations, anchor companies and other relevant Government bodies (such as, State Rural and Urban Livelihoods Missions) and DIC-level outreach efforts.

4.6 Indicative Eligible activities under SIP are available in **Annexure 2** and **Annexure 5**.

4.7 **Excluded Activities**

Under RAMP it will be ensured that the Programme excludes any activities which:

- A. Are likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people; or
- B. Involve the procurement of: (1) works, (excluding all Civil works) estimated to cost USD seventy-five million (\$ 75,000,000) equivalent or more per contract; (2) goods, estimated to cost USD fifty million (\$50,000,000) equivalent or more per contract; (3) non-consulting services, estimated to cost USD fifty million (\$ 50,000,000) equivalent or more per contract; or (4) consulting services, estimated to cost USD fifteen million (\$15,000,000) equivalent or more per contract.

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Chapter 5– Process of submission and approval of SIPs

5.1. SIP Preparation Process

The State Government may hire a suitable agency to undertake the diagnostic exercise, support the stakeholder dialogue process and prepare the SIP as per the template provided. The State Government will lead and provide oversight over the preparation of the SIP. The SIP will be duly approved by the State Level Programme Committee for RAMP before submission to the MoMSME. The detailed ToR for engaging agency to develop State Strategic Investment Plan for MSME sector is placed in **Annexure 5**.

- 5.2 The SIP preparation will involve a mix of desk research, structured stakeholder consultations and focus group discussions and surveys to collect data and information for the diagnostics as well as extensive discussions and consultations across State Government Departments and agencies for the preparation of the plan.
- 5.3 Potential sources of data include the Census and surveys conducted by National and State statistical agencies (ex: Annual Survey of Industries; Survey of Unincorporated Enterprises, Economic Census etc); surveys by private entities; Administrative data of the State Government; GST data; Udyam Registration Data; trade data from DGCIS; National and State Accounts Statistics; existing reports, review of existing M&E data etc.,
- 5.4 Stakeholder consultations with both public and private entities, to include and not limited to, MSMEs; business associations; associations of women entrepreneurs; financial institutions, nodal technical institutions; Business Development Service (BDS) providers; DICs; technical service providers; Municipal Authorities, Skill Development Missions, State Rural and Urban Livelihoods Missions; all relevant agencies and departments in the State working on MSME development including allied activities such as infrastructure, land, transportation networks etc., The SIP preparation process will also involve detailed consultations with anchor buyers to identify capacity issues and potential areas for development in the supply chain.

5.5 SIP Approval, Monitoring and Implementation Process

- 5.5.1 Every State interested in participating in the RAMP Programme shall (i) conduct a participatory, evidence-based diagnostic exercise and (ii) prepare a Strategic Investment Plan (SIP) as per the template shared in the PIM for submission to MoMSME within the stipulated timeline.
- 5.5.2 The selection of projects/ interventions in the RAMP Programme for part financing to support selected SIP activities shall be confirmed by MoMSME based on evaluation of the SIP by the SIP Evaluation Committee and approved by the RAMP Programme Committee (RPC).
- 5.5.3 The SIP is meant to be an evolving document that can be updated periodically based on changing context, additional evidence and implementation experience. Any such modification in SIP will follow the same process of submission followed by review and evaluation by SIPEC and approval by RPC. Progress against SIP will be reviewed regularly half yearly or as decided by the RPC.
- 5.5.4 States will utilise State Programme Implementation Unit (SPIU) – with technical expertise in the relevant areas – for supporting implementation and monitoring of the SIP (Suggested SPIU TORs are attached as **Annexure 7**). Annual reports on SIP implementation progress will be submitted by States in a template shared by MoMSME.

- 5.5.5 SIP implementaiton progress will be monitored every six months or as decided by the RPC. The monitoring will be carried out by the National Programme Management Unit (NPMU).

5.6 SIP Financing

- 5.6.1 MoMSME will support SIP implementation in the State through the following: (i) deployment of existing schemes – primarily the schemes of the Ministry supported by the RAMP Programme; and (ii) part financing for SIP activities not covered through existing schemes supported by the RAMP Programme.
- 5.6.2 RAMP financing of existing schemes supported by RAMP will be as per the scheme guidelines.
- 5.6.3 Part financing of the selected interventions of the States will be allocated from the RAMP Budget head and transferred through the processes laid out in Chapters 7 and 11.
- 5.6.4 RAMP financing for States will support technical interventions⁸ to enhance outcomes of MSME support Programmes as laid out in the SIP.

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Chapter 6 – Suggested Implementation Steps to achieve Results

The various suggested implementation steps to achieve Results are summarized below. To follow these implementation steps, the Ministry will periodically review and take requisite approvals from the RAMP Programme Committee, as and when required. A Programme Action Plan is drawn and placed at **Annexure 10**

6.1. DLI -1: Implementing Central Government MSME Institutional Reform Agenda

- 6.1.1 Assessment of the functions of Policy Division, digital infrastructure, and M&E systems within MoMSME and building a strategy to strengthen the same (procurement and monitoring of consultancies as required)
- 6.1.2 Implementation plan for strengthening Policy Division and M&E systems developed.
- 6.1.3 Ministry of MSME database and information system updated to meet M&E and Impact Evaluation Plan requirements including incorporating gender and social disaggregated data.
- 6.1.4 ToRs and methodological approach for Impact Evaluation assessments to be prepared.
- 6.1.5 RFPs to be issued and contracts initiated for impact evaluation assessments, ‘State of the Sector Report’, Integrated National MSME Digital Portal (INMDP).
- 6.1.6 Impact Evaluation Assessment Report to be prepared. Selection of interventions after Impact Evaluation assessments done by RPC Programme and approved by MSME Council.
- 6.1.7 Yearly theme for ‘State of the Sector Report’ selected by RPC and approved by the Council.
- 6.1.8 Outline/Framework of yearly ‘State of the Sector Report’ prepared which also involves procurement and monitoring of consultancies/consultants, as required.
- 6.1.9 Outline/Framework of ‘State of the Sector Report’ to be approved by RPC in the Ministry to oversee and implement integration of digital portals put in place. This will include portals of MoMSME and other Ministries/ Departments - to incorporate consultations with the private sector, subject experts, participation of States who will make their portals interoperable with national portal.
- 6.1.10 Policy guidelines and digital blueprint for INMDP in compliance with the principles of ‘India Enterprise Architecture’ developed and approved by RPC (procurement and monitoring of consultancies as needed)
- 6.1.11 Functional requirement specifications, data sharing and interoperability guidelines for all portals under MoMSME and all other Ministries and Departments to ensure their integration into one national portal.
- 6.1.12 Develop DPR & reference architecture including platform’s non-functional requirements, metadata structure for the provision of services to MSMEs for commissioning integrated portal development in compliance with principles of digital development
- 6.1.13 Formulate a roadmap for capacity building/training of MoMSME officials to ensure in-house capacity for using national portal modules for service delivery and monitoring functions (procurement and monitoring of consultancies as needed)
- 6.1.14 Capacity building/training and awareness activities of MoMSME officials for using national portal modules

6.2. Accelerating MSME Sector Centre-State collaboration

- 6.2.1 NPMU to be established at MoMSME as per TORs, for the overall implementation of RAMP.
- 6.2.2 SIP template to be finalized and approved.
- 6.2.3 Interested States/UTs to submit Letter of Undertaking (LOU) to MoMSME within the stipulated time, for expressing interest to participate in the RAMP Programme
- 6.2.4 Participating States to constitute State RAMP Programme Committee as per TORs.
- 6.2.5 Participating States to establish a SPIU to prepare SIP as per ToRs.
- 6.2.6 Participating States to complete preparation of SIP with assistance of SPIU.
- 6.2.7 SIP to be reviewed and approved by the respective State RAMP Programme Committee
- 6.2.8 Participating States to submit approved SIP to MoMSME within stipulated time.
- 6.2.9 Screening and Evaluation of the received SIPs of the participating States by SIPEC and approval by RPC.
- 6.2.10 Listing of approved projects/interventions in SIPs for part-financing through RAMP programme
- 6.2.11 Funding pattern for part -financing is laid out in **Chapter 11**
- 6.2.12 States to implement approved SIP.
- 6.2.13 States to provide DLI-wise M&E data to NPMU on monthly basis for Monitoring of RAMP Programme

6.3 Enhancing effectiveness of Firm Capabilities Schemes

- 6.3.1 To strengthen and upgrade the Firm capabilities, the States should identify sectors, clusters, and areas where a coordination mechanism can be established, and the RAMP Programme schemes can be implemented.
- 6.3.2 A system to be developed to implement the schemes in the identified sectors, clusters, and areas. The system would bring in implementing partners, service providers, consultants, subject matter experts, existing organisations to adapt the schemes in the States as per the SIPs.
- 6.3.3 Outline how the expansion of the schemes, supported by the RAMP Programme, is planned to meet the overall RAMP targets, and the process for managing the expansion into select service sectors (including which sectors will be covered, and what services will be offered). This will, inter-alia, cover: (i) increase synergies across MSME Champions schemes and other related schemes; (ii) increase delivery capacity; (iii) broaden offerings to selected service sectors; (iv) marketing and branding/outreach of schemes; (v) strengthen access of schemes to women owned MSMEs; (vi) promote supplier linkage initiatives as part of integrating firm capabilities with market access interventions; (vii) Implementation and delivery model.
- 6.3.4 Preparation and approval of Implementation plan of the schemes, supported by the RAMP Programme, including guidelines to firms on social distancing and other measures to protect the workplace against COVID infection.
- 6.3.5 The preparation of Implementation plan may involve following:
 - i. Review of any existing framework and formulate assessment of the same through the M&E framework of the NPMU/SPIU. This may include the following:
 - ii. Identify implementation partners, the selection criteria, performance KPIs, quality standards and performance requirements for service providers.
 - iii. Strengthening NPMU/SPIU to enable them to discuss and exchange information on referrals, accrediting/managing consultants, marketing effectiveness and cross marketing, client intelligence, best practices, etc.
 - iv. Empower MSME-DFO/DICs for supporting in scheme implementation.

- v. Assessments of existing Programme management system, if any, of the schemes, supported by the RAMP Programme and development of specifications to integrate the system across schemes.
- vi. Adoption of suitable diagnostic tool to find out actual performance and potential performance of the MSME and thereby guiding the same to explore opportunities already available but not utilised. This integrated system is to incorporate a single-entry point for client MSMEs; an upfront quantifiable assessment of firms (diagnostics and benchmarking); be accessible for implementation partners and consultants and would allow for individual firms to be tracked across schemes and for their performance to also be tracked.
- vii. This baseline measurement protocol incorporating metrics collected from all firms either through the application process, or through initial interaction and then revisited over the period of engagement and afterwards, to assess Programme impact. Ideally these indicators will be a mix of finance (revenue, employment) and firm capability measures (such as those targeted by ZED and Lean).
- viii. Developing a marketing and branding strategy given the low levels of current demand – to incorporate how this will be done in partnership with States.
- ix. Training and accreditation process and guidelines for additional business development service providers
- x. RFPs to be issued and contracts initiated for appointment of additional competitively selected implementation partners, wherever required.

6.4 Strengthening the receivable financing market for MSMEs

- 6.4.1 Strengthening of the operational components of TReDS pertaining to regulatory amendments to facilitate broader participation by NBFC as factors on the TReDs platform.
- 6.4.2 Regulatory clarifications from RBI to establish priority against third parties on a first-to-file basis, for receivables financed on TReDS platforms to incentivize the factor/TReDS to register as quickly as possible, rather than within a prescribed period in the law /regulation.
- 6.4.3 Coordinating with GST Council to consider and develop guidelines for linking TReDS with GSTN, necessary notifications being carried out.
- 6.4.4 Establishing mechanism for TReDS Window 2, where submission of invoices by buyers to GSTN for input tax credit is to be treated as implicit buyer confirmation on TReDS platforms.
- 6.4.5 Awareness and capacity building of State governments to encourage State level SOEs to transact on TReDS.
- 6.4.6 Designing an incentive scheme for onboarding of MSMEs on TReDS platforms, on the lines of the Swavalamban Crisis Response Fund which partially offset the cost of registration on TReDS.
- 6.4.7 Coordinating with Ministry of Corporate Affairs to review turnover limits and other criteria for mandatory registration of firms on TReDS.
- 6.4.8 Coordinating with DPE to:
 - i. Improve compliance with guidelines on onboarding of CPSEs and their MSME vendors on TReDS, to strengthen the supply chain financing ecosystem through TReDS.
 - ii. Add volume of invoices discounted on TReDS as a KPI for senior management of CPSEs, through a notification by DPE.
- 6.4.9 Launching a Paydex (index on promptness and volume of payments) to measure efficiency of

- CPSEs in clearing MSME dues through TReDS and other mechanisms.
- 6.4.10 Improving compliance and awareness of large firms on MSME payments through awareness events and commitments/pledges by large firms to ensure timely approval of invoices and MSME dues.
 - 6.4.11 Strengthening the Credit Guarantee Fund Scheme for Factoring (CGFSF) implemented by NCGTC, to improve coverage, as well as piloting innovative insurance products for receivable financing transactions.
 - 6.4.12 Training, capacity building and outreach Programme for TReDS stakeholders (anchor buyers including CPSEs, MSMEs, FIs, NBFCs, TReDS platform companies) formulated - (Procurement and monitoring of consultancies (as required)
 - 6.4.13 Developing and implementation of training, capacity building and outreach Programme
 - 6.4.14 Seeking Regulatory clarifications from RBI on revised factoring framework with respect to process for applying for registration as factor for NBFCs, qualifying assets criteria etc.
 - 6.4.15 Procurement and monitoring of consultancies as needed to develop Functional Specifications for software developers for technological integration of GST with TReDS platform
 - 6.4.16 Guidelines issued for framework for integration and verification of GST invoices with the TReDS platform.
 - 6.4.17 Establishing Interoperability of GSTN and TReDS through technological integration to allow verification of the status of input tax credit for GST invoices by TReDS platforms

6.5 Enhancing Effectiveness of CGTMSE and “GG” delivery

- 6.5.1 CGTMSE in consultation with nodal agencies to develop a framework to define “green tag” for use of proceeds to track greening (RECP) Resource Efficient and Cleaner Production investments.
- 6.5.2 CGTMSE revised guidelines to be published on the key areas: (i) product adjustments/ new product offerings to increase access and uptake of guarantees issued women headed MSEs (ii) product adjustments/ new product offerings to increase access and uptake of guarantees issued by CGTMSE
- 6.5.3 Enhancing product offerings to incentivize financing for greening investments, to strengthen operations to enable expansion and flexibility on guaranteed coverage, particularly in three areas:
 - (i) Increasing Credit Guarantee Coverage for Women-headed/Women-Led MSEs,
 - (ii) Mainstreaming Coverage of Green/Sustainable Finance,
 - (iii) Strengthening data reporting and M&E.
- 6.5.4 Designing, modifying/enhancing credit guarantee products for RECP investments.
- 6.5.5 Classification of the guarantees as “green guarantees” and incorporate a higher guaranteed percentage on the basis of the significant positive externalities of these investments.
- 6.5.6 Develop a strategy and action plan to increase uptake of guarantees by women owned MSEs (procurement and monitoring of consultancies as required by CGTMSE).
- 6.5.7 Access to women owned MSEs through combination of approaches (i) new women-headed business products; (ii) product enhancements including new interest rate subsidies, reduction of the fee for the guarantee across all products targeting concessional rates to women-headed businesses
- 6.5.8 Extending terms and products introduced as part of the COVID-19 response for women-headed MSMEs;
- 6.5.9 Establishing substitute qualification criteria for underserved women entrepreneurs and business

- owners via non-credit criteria
- 6.5.10 coordination of CGTMSE and State-outreach and data collection pilots to identify concentration of underserved women-headed MSMEs;
- 6.5.11 Establishing agreements with new NBFCs, including FinTech NBFCs.
- 6.5.12 CGTMSE to build its M&E framework to provide optimal feedback to Programme efficiency and effectiveness with its policy objectives.
- 6.5.13 To tie up with Women Entrepreneurs associations and their State Chapters like FICCI FLO, WICCI, IWIL, WIL etc to make a better reach to women entrepreneurs and leaders
- 6.5.14 Women entrepreneurs to be given a structured learning support in:
 - i. Financial literacy
 - ii. Business development
 - iii. Building profitability and innovation in their business models
 - iv. Information, knowledge and application of business and technology tools that would enable them to scale up.

6.6 Reducing the incidence of delayed payments

- 6.6.1 MoMSME to assess the existing legal framework including review of the Act to clarify process/mechanism for incorporation of ODR with the existing mechanism.
- 6.6.2 Constitute a committee to make key project decisions and prepare core deliverables regarding mechanisms that strengthen the dispute resolution process for delayed payments.
- 6.6.3 Develop Terms of Reference for the committee including hybrid dispute redressal mechanism, for design and implementation stage.
- 6.6.4 Strengthening the operation of the Samadhaan portal
 - a. Adapt the Samadhaan portal to embed a platform offering: (i) ODR services offered through private sector firms; (ii) complaints relating to the case; and (iii) collect monitoring and evaluation data.
 - b. Guidelines to be issued to bring medium enterprises within the scope of enterprises that can file disputes within the Samadhaan Portal, including review of the Act.
 - c. Ministry of MSME to assess procedural rules for incorporating ODR services, individual arbitrators/mediators, e-filing, timeline for mediation, timeline for deciding challenge to the arbitral award, inclusion of medium enterprises, etc.
 - d. The committee to develop technical specifications and functional requirements for software developers for embedding the ODR functions to the Samadhaan Platform including IT adequacy.
 - e. The committee to develop operating and process guidelines (to be issued by the MoMSME), to standardize the minimum services, costing, eligibility, and framework of the private ODR providers enlisted in the Samadhaan Platform.
 - f. Develop suitable incentives to encourage private sector participants to offer ODR services.
- 6.6.5 Strengthening enforcement procedures of the arising arbitration awards or mediation agreements
- 6.6.6 Creation of Standard Procedural Forms (for example, sample dispute resolution clauses or sample settlement agreements, purchase orders, service agreements, confidentiality agreements/Statements; etc.), to reduce litigation.
- 6.6.7 Assess domestic law and develop additional features (notarization; homologation; court order, timeline for deciding appeals; etc.) to enhance the binding nature of the arbitral award or settlement

agreement.

- 6.6.8 Tie ups with judicial training institutions to conduct training of judges that hear appeals from MSME payment disputes on the framework of the MSMED Act, 2006 and arbitration awards and settlements agreements.
- 6.6.9 Outreach to Facilitation Councils (in partnership with States) to increase referrals to ODR by developing awareness and outreach plans by States to be a part of SIP.
- 6.6.10 Delivery of awareness raising workshops and materials to sensitize the private sector on the use of ODR and out-of-court dispute resolution mechanisms.
- 6.6.11 Strengthening the quality of mediators and arbitrators linked to Samadhaan portal disputes
- 6.6.12 Development of the Terms of Reference for the selection of private institutional conciliation and arbitration service providers including cost-effectiveness, eligibility, etc. to be enlisted in the Samadhaan Portal.
- 6.6.13 Appointment of agency to assess the training needs to enhance the availability of qualified mediators and arbitrators to deliver ODR services to MSMEs.
- 6.6.14 Development of review framework by independent agency for reviewing the accreditation of locally accredited trainers to assess their effectiveness.
- 6.6.15 Delivery of customized conciliation and arbitration training by internationally or locally accredited trainers for the pre-selected candidates to be included in the MoMSME's roster of accredited conciliators and arbitrators.
- 6.6.16 Development of a roster of qualified/ certified mediators and arbitrators to be embedded in the Samadhan Portal.

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Chapter 7 – Institutional Oversight Arrangements

7.1. The institutional oversight arrangements would be as follows:

7.1.1 National MSME Council:

- i. Will be headed by Union Minister, MoMSME and Minister of State, MoMSME as its Vice Chairperson
- ii. Council to be constituted and notified
- iii. Adequate representation from Union Ministries/ Departments like Ministry of Textiles, Ministry of Food Processing Industries, Department of Financial Services and DPIIT and States or as per actual requirement.
- iv. The Council will be supported by a Secretariat. The Secretariat will include officials and staff from MoMSME. The Secretariat will serve as the custodian of records and files, organize and conduct meetings, coordinate with different States, ministries and stakeholders, prepare agenda etc. The Secretariat will support the Council in all matters that may be required in executing Council's mandate.
- v. The Council, amongst other things, would work as an administrative and functional body for facilitating implementation of the RAMP Programme mandate.
- vi. The primary objective will be to oversee inter- Ministerial collaborations and Centre- State synergies and progress on the reforms mandated in the MSME sector including RAMP.
- vii. It will also have the following functions:
 - a. Oversee Execution of SIPs
 - b. Impact enhancement of the schemes covered under RAMP
 - c. Track and monitor the progress of DLIs
 - d. Identify and assimilate innovations and technologies to carry forward the mandate of the RAMP Programme.
 - e. Suggest course corrections in policy and implementation based on stakeholder inputs and empirical evidence.
 - f. Any other function pertinent to smooth implementation of the Programme

7.1.2 RAMP Programme Committee (RPC)

- i. Headed by the Secretary of MoMSME.
- ii. This would comprise the heads of the various Divisions of MoMSME and/or other related Ministries/ Departments (Ministry of Textiles, Ministry of Food Processing Industries, Department of Financial Services, etc.)
- iii. Mandate to ensure inter-divisional and inter-Ministerial convergences, to oversee the implementation of RAMP.
- iv. The RPC will be function over the period of the implementation of the RAMP Programme
- v. Functions will, inter-alia, include:
 - a. Approval of Programme Implementation Manual which will include ToRs for SIP preparation, ToRs for NPMU, SPIU, IVA etc. Any changes to PIM will also need approval by RPC.
 - b. To ensure implementation of the Programme
 - c. To oversee the functions of National PMU

- d. Periodic reviews of implementation of RAMP
- e. Approval of SIPs
- f. Approval of work plan, budget, Annual Procurement Plans, and fund releases to various implementing agencies at the Centre and State Level, including quantum of funding to the States
- g. Review key policies related to MSME sector and to commission Policy reports.
- h. Approval of 'State of the Sector Report'.
- i. Approval of the annual State of MSME Report
- j. Ensure coordination amongst Ministries, Departments and Agencies (including CGTMSE Trust RBI)
- k. Coordination with States for RAMP SIP implementation

7.1.3 National Programme Management Unit (NPMU) :

- i. NPMU will be established at MoMSME
- ii. NPMU will comprise professionals and experts (as per detailed ToRs) competitively selected from the industry to support MoMSME to implement and monitor RAMP Programme.
- iii. Functions of NPMU, the qualification pack and terms of reference for the NPMU is placed in **Annexure – 6.**

7.1.4 State RAMP Programme Committee (SRPC) in each participating State

- i. SRPC will be established in the Industries Department/ Department of MSME at the State and will be headed by the Principal Secretary of the Department
- ii. It should have Secretary level representation from other related State departments (Industry, MSME; line departments; infrastructure related; skills, SLBC etc)
- iii. Functions of SRPC will, inter-alia, include:
 - a. Coordinate with the MoMSME on RAMP implementation
 - b. To oversee the SIP preparation process
 - c. Approval of SIP to be submitted to RAMP Programme Committee for consideration
 - d. Review performance of RAMP in the respective States periodically. Ensure inter departmental/ministerial coordination for SIP preparation and implementation
 - e. Monitoring of fund releases & utilization and audits
 - f. To oversee the functioning of the State PIUs
 - g. Approval of work plan and budget, Annual Procurement Plans, and fund releases for SIP implementation

7.1.5 State Programme Implementation Units (PIUs) in each participating State

- i. SPIU will be established in the Industries Department/ Department of MSME at the State.
- ii. It will support the State in monitoring, evaluation, and implementation of RAMP.
- iii. Functions of the SPIU, the qualification pack and terms of reference for the SPIU is placed in **Annexure – 7.**

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Chapter 8 – Procurement and Financial Management

Arrangements

- 8.1. MoMSME will be responsible for the overall implementation and supervision of RAMP. It will ensure that Procurement and Financial Management (FM) functions of RAMP are carried out appropriately by National Programme Management Unit (NPMU) of MoMSME, State Programme Implementation Units (SPIU) under State Industries / MSME departments and participating public & private sector Implementing Agencies (IA) as per General Financial Rules (GFR-2017) prescribed by GoI. MoMSME will provide reasonable assurance to all stakeholders and the Bank that funds spent under RAMP are used for intended purposes.
- 8.2. Programme exclusions: Any expenditure incurred on ‘civil works or major construction’ is excluded from the Programme definition of RAMP. Similarly, procurement of any high value contracts valued at or above US\$75 million for works, US\$50 million for goods and non-consulting services, and US\$15 million for consulting services is excluded from the Programme definition of RAMP and are based on the present risk rating ‘Substantial’ provided by the World Bank. These thresholds may undergo a revision over Programme implementation phase.
- 8.3. Financial Management (FM)
 - 8.3.1. Planning and Budgeting: The Programme funds will be budgeted by MoMSME in the existing scheme budget lines and/or RAMP budget line (separately created for Programme implementation), on the basis of annual work plans and activities approved by RPC. The State Industries / MSME department will prepare budget proposals and submit to MoMSME through their respective SPIU’s based on approved SIP activities.
 - 8.3.2. The below table provide list of schemes/sub-schemes that will be part of RAMP Programme boundary. The object heads mapped under these schemes represent economic nature of expenditure. The amounts spent by MoMSME against these object heads will construe as ‘Programme Expenditure’. The funds released will be monitored through receipt of periodic Utilization Certificates, progress reports, financial & contract management reports, and year-end audit reports.

8.3.3. Expenditure Framework 2022-23:

99.09	Raising and Accelerating MSMEs Performance (RAMP) EAP (Establishment)	BE for FY 22-23 (Rs. In Cr)
2851.00.102.99.09.01	Salaries	14.49
2851.00.102.99.09.02	Wages	0.01
2851.00.102.99.09.03	Overtime Allowances	0.02
2851.00.102.99.09.11	Domestic Travel Expenses	0.60
2851.00.102.99.09.12	Foreign Travel Expenses	0.40
2851.00.102.99.09.13	Office Expenses	1.79
2851.00.102.99.09.20	Other Administrative Expense	0.10
2851.00.102.99.09.26	Advertising & Publicity	0.04
2851.00.102.99.09.27	Minor Works	0.40
2851.00.102.99.09.28	Professional Services	0.24
99.10	MSME- Champions Scheme (Lean, Design, Zed, Incubation, IPR, Digital MSME) EAP	
2851.00.102.99.10.31	Grants-in-aid General	178.05
2851.00.102.99.10.33	Subsidies	44.52
2851.00.102.99.10.35	Grants for Creation of Capital Assets	14.85
67.06	Raising and Accelerating MSMEs Performance (RAMP) EAP (Procurement and Marketing Support Schemes)	
2851.00.789.67.06.31	Grants-in-aid General	44.07
2851.00.789.67.06.33	Subsidies	13.29
2851.00.789.67.06.35	Grants for Creation of Capital Assets	1.40
34.08	Raising and Accelerating MSMEs Performance (RAMP) EAP (Procurement and Marketing Support Schemes)	
2552.00.236.34.08.28	Professional Services	
2552.00.236.34.08.31	Grants-in-aid General	
2552.00.236.34.08.33	Subsidies	
2552.00.236.34.08.35	Grants for Creation of Capital Assets	
2552.00.236.34.08.36	Grants-in-Aid Salaries	

99.12	International Co-operation Scheme EAP	
2851.00.102.99.12.31	Grants-in-aid General	14.06
2851.00.102.99.12.35	Grants for Creation of Capital Assets	
99.13	Infrastructure Development and, Capacity Building	
2851.00.102.99.13.31	Grants-in-aid General	7.73
2851.00.102.99.13.35	Grants for Creation of Capital Assets	
99.14	Research and Evaluation Studies, Survey, Studies and Policy Research	
2851.00.102.99.14.31	Grants-in-aid General	20.04
2851.00.102.99.14.35	Grants for Creation of Capital Assets	
99.15	Raising and Accelerating MSMEs Performance (RAMP) National (EAP)	
2851.00.102.99.15.11	Domestic Travel Expenses	2.41
2851.00.102.99.15.12	Foreign Travel Expenses	2.41
2851.00.102.99.15.13	Office Expenses	2.41
2851.00.102.99.15.20	Other Administrative Expense	12.05
2851.00.102.99.15.26	Advertising & Publicity	2.41
2851.00.102.99.15.27	Minor Works	
2851.00.102.99.15.28	Professional Services	81.94
2851.00.102.99.15.31	Grants-in-aid General	12.05
2851.00.102.99.15.33	Subsidies	2.41
2851.00.102.99.15.35	Grants for Creation of Capital Assets	
2851.00.102.99.15.36	Grants-in-aid Salaries	2.41
99.16	Raising and Accelerating MSMEs Performance (RAMP) States (EAP)	
2851.00.102.99.16.11	Domestic Travel Expenses	4.93
2851.00.102.99.16.12	Foreign Travel Expenses	4.93
2851.00.102.99.16.13	Office Expenses	4.93
2851.00.102.99.16.20	Other Administrative Expense	24.64
2851.00.102.99.16.26	Advertising & Publicity	4.93
2851.00.102.99.16.27	Minor Works	
2851.00.102.99.16.28	Professional Services	167.54
2851.00.102.99.16.31	Grants-in-aid General	24.64

2851.00.102.99.16.33	Subsidies	4.93
2851.00.102.99.16.35	Grants for Creation of Capital Assets	
2851.00.102.99.16.36	Grants-in-aid Salaries	4.93
34.09	Raising and Accelerating MSMEs Performance (RAMP) EAP (Marketing Assistance Schemes)	
2552.00.236.34.09.35	Grants for Creation of Capital Assets	
	Total	723.00

8.3.4. **Flow of Funds:** The funds under RAMP will be disbursed by MoMSME using ‘Public Financial Management System (PFMS)’, in accordance with extant procedures of GoI. The latest guidelines on fund flow on Central Sector Schemes issued by Ministry of Finance Dated 9th March, 2022 are placed in **Annexure 12**.

- The MoMSME will designate a Central Nodal Agency for ensuring flow of RAMP funds to agencies/organisations where the funds need to be disbursed by the Ministry directly.
- The fund flow to the schemes supported by RAMP Programme will be as per the scheme’s fund flow procedure.
- The States will designate State Nodal Agencies in States for the purpose of Fund Flow for RAMP. These NAs will open Central Nodal Account for RAMP in Scheduled Commercial Banks authorized to conduct Government business.
- Implementing Agencies down the ladder will be designated as Sub Agencies (SAs) and would be mapped with the respective State Nodal Agency Account.
- Approved scheme-wise budget allocation of RAMP will be fed into PFMS portal by MoMSME.
- Payments will be made by Pay and Accounts Office (PAO) of MoMSME against approved activities of RAMP. It will be booked as ‘expenditure’ under the scheme specific budget head (i.e., 15-digit budget code).
- State Nodal Agency and participating Public & Private sector Implementing agencies will open Programme specific bank accounts and ensure mapping for fund flow.
- Funds will be released by MoMSME into CNA which in turn would release it to Programme specific bank accounts of SNA in the States. These releases will be accounted by PAO of MoMSME against respective object head of the RAMP Scheme.
- Bank accounts of all consultants and vendors engaged by SPIU under State Industries / MSME departments, participating Public & Private sector Implementing agencies, etc will be mapped to respective SNAs. The payments will be made by SNA to participating implementing agencies (SAs) and further to consultants and vendors.
- The entire transaction trail of fund flow releases and payments under RAMP will be captured in PFMS.

8.3.5. Accounting and Financial Reporting

- a) The accounting at MoMSME will be done in PFMS by the office of Chief Controller of Accounts (CCA). The payments made under RAMP will be captured against respective budget head. All files, subsidiary records and registers, sanction orders, documents, invoices & bills will be maintained as per extant rules and procedures.
- b) The States through State Industries / MSME department will maintain books of accounts (i.e., files, subsidiary records and registers, documents and invoices/ bills) for the funds spent under RAMP scheme as per extant rules and procedures.
- c) Participating public & private sector implementing agencies will maintain books as prescribed in Act and rules by which they are governed (i.e., Companies Act, Central and State Society Registration Societies Act, Quasi-Government organizations & autonomous bodies under a separate Act of legislature etc). The books will be maintained in a manner and form that provide sufficient details on the funds spent under various activities of RAMP.
- d) NPMU/SPIUs and participating implementing agencies will submit Utilization Certificates, financial reports, contract management reports, PFMS reports, or any report required by MoMSME at the end of every 6 months. These reports will be shared by MOMSME with the World Bank.
- e) Further funds will not be released by MoMSME to the State, NPMU/SPIUs and participating implementing agencies etc that has not submitted these documents.

8.4. Procurement Arrangements

- 8.4.1. Applicable Procurement Rules: The MoMSME and State Departments, participating public and private sector agencies will be included as part of the scheme guidelines. As per scheme guidelines, each IA is required to follow for the procurement of all Goods, Non-Consultancy services, and Consultancy Services for RAMP shall be done as per following:
- (a) GoI's General Financial Rules – 2017 and subsequent amendments issued from time to time;
 - (b) Procurement and contract management related Office Memorandums issued by GoI

The Procurement Chapter is only a guideline document. In the event of any discrepancy the GoI's GFR and related orders will supersede.

- 8.4.2. MoMSME and State Departments may competitively select/nominate private sector agencies as Implementation Agencies on contractual basis following selection process as per GFR-2017.
- 8.4.3. Annual Procurement Plan: The GFR-2017 stipulates the preparation of Annual Procurement Plans aligned to the allocated annual budget. The procurement method is based on the market conditions and assessment. The specification is generic to attract better competition. The procedure for bid submission and opening, evaluation and contract award is based on the criteria provided in the bid documents. There is a clearly identified target market for all procurement activities and no restriction to competition.
- 8.4.4. The procurement activities will be carried out through e-procurement systems. The GoI e-Marketplace (GeM) portal would be preferred option to be used by all Agencies for commonly used goods and other services.
- 8.4.5. The MoMSME and States may engage with private sector on contractual basis using their respective e-tendering systems as stipulated and for procurement of goods, Government e-Marketplace (GeM) portal of GoI would be preferred option and by ensuring that the selection process is as per GFR-2017. The IA will perform as per the agreed TOR with clearly listed

deliverables duly aligned to the scheme activities.

- 8.4.6. In accordance with the Programme boundary and Expenditure Framework, various procurement activities which are covered under RAMP Budget funds are expected to be procured by selected IAs at the MoMSME and State Government levels.

8.4.7. Procurement activities covered under RAMP Budget Head:

In accordance with the Programme boundary and the expenditure framework features RAMP Budget Head may include but not limited to procurement of equipment and machinery; technical advisory services or services of the technical partners including for various MSME Champions schemes; research and studies; conducting workshops, seminars, conferences and exhibitions for MSME's; capacity building activities; incentives and awards; development of new digital platforms and maintenance of existing ones; consultancy services for training; preparation of DPRs; technical assistance for undertaking studies for upgrading / adopting LEAN manufacturing, zero defect production, bar coding, ISO certification etc. as per various schemes guidelines.

- 8.4.8. **Procurement process:** Based on the budget allocated, MoMSME issues a Sanction Order to the which contains the information on the activities to be carried out. The grants are transferred to implementing agencies as per the Sanction Order. Programme expenditure profile may vary from scheme to scheme but in no case, the grant released shall be utilized for any purpose other than as specified in sanction. If an IA fails to utilize the grant for the purpose for which it has been sanctioned or does not adhere to the terms and conditions, the IA shall be required to refund the grant as per conditions laid down in Sanction Order or GFR.

- 8.4.9. The States will be responsible for preparation and implementation of the SIPs and for providing inputs to the MoMSME. The State/IAs shall not divert the grants and entrust execution of the scheme or work concerned to another Institution or Organization and shall abide by the terms & conditions of the grant and follow/adhere to all the relevant procurement process for the activities identified. IA's shall abide by the provisions of GFR. Under RAMP, the activities shall not include any major civil work or any high value contracts as applicable for the applicable risk threshold.

- 8.4.10. **Use of Standard contract and Bid documents:** MoMSME to ensure that standard bid and contract documents are consistently used by all IAs at Central and State level. The GoI has issued Model Tender document for Goods¹ and Non-Consultancy Services². The RAMP IAs will utilise these model tender documents and other documents for making procurement tender and other documents to be issued. The Bank's Anti-Corruption Guidelines (ACG) are annexed in the Procurement Documents and explicitly mention the applicability of ACG.

- 8.4.11. For Detailed Procurement Process and Procedures, please refer the Procurement Manuals issued by GoI: Procurement of Goods³ and Consultancy Services and Non Consultancy services⁴

- 8.4.12. **Documentation and Record Keeping:** As per GOI's Record keeping policy all, IAs to maintain procurement related documentation including tender documents, bidders' details, comparison

¹<https://doe.gov.in/divisions/model-tender-document-procurement-goods>

²<https://doe.gov.in/divisions/model-tender-document-procurement-non-consultancy-services>

³https://doe.gov.in/sites/default/files/Manual%20for%20Procurement%20of%20Goods%202017_0_0.pdf

⁴https://doe.gov.in/sites/default/files/Manual%20for%20Procurement%20of%20Consultancy%20and%20Other%20Services%202017_0.pdf

sheets, approval notes, and minutes of the Committee meeting to evaluate bidders. MoMSME may consider developing a procurement MIS system which can be used as a data analytics and monitoring tool. IA shall maintain a register of permanent and semi-permanent assets acquired wholly or mainly out of the above grant in the prescribed format and copy thereof should be furnished to MoMSME periodically.

8.4.13. Procurement expert may be included at NPMU/SPIU's with experience for overall coordination on procurement aspects and to provide operational and technical support to MoMSME and participating States/IAs on contract management and other procurement issues. The procurement expert will also be responsible for collating fiduciary information and carry out concurrent review and due diligence of activities under the Programme and ensure exclusion of High Value Contract in accordance with ACG.

8.4.14. **Disclosure of Procurement Documents:** The procurement documents shall be liable to be disclosed to the MoMSME (NPMU), State Industries / MSME departments (SPIU), and participating public & private sector implementing agencies etc as per GFR and GoI directives on the issue.

8.5. Internal Audit

- a) Internal Audit of RAMP will be conducted annually for the MoMSME, States, NPMU, SPIU and participating public & private sector IA. The audit will cover both FM and Procurement transactions.
- b) Internal Audit Wing (IAW) of MoMSME from the office of CCA (Chief Controller of Accounts) will spearhead the internal audit function.
- c) MoMSME, States, NPMU, SPIU, and participating public & private sector IAs will submit compliance report to IAW on audit observations. The compliance report will be shared with the World Bank.

8.6. Financial Audit

- d) The financial audit of the Programme will be conducted by Comptroller and Auditor General (CAG) of India as per ToR agreed between CAG and WB for the India portfolio dated March 20, 2009.
- e) The financial Statements of RAMP (i.e., expenses incurred on scheme budget lines) will be prepared by NPMU and submitted to CAG by the MoMSME within 9 months from the end of each FY.
- f) The audit report will be obtained by MoMSME within 12 months from the end of each FY. It will be shared with the World Bank.
- g) The financial audit of SPIU and participating public & private sector IAs will be conducted by their statutory auditors, and audit report will be shared with NPMU within 9 months from end of each FY. These audit reports will be shared with the World Bank.
- h) Further 'Grant-In-Aid' will not be released by MoMSME to SPIU and participating public & private sector IAs that have overdue audit reports and either have 'disclaimer or adverse' audit opinion in the audit reports.
- i) NPMU, SPIU and participating public & private sector IAs will submit compliance report to MoMSME on the audit observations within 3 months from the date of audit report. The compliance report will be shared with the World Bank.

8.7. Anti-Corruption Guidelines (ACG)

- a) RAMP will be subject to World Bank "Guidelines on Preventing and Combating Fraud and Corruption in Programme for Results Financing" dated February 1, 2012 and revised on July 10, 2015. It will be applicable for all activities of RAMP. Refer Annexure 8.

- b) Requirements under these Guidelines include the following:
 - i. Obligation on informing the World Bank about all fraud and corruption related allegations and investigations,
 - ii. The World Bank's right to conduct administrative enquiries regarding fraud and corruption allegations, and
 - iii. Ineligibility of debarred firms in contract awards. MoMSME, States, NPMU, SPIU and participating public & private sector Implementing Agencies will ensure that any person or entity debarred or suspended by the World Bank is not awarded a contract or otherwise allowed to participate in RAMP during the period of such debarment or suspension. The list of the debarred firms and individuals may be found in the following website: <https://www.worldbank.org/en/projects-operations/procurement/debarred-firms>
- c) MoMSME will take following actions to operationalize implementation of ACG:
 - i. It will obtain a report from NPMU, States and participating public & private sector Implementing Agencies on a regular basis for all Fraud and Corruption cases, complaints received, related investigations and actions taken, and will submit a consolidated bi-annual report to the World Bank.
 - ii. It will include in the 'Sanction order' or Bid and Contract document, a specific reference to applicability of World Bank's ACG.
 - iii. It will add to the scope of ToR of the auditor to validate compliance of ACG that no contract is awarded to World Bank debarred firms.
 - iv. It will ensure that Procurement & FM complaint redressal system with web- interface of GoI for procurement (GeM, CPPP etc) are active and functional to receive complaints and clearly defined rules and authorities to resolve/process complaints and suggestions. Furthermore, the MoMSME grievance Redressal system would address any FM and procurement complaints related to the RAMP Programme and that the system is designed to ensure compliance with the requirements of various applicable Acts and Rules.
- d) If MoMSME or the World Bank determines that fraud and corruption have occurred in connection with RAMP, MoMSME will take timely and appropriate action that is satisfactory to the World Bank, to remedy or otherwise address the situation and prevent its recurrence. MoMSME will share incidences related to fraud and corruption with World Bank. If the World Bank determines to conduct an administrative review into allegations or other indications of fraud and corruption in the RAMP, MoMSME, States, NPMU, SPIU and participating public & private sector Implementing Agencies will cooperate fully with representatives of the World Bank for carrying out review. All the participating States, SPIUs, public & private sector Implementing Agencies shall implement its respective activities under RAMP, in compliance with the ACG. If required, a workshop to sensitize States, SPIUs, participating public & private sector Implementing Agencies on applicability of anti-corruption guidelines and protocol to be followed under RAMP will be organized.

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Chapter 9 – Environmental and Social System

Assessment (ESSA)

- 9.1 **Overview:** An Environmental and Social Systems Assessment (ESSA) of the RAMP Programme was undertaken to review the capacity of existing National government systems to plan and implement effective measures for environmental and social impact management of the Programme. It also entailed measures that would be required to strengthen those measures which would eventually, improve the efficiency of the country's economy and their ability to adapt to changes and remain competitive. Due to COVID-19 and the on-going travel restrictions, the assessment was undertaken through a comprehensive review of relevant government policies, legislations, institutional roles, virtual interviews with Government Officials and online consultations with key stakeholders including CSO informed by review of existing documents, virtual interviews with Government officials and industry representatives, and online consultations with key stakeholders including CSOs to understand the environmental and social risks benefits and opportunities of existing policy and practices on the ground.
- 9.2 **Methodology:** The Assessment process adopted a mixed-methodology approach and analysed the following:
- i. The Environment and Social, indirect, and cumulative effects of activities associated with the Programme.
 - ii. The borrower's systems for managing identified Environment and Social effects, including a review of existing practices and review of the previous performance track record.
 - iii. The borrower's systems (laws, regulations, standards, procedures, and implementation performance) against the core principles and key planning elements to identify any significant difference that could affect Programme performance.
- Based on the analysis, measures were recommended to address capacity and performance on policy issues and specific operational aspects relevant to managing the Programme risks. These include staff training, institutional capacity building, and developing and adopting internal operational guidelines. Consultations were undertaken with MoMSME to assess the level of environmental regulatory compliance among MSME units and their track record on compliance.
- 9.3. **Stakeholder engagement and consultations:** The Environment and Social Systems Assessment was developed in consultation with the MoMSME and some States like Tamil Nadu, Maharashtra, Gujarat, Punjab, and Rajasthan. ESSA report has been disclosed by MoMSME (on November 24, 2020) as well as the World Bank (on December 2, 2020) for receiving feedback from government officials, industry associations, non-governmental organizations, civil society organizations, MSME associations and other relevant stakeholders. Additionally, virtual consultations with nodal officials and district-level representatives from the mentioned States i.e., Maharashtra, Punjab, Tamil Nadu, Rajasthan, and Gujarat were organized on December 3rd, 2020. The Ministry also organized virtual/phone-based consultations with NGOs, CSO, think-tanks and business associations. The final ESSA document includes consolidated feedback received via email and virtual consultations before close of appraisal.
- 9.4. **Findings:** The Programme is expected to have environmental benefits due to the interventions to promote RECP and green investments in the MSME sector. Environmental legislation and institutional structures for environmental and pollution management are in place at the National and State level. Therefore, procedures and clearances required for environmental protection are

well defined. Existing legislation also helps to minimize or mitigate any possible adverse impact on natural habitats, archaeological sites, and cultural resources. However, environment-specific capacity building activities are presently insufficient and nodal environmental officers find it challenging to ensure required compliance with such legislation. Many are ignorant of their environmental impact, technological solutions to their environmental problems and/or their regulatory obligations. It was also found that many MSMEs have not integrated environmental issues into their business decisions. Most striking in this regard is not only the low level of environmental awareness within MSMEs but substantial disparity between their environmental aspirations and their environmental performance. The existing due diligence mechanism of the MoMSME and of the participating State Governments will strengthen by introducing a ‘Strategy to Strengthen Environmental and Social Management’.

- 9.5 **Social Impact:** The Programme is likely to have overall positive social impact in geographies where investments are planned to be made. The assessment reviewed the social policies and procedures (both at National and State level) and found them to be adequate. The assessment finds an enabling policy and legal framework that will:
- i. Promote decentralized planning, implementation, and monitoring of the,
 - ii. Active participation and safeguarding the interests of vulnerable sections (women, scheduled caste, and scheduled tribe communities) be it through targeting or membership in local governance institutions or in community level groups.
- However, due to vast inter-State variations and the urgent need to strengthen last-mile service delivery, challenges were observed, although impact of the identified social benefits overweighs the Programme related social risks.
- 9.6. **Grievance Redressal Mechanism relevant to RAMP:** The ESSA notes that the Champions portal operational at the National level provides a robust, pre-existing institutional architecture for continued engagement with direct project beneficiaries and timely redressal of grievances. However, strengthening the penetration of these grievance redressal systems and facilitating two-way information flows/feedback loops across recipient States will require development of a roadmap in agreement with the State implementation agencies. As a PforR operation, the project will exclude activities that have large-scale land related impacts. This criterion will be included in the screening mechanism for investments via RAMP-supported schemes as well as through the SPIUs.
- 9.7. Key risk mitigation measures and inputs to the Programme Action Plan for social and environmental aspects include:
- a) Labour management and Occupational Health and Safety (OHS) oversight;
 - b) Strengthening/convergence of State-level MIS systems.
 - c) Strengthening of feedback/Grievance Redressal Mechanism (GRM) at the State and district-level.
 - d) Land management;⁵
 - e) Awareness and training Programmes specially for women entrepreneurs.
 - f) MoMSME to lead the preparation of the “Strategy to Strengthen Environment and Social Management” document and coordinate about its execution with the States; and
 - g) MoMSME to strengthen the institutional and technical mechanisms to deliver integrated and connected online services for MSMEs by integrating M&E with E&S due diligence for performance tracking. Training sessions are essential for SMEs to fully integrate the environmental considerations into their business practices. It will also improve labour force skills

⁵ Land management is related to avoiding risks of resettlement and/or land acquisition directly financed by Programme related investments. This is included under the exclusion checklist which is part of the Environment and Social Systems Assessment and is not relevant to the RAMP Programme

and competencies through wide ranging changes in training systems.

- 9.8. **Risk Rating:** The Environment and Social Risk Rating of the proposed operation is Moderate⁶. The proposed operation will include technical assistance and technology-enhancing interventions to existing MSMEs. The anticipated negative E&S impacts are relatively small in scale and are temporary in nature. In addition, some enhanced access to technology-based interventions, trainings and targeted interventions designed for women entrepreneurs are likely to result in positive E&S outcomes as well. Institutional strengthening of MSME related agencies and technology upgrades in the MSMEs participating in the Programme, will result in overall human and environmental wellbeing and reduce risks of environmental pollution arising from manufacturing operations.
- 9.9. **Recommendation:** Although, the Central and State Governments have well-developed environmental and social legislation, the implementation setup to address potential environmental and social challenges of the RAMP Programme needs to be strengthened. To address this, a strategy document titled as ‘Strategy to Strengthen Environment and Social Management’ will be prepared. This strategy document will reflect E&S priorities outlined in the PIM on managing environment and social risks and all environmental and social challenges that MSMEs are facing in the country today will be addressed. Measures will also be suggested to overcome the challenges to improve environmental performance. The State SIP will also incorporate E&S monitoring dimensions comprising:
- i. Communication, behaviour change and capacity building plan around E&S aspects.
 - ii. Risk screening and management mechanism associated with the RAMP Programme
 - iii. Action-oriented recommendations on Occupational Health and Safety issues (OHS) to be integrated in the SIPs.
 - iv. Activities, tasks, lead roles and responsibilities of the NPMU/SPIUs.
 - v. Strengthened E&S screening and monitoring criteria for RAMP schemes.
 - vi. Training curriculum required to strengthen capacity of nodal E&S officers to assist industry units to achieve E&S compliance.
- The proposed communication and capacity building plan will also enable E&S nodal officers at the State level to adopt an alternative approach and serve as facilitators alongside their compliance enforcement roles. These training and capacity building initiatives will have defined milestones and timelines along with the necessary resource allocations.
- 9.10. **Citizen Engagement:** The project seeks to enhance citizen outreach and engagement through:
- i. The development and implementation of a decentralized SIP, based on a consultative process with local MSMEs and other key stakeholders.
 - ii. Partnerships with local organizations in States to conduct awareness programmes at large along with access to core MSME support services, with a special focus on extending these services to women entrepreneurs; and
 - iii. Strengthened citizen feedback mechanisms across MoMSME competitiveness schemes through online portals, including chapter 1
 - iv. of clear service standards for the existing GRM.
- 9.11. **Climate change co-benefits:** The project will contribute to climate change adaptation co-benefits by supporting MSMEs to improve productive use of resources and reduce GHG emissions. The Adaptation Actions under the RAMP Programme are detailed in **Annex 9**.

⁶ The Moderate risk rating reflects manageable E&S risks and existing institutional capacities within MoMSME in context of the RAMP Programme

Result Area#1 will invest in building capacity of MoMSME and State DOIs to support scaling up of “greening” support initiatives for MSME sectors such as improved energy efficiency, renewable energy, and waste management.

Result Area#2 will support technical service provision and assessment and certification efforts to support climate-friendly design related improvements and product development projects in MSMEs, including reducing/ recycling of waste material, reuse of water in the process, switching to recycled materials, eco-friendly packaging material, etc.

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Chapter 10 : Monitoring, Evaluation, Implementation and Reporting Arrangements –RAMP

10.1. The RAMP Programme implementation will require the following:

- a) **LoU**: A Letter of Undertaking (LoU) from the participating States to be given to MoMSME for confirming their readiness to participate in the programme as per the PIM. The roles and responsibilities of the Central Government and different State agencies under the Programme will be detailed in the Programme Implementation Manual (PIM).
- b) **RAMP Programme Committee (RPC)**: - Headed by the Secretary of MoMSME, RPC would comprise the heads of the various Divisions of MoMSME and/or other related Ministries (Ministry of Textiles, Ministry of Food Processing Industries, Department of Financial Services, etc.)
- c) The RPC has mandate to ensure inter-divisional and inter-Ministerial convergences, to oversee the implementation of RAMP.
- d) The RPC will function over the period of the implementation of the RAMP Programme. Functions will, inter-alia, include:
 - I. To approve LoU, and PIM, which contains ToRs for SIP preparation, NPMU, SPIU, IVA etc. Any changes in PIM should be approved by RPC
 - II. To ensure implementation of the programme,
 - III. To oversee the functions of National PMU,
 - IV. Periodic reviews of implementation of RAMP,
 - V. Approval of SIPs,
 - VI. Approval of work plan, budget, Annual Procurement Plans, and fund releases to various implementing agencies at the Centre and State Level,
 - VII. Review key policies related to MSME sector and to commission Policy reports,
 - VIII. Approval of 'State of the Sector Report',
 - IX. Approval of the annual State of MSME Report,
 - X. Ensure coordination amongst Ministries, Departments and Agencies (including CGTMSE Trust RBI),
 - XI. Coordination with States for RAMP SIP implementation.
- e) The RPC Committee will meet quarterly or more frequently as required.

10.2.1 National Program Management Unit (NPMU): The NPMU will be established at the MoMSME and will comprise professionals and experts (as per detailed ToRs) competitively selected from the industry to support MoMSME to implement and monitor RAMP programme. Functions of NPMU, the qualification pack and terms of reference for the NPMU is placed in **Annexure – 6**.

10.2.2 State RAMP Programme Committee (SRPC) in each participating State

- i. SRPC will be established in the State Department dealing with MSMEs and will be headed by the Principal Secretary of the Department.
- ii. It should have Secretary level representation from other related State Departments (Industry, MSME; line departments; infrastructure related; skills, SLBC etc)
- iii. Functions of SRPC will, inter-alia, include:
 - a) Coordinate with the MoMSME on RAMP implementation,
 - b) To oversee the SIP preparation process,
 - c) Approval of SIP to be submitted to RAMP Programme Committee, MoMSME for consideration,
 - d) Review performance of RAMP in the respective States periodically to ensure inter Departmental/Ministerial coordination for SIP preparation and its implementation,
 - e) Monitoring of fund releases & utilization and audits,
 - f) To oversee the functioning of the State PIUs,
 - g) Approval of work plan and budget, Annual Procurement Plans, and fund releases for SIP implementation.

10.2.3 State Programme Implementation Units (SPIUs) in each participating State

- i. SPIU will be established in the Industries Department/ Department of MSME at the State.
- ii. It will support the State in monitoring, evaluation, and implementation of RAMP.
- iii. Functions of the SPIU, the qualification pack and terms of reference for the SPIU are placed in **Annexure – 7**.

10.8 Key reporting requirements will include:

- i. PIM and updates, as required.
- ii. Annual Work plan and Semi-Annual Work plan updates.
- iii. The NPMU will develop suitable monitoring formats related to progress of Indicators and related to social and Environmental safeguards.
- iv. Quarterly Progress reports of output, intermediate and outcome levels progress and where needed, proposals on remedial actions that need to be taken to address performance slippage.
- v. Other key reporting on specific issues as set out in Annual Work plans.
- vi. The NPMU will be responsible to prepare half-yearly and Annual reports every year. For reporting templates please refer to Annexure 6. After receiving the reports from all participating states, NPMU will collate and present the same to RPC.
- vii. The NPMU will be responsible for coordinating and leading the preparation of the Program reports and consolidating all State level and MDA partners reporting into a single report.
- viii. Baseline survey report and Evaluation reports.
- ix. All reporting will require review and approval by the RPC.

10.8 Monitoring and Evaluation

The RAMP Programme supports the strengthening of data reporting and M&E systems. This is done by installing a “best practices” M&E and impact assessment system at the MoMSME under RA1.1. Each scheme has its own MIS systems which are not connected to each other, so there is no readily available information on MSMEs accessing multiple schemes.

A “best practices” M&E system will be designed to track progress of interventions measured against accepted benchmarks and provide feedback into the design and implementation of the interventions which includes:

- i. Continuous and systematic data collection on schemes.
- ii. Tracking of beneficiary information through the life cycle of the intervention.
- iii. Disaggregated information by geographical location, type of MSME’s & their activities, gender, and marginalized social groups (SC, ST groups), preparation of efficiency, effectiveness, and impact assessment studies,
- iv. Knowledge sharing within the MoMSME, other Ministries, State Governments, and stakeholder active in the MSME sector.

Specific initiatives will include:

- i. Development of an implementation plan to strengthen the M&E systems of MoMSME,
- ii. Capacity building to deliver on a strengthened M&E operational framework and annual evaluation plan and
- iii. Upgrading MIS systems to support enhanced M&E operational framework.

- 10.5 For strengthening the M&E system, specific DLRs, updating of MIS systems and three impact evaluations are recommended. Under RA1.2 i.e., “Building and Integrating Technology Platforms”, dashboards for data reporting and program monitoring are included as specific DLRs. RA1.3 includes support for capacity building and strengthening MIS systems to monitor the implementation of SIPs. RA2.1 supports the establishment of an integrated management and information system for the MSME Champions scheme. Support is also provided through RAMP to the Credit Guarantee Trust for Micro and Small Enterprises (CGTMSE) for improved data reporting systems. The NPMU will coordinate the management to maintain the data dashboard for Program results monitoring.
- 10.6 Many services are provided by the CG and state Government for MSMEs through various portals. The current architecture is inconsistent with global best practices as it results in disjointed efforts, non-availability of centralised data for evidence-based planning and inconvenience to the end users. There is need to integrate all these systems into horizontal platform. MSMEs can be digitally connected to private sector business service providers and strengthen the markets for online provision.
- 10.7 **Integrated National MSME Digital Portal (INMDP):** NPMU will also ensure preparation of a detailed Digital Blueprint Report that will outline interoperability of portals to deliver online services to MSMEs at scale and in a cost-effective manner. INMDP will be in two-phased implementation including operationalization of dashboards and data analytics function. INMDP integrates the following:- (i) All portal/platforms of Ministry of MSME, (ii) All portal/platforms of State offering MSME services,(iii) National portal of Department of financial services offering all credit link programmes of the Government of India, (iv) NCS and E-Shram portals of the Ministry of Labour and Employment,(v) SAMADHAAN , GeM, TreDS, CERSAI Portals, (vi) Msmemart.com, (vii) SAHAY App of the Department of Financial Services, (viii) ASEEM portal of the Ministry of Skill development & Entrepreneurship Dashboards for analytics and monitoring,(ix) Feedback and rating system for service providers This will be achieved with an Implementation Agency (IA) that will be selected with a detailed RFP process in the first year of the Programme.

- 10.8 State PIUs will develop their MIS in coordination with NPMU. Quarterly Monitoring of the programme at State level can be done by State PIU. Impact evaluations will be initiated during the lifetime of the Programme. This will include One Baseline survey, two evaluations during the Programme implementation and one Final Evaluation at the end of the project. An independent M&E Agency can be appointed by NPMU for evaluating the programme. These evaluations, which include Randomized Controlled Trial (RCT) methodologies, will focus specifically on the following Programme results areas:
- a. Enhancing Firm Capabilities and Market Access (productivity growth achievements);
 - b. Enhancing Guarantee Products (Gender and Greening outcomes);
 - c. Building and Leveraging State Capacity (specific state level outcomes)
 - d. Addressing Delayed Payments through Online Dispute Resolution.
 - e. Improvement in access to finance and
 - f. MSME Access to factoring

These evaluations are supported by RA 1.1.

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Chapter 11 – Funding Pattern

- 11.1. RAMP is a World Bank supported Central Sector Scheme of GoI. The Programme is designed to support selected ongoing MoMSME support Programme particularly focusing on the competitiveness aspects. The Programme funds for RAMP would be provided to the Ministry by GoI through its budget and disbursements will be made by the World Bank on achievement of Disbursement Linked Indicators (DLIs).

11.2 **Part Financing for SIPs**

The Programme funds for implementation of SIP will be transferred to the SNA of the State by the Ministry through its budget as ‘Grant-In-Aid’ in the following manner:

The participating States will be considered for various levels of part-financing based on the quality SIP submitted by the State to MoMSME (Refer Chapter 3). The part -financing of selected projects of participating State for SIP implementation will be transferred the following manner:

Advance will be released to the States for selected proposals under SIP under Tranche 1 upto 50%. (Amended as per decisions of RPC in its 5th Meeting dated 10th November 2023).

The States will be expected to converge financing from other sources as laid out in the SIP.

- 11.3 The specific schemes of MoMSME focused for impact enhancement and supported under RAMP, that aligns with and works towards achievement of DLIs are:

- I. MSME Champions Scheme
- II. Procurement and Marketing Support Schemes, Marketing Assistance Scheme.
- III. International Cooperation Scheme
- IV. Survey, Studies, and Policy Research and
- V. Capacity building for Technology Centres.

The amount of funding and activities undertaken under each scheme is detailed in **Annexure 3**

The links to overview of the scheme guidelines for each of the above schemes is placed in

Annexure 4

- 11.4 The process for periodic review of SIP implementation, allocation, and transfer of funds for subsequent years is as follows:

- I. State to submit data on SIP implementation and progress along key actions as against annual targets and progress on key actions in a prescribed format by MoMSME, by the agreed date.
- II. State will submit financial progress reports (i.e., Utilization certificates, contract management reports and audit reports) for the funds spent on implementation of SIP activities.
- III. National PMU will check and place for review to RAMP Programme Committee.
- IV. RAMP Programme Committee will assess and approve budgetary transfers for subsequent year.

- 11.5 World Bank will release the funds to GoI based on the DLIs achieved by the Ministry and the amount released on achievement of each DLI is detailed out in **Annexure-2**

- 11.6 The MoMSME will pre-finance Programme expenditures using their own budgetary resources through the identified budget lines of the Expenditure Framework. DLR achievement will be verified by an Independent Verification Agency (IVA) following the verification protocol (See **Annex 11** on ToRs for the Verification Agency). On certification, the MoMSME will communicate the achievement of the DLRs to the World Bank in the form agreed with the World Bank. Based on the World Bank's approval letter, disbursement requests will be submitted to the World Bank office by the Controller of Aid, Accounts, and Audit, using the World Bank's e-Business platform. Many DLRs are scalable, with funds being disbursed in proportion to results achieved. Where actions are not achieved in any particular year, the allocated amount will be carried over to the subsequent year. If targets are reached before deadlines, disbursement may be made earlier after clearance from the World Bank.

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Annexure 1- Results Framework and M&E

(pl refer para 2.5)

Results Framework
COUNTRY: India
Raising and Accelerating MSME Performance

Programme Development Objective(s):

Strengthen MSME performance through sustainable and innovative market-based services at Central level and in-States.

Programme Development Objective Indicators by Objectives/Outcomes:

Indicator Name	D LI	Baseline	Intermediate Targets			End Target
			1	2	3	
Improved firm performance from utilizing schemes						
Firms benefiting from private sector initiatives (CRI, Number)	DLI 2.3, 3.2	0.00	66,750.00	173,750.00	343,750.00	555,000.00
Increased access to finance for women-headed businesses						
Credit guarantee volume for women-headed businesses (Amount(USD))	DLI 5.2	914,000,000.00	1,148,000,000.00	1,438,000,000.00		1,789,000,000.00
Increased access to finance for green investments						
Credit guarantee volume for greening investments (Amount(USD))	DLI 5.3	0.00	8,000,000.00	20,000,000.00		40,000,000.00
Increased MSME access to factoring services						
Factored value (Amount(USD))	DLI 4.4	7,756,400,000.00	10,458,000,000.00	14,143,000,000.00		18,810,000,000.00
Increased resolution rate for delayed payments						
ODR resolved cases via Samadhan portal (Number)	DLI 6.2	0.00	2,000.00	6,000.00	12,000.00	20,000.00

Intermediate Results Indicator by Results Areas

Indicator Name	DLI	Baseline	Intermediate Targets			End Target
			1	2	3	
Strengthening Institutions and Governance						
Evidence-based MSME “Core Reports” generated and “Impact Evaluations” launched (Number)	DLI 1.4	0.00	1.00	2.00	4.00	6.00
Integrated National MSME Digital Platform (INMDP) and analytical functions operationalized (Text)	DLI 1.2	Portals not operating in integrated manner	Phase 1 completed	Phase 2 and Phase 3 (Data Dashboards) completed		Fully operational
Strategic Investment Plans implemented (Number)	DLI 2.2	0.00	5.00	0.00	0.00	5.00
Support to Firm Capabilities and Access to Finance and Markets						
Number of NBFCs operating as factors on the TreDS platform (Number)	DLI 4.3	3.00	9.00	21.00		33.00
Enhanced gender and new greening guarantee products placed on the market (Number)	DLI 5.1	0.00				2.00
Number of ODR platform companies linked and operating through Samadhaan Portal	DLI 6	0.00	2.00	3.00	6.00	10.00

Indicator Name	DLI	Baseline	Intermediate Targets			End Target
			1	2	3	
(Number)						
Number of accredited BDS providing services through the firm capability schemes (Number)	DLI 3	100.00				1,100.00

Monitoring & Evaluation Plan: PDO Indicators					
Indicator Name	Definition/Description	Frequency	Datasources	Methodology for Data Collection	Responsibility for Data Collection
Firms benefiting from private sector initiatives		Annual cumulative	MoMS ME INMDP database and dashboard analytics; State MIS systems; TreDS platform; CGTMSE	The numbers for intermediate targets and end target are cumulative over the lifetime of the Programme. Firms to be counted under this PDO objective include two sets: - (A) Those firms in the participating States accessing (i) entry-level (Bronze) MSME Champions Scheme services and/or (ii) registering onto the TreDS and/or (iii) initiating a delayed payments case on the Samadhaan platform and/or (iv) accessing women guarantees from CGTMSE improved products for the States are as follows – 70,000 in year 3; 80,000 in year 4; 90,000 in year 5 and/or (v) green guarantees from CGTMSE new green products for	MoMSME/NPMU and State Counterparts/SPIUs.

				ODR; - (B) Those firms completing higher-level MSME Champions Scheme services: ZED Silver Gold and above; Lean and/or accessing credit from Fis. Firms can be counted more than once towards the 555,000 based on accessing more than one service and/or moving up the different levels within a service. This would reflect the Programme objective of greater integration and convergence of services. Note- (A) is applicable in SIP implementation phase (years 2-5) with (iv)-(v) applicable in years 3-5 once enhanced guarantee products are introduced. (B) is applicable in MSME Champions Scheme phase (years 2-5)	
Credit guarantee volume	Credit Guarantees issued to women-	Annual target	CGTMSE guarantee data	Administrative data taken from CGTMSE data base	CGTMSE

for women-headed businesses	headed businesses. The amount in the end target as well as intermediate target refers to annual target.		base		
Credit guarantee volume for greening investments	Guarantees issued for green investments. The intermediate and end target refers to cumulative value	Annual. Cumulative targets.	CGTMSE Database	Administrative data from the CGTMSE database	CGTMSE
Factored value	Volume of transactions (total value of invoices) transacted on TreDS. The intermediate and end target refers to a cumulative values	Annual cumulative	TreDS Transaction data base	Data inputted into data base when on-boarding invoicing	TreDS
ODR resolved cases via Samadhan portal	Delayed payment cases resolved via ODR accessed via MoMSME Samadhan portal. Intermediate and End targets refer to cumulative numbers	Annual Cumulative	Samadhan Portal	Information gathered from ODR platform and added to Samadhan portal data base.	Ministry of MSME with participating ODR platform.

Monitoring & Evaluation Plan: Intermediate Results Indicators					
Indicator Name	Definition/Description	Frequency	Datasource	Methodology Data Collection	Responsibility for Data Collection
Evidence-based MSME “Core Reports” generated and “Impact Evaluations” launched	ME Sector “Core Reports” are generated. Core Reports can include Regulatory Impact Assessments, Policy Reviews/Reports on specific topics, Sector Strategic Plans etc., based on priority areas. One of the reports could be on Identification of Actions and implementation plan for Federal-State convergence. (ii) Impact Evaluations launched will cover firm capability schemes (productivity), CGTMSE (gender and greening), SIP outcomes. These intermediate outcomes to be approved by the MSME Council.	Annual cumulative	Minutes of the MSME Council Meeting.	As defined in Concept Notes approved by the MSME Council.	Ministry of MSME.
Integrated National MSME Digital Platform (INMDP) and analytical functions operationalized	Approved INMDP Implementation Plan operationalized: (1) Phase 1 – (i) service/consultant contract(s) completed on integrating MoMSME portals and services; (2) Phase II – integration with Center Government portals outside MoMSME IDP; (3) Phase 3 - Dashboard and data analytics function will comprise performance data: (i) firm level indicators, (ii) Programme level	Three phases to take place - Expected that Phase 1 completed by end of Year 2 and Phases 2 and 3 (Dashboards) completed by end of Phase 3.	Ministry of MSME	Technical reports evidencing operationalization and Ministry notification.	Ministry of MSME

	indicators (iii) MSME ecosystem improvement indicators) for evidence based decision-making and enhanced user experience (iv) rating/feedback system for service providers linked through platforms	INMDP to be fully operational by end of Year 3.			
Strategic Investment Plans implemented	Completion of targeted SIP Implementation Plan actions. Intermediate and end targets refer to total number of actions completed by the States	Annual cumulative	State Programme Implementation Unit	Annual Progress Reports on SIP Implementation – Eligible activities: (i) implementation of M&E system (<i>as per national guidelines by MOMSME</i>); (ii) integration of State portals with unified national online portal – integration needs to include automatic scheme referrals across national and State schemes and data reporting to national platform as per national data protocols and standards; (iii) implementation of RAMP Programme communication and	State Programme Implementation Unit

				outreach strategy with focus on the GGTP agenda; (iv) Public-Private Partnerships (PPP) signed supporting: (a) FI-BDS agreements established for enhanced financial services; (b) anchor company supplier development Programmes signed; (v) capacity building of nodal technical support institutions completed (supplier development Programmes covering at least 150 MSMEs. Up to 3 supplier development agreements can count as separate actions. Up to 3 FI-BDS partnerships can count as separate actions and 2 Technical Institutions per State	
Number of NBFCs operating as factors on the	Number of NBFCs as Factors discounting invoices on TreDS	Annual Cumulative	TreDS	TreDS transaction database	Ministry of MSME

TreDS platform					
Enhanced gender and new greening guarantee products placed on the market	New guidelines for (1) women and (2) greening guarantees issued	Annual	CGTMSE guarantee database	Administrative data from the CGTMSE database	CGTMSE
Number of ODR platform companies linked and operating through Samadhaan Portal	Number of ODR platform companies linked and operating through Samadhaan Portal	Annual Cumulative	Samadhaan Portal	Administrative Data from Ministry of MSME	Ministry of MSME
Number of accredited BDS providing services through the firm capability schemes	increase in the number of private sector business development service providers providing online and “in person” services in targeted schemes	Annual cumulative	Ministry of MSME	Administrative data from the integrated database	Ministry of MSME

XXXX

Annexure 2 – Disbursement Linked Indicators- detailed matrix

(pl refer paras 2.6,4.6, and 11.5)

	Result Area	DLI	FY-22-23	-FY23/24	FY24/25	FY25/26	FY 26/27	Total
STRENGTHENING INSTITUTIONS AND GOVERNANCE	DLI 1: Implementing Central Government MSME Institutional Reform Agenda	DLR 1.1: Institutional changes enacted: (i) MSME Council established and concludes its first semi-annual meeting; (ii) MoMSME approval of development action plan for Dig. Tech., M&E & Policy capacity-building.	DLR 1.2: Integrated National MSME Digital Portal (INMDP) three-phased implementation completed including operationalization of dashboards and data analytics function					
			DLR 1.3: “Annual State of the MSME Sector report approved/published by Council and published on-line					
			DLR 1.4: Evidenced-based policymaking operationalized: (i) three Policy Reports prepared by the MoMSME Policy department and approved and (ii) three IE studies launched					
	Allocation (INR crore)	DLR 1.1: 112.5	DLR 1.2: 112.5				712.5	
			DLR 1.3: 150					
			DLR 1.4:337.5					

Result Area	DLI	FY21/22	FY22/23	FY23/24	FY24/25	FY25/26	Tot
	DLI 2: Accelerating MSME Sector Centre-State collaboration	DLR 2.1: MSME Strategic Investment Plans (SIP) from States with attention to cross-cutting gender, greening, technology, and private sector themes approved	DLR 2.2: Completion of targeted SIP Implementation Plan actions				
			DLR 2.3: Increase in number of MSMEs (i) in entry level MSME Champions Scheme completing bronze level ZED; (ii) registered on TReDS; (iii) initiated a case on Samadhaan for ODR; (iv) guarantees for women owned MSEs; (v) green guarantees				
	Allocation (INR crore)	225.00	DLR 2.2 187.5				1125
			DLR 2.3: 750				
Tot RAI-I		337.5	239.25	361.5	446.25	490.5	1875
SUPPORT TO FIRM CAPABILITIES AND ACCESS TO MARKETS AND FINANCE	DLI 3: Enhancing the effectiveness of Firm Capabilities Schemes	DLR 3.1: MSME Champions schemes improvement and scale-up implementation plan approved including establishment of an integrated Programme management system	DLR 3.2: Measurable Improvements in MSME Champions Scheme performance and results indicators				562.5
	Allocation (INR crore)	DLR 3.1: 37.5	DLR 3.2: 525				
	DLI 4: Strengthening the receivable financing market for MSMEs	DLR 4.1: Regulation(s) issued to facilitate: (i) NBFCs participation as	DLR 4.2: Mechanism operationalized to allow buyer submission of invoices to GSTN for input tax credit to be		DLR 4.3: Increase in number of new NBFCs on TReDS		

		factors; (ii) TReDS to register transaction with CERSAI; (iii) priority against third parties on a first-to-file basis	treated as buyer confirmation on TReDS.		DLR 4.4: Increase in volume of invoices discounted on TReDS			
	Allocation (INR crore)	DLR 4.1: 37.5	DLR 4.2: 37.5		DLR 4.3: 75		487.5	
					DLR 4.4: 337.5			
	DLI 5: Enhancing Effectiveness of CGTMSE and “GG” delivery	DLR 5.1 CGTMSE operationalizes GG guarantees innovations by following actions: (i) defining tag to track greening investments; (ii) issues revised guarantee guidelines for: (a) women headed MSEs and (b) green investments			DLR 5.2: Increase in the value of guarantees to women-headed businesses			
					DLR 5.3: Increase in the value of guarantees for green investments			
	Allocation (INR crore)	DLR 5.1: 112.50			DLR 5.2: 262.50		412.50	
					DLR 5.3: 37.50			
	DLI 6: Reducing the incidence of delayed payments	DLR 6.1: Samadhaan portal adapted to play the role of platform to link ODR private service providers to MSMEs		DLR 6.2: Increase in cases resolved by ODR filed through the Samadhaan portal				
		Allocation (INR crore)		DLR 6.1: 37.5		DLR 6.2: 375		412.50
Tot RA II		150.00	202.50	354.00	510.00	658.5	1875	
TOTAL BY YEAR (RA I + RA II)		487.50	441.75	715.50	956.25	1149	3750	

Verification Protocol Table: Disbursement Linked Indicators

DLI 1	Implementing Central Government MSME Institutional Reform Agenda
Description	
Data source/ Agency	
Verification Entity	
Procedure	
DLI 1.1	Institutional changes enacted: (i) MSME Council established and concludes its first semi-annual meeting; (ii) MoMSME approval of development action plan for Dig. Tech., M&E & Policy capacity-building
Description	Establishment of Council and its operational launch; MoMSME strengthens its digital (portal); policy making and M&E capacities
Data source/ Agency	Council Secretariat (MoMSME)
Verification Entity	Independent Verification Agency (IVA)
Procedure	(i) - (a) Central Government publishes notification of Council mandate, membership, roles and responsibilities and operational procedures; (b) MSME Council prepares minutes of the first semi-annual meeting. States membership at minimum of Secretary level. (ii) Implementation Plan for the strengthening of Digital Technology, Policy and M&E functions notified. The plan will cover Policy, M&E Impact Evaluation and Digital blueprint and strategic roadmap for integrated MSME database and portal, including Dashboard, Data Analytics on performance indicators. The blueprint and strategic roadmap will cover - (1) report on functional requirements and technical solution architecture and strategy for integration of databases, as per the recommended framework established by the National e-Governance Division (NEGD); (2) Policy and M&E capacity strengthening including (a) processes to be followed for M&E; (b) staffing, qualifications and training; (c) data to be tracked; (d) IT and MIS systems requirements and gaps; (3) Dashboard to incorporate: (a) firm level indicators, (b) program level indicators (c) MSME ecosystem improvement indicators; (d) rating/feedback system for service providers linked through platforms; (4) Implementation Plan (IP) (costed, phased, timebound);

	(5) procurement RfPs for equipment and service contracts prepared and issued.
DLI 1.2	Integrated National MSME Digital Portal (INMDP) three-phased implementation completed including operationalization of dashboards and data analytics function
Description	INMDP Phase I and II implementation and Phase III (dashboards) completed by MoMSME.
Data source/ Agency	MoMSME
Verification Entity	IVA
Procedure	Notification by MoMSME that the INMDP Phases I, II and III are commissioned and operational per the approved INMDP Digital Blueprint and Strategy Roadmap. This will comprise, in accordance with approved INMDP Implementation Plan, the following: (i) Phase 1 - (i) service/ consultant contract(s) completed on integrating MoMSME portals and services; (ii) Phase II - integration with Center Government portals outside MoMSME IDP. (iii) Phase III - Dashboard and data analytics function will comprise performance data: (a) firm level indicators, (b) program level indicators (c) MSME ecosystem improvement indicators) for evidence based decision-making and enhanced user experience (d) rating/feedback system for service providers linked through platforms
DLI 1.3	Annual State of the MSME Sector report approved/published by Council and published on-line
Description	Annual MSME State of Sector Report approved and published by the MSME Council
Data source/ Agency	Council Secretariat/MoMSME
Verification Entity	IVA
Procedure	Annual report approved by Council chair for publication; Report published online on portal/website.
DLI 1.4	Evidence-based policy-making operationalized.
Description	Evidenced-based policymaking operationalized through: (i) three Policy Reports prepared by the MoMSME Policy department approved by the Council, addressing Council-approved priority areas; and (ii) three IE studies launched.

Data source/ Agency	Council Secretariat/MoMSME
Verification Entity	Public Sector Entity
Procedure	Policy reports as authorized and approved by the MSME Council as indicated in relevant Minutes of Meeting. The Reports, together with an implementation plan, to be determined by the Council - will entail policy reviews/proposals on priority areas, (such as Center-State convergence). Impact Evaluation Concept Notes (evaluation proposals) approved by Council as noted in Meeting Minutes and implementing parties contracted per the guidelines/methodology approved in the Concept Note. These IE will focus on (i) Enhancing Firm Capabilities and Market Access (productivity growth achievements); (ii) Enhancing Guarantee Products (Gender and Greening outcomes); (iii) SIP Outcomes.
DLI 2	Accelerating MSME Sector Center-State collaboration
Description	
Data source/ Agency	
Verification Entity	
Procedure	
DLI 2.1	MSME Strategic Investment Plans (SIP) from participating states with attention to cross-cutting GGTP themes approved
Description	SIP prepared and approved in line with agreed TORs.
Data source/ Agency	MoMSME/NPIU
Verification Entity	IVA
Procedure	The SIPs will follow a standardized format approved by the RAMP Programme Committee (RPC) and include a 4 year implementation plan, including actions related to institutional capacity building, scaling up MSME graduation rates, establishment of platform interoperability enhancing proportion of women entering and graduating support programs, and other state-specific critical actions based on state context and a Results Framework. SIP once completed by the State will be submitted for the approval of the chair of the. RPC

DLI 2.2	Completion of targeted SIP Implementation Plan actions
Description	SIP implementation actions as defined in SIP completed
Data source/ Agency	MoMSME/NPIU
Verification Entity	MoMSME/NPIU
Procedure	This includes the following eligible activities: (i) implementation of M&E system; (ii) integration of state portals with unified national online portal – integration needs to include automatic scheme referrals across national and state schemes and data reporting to national platform as per national data protocols and standards; (iii) implementation of RAMP program communication and outreach strategy with focus on the GGTP agenda; (iv) Public-Private Partnerships (PPP) signed supporting: (a) FI-BDS agreements established for enhanced financial services; (b) anchor company supplier development programs signed; (v) capacity building of nodal technical support institutions completed Further criteria for eligibility include, in case of: - (iv) PPP: (a) up to 3 FI-BDS partnerships can count as separate actions supplier development programs covering at least 150 MSMEs; (b) up to 3 supplier development agreements can count as separate actions. Also to note guidelines for FI partnerships and anchor firm agreements to be notified by MoMSME. - (v) Technical support institutions: up to 2 Technical Institutions per state, where nodal institutions include both public and private sector institutions selected for support based on competitively bid market eligibility and performance requirements, as defined in the SIP.
DLI 2.3	Increase in MSMEs (i) entry level CLCSTUS completing bronze level ZED; (ii) registered on TReDS; (iii) initiated a case on Samadhaan for ODR; (iv) guarantees for women owned MSEs; (v) green guarantees
Description	Measures number of MSMEs accessing basic services in competitiveness schemes (CLCSTUS), ODR through Samadhaan portal; registered on TReDS; accessing women guarantees and green guarantees in the five focus states.
Data source/ Agency	MoMSME/NPIU and SPIU
Verification Entity	IVA
Procedure	As reported through the automated M&E system, the following additional number of MSMEs: (i) accessing entry level services of competitiveness schemes; (ii) registered on TReDS; (iii) initiated a case Samadhaan for Online Dispute Resolution for delayed payments (iv) guarantees to women enterprises over defined threshold (v) guarantees for greening investments. NPIU to verify from the MoMSME M&E systems, Samadhaan portals, TreDS platform and CGTMSE. The minimum threshold for total of five states for the guarantees to women MSEs as follows - 70,000 in year 3; 80,000 in

	year 4; 90,000 in year 5,
DLI 3	Enhancing the effectiveness of Firm Capabilities Schemes
Description	
Data source/ Agency	
Verification Entity	
Procedure	
DLI 3.1	CLCS-TU schemes improvement and scale-up implementation plan approved by the PSC, including establishment of integrated management system
Description	The plan will cover: (i) increase synergies across CLCS-TU schemes; (ii) increase delivery capacity via private sector providers (national and in priority states); (iii) broaden offerings to selected service sectors; (iv) enhance marketing and branding of schemes; (v) strengthen access to women owned MSMEs; (vi) promote supplier linkage initiatives as part of integrating firm capabilities with market access interventions; (vii) improve implementation and delivery model; and (viii) list specifications for integrated program management system.
Data source/ Agency	MoMSME/NPIU
Verification Entity	IVA
Procedure	The plan will be prepared in line with above description and as detailed in the RAMP Program Implementation Manual and as approved by the RPC chair. The integrated management system established by MoMSME notification.
DLI 3.2	Measurable Improvements in CLCS-TSU performance and results indicators
Description	Measurable Improvements in CLCS-TU performance and results indicators in respect of (i) ZED silver graduation; (ii) Lean or ZED gold graduation (iii) MSMEs accessing credit
Data source/ Agency	MoMSME/NPIU CLCS-TU Integrated program management system
Verification Entity	IVA
Procedure	NPIU will report from integrated management system those firms that have: (i) been assessed to have graduated at ZED silver level; (ii) been assessed to have graduated ZED gold level or graduated from the Lean program ;(iii) firms registered

	with MoMSME which have obtained silver level and, based on subsequent referrals for financing to Financial Institutions, been able to obtain finance.
DLI 4	Strengthening the receivable financing market for MSMEs
Description	
Data source/ Agency	
Verification Entity	
Procedure	
DLI 4.1	Regulation issued to facilitate: (i) NBFCs participation as factors; (ii) TReDS to register transaction with CERSAI; (iii) priority against third parties on a first-to-file basis
Description	Issue of regulations further to passage of factoring act amendment.
Data source/ Agency	RBI and NPIU.
Verification Entity	IVA
Procedure	RBI to share copy of regulation passed, addressing the three key features set out in the DLR.
DLI 4.2	Mechanism operationalized to allow buyer submission of invoices to GSTN for input tax credit to be treated as buyer confirmation on TReDS
Description	Inter-operability mechanism in place and operational between GSTN and TReDS
Data source/ Agency	DFS/MOF and NPIU
Verification Entity	IVA
Procedure	Copy of notification issued by DFS/DEA that the mechanism is in place and operational. Confirmation from the TReDS platform that inter-operability is operational.
DLI 4.3	Increase in number of new NBFCs on TReDS
Description	Increase in number of NBFC factors operating on TReDS platform and volume of invoices discounted on the platforms

Data source/ Agency	TReDS and NPIU
Verification Entity	IVA
Procedure	Data from TReDS confirming the newly participating NBFCs
DLI 4.4	Increase in the volume of invoices discounted on TReDS
Description	Value of invoices discounted on TReDS platforms
Data source/ Agency	MoMSME/DFS and TReDS platform operators
Verification Entity	IVA
Procedure	Annual review of flow data from TReDS.
DLI 5	Enhancing Effectiveness of CGTMSE and “GG” delivery
Description	
Data source/ Agency	
Verification Entity	
Procedure	
DLI 5.1	CGTMSE operationalizes GG guarantee innovations by following: (i) defining tag to track greening investments; (ii) issues revised guarantee guidelines for (a) women headed MSEs; (b) green investments
Description	CGTMSE operationalizes GG guarantees innovations by following actions: (i) defining tag to track greening investments; (ii) issues; revised guidelines guarantees for: (a) women headed MSEs; (b) green investments
Data source/ Agency	CGTMSE and NPIU.
Verification Entity	IVA
Procedure	CGTMSE defines the greening tag as approved by its board and operationalizes in its guarantee data base. This is confirmed as completed by CGTMSE notification. Greening to be defined as “resource efficiency and cleaner production (RECP - energy efficiency, renewables, waste and water management)” Guidelines to be issued by CGTMSE be based on assessment of impediments, incorporating product adjustments/ new

	product offerings/outreach to increase access and uptake of guarantees issued : (i) to women-headed businesses; (ii) for greening investments. Revised guidelines/ new guidelines issued for guarantee products for women headed MSEs and green investments confirmed as completed by CGTMSE notification of guidelines.
DLI 5.2	Increase in the value of guarantees to women-headed businesses
Description	CGTMSE guidelines for new/amended guarantees products for the two targeted groups of women-headed businesses and green investments
Data source/ Agency	CGTMSE and NPIU
Verification Entity	IVA
Procedure	Value refer to yearly values and not cumulative values. Guidelines to be issued by CGTMSE be based on assessment of impediments, incorporating product adjustments/ new product offerings/outreach to increase access and uptake of guarantees issued : (i) to women-headed businesses; (ii) for greening investments.
DLI 5.3	Increase in the value of guarantees for green investments
Description	USD volume of guarantees issued by CGTMSE for green investments.
Data source/ Agency	CGTMSE
Verification Entity	IVA
Procedure	Annual data sourced from the CGTMSE.
DLI 6	Reducing the incidence of delayed payments
Description	
Data source/ Agency	
Verification Entity	
Procedure	

DLI 6.1	Samadhaan portal adapted to link ODR private service providers to MSMEs
Description	MoMSME Samadhan portal links to ODR platforms to increase access to this service
Data source/ Agency	MoMSME/NPIU
Verification Entity	Public Sector Entity TBC
Procedure	Linkage to Samadhan portal is notified by MoMSME and confirmed through portal data on the ODR transactions that have been routed via the Samadhan portal to the different ODR platforms.
DLI 6.2	Increase in cases resolved by ODR filed through the Samadhaan portal
Description	Firms with delayed payments resolved through access to ODR services accessed via the Samadhan portal.
Data source/ Agency	MoMSME Samadhan portal / NPIU
Verification Entity	IVA
Procedure	Data sourced from Samadhaan portal linkage to ODR platform providers

Annexure 3 - Scheme wise expenditure framework as approved by Cabinet

(pl refer para 11.3)

	<u>SCHEMES UNDER RAMP PROGRAMME</u>	<u>Details</u>	<u>Base Year 20-21</u>	<u>22-23</u>	<u>23-24</u>	<u>24-25</u>	<u>25-26</u>	<u>26-27</u>	<u>22-27</u>
1.	Establishment Expenditure Centre	Secretariat & Development Commissioner (MSME)	25.69	27.49	31.76	36.31	74.52	79.74	249.82
2.	Technology Up- gradation and Quality Certification	MSME Champions Scheme	151.19	181.43	208.64	223.25	238.87	255.60	1,107.79
		MSME Champions Scheme States	150.00	180.00	207.00	221.49	236.99	253.58	1,099.06
		Sub-Total	301.19	361.43	415.64	444.74	475.86	509.18	2,206.85
3.	Marketing Promotion Scheme	PMS	54.59	58.41	62.50	66.88	71.56	76.57	335.92
		PMS States	29.00	31.03	33.20	35.53	38.01	40.67	178.44
		Marketing Assistance Scheme	0.04	0.04	0.05	0.05	0.05	0.06	0.25
		ICS	20.00	21.40	22.90	24.50	26.22	28.05	123.07
		Sub-Total	103.63	110.88	118.65	126.95	135.84	145.35	637.67
4.	Infrastructure Development Programme	TCEC Cap Building	11.00	11.77	12.59	13.48	14.42	15.43	67.69
		Sub-Total	11.00	11.77	12.59	13.48	14.42	15.43	67.69
5.	RAMP Programme	RAMP	0.00	183.34	183.33	183.33	150.00	150.00	850
		RAMP States	0.00	375.00	375.00	375.00	375.00	375.00	1,875.00
		Sub-Total	0.00	558.34	558.33	558.33	525.00	525.00	2,725.00
6.	Research and Evaluation Studies	Research Evaluation and Office Support	27.25	29.16	31.20	33.38	35.72	38.22	167.68
		Survey, Studies, and Policy Research	1.26	1.35	1.44	1.54	1.65	1.77	INR 7.75
		Sub-Total	28.51	30.51	32.64	34.93	37.37	39.99	175.44
		Grand Total	470.02	1,100.42	1,169.61	1,214.74	1,263.01	1,314.69	6,062.45
		World Bank		680.70	723.50	751.41	781.28	813.24	3750

Annexure 4 - Links to Scheme guidelines for RAMP Programmes

(pl refer para 11.3)

1. [http://www.dcmsme.gov.in/Guidelines_MSME%20Sustainable\(ZED\)%20Certification%20Scheme.pdf](http://www.dcmsme.gov.in/Guidelines_MSME%20Sustainable(ZED)%20Certification%20Scheme.pdf)
2. <http://www.dcmsme.gov.in/schemes/clcs-tus/LEAN-Operational-Guidlelines.pdf>
3. <http://www.dcmsme.gov.in/schemes/IPR-Guidelines-CLCS-TUS-2019-2020.pdf>
4. <http://www.dcmsme.gov.in/schemes/Final%20Guidelines-Design-revised%20approved%20MoF.pdf>
5. <http://www.dcmsme.gov.in/schemes/DigitalMSME-Guideline-CLCS-TUS-2019-2020.pdf>
6. https://msme.gov.in/sites/default/files/Guidelines_PMS.pdf
7. file:///C:/Users/IPL%20Laptop/Downloads/Guideline_IncubationScheme.pdf
8. <https://msme.gov.in/sites/default/files/MASHEME-New-18112014.pdf>
9. https://msme.gov.in/sites/default/files/IC_EN.pdf
10. http://dcmsme.gov.in/CLCS_TUS_Scheme/new-Technology-Centers/Scheme_Guidelines.aspx

Annexure 5 - Terms of Reference for SIP

(pl refer paras 3.2.5, 4.3 and 4.6)

Terms of Reference (TOR)

For

Developing MSME State Strategic Investment Plan (SIP)

Under

Raising and Accelerating MSME Productivity (RAMP)

Government of State

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1. Programme background

Raising and Accelerating MSME Performance (RAMP) is a World Bank supported Programme, supporting the Ministry of MoMSME's "Implementing MSME competitiveness Programme- post Covid Resilience and Recovery Programme (MCRRP)", which aims at strengthening schemes that focus on improving market access, access to credit, strengthening institutions and governance at the Centre and State, improving Centre-State linkages and partnerships, addressing issues of delayed payments, and greening of MSMEs.

RAMP supports this overall Programme and focuses primarily on building capacity of National and State level agencies, build platforms for provision of critical services to MSMEs and enhancing outcomes from competitiveness related schemes.

RAMP seeks to support States to develop and implement strategic Programmes for MSMEs. States will have to conduct a diagnostic exercise and develop a State Strategic Investment Plan (SIP) defining main gaps, priorities for intervention and use of existing National and State schemes (including convergence of non-MSME schemes), and critical actions that need financing through the RAMP Programme.

The SIP is an evidence-based plan for addressing the main challenges for MSME growth in the State, listing priority sectors and geographies for intervention, and including outcome goals over the next five years. All RAMP Programme interventions in the State will be based on the SIP.

2. RAMP Programme development objective and result areas:

The Programme development objective is to Strengthen MSME performance through sustainable and innovative market-based services at Central and State level.

Implementation of key policies in Results Area I unlocks institutional capacity that makes possible the progress targeted under Results Area II. Results Area II supports the enhancement of quality and scalability of market-based support services to MSMEs, with a particular focus on results in the participating States.

RA#1: Strengthening Institutions and Governance of the MSME Programme.

This will target results at the Central and State levels to address institutional capacity and coordination constraints. This RA aims to strengthen National and State institutions to deliver on the MSME agenda through better CG level and CG -State coordination in the MSME sector; enhanced policy capacity of MoMSME to undertake evidence-based policy and Programme design; improved and interoperable portals to deliver online services to MSMEs at scale and in a cost-effective manner; and a more decentralized, flexible, and cohesive MSME Programme led by States.

RA#2: Support to Firm Capabilities and Access to Markets, Access to Finance.

The interventions will aim to use technology-driven solutions and leverage platform approaches to achieve economies of scale and better outreach of quality market-based private sector service provision in the areas of firm capabilities and access to finance. This RA aims to improve the quality, coverage and delivery of the existing Firm Capabilities schemes and strengthen the

market for BDS; improve access to finance and working capital by strengthening receivable financing markets for MSMEs through well-functioning digital factoring platforms; improve access to finance for women entrepreneurs and greening investments through CGTMSE; and strengthen dispute resolution mechanisms for delayed payments to MSMEs by incorporating online dispute resolution and private sector provision of these services.

The following Key Performance Indicators (KPIs) are proposed to measure progress towards this PDO:

- a) Improved firm performance from utilizing schemes - measured by MSME Champions Schemes and linked schemes uptake (TReDS, CGTMSE and Samadhaan sourced-ODR).
- b) Increased access to finance for female-headed businesses - measured by the volume of credit guarantees.
- c) Increased access to finance for green investments - measured by the volume of credit guarantees.
- d) Increased MSME access to factoring – measured by the value of invoices discounted on the TReDS platform.
- e) Increased resolution rate for delayed payments – measured by the number of MSMEs able to unblock payments via ODR platforms accessed via the MoMSME Samadhaan portal.

The principal beneficiaries of this operation are:

- a) Formal MSMEs (as per the revised MSME definitions⁷) with the intention and potential to grow, invest in themselves and improve productivity.
- b) The MoMSME which is the primary Central Government agency supported by the operation.
- c) The State Governments where the specific departments and agencies of the participating State Governments will be the primary beneficiaries of the operation and will be identified as part of the State MSME SIPs.

3. Objectives of the SIP

The objective of the Strategic Investment Plan exercise is to develop an evidence-based, holistic MSME-support Programme for the State that will:

- (i) Enable effective implementation of Ministry of MSME's market access and competitiveness schemes (ZED/Lean etc) to include convergence with aligned State MSME schemes.
- (ii) Ensure availability of infrastructure (power, transportation networks, serviced industrial land), skills training and development, and environmental improvements (reduced waste and pollution).

4. Main Segments of SIP

The SIP will be based on a diagnostic exercise which will gather data and information on the MSME sector in the State. The main segments of the SIP will be the following:

⁷ Micro enterprise - <INR 10 mn and turnover<INR 50 mn; Investment < ₹ 100 mn and Turnover <₹ 500 mn; Investment < ₹ 500 mn& Turnover < ₹ 2.5 bn

- i. Identification of priority sectors – for both manufacturing and services - where the State can be competitive in terms of MSME growth, based on existing presence of individual/cluster of MSMEs and their performance.
- ii. Identification of key constraints to MSME growth in these sectors –regulatory constraints and costs; access to inputs (including skilled labor); technology; credit; markets and required product standards; management capacity; improved energy efficiency and reducing waste; and enhanced outcomes for women-owned MSMEs.
- iii. Finalise the outcome goals – with baseline numbers and Programme goals over a four year period -for total number of MSMEs to be supported through RAMP to align with the overall objectives of RAMP.
- iv. Finalising the interventions required to address the constraints and challenges identified.
- v. Budgeting of investments for the above interventions and prioritising them over a four-year period – to include funding from existing MoMSME schemes, State MSME schemes and RAMP budgets.
- vi. Outreach plan for identification and mobilization of MSMEs including communication strategy; partnerships with Industry Associations, anchor companies and other relevant government bodies (such as, for example, State Rural and Urban Livelihoods Missions) and DIC-level outreach efforts.

A draft template for the SIP based on the above is attached as **Appendix 1**

5. Diagnostic Exercise

The diagnostic exercise will use a systemic process – using a mix of desk research, stakeholder interviews and focus group discussions and surveys - to collect data and information on the following aspects:

- i. Existing MSME sectors- both manufacturing and services - in the State with geographic clusters; and growth rates over the past 5 years. Niche areas or sectors that the State has with good export potential. Existing enabling infrastructure (certification labs, incubators, R&D institutions, raw material banks, etc). Presence of large industries, PSUs etc, CSIR labs for testing and technology transfer
- ii. Data on historical performance, existing markets, potential for new target markets, and key challenges.
- iii. Brief analysis of challenges in priority sectors, with a focus on the following:
 - a. MSME capabilities: An understanding of perceived barriers to growth at the MSME level including skills and technology gaps based on interviews and Focused Group Discussions (FGDs) with MSME associations, MSMEs, last mile consultants.
 - b. Access to markets: Identification of existing and target domestic, regional, and global market opportunities, existing pathways through which MSMEs are accessing such markets and specific gaps preventing enhanced access to these markets.
 - c. Access to credit: Identification and assessment of financing gaps for MSMEs in priority sectors. Facilitating access to finance for business functioning and growth needs and identifying and removing hindrances in between to reach financing access. Ensuring coverage of targeted sectors of the MSMEs by the financial institutions that should service them for their financial needs.

- d. Environmental and occupational health and safety standards compliance and “greening”: Assessment of implementation framework for compliance with existing State and national environmental and occupational health and safety regulations and against target market standards. Identification of areas for strengthening regulatory supervision and technical service provision to improve outcomes in these areas.
- e. Gender gaps: Identifying sectors and clusters which have a higher proportion of women; and additional barriers faced by women owned MSMEs in accessing technical services, markets, and credit. The specific interventions required under the SIP to enhance proportion of women supported schemes.
- f. Infrastructure constraints: Assessment and identification of infrastructure gaps including core public infrastructure – power, water, roads, industrial land; sector-specific infrastructure provided through third-party providers (such as warehousing, cold chains, transportation); and on “soft” infrastructure such as laboratory and inspection capacity to support meeting required standards.
- g. Technical Support: Identification and assessment of nodal technical institutions and last mile consultants in the State, relating to technical support for MSMEs in the above gap areas.

Data gathering tools used may include desk research covering existing reports, review of existing M&E data, stakeholder interviews and focus group discussions and sample surveys. The State will hire a suitable technical agency to conduct the diagnostic exercise and to develop the SIP.

6. Duration of the Assignment

The duration of the assignment is programme duration from the date of signature of LoU

7. Reporting Requirements and Timeline of Deliverables

Milestones for SIP	Timelines (from issuance of contract-T0)
Execution Plan Report	
Scoping Report (Desk research, Stakeholder mapping, initial stakeholder consultation)	
Diagnostic Assessment (Stakeholder consultations and interviews)	
Validation and Report writing (Validation workshop) with a Report acceptable to SNA	
Final SIP acceptable to SNA	
A power-point presentation of the final SIP to SNA	

8. SIP Approval, Monitoring, and Implementation Process

- a) The SIP, based on the diagnostic exercise, will be submitted to State RAMP Programme Committee (SRPC) headed by the Principal Secretary/Secretary of the relevant department.

- b) Subsequent to the approval of SIP by the State RAMP Programme committee it would be presented to RAMP Programme committee at MoMSME, headed by the Secretary, MOSME/Joint Secretary in charge for, review and approval.
- c) The SIP is meant to be a dynamic document that can be updated annually based on changing context, additional evidence and implementation experience. SIP modifications will follow the same process of submission, review and approval by the RAMP committee at MoMSME.
- d) The State PIU set up for RAMP, will also support the implementation and monitoring of the SIP.
- e) Annual reports on SIP implementation progress will be submitted by States in a template shared by MoMSME. (**Appendix 4**)

9. Proposal submission process

The SIP would have to be formulated by agencies with requisite expertise such as:

- (iii) at least three years' experience in providing capacity building services to MSME sector.
- (iv) staff members/human resources with relevant experience.
- (v) list of similar projects managed in the last three years and other development assistance projects they have managed; and
- (vi) adequate financial and technical capability

The agencies meeting the above criteria should submit their proposal as per the template provided in Appendix 2. The institutions will submit one hard copy of the proposal to the RPC in the MoMSME and will provide it electronically (via e-mail).

The proposals submitted will be assessed as per the criteria mentioned in Appendix 3

Any queries regarding the ToR should be sent to RAMP Programme division by the stipulated time, which will be intimated separately.

10. Proposal submission deadline

The deadline for submission of the proposal would be intimated separately.

MSME State Strategic Investment Plan (SIP)

I. Introduction

Raising and Accelerating MSME Performance" (RAMP) is a World Bank assisted Central Sector Scheme, supporting COVID related Resilience and Recovery Interventions of the Ministry of Micro, Small and Medium Enterprises (MoMSME). The Programme aims at (i) strengthening capabilities of MSMEs and improving access to market and finance; and (ii) strengthening institutions and governance at the Centre and State, improving Centre-State linkages and partnerships for the development of the MSME sector. Key thematic areas underlying the RAMP Programme include - (a) closing the gender gap that impedes women-headed businesses for accessing financial and non-financial services; (b) facilitating green investments by MSMEs; (c) using innovative technology solutions to scale up service delivery; (d) mobilizing private sector providers to expand market-driven, quality service outreach to MSMEs.

Partnerships with States and the State Strategic Investment Plan (SIP) is the backbone of the RAMP Programme. The MoMSME invites all States to develop a SIP. The MoMSME will support interested States in preparing the SIPs.

II. Objectives

The SIP will serve as a strategic roadmap to strengthen the resilience of MSMEs and provide support for the development of the MSME sector in the State. It will address, not just traditional challenges facing the MSME sector, but will also build systemic capacity to respond to emerging challenges. The objective of the Strategic Investment Plan (SIP) exercise is to develop a holistic MSME support Programme for the State that:

- i. Scales up number of MSMEs covered under competitiveness support schemes and the overall effectiveness of these interventions
- ii. Implements interventions and financing at the State level in a converged manner. This will include interventions in allied areas including infrastructure skills training and development, and environmental improvements (reduced waste and pollution).

III. Overview of SIP (A draft detailed template is provided in Annexure 1).

The SIP will be based on a diagnostic and structured stakeholder dialogue exercise which will gather data and information on the MSME sector in the State. Based on the diagnostic exercise, the SIP will clearly list interventions, main results targeted, implementation timelines, costs and a monitoring and evaluation plan. The main segments of the SIP will be the following:

(i) DIAGNOSTICS TO IDENTIFY GAPS:

- a) **Overview of MSME sector in the State:** number of MSMEs and growth; MSME clusters and geographical concentration, aspirational districts and clusters, industry/sector, women-headed MSMEs; performance of MSMEs based on various parameters (employment, output, value added, productivity, exports and GVC linkages, linkages to PSEs and major anchor buyers).

b) **Key constraints to MSME growth:** with a focus on regulatory constraints and costs; access to inputs (including skilled labor, land, capital); technology; credit; target markets and required product standards (domestic and international); management capacity; adoption of Resource Efficient and Cleaner Production (RECP) practices by MSMEs (improved energy efficiency and reducing waste of inputs such as materials, water, energy etc.); constraints faced by women-headed MSMEs; gaps/constraints in infrastructure (power, digital and transport services, quality testing facilities, common facility centres, serviced industrial land, etc.). The SIP may identify both cross-cutting constraints (across sectors) as well as sector and regional and cluster- specific constraints.

c) **Key capacity gaps on MSME policy development and delivery covering:**

- I. Existing policy framework and the associated implementation institutions, agencies and key market players for MSME development and identification of areas for strengthening capacity.
- II. Coordination arrangements across State institutions and departments; District Industry Centers (DICs) and key business association, private sector players delivering public services and anchor companies;
- III. Existing Monitoring and Evaluation (M&E) systems for State government interventions in the MSME sector; mapping existing State government portals to deliver services and their use etc.

(ii) PLANNED DEPLOYMENT OF MSMES INTERVENTIONS AND IN ALLIED AREAS, OVER SIP PERIOD COVERING:

- a) Central government initiatives, particularly of the MoMSME for MSME support in the State (MSME Champions Scheme, MSE-CDP etc.) and the planned deployment of these initiatives in the State.
- b) State MSME support schemes and interventions at State level across ministries, departments and agencies, and including in allied areas such as infrastructure; corresponding budget outlays.
- c) Projections for planned deployment and financial outlays of these State interventions over the four year period of SIP implementation in support of SIP objectives.

(iii) PREPARATION OF A TIMEBOUND, RESULTS-BASED AND COSTED SIP IMPLEMENTATION PLAN, COMPRISING:

- a) SIP Intervention Matrix identifying the key Central and State activities to be implemented over the four-year SIP timeframe to address key constraints and capacity gaps to achieve SIP objectives, including capacity building of nodal private and public sector Technical Service Providers (TSPs) in the State to enhance technical service provision to MSMEs in targeted competitiveness schemes.
- b) Action plan to institute an Environmental and Social Management (ESM) screening, assessment and monitoring system in line with the 'Strategy to Strengthen Environmental and Social Management; which is being developed by MoMSME.
- c) Preparation of strategy and implementation plan for partnerships, including specifically:

- I. Identification of potential pool of FIs with whom Public-Private Partnerships (PPP) agreements can be signed and targets for number of PPP agreements to be signed with FIs.
 - II. Identification of pool of Anchor Buyers with whom States can potentially enter into partnerships for supplier development Programmes.
 - III. Identification of pool of private technical service providers who can be leveraged for provision of services to MSMEs.
- d) Blueprint for strengthening of State online portals including grievance redressal mechanisms, integration of State portals with the national portal, data sharing with national portal.
 - e) Communication and Outreach Strategy for identification and mobilization of MSMEs (including women-headed MSMEs) to achieve target outcomes. The plan will cover partnerships with Financial Institutions (FIs) to enhance access to finance for MSMEs, including through the CGTMSE (for women-headed MSMEs and RECP/green investments), scaling up numbers of MSMEs using SAMADHAAN for resolution of delayed payments and TREDs for financing of receivables, plus Industry Associations, Anchor Companies, relevant government bodies and DIC-level outreach efforts.
 - f) Results Matrix and M&E Plan comprising impact and intermediate outcome and input Key Performance Indicators (KPIs), systematic data gathering on interventions, tracking of beneficiaries through the life cycle of the intervention; gender-disaggregated beneficiary data; as per the national guidelines by MoMSME; measurement, verification and reporting procedures.

(iv) TARGET OUTCOMES UNDER THE SIP:

- a) Baseline numbers and year wise Programme goals over the four year period -for total number of MSMEs to be supported through interventions covered directly under the RAMP Programme – These include:
 - I. Competitiveness schemes – bronze graduation under the ZED intervention, (silver and gold graduation under ZED); Lean;
 - II. MSMEs to be registered in TReDS platform in the State;
 - III. Use of Online Dispute Resolution through the Samadhaan Portal;
 - IV. Access to credit to: (a) women-headed MSMEs through the credit guarantee schemes of CGTMSE; (b) MSMEs through green guarantees for adoption of RECP practices
- b) Baseline and outcome goals in other MSME interventions and allied areas of MSME support.

IV. SIP Preparation Process

- a) The State Government may hire a suitable agency to lead the diagnostic exercise, support the stakeholder dialogue process and prepare the SIP as per the overview and template provided. The State Government will lead and provide oversight over the preparation of the SIP. The SIP will be duly approved by the competent authority in the State before submission to the MoMSME.
- b) The SIP preparation will involve –a mix of desk research, structured stakeholder consultations and focus group discussions and surveys - to collect data and information for the diagnostics as well as extensive discussions and consultations across State government departments and agencies for the preparation of the plan.
- c) Potential sources of data include the census and surveys conducted by National and State

statistical agencies (ex: Annual Survey of Industries; Survey of Unincorporated Enterprises, Economic Census); Surveys by Private entities; Administrative data of the State Government; GST data; trade data from DGCIS; National and State Accounts Statistics; reports from Export promotion councils, Boards (tea, coffee, spices etc) and other sources, review of existing M&E data etc.,

- d) Stakeholder consultations with both public and private entities, to include and not limited to, MSMEs; business associations; associations of women entrepreneurs; financial institutions, nodal technical institutions; Business Development Service (BDS) providers; DICs; technical service providers; Municipal Authorities, Skill Development Missions, State Rural and Urban Livelihoods Missions; all relevant ministries, agencies and departments in the State working on MSME development including allied activities such as infrastructure, land, transportation networks etc.,

V. SIP Approval, Monitoring and Implementation Process

- a) The SIP will be prepared in the first year of the RAMP Programme implementation (2022/23) and will be implemented over Years 2-5 of the RAMP Programme (2023/24-2026/27).
- b) The SIP will be submitted to MoMSME and will be reviewed by the MoMSME and the RAMP Programme Committee (RPC) headed by the Secretary, MoMSME. State SIPs will be approved by the RAMP Programme Committee (RPC) for grant funding, i.e., gap financing to support specific activities under the SIP via the selection process described in the Programme Implementation Manual (PIM).
- c) The SIP is meant to be a living document that can be updated annually based on changing context, additional evidence and implementation experience. SIP changes will follow the same process of review and submission by the State RAMP Programme Committee and submission, review and approval by the RAMP Programme Committee (RPC). Progress against SIP will be reviewed regularly (quarterly / half-yearly) by RPC.
- d) States will hire a Programme Implementation Unit (PIU) – with technical expertise in the relevant areas - for supporting the implementation and monitoring of the SIP

VI. SIP Financing

- a) MoSME will support SIP implementation in the States through the following: (i) deployment of existing schemes – primarily MSME Champions Scheme (ZED, Lean, Design, IPR and Digital), marketing support schemes and strengthening of Technology Centers (capacity building and soft interventions) as per SIP; and (ii) gap financing for SIP activities not covered through existing schemes.
- b) RAMP financing for States will support technical support interventions⁸ to enhance outcomes of MSME support Programmes as laid out in the SIP, including new schemes to undertake selected activities laid out in the SIP to meet the results under the RAMP Programme.

⁸While gaps in infrastructure (power, transport and digital networks, common facility centres, serviced industrial land, transportation networks etc.), may be identified as part of the diagnostics and preparation of the SIP, infrastructure and major civil works these will not be financed through the RAMP Programme. The idea to ensure that gaps are identified and addressed through other complementary interventions and financing channels at the State level.

Appendix 1: SIP Template

(pl refer para 4 of Annexure 5)

I. Overview of the MSME sector in the State

Overall Performance of the MSME sector in the State (can be benchmarked against All India; other frontier States as per UDYAM Data)– Suggested list of indicators:

- Number of MSMEs and growth in numbers over time; MSMEs in the State as a share of MSMEs in India
- Number and share of women headed MSMEs
- Size Distribution of enterprises – Number (and share) of MSMEs in following size categories based on total workers –
1; 2-5; 6-9; 10-19; 20-49; 50-99; 100-499; above 500
- Output/value added and share of MSMEs in State GDP, growth over time
- Employment in MSME sector; growth over time
- Productivity statistics on MSMEs in the State
- Exports and GVC linkages
- Sector/Industry wise information for above indicators
- linkages of MSME vendors to PSEs, and major anchor buyers
- MSME clusters, geographical concentration, Aspirational districts and clusters
- Access to credit for MSMEs, formal financial institutions in the State
- Factors that determine production such as – Land, Energy, Water, Labour, entrepreneurship, technology, R&D/testing facilities

Snapshot of Performance/Overview by sector

NIC 2 Digit Code	Industry Name	Number of MSMEs	Proportion of MSMEs in total MSMEs in the State	Proportion of Women Entrepreneurs in the sector	Geographic Clusters	Employment in sector (number and share in total)	total output/ value added (Value and share in total)	Exports

Snapshot of Access to Finance

Industry/Sector	Major Method of Finance (Banks, Lenders, investors, FIs etc.)	Existing Central/State Schemes being availed	Industry Associations	Size of Support Available

Snapshot of Overview by Geography

District/geographical cluster	Number of MSMEs	Proportion of women MSMEs	Main Sectors in district

II. Main challenges/Key constraints to MSME growth

This section will identify key constraints and challenges to MSME growth in the State including constraints faced by women-headed MSMEs. Several of these constraints will be cross-cutting across sectors and geographies while some of these may be more sector specific or geography specific. These will be identified based on structured interviews and Focused Group Discussions (FGDs) with MSME Associations, MSMEs, technical service and business service providers, anchor buyers and Financial Institutions, as well as Government Agencies, Ministries and Departments working on development of MSME sector and allied activities.

- **Business environment:** Assessment of the business environment (for starting and running a business); regulatory constraints, process gaps and costs; compliance burdens; continuing gaps in Business Environment that need to be addressed.
- **Factor Conditions:** Land, Energy, Finance, Labour, Ecological Sensitivity, Market Size & Access, Technology, Common Infrastructure and others.
- **Infrastructure:** Identify key infrastructure gaps in core public infrastructure accessed by MSMEs - energy, water, roads, industrial land; infrastructure provided through third-party providers (such as warehousing, cold chains, transportation); and “soft” infrastructure such as laboratory facilities and inspection capacity; quality testing; based on an assessment.
- **Credit:** Identify limitations in MSME access to credit, the credit gap, if any, and the factors that inhibit access to credit. This will be based on identification and assessment of financing gaps for MSMEs, ensuring full consideration of gaps faced specifically by women headed MSMEs. This will involve looking at both supply side constraints (financial institutions) as well as demand side issues. MSMEs access to finance for business functioning and growth needs, financial institutions that service target sectors and geographies, constraints their ability to lend to MSMEs, etc. the existing

interventions for credit gap financing, like seed money assistance, subsidies, equity schemes, etc., and their performance and gaps.

- Delayed Payments to MSMEs: Analysis and summary of delayed payment issues and statistics in the State, including time-period to resolution, costs, and pending cases. the current methods for dispute resolution mechanisms (including MSEFCs) working in the State, Assessment of market for Online Dispute Resolution (ODR) in the State, Potential demand for ODR and assessment of factors constraining demand.
- Target Markets and product standards: Identification of existing and target domestic, regional, and global market opportunities, existing pathways through which MSMEs are accessing such markets (e.g. key value chains and large companies with supply chains) and challenges preventing enhanced access to these markets (including information access, meeting quality standards, GIs and IPRs as well as other factors constraining market access).
- Technology: Identify technology gaps and constraints to upgrading technology. These could include (i) technologies for general business functions; (ii) sector specific technologies for production, (iii) digitization i.e., adoption of digital technologies and use of digital platforms, and (iv) access to green and climate friendly technologies and potential for adoption of Green & Energy Efficiency Technologies
- The linkages of MSMEs with R&D labs and centres, academia and factors that constrain technology transfer and access
- Strengthening of Firm capabilities and adoption of Resource Efficient and Cleaner Production (RECP) practices by MSMEs: Identification of gaps in management capacity (optimal management of inventory, setting and monitoring of production targets, systematic tracking of performance using KPIs, regular book keeping or maintaining accounts etc.); assessment of energy efficiency practices and investments; adoption of lean practices to reduce waste of material inputs, water and energy and improve efficiency.
- Market for Service provision to MSMEs: Mapping of support ecosystem for MSMEs, including technical service providers and business service providers; Identification and assessment of nodal institutions and other service providers in the State; supply constraints, if any, in service provision for MSMEs, Exposure to new markets; Establishing Value chain linkages with other clusters (if any); Development of a e-Marketplace
- Gender gaps: Additional barriers faced by women-headed MSMEs in accessing technical services and credit to inform specific interventions under the SIP to enhance proportion of women-headed MSMEs supported.
- Skills: Assessment of skills gaps – both cross cutting as well as sector specific. Overview of the existing skilling and capacity building infrastructure in the State, ITIs, and skill Kendra and gaps if any. How can they be made more relevant to demand from the private sector?
- Environmental, labour management and occupational health and safety standards compliance: Assessment of implementation framework for compliance with existing State and national environmental, labour and occupational health and safety regulations (and against target market standards) and identification of areas for strengthening regulatory supervision and technical service provision to improve outcomes in these areas.
- Other: Can include additional constraints not covered in the list. Ex -Factors constraining access to inputs (including imports of inputs) etc.,

Snapshot of Sector specific constraints

NIC Code	Sector Name	Constraints

Snapshot of constraints by geography

District/geographical cluster	Constraints

III. Key gaps in MSME support, policy development and delivery

- Mapping of the Institutions and Agencies in the State for MSME development – Includes other Departments in the State related directly or indirectly to MSME development; District Industry Centers; agencies working on MSME development etc.,
- Existing Capacity: Summary of existing capacity of Industries Department and DICs by functional areas and other key support agencies. [ex. Policy development, Programme delivery, M&E, data systems, environmental and social compliance, procurement]
- Coordination mechanisms: Assessment of coordination mechanisms across State Institutions and Departments on the MSME development agenda;
- Monitoring and Evaluation (M&E) systems: Assessment of existing M&E for State Government interventions in the MSME sector including MIS systems; tracking of inputs; outputs; outcomes for MSME interventions; availability of gender disaggregated data and data by other social groups etc.,
- Portals: Mapping existing State Government portals that deliver services to MSMEs and their current usage; assessment of these portals in delivering services and gaps if any;
- Existing interventions in State: Mapping exercise of State MSME support schemes and interventions at State level, including in allied areas.

IV. Interventions in State under the SIP

- A. This will cover interventions under RAMP Programme – converging MoMSME and State interventions - to address gaps identified along with projected budgetary allocations. [for a four-year period]

- Competitiveness Support: Blueprint to scale up and more effectively deploy existing competitiveness schemes in the State in a converged manner – (i) Focus on MSME Champions Scheme (ZED, Lean, Design, Digital, IPR), and market access support schemes – of MoMSME and related State interventions;(ii) leveraging existing private and public service providers for business and technical services to MSMEs; (ii) This will also include identification of the potential pool of anchor buyers to partner with on supplier development Programmes, to enhance MSME competitiveness.
- Dispute Resolution for Delayed Payments: Strategy/blueprint for speedy and resolution of disputes related to delayed payments to MSMEs including (a) outreach and technical assistance to MSMEs to use ODR under Samadhaan Portal; (b) modification of State guidelines (if needed) and outreach to State Facilitation Councils to increase referrals by State Facilitation Councils to ODR providers.
- Increased digitalization of MSMEs, including use of TReDS portal: Strategy/blueprint for outreach and technical assistance to increase use of digital platforms by MSMEs, including the TReDS portal.
- Identification of potential Cluster level technical interventions: For example, research partnerships to address key technology adoption challenges; collaborative research and development efforts; technical support to develop cluster proposals and cluster associations to enhance use and outcomes from Cluster Development Programme (MSE-CDP).
- Partnership with Financial Institutions (FIs) including on-boarding with TReDs:(i) Identification of potential pool of FIs; (ii)blueprint for outreach, partnerships with Financial Institutions and pilot interventions to enhance access to finance for MSMEs (including women-led MSMEs), including in specific sectors and clusters, (iii) Partnering with CGTMSE Trust for outreach to increase number of FIs in the State that are CGTMSE partners, with emphasis on the gender and green (RECP) guarantee products.
- Strengthening markets for service provision to MSMEs in the State: Blueprint for (i) capacity building of nodal technical institutions, including both private and public institutions, to enhance provision of technical services; (ii) outreach to target populations including women-headed MSMEs and environmental and social compliance support and monitoring; (iii) outreach, training and capacity building to enhance pool of qualified Technical and business service providers and consultants in the State.
- Support to Women-headed MSMEs: Blueprint for increased outreach and targeting of women across MSME Programme coverage and specific interventions to enhance coverage under MSME Champions schemes; access to credit for women-headed MSMEs including through CGTMSE products; and increased proportion of women technical service providers and technical consultants.

B. Details of interventions and financing being converged under State interventions and allied GoI interventions, planned deployment of these interventions, including budgetary outlays

- Infrastructure–To cover - core public infrastructure accessed by MSMEs - energy, water, roads, industrial land; infrastructure provided through third-party providers (such as warehousing, cold chains, transportation); and “soft” infrastructure such as laboratory or technology facilities and inspection capacity.
- Finance: Interventions proposed to enhance the ease of access to credit facilities
- Skills development: including technical training, tertiary course development or upgrading, encouraging more demand driven technical and vocational training and education.
- Science and technology and competitiveness: including complementary activities, for instance to prepare local SMEs to access RAMP schemes, to develop collaborative projects/clusters that can

draw on RAMP support to drive local competitiveness, to encourage networking between businesses and other stakeholders by building local interaction between technical colleges and SMEs.

- Branding and Communication Strategy
- Textiles, Energy Efficiency, Agriculture, Other etc.

V. Partnership and Outreach Strategy

- Communication and strategy to enhance number of MSMEs supported through competitiveness Programmes (MSME Champions Scheme and related interventions), including on-boarding onto SAMADHAN and TREDs portal. Indicative interventions include:
- Preparation of Terms of Reference and Hiring of firm to map stakeholders and develop and implement communication, partnerships and outreach strategy.
- Outreach and partnership development to Industry Associations, anchor firms and Financial Institutions.
- Focused outreach strategy to reach women-headed MSMEs to expand coverage of women-headed MSMEs under the SIP.
- Outreach on specific sectors/geographical clusters as required.
- Partnerships with other Government Departments, Institutions for identification and mobilization of MSMEs.
- Preparation of awareness and outreach strategy to increase referrals to ODR in partnership with MSEFCs under the SIP.

VI. Strengthening Capacity for Development and Delivery of MSME Support Programme in the State

- Strengthening State Portals and Integration with National portal: Blueprint for interventions needed (including hiring of Technical Support as needed) to strengthen and integrate existing State online portals for effective service provision; and adoption of national data and reporting standards for integration with national MoMSME unified portal).
- Strengthening M&E Framework for MSME Support: Blueprint for strengthening M&E framework, including MIS systems; tracking of inputs; outputs/ outcomes for MSME interventions; availability of gender disaggregated data and data by other social groups etc., to track and report data on SIP implementation; RAMP Programme and MSME support in the State.
- Environmental and Social Management for MSME support: Action plan to institute a screening, assessment and monitoring system in line with the 'Programme Implementation Plan'; which is being developed by Ministry of MSME.
- Strengthening Coordination on MSME agenda in the State: Identification of measures to be undertaken to strengthen coordination mechanisms among Government Departments, Agencies and private sector key stakeholders and implementation partners to implement MSME support Programme.
- Capacity Building of Key players to deliver on the MSME agenda, including coordination mechanisms: Blueprint for Interventions to enhance capacity of key Government and other support agencies to implement MSME support Programme as reflected in the SIP and on MSME grievance redressal. This will include: (i) Filling staff vacancies; (ii) Identification of main functional areas

where capacity building is needed or institutional change to better respond to market demand, including to (a) implement and monitor environmental and social management strategy as per the guiding document prepared by MoMSME; (b) procurement and contract management functions; (iii) Training and capacity building of staff including identification and partnerships with relevant public and private training institutions and development of training calendar; (iv) Hiring of additional technical staff / consultants.

SIP Summary Table

Main Interventions Under SIP [including MOMSME and State schemes – including convergence of schemes	Total Budgetary Outlay	Convergence of existing scheme financing	Gap financing required through RAMP Programme
Strengthening of M&E systems:			
Strengthening of State portals and Integration of State portals with National portal			
Implementation of RAMP Programme Communication and outreach strategy			
Funding under new schemes			
Anchor Company Supplier Development Programmes (Number of Agreements signed):			
Capacity building of nodal Technical Support Institutions completed (Number):			
Others:			
Total			

Summary of Critical Actions to be supported Under SIP (Year 1-Year 4 of implementation period of SIP)

No.	Critical Actions [List]	Target Outputs and Outcomes			
		Year 1	Year 2	Year 3	Year 4
1	Strengthening of M&E systems:				
2	Strengthening of State portals and Integration of State portals with National portal				
3	Implementation of RAMP Programme Communication and outreach strategy				
4	Anchor Company Supplier Development Programmes				

	(Number of Agreements signed):				
5	Capacity building of nodal Technical Support Institutions completed (Number):				

Note: The Six listed are part of RAMP DLI 2.2. The State may add additional critical actions based on the SIP. For activities expected to be funded by gap financing; States are required to list the actions with the year-wise target details.

Summary Results Targeted

	Indicator	Baseline	Year 1	Year 2	Year 3	Year 4
1	Number of MSMEs completing bronze level under ZED					
	(of which women-headed)					
2	Number of women-headed MSMEs accessing credit under CGTMSE					
3	Number of MSMEs accessing credit under CGTMSE for RECP/Greening investments					
4	Number of MSMEs initiated a case for Online Dispute Resolution through Samadhaan Portal and direct referrals by State Facilitation Councils (SFCs).					
5	Number of MSMEs completing silver level under ZED					
6	Number of MSMEs completing Gold level under ZED					
7	Number of MSMEs completing Lean					
8	Number of trained and accredited service providers in core focus areas developed in State.					
	(Of which women)					
9	Number of MSMEs on-boarded onto TReDS platform.					
	(Of which women headed)					
10	Number of MSME delayed payments cases resolved by ODR through the Samadhaan Portal.					
11	Training and capacity building of State Industries Department and DICs for outreach and implementation support of MSME Programme	Proportion of staff trained.				

Note:1-4 are State level results covered under DLI 2.3 of RAMP; 5-11 are results related to other DLIs

Appendix 2: Proposal Template for Projects/Schemes for RAMP financing

(pl refer para 9 of Annexure 5)

Details of the agency: Name, address, contact details.

- i. Project Title:
- ii. Project Summary:
- iii. Existing Competencies for the specific theme: human resources, physical infrastructure, content (1 page)
- iv. Methodology (max 2 pages)

Describe in detail: the methods of implementation and rationale for such methodology; the role and participation of the various stakeholders and the reasons why these roles have been assigned to them; the organizational structure and the team proposed for the implementation of the project by function; the main means proposed for the implementation of the project (equipment, materials, and supplies to be acquired or rented)

- v. Duration and indicative project plan for preparing the SIP

Activity	Week 1	2	3	4	5	6	7	8	9	10	11	12
Example	Example											
Preparation Activity 1 (title)												
Execution Activity 1 (title)												
Preparation Activity 2 (title)												
Etc.												

vi. Budget for the project (to be provided in a spreadsheet)

Budget for the project		Year wise		
Costs	Unit	# of units	Unit value	Total Cost
1. Human Resources				
1.1 Salaries				
1.3 Per diems for missions/travel				
1.3.2 Local	Per diem			
1.3.3 Seminar/conference participants	Per diem			
Subtotal Human Resources				
2. Travel				
2.1. Travel	Per flight			
2.2 Local transportation	Per month			
Subtotal Travel				
3. Equipment and supplies				
3.1 Rent of vehicles	Per vehicle			
3.2 XXX				
3.3 XXXXX				
3.4 XXXX				
3.5 Other (please specify)				
Subtotal Equipment and supplies				
4. Costs related to activities/others				
4.1				
4.2				
4.3				
4.4				
4.5				
Subtotal Other costs				
5. Taxes, etc				
Subtotal Other				
Total cost				

vii. Organisational capacity

Please describe the organisational capacity to deliver the project. For example, provide clear examples/work experience of managing/delivering similar projects and impact that was delivered. Existing specific staff capacity and their experience and how they will be engaged in this project.

Appendix 3 : Proposal Assessment Criteria

(Pl refer para 3.2.5 and para 9 of Annexure 5)

One of the primary objectives of the RAMP Programme is to improve Centre-State synergies and prepare a roadmap for the MSME sector in each State to scale up the implementation capacity and coverage of MSMEs. This involves designing a Strategic Investment Plan (SIP) by all the States/UTs. However, criteria need to be developed to select the SIPs of the participating States.

Accordingly, the following methodology may be adopted:

- As per the decision of the Cabinet, all the States/UTs would be invited to participate in the Programme. For this, each State/UT will be required to confirm their participation through a Letter of Undertaking (LoU) for acceptance of conditions as required under the Programme.
- Each aspiring State which has confirmed its participation through the LoU will be provided financial support to prepare a SIP.
- The projects shall be selected based on scoring criteria laid out in the Programme Implementation Manual (PIM). The Ministry will set up a Strategic Investment Plan Evaluation Committee (SIPEC) comprising experts and professionals from Government, industry, academia etc. The recommendations of SIPEC would be placed before the RAMP Programme Committee (RPC) for final approval.
- The scoring criteria are divided into headings and subheadings. Each subheading will be given a score.
- The scores are assigned on basis of their importance and relevance for the achievement of the objective of the Programme.
- Interventions from States will be evaluated further for funding under RAMP. All selected SIP interventions of States will be eligible to be funded under the RAMP State budget. RPC may consider developing a threshold level for selection of SIP submitted by States.

Following are the indicative criteria of quantitative and qualitative evaluation of the status of MSME sector in the State through the appraisal of the SIPs. This would also include distinguishing factor specific to the State.

	Evaluation Criteria for SIP Evaluation	Max. Score
1.	A. <u>Quantitative Evaluation Criteria</u>	80
	a) Number of MSMEs registered on UDYAM portal in proportion to total MSMEs as per the 73rd Round of National Sample Survey (NSS)	15
	b) Position of State in the latest EoDB Rankings	15
	c) Proportion of latest State Budget allocated to MSME	5
	d) Contribution of MSMEs to State GDP	5
	e) Percentage of MSMEs as per the 73rd Round of National Sample Survey	5

	onboarded on TReDS	
	f) Percentage of State Public Sector Enterprises onboarded on TReDS	5
	g) Persons employed in MSMEs which are registered on Udyam Portal of the Ministry (2021-22) (percentage of employees in MSMEs as per the 73rd Round of National Sample Survey (NSS))	5
	h) Contribution of MSMEs to total tax revenue of the State	5
	i) Percentage of women-led enterprises to total MSMEs on UR	5
	j) Citizen Charter for DICs is notified in the State	5
	k) Percentage of cases resolved with respect to total cases registered in MSEFCs	5
	l) Growth in the total volume of digital payments done (Y-o-Y basis)	5
	B. <u>Qualitative Evaluation Criteria</u>	90
	a) Identification of gaps in access to Finance, Market and Technology MSME Sector of the State/UT	20
	b) State/UT Policy on MSMEs	50
	Vision/Roadmap for improvement in business environment for MSMEs in the State with requisite interventions and availability of Outcome – Output Framework for the schemes supported by the RAMP Programme: (Specific Schemes- TReDs, MSME Champions Scheme, CGTMSE etc)	
	• Short Term (0 - 1) years • Medium Term (2 – 3) years • Long Term (4th year onwards)	
	c) Extent of Participation in various Central MSME schemes	10
	d) Details of activities carried out by Development Centres & District Industries Centres/Sub District Industries Centres in the State and strategy to strengthen its eco-system	10
	C. <u>Distinguishing Factor</u>	
	Distinguishing Factor identified specific to the State that could be achieved based on evaluation of identified interventions and related funding	30
	TOTAL	200

The evaluation of the projects proposed by the States would also be conducted for selection of the projects/schemes for funding through the RAMP Programme. States may include more than one projects/schemes for assessment for funding. The indicative criteria and scoring system (SIPEC may consider development of a statistical model, if required) is as follows:

	Evaluation Criteria for Selection of Project/Scheme for funding	Max. Score
	<u>Evaluation Criteria for selection of Project/Scheme</u>	
	a. Alignment of the Scheme/Project of States with respect to RAMP programme objectives	20
	b. Strategy for project/scheme implementation with pre-defined milestones	20
	c) Strategy for increasing for capacity building of MSMEs in the project/scheme	10
	d) Strategy on increase in women-led MSMEs in the project/scheme	10
	e) Strategy on Greening Initiatives in the project/scheme, including (if applicable) notification of Plastic Waste Management (Amendment) Rule, 2021 and Extended Producers Responsibility (EPC)	10
	f) Strategy for improving the EoDB – Acts/Rules, Compliances, Filings in the project/scheme	10
	g) Plan for Implementing Online Dispute Resolution (through the strengthening of MSEFCs) in the project/scheme	10
	h) Plan for Strengthening M&E framework pertaining to project/scheme	10
	TOTAL	100

The final decision as regards the selection of projects/schemes for funding would be decided by the RPC on the recommendation of SIPEC. RPC will consider the proposals for funding on the basis of SIPEC's recommendations and Projects' uniqueness, importance for the State, recurring/non-recurring expenditure, fund availability etc.

Appendix 4 : SIP Progress Report Templates

(pl refer para 8(e) of Annexure 5)

- a. Summary of Critical Actions to be Supported Under SIP (Year 1-Year 4 of implementation period of SIP)

No.	Critical Actions [List]	Target Outputs and Outcomes			
		Year 1	Year 2	Year 3	Year 4
1	Strengthening of M&E systems:				
2	Strengthening of State portals and Integration of State portals with national portal				
3	Implementation of RAMP Programme Communication and outreach strategy				
4	Partnerships with financial institutions: (Number of agreements signed)				
5	Anchor Company Supplier Development Programmes (Number of Agreements signed):				
6	Capacity building of nodal Technical Support Institutions completed (Number):				

Key highlights:

- b. Summary progress as per the agreed results

	Indicator	Baseline	Year 1 – 1 st Half	Year 1 – 2 nd Half	Year 2- 1 st half	Year 2- 2 nd Half
1	Number of MSMEs completing bronze level under ZED					
	(of which women-headed)					
2	Number of women headed MSMEs accessing credit under CGTMSE					
3	Number of MSMEs accessing credit under CGTMSE for RECP/Greening investments					
4	Number of MSMEs initiated a case for Online Dispute Resolution through Samadhaan Portal and direct referrals by State Facilitation Councils (SFCs).					

5	Number of MSMEs completing silver level under ZED					
6	Number of MSMEs completing Gold level under ZED					
7	Number of MSMEs completing Lean					
8	Number of trained and accredited service providers in core focus areas developed in State.					
	(Of which women)					
9	Number of MSMEs onboarded onto TReDS platform. [Of which women.]					
10	Number of MSME delayed payments cases resolved by ODR through the Samadhaan Portal.					
11	Increase in number of Member Lending Institutions from State for CGTMSE					
13	Training and capacity building of State Industries Department and DICs for outreach and implementation support of MSME Programme	Proportion of staff trained.				

Key Highlights:

c. Budget utilization

	Indicator	Approved Budget	Year 1 – 1 st Half	Year 1 – 2 nd Half	Year 2- 1 st half	Year 2- 2 nd Half
1	Number of MSMEs completing bronze level under ZED					
	(of which women-headed)					
2	Number of women headed MSMEs accessing credit under CGTMSE					
3	Number of MSMEs accessing credit under CGTMSE for RECP/Greening investments					
4	Number of MSMEs initiated a case for Online Dispute Resolution through Samadhaan Portal and direct referrals by State Facilitation Councils (SFCs).					
5	Number of MSMEs completing silver level under ZED					
6	Number of MSMEs completing Gold level under ZED					
7	Number of MSMEs completing Lean					
8	Number of trained and accredited service providers in core focus areas developed in State.					

	(Of which women)					
9	Number of MSMEs onboarded onto TReDS platform. [Of which women.]					
10	Number of MSME delayed payments cases resolved by ODR through the Samadhaan Portal.					

xxx

Annexure 6 - Qualification Pack for NPMU

(pl refer para 7.3 and 10.2.1)

Terms of Reference (ToR) To hire National Programme Management Unit Under Raising and Accelerating MSME Productivity (RAMP)

1. Programme background

Raising and Accelerating MSME Performance (RAMP) is a World Bank supported Programme, supporting the Ministry of MoMSME's "Implementing MSME competitiveness Programme- post Covid Resilience and Recovery Programme (MCRRP)", which aims at strengthening schemes that focus on improving market access, access to credit, strengthening institutions and governance at the Centre and State, improving Centre-State linkages and partnerships, addressing issues of delayed payments, and greening of MSMEs.

RAMP supports this overall Programme and focuses primarily on building capacity of National and State level agencies, build platforms for provision of critical services to MSMEs and enhancing outcomes from competitiveness related schemes.

This Term of Reference is for setting up of a National Programme Monitoring Unit(NPMU) for the RAMP Programme, by the Ministry of MSME.

2. RAMP Programme development objective and result areas

The Programme development objective is to strengthen institutions and markets for MSMEs at the Central Government level and in States.

Implementation of key policies in Results Area I unlocks institutional capacity that makes possible the progress targeted under Results Area II. Results Area II supports the enhancement of quality and scalability of market-based support services to MSMEs, with a particular focus on results in the participating States.

RA#1: Strengthening Institutions and Governance of the MSME Programme. This will target results at the Central and State levels to address institutional capacity and coordination constraints. This RA aims to strengthen federal and State institutions to deliver on the MSME agenda through better CG level and CG -State coordination on the MSME sector; enhanced policy capacity of MoMSME to undertake evidence-based policy and Programme design; improved and interoperable portals to deliver online services to MSMEs at scale and in a cost-effective manner; and a more decentralized, flexible and cohesive MSME Programme led by States.

RA#2: Support to Firm Capabilities and Access to Markets, Access to Finance. The interventions will aim to use technology-driven solutions and leverage platform approaches to achieve economies of scale and better outreach of quality market-based private sector service provision in the areas of firm capabilities and access to finance. This RA aims to improve the quality, coverage and delivery of the existing Firm Capabilities schemes and strengthen the market for BDS; improve access to finance and working capital by strengthening receivable financing markets for MSMEs through well-functioning digital factoring platforms; improve access to finance for women entrepreneurs and greening investments

through CGTMSE; and strengthen dispute resolution mechanisms for delayed payments to MSMEs by incorporating online dispute resolution and private sector provision of these services.

The following Key Performance Indicators (KPIs) are proposed to measure progress towards this PDO:

- Improved Firm Capabilities from utilizing Schemes - measured by MSME Champions Schemes and linked schemes uptake.
- Increased access to finance for female-headed businesses - measured by the volume of credit guarantees.
- Increased access to finance for green investments - measured by the volume of credit guarantees.
- Increased MSME access to factoring – measured by the value of invoices placed on the TReDS platform.
- Increased resolution rate for delayed payments – measured by the number of MSMEs able to unblock payments via ODR platforms accessed via the MoMSME Samadhaan portal.

3. Objectives of the Assignment

The Ministry of MSME, Government of India, intends to select an agency to who will be responsible to set up the Programme Management Unit to support the Ministry in designing, planning, implementation, and monitoring of the World Bank assisted Raising and Accelerating MSME Performance (“the Programme”).

The hired agency will deploy fulltime onsite resources to establish the Programme Management Unit (PMU) at New Delhi. to support the Ministry of MSME.

The main purpose for setting up the PMU is to assist the Ministry in the implementation of RAMP Programme in the participating States.

4. Scope of Services

The scope of services of the PMU will be to assist and support the Ministry, which, inter-alia includes, activities listed below:

- (i) Iteration of Scheme guidelines from time to time.
- (ii) Preparation of Evidence-based policy and Programme design notes and implementation framework,
- (iii) Development of annual and financial operational plans, formulating templates for execution, including project appraisal,
- (iv) Carrying out SIP appraisals, and verifying achievement of milestones vis-à-vis the plans,
- (v) Facilitating setting up of State Project Implementation Units (PIUs) and monitoring them thereafter,
- (vi) Making dashboards for analytics and monitoring of Programmes, feedback, and rating systems for service providers,
- (vii) Capacity building and technical training to deliver on the policy agenda and strengthen M&E framework,
- (viii) Setting up of a central control room for maintenance of MIS, M&E operational framework, MIS upgrades documentation and data collection,
- (ix) Developing a suitable monitoring framework for Gender and Environmental & Social (E&S) interventions,
- (x) Preparing verifiable progress reports based on inputs from component managers, etc.

5. Team Composition and Qualification

The firms are advised to deploy sufficient human resource required to successfully deliver the tasks and quote accordingly in their proposal. An indicative qualification pack for the Programme during the period of five years is shown in the table. The team composition prescribed is based on the existing project requirement and objectives.

While evaluating technical proposals, CVs of the key experts proposed will be evaluated with respect to the indicative qualification and experience specified for each position in the above table.

Qualification Pack-NPMU-RAMP						
S.No	Designation and Number required	Area of Specific Expertise Desired		Roles and Responsibilities	Minimum Qualification and Desired Professional Experience	Man Months
K1	NPMU Head	Senior Programme Management		The PMU head will work directly under the supervision of the Joint Secretary in charge of RAMP, MoMSME. He/she will be responsible for overall Policy formulation, Management and Programme Implementation support to the MoMSME on RAMP.	Post Graduate degree in economics/social sciences/public administration/Masters/Post graduate diploma in business management from national/international premier institutes Overall work experience of not less than 15 years in the development sector in key leadership roles. At least 10 years in Programme implementation of similar scale at Government of India. At least 5 years in a leadership position in a State or National level Programme/ assignment. Experience in handling similar Programmes in the MSME/administrative reforms/access to markets for MSMEs	60

S.No	Designation and Number required	Area of Specific Expertise Desired		Roles and Responsibilities	Minimum Qualification and Desired Professional Experience	Man Months
K2	Programme Managers- five (5) Numbers- State wise (More as and	Middle Management		The Programme Managers will be responsible for overseeing the successful implementation of the Programme in the States.	Masters/post graduate diploma in business management from a recognised	300

	when more States are on boarded)			Apart from other tasks, the PMs will coordinate with the specialists in the team for overall supervision of SIP preparation and ensuring submission of SIPs from States on time. national/ international institute. The candidate should have not less than 8 years of experience in the relevant field. The candidate must have experience in working for State Governments in hand holding and running Government of India/ State Government Programmes for not less than 5 years. Work experience in the respective State Experience in MSME sector is desirable	
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S.No	Designation and Number required	Area of Specific Expertise Desired		Roles and Responsibilities	Minimum Qualification and Desired Professional Experience	Man Months
K3	Knowledge Management -One	Knowledge Management	i	Maintaining market intelligence data w.r.t the Programme, production of reporting products, including written reports and Power Point presentations.	Post graduate degree from a recognised National/ International institute in Economics/ Statistics/ Public Policy Masters /post graduate diploma in Business Management/other relevant field.	60
			ii	Constant updation of web site, portal and other content related to the Programme from time to time.	The candidate should have not less than 5 years of experience in the relevant field.	
			iii	Support to Policy division for preparation of three core reports and	Should have a total work experience of not less than 3 years in the knowledge management	

			Annual State of MSME report.	sector.	
				Good communication and strong Microsoft Office skills – written and oral – are critical; ability to rapidly write reports and presentations with clear, concise, and impactful messages is essential.	

S.No	Designation and Number required	Area of Specific Expertise Desired		Roles and Responsibilities	Minimum Qualification and Desired Professional Experience	Man Months
K4	M&E and Data Analytics- One (1) Number	Data Analytics	I	Recommend improvement of the Programme design by supporting frequent reviews and analyses at all levels, for problem solving and documenting successes and failures..	Postgraduate degree/equivalent in Economics, Statistics, Information technology or any other relevant field; Masters/post graduate diploma in business management .	60
			Ii	Monitoring indicators for Outputs and Outcomes regularly.	At least 5 years of professional experience of designing and establishing IT–based management information systems in the social and economic development sector.	
			Iii	Work closely with INMDP team to frame the digital portal	Specific experience of developing M&E frameworks for large scale projects and conducting impact evaluation assessments is needed.	
					Experience in using frameworks such as log frames etc. would be preferred.	
					Experience in MIS/M&E in SME sector	
					Experience of working in at least one project using web-based monitoring and evaluation tools is necessary.	

				Proficiency in using statistical analysis software, such as SPSS & STATA; and Excel and Qualitative data analysis software will be an asset.	
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S.No	Designation and Number required	Area of Specific Expertise Desired		Roles and Responsibilities	Minimum Qualification and Desired Professional Experience	Man Months
K5	Enterprise/ Business Development- One (1) Number	Marketing		The Enterprise and Business Development specialist will be specifically tasked with Coordination with MoMSME and State officials and units in:	Post graduate degree/equivalent in marketing/business management/ other relevant field from a premier national/international institute.	60
			i	Increasing the reach and performance of Market access schemes under RAMP	Overall work experience for not less than 10 years in the relevant field.	
			ii	Monitoring the BDS providers for last mile service to units	Demonstrated experience in working with State Governments/ public agencies in establishing business and marketing linkages.	
			iii	Providing domain inputs in review of Strategic Investment Plans.	Prior work experience with lead buyers in India or other developing economies would be an added advantage.	
					Experience in MSME sector	

S.No	Designation and Number required	Area of Specific Expertise Desired		Roles and Responsibilities	Minimum Qualification and Desired Professional Experience	Man Months
K6	Finance and Banking specialist- One (1) Number	Financial Management and Banking experience		The Finance and Credit Development specialist will be specifically tasked with Coordination with MoMSME, and State officials and units in:	CA/ MBA- finance from a premier national/international institute.	60

			i	Coordinate with financial institutions/NBFCs/MSMEs for on boarding onto TReDs and Samadhaan platform	The candidate will have not less than 10 years of proven experience in developing access to finance for micro enterprises in developing economies.	
			ii	Coordinate with CGTMSE to design new products as per RAMP frameworks	Experience of handling credit portfolios for assisting MSEs with Banks/FIs/NBFCs	
			iii	Providing domain inputs in review of Strategic Investment Plans.	Experience in the government Programmes	
					Experience in Programmes financed by international development organizations.	
K7	Procurement Specialist – One (1) Number	Procurement and Contract Management		Prepares a range of procurement-related documents and reports as per the World Bank norms.	Master's degree, or equivalent, in Business Administration, Economics, Engineering or other related fields. University degree in Business Administration, Economics, Engineering or other related fields combined with specialized experience in similar projects may be considered in lieu of a Master's degree.	60
			i	To provide direct support to all project implementation agencies in procurement related activities.	At least 8 years of experience in , preparing bid documents-including EOI, RFPs, Concession agreements etc.	

			ii	To gather client needs and liaise with the domain experts for preparation of bid documents-including EOI, RFPs, etc	Experience of managing procurement activities and contract management in government projects/SME assignments would be given weightage.	
			iii	To provide operational advice to MoMSME on concepts, policies and procedures for international and local procurement as per World Bank's guidelines.	Experience of handling procurement guidelines of Multi-Lateral Development Banks (MDBs).	
			iv	To coordinate all procurement activities of the Programme at the National and State level.		
K8	Financial Management Specialist – One (1) Number	Financial Management		To provide technical support to Ministry on FM matters and liaison/coordinate with State nodal depts and participating public & private sector implementing agencies on fund flow releases and expenditure monitoring, obtaining Utilization certificates, financial reports, contract management reports	Bachelor's Degree in Finance & Accounts with at least 8 years of experience in government accounting and PFM systems. Preference will be given to Chartered or Cost Accountant.	60
				To prepare annual financial Statements of the Programme, liaison with CAG on audit matters, obtain audit report and ensuring audit compliances	Experience of providing support to Central Ministry in the implementation of central sector schemes, centrally sponsored schemes.	
				to monitor FM indicators, submit financial management reports to the World Bank	Experience in Programmes financed by MDBs/international development organizations.	

S.No	Designation and Number required	Area of Specific Expertise Desired		Roles and Responsibilities	Minimum Qualification and Desired Professional Experience	Man Months
K8	MIS	IT	i	In charge of development of INMDP and IT support	Masters/Post graduate diploma in management in IT/Computer Science from a premier national/international institute.	60
			ii	Work in tandem with Knowledge management expert and M&E expert.	Minimum of 10 years of experience in systems and software development which includes	
					At least 6 years of experience in Portal and MIS development of comparable projects.	
K9	Control Room Manager	Management	i	Managing the PMU day to day needs	Post graduates in Management/ IT/Master in relevant discipline, from National/ International premier institutes with minimum of 5 years of relevant experience	60
			ii	Troubleshooting on SOS basis to needs of MoMSME and PMU		
			iii	Closely coordinate with MIS and IT team for dashboard and grievance redressals		
K10	Senior Consultant	Management	i	Support the head PMU and Knowledge Management Expert, in co-ordination and knowledge management	Post graduates in Management/ Master in relevant discipline, from National/ International premier institutes with minimum of 8 years' experience	60

S.No	Designation and Number required	Area of Specific Expertise Desired		Roles and Responsibilities	Minimum Qualification and Desired Professional Experience	Man Months
Non Key Staff						
NK-1	Subordinate officer	Management		Support the Senior Consultant in all day to day tasks especially in data synthesis,	Graduates/ Post in Management from recognized	60

				preparation of power points and reports.	National/International universities.	
					Minimum 1 year of job experience.	
					Proficient in the use of word/ excel/ PowerPoint etc.	
NK-2	Environmental Safeguards Specialist-One (1) Number*	Environmental Management	i	The Environmental and Safeguards specialist will be specifically tasked with the following:	The Environmental Safeguards specialist will have a university degree in a relevant area (environmental management, biology, geology, environment)	36
			ii	Implement environmental/social related activities as outlined in the Environmental Safeguards Framework of the Programme.	At least fifteen years of professional experience in assignments for environmental assessments as well as environmental management in a wide range of activities;	
			iii	Review the proposals (sub-projects) and ensure that environmental/social issues are properly addressed by development of a project-specific environmental analysis.	Demonstrated experience for supporting, advising and/ or collaborating with public institutions on environmental/ climate change/ sustainable development policies and requirements.	
			iv	Provide expert advice to the MoMSME through PMU with regard to strategies and approaches to effectively and efficiently comply with relevant World Bank environmental safeguard operational policies and requirements.		
			v	Coordinate and share information with World Bank project staff and consultants providing environmental		

				safeguard cross-support.		
NK-3	Social and Gender Safeguards Specialist-One (1) Number*	Sociology	i	The Social Safeguards specialist will be specifically focusing on the following tasks:	Advanced university degree (Master's or PhD) in a relevant social science discipline (anthropology, sociology, political economy, social development) or other related discipline	36
			ii	Implement social related activities as outlined in the Social Safeguards Framework of the Programme	Minimum of fifteen years of professional experience in sustainability, social safeguards and/or social development (e.g. voice and participation, gender, community-driven development, citizen engagement) in the context of international development/ National Programmes/ State run governmental Programmes.	
			iii	Review the proposals (sub-projects) and ensure that social issues are properly addressed by development of a Programme-specific analysis.		
			iv	Ensure the gender equity, participation and empowerment at all levels of the value chain of the micro enterprises.		
			v	Coordinate and share information with World Bank project staff and consultants providing social safeguard cross-support.		

			vi	Serve as a social development specialist, advising task teams and Ministry on the Bank's policies relating to assessment and mitigation of social risks and impacts. Advise on the social sustainability of the portfolio, including gender, beneficiary feedback and safeguards issues.	
*- To be hired as and when required for a total period not exceeding 36 months					

6. Duration of the Assignment

Duration of the assignment is 2022 to 2027 for a period of 60 months from the date of signature.

7. Proposal submission process

Interested agencies the following are the eligibility criteria to select these institutions:

- (vii) at least three years of experience in working in the MSME sector;
- (viii) staff members/human resources with relevant experience;
- (ix) list of similar projects managed in the last three years and other development assistance projects they have managed; and
- (x) the average income per year of the agency should be at last INR 100 crores.

The agencies meeting the above criteria should submit their proposal as per the template provided in **Appendix 1 to Annexure 6**. The institutions will submit one hard copy of the proposal and will provide it electronically (via e-mail).

The proposals submitted will be assessed as per the criteria mentioned in **Appendix 2 to Annexure 6**.

Any queries regarding the ToR should be sent to RAMP Division by the stipulated time.

8. Proposal submission deadline

The deadline for submission of the proposal would be intimated separately.

xxx

Appendix 1 to Annexure 6: Proposal Template

(pl refer para 7 of Annexure 6)

Details of the agency: Name, address, contact details.

- viii. Project Title:
- ix. Project Summary:
- x. Existing Competencies for the specific theme: human resources, physical infrastructure, content (1 page)
- xi. Methodology (max 2 pages)

Describe in detail: the methods of implementation and rationale for such methodology; the role and participation of the various stakeholders and the reasons why these roles have been assigned to them; the organizational structure and the team proposed for the implementation of the project by function; the main means proposed for the implementation of the project (equipment, materials, and supplies to be acquired or rented)

- xii. Key Staff along with CV (template provided below)

- xiii. Duration and indicative project plan for preparing

Activity	Week 1	2	3	4	5	6	7	8	9	10	11	12
Example	example											
Preparation Activity 1 (title)												
Execution Activity 1 (title)												
Preparation Activity 2 (title)												
Etc.												

- xiv. Budget for the project (to be provided in a spreadsheet)

Budget for the project	Year wise			
	Unit	# of units	Unit value	Total Cost
Costs				
1. Human Resources				

1.1 Salaries				
1.3 Per diems for missions/travel				
1.3.2 Local	Per diem			
1.3.3 Seminar/conference participants	Per diem			
Subtotal Human Resources				
2. Travel				
2.1. Travel	Per flight			
2.2 Local transportation	Per month			
Subtotal Travel				
3. Equipment and supplies				
3.1 Rent of vehicles	Per vehicle			
3.2 XXX				
3.3 XXXXX				
3.4 XXXX				
3.5 Other (please specify)				
Subtotal Equipment and supplies				
4. Costs related to activities/others				
4.1				
4.2				
4.3				
4.4				
4.5				
Subtotal Other costs				
5. Taxes, etc				
Subtotal Other				
Total cost				

xv. Organisational capacity

Please describe the organisational capacity to deliver the project. For example, provide clear examples/work experience of managing/delivering similar projects and impact that was delivered. Existing specific staff capacity and their experience and how they will be engaged in this project.

CV Template

Name:

Position:

Career History:

Organization	Title	Year

Education:

Institute	Degree/Diploma	Year

Key Relevant Assignments:

Client	Country	Brief Summary of the Assignment

Appendix 2 to Annexure 6 II: Proposal Assessment Criteria

(pl refer para 7 of Annexure 6)

The proposal will receive an overall score out of 65 using the breakdown in the assessment grid below. The assessment will also check on compliance with the instructions. The assessment criteria are divided into headings and subheadings. Each subheading will be given a maximum score as specified below. The maximum scores are assigned because of their importance.

Assessment Criteria (Headings)	Description (Sub-headings)	Maximum Score	Score
Relevance	How relevant is the proposal to the objectives of the ToR?	10	
	Is the proposal innovative and has taken into account best practices?	5	
Effectiveness	Are the activities proposed appropriate, practical, and consistent with the objectives and expected results of the ToR?	10	
	Is the proposal plan (work plan) clear and feasible?	10	
	Does the proposal contain clear plan to measure the progress?	5	
Budget and Cost Effectiveness	Are the activities appropriately reflected in the budget?	5	
	Is the ratio between the estimated costs along with the scope of ToR rational?	5	
Organizational capacity	Do the applicant/s have sufficient technical expertise?	10	
	Do the applicant/s have sufficient management (i.e. staff, equipment, etc.) capacity?	5	
TOTAL		65	

Annexure 7 - Qualification Pack for SPIU

(please refer Para 3.2.4, 7.1.5, and 10.2.3)

Terms of Reference (ToR)

To hire

State Programme Implementation Unit
Under
Raising and Accelerating MSME Productivity (RAMP)
Government of (State)

1. Programme background

Raising and Accelerating MSME Performance (RAMP) is a World Bank supported Programme, supporting the Ministry of MoMSME's "Implementing MSME competitiveness Programme- post Covid Resilience and Recovery Programme (MCRRP)", which aims at strengthening schemes that focus on improving market access, access to credit, strengthening institutions and governance at the Centre and State, improving Centre-State linkages and partnerships, addressing issues of delayed payments, and greening of MSMEs.

RAMP supports this overall Programme and focuses primarily on building capacity of National and State level agencies, build platforms for provision of critical services to MSMEs and enhancing outcomes from competitiveness related schemes.

This Term of Reference is for setting up of a Programme Implementation Unit (PIU) hired by the State of The Department ofhas been notified as the agency for the Programme implementation in the State of (Name of the State).

2. RAMP Programme development objective and result areas

The Programme development objective is to strengthen institutions and markets for MSMEs at the Central Government level and in States.

Implementation of key policies in Results Area I unlocks institutional capacity that makes possible the progress targeted under Results Area II. Results Area II supports the enhancement of quality and scalability of market-based support services to MSMEs, with a particular focus on results in the participating States.

RA#1: Strengthening Institutions and Governance of the MSME Programme. This will target results at the Central and State levels to address institutional capacity and coordination constraints. This RA aims to strengthen federal and State institutions to deliver on the MSME agenda through better CG level and CG -State coordination on the MSME sector; enhanced policy capacity of MoMSME to undertake evidence-based policy and Programme design; improved and interoperable portals to deliver online services to MSMEs at scale and in a cost-effective manner; and a more decentralized, flexible and cohesive MSME Programme led by States.

RA#2: Support to Firm Capabilities and Access to Markets, Access to Finance. The interventions will aim to use technology-driven solutions and leverage platform approaches to achieve economies of scale and better outreach of quality market-based private sector service provision in the areas of firm capabilities and access to finance. This RA aims to improve the quality, coverage and delivery of the existing Firm Capabilities schemes and strengthen the market for BDS; improve access to finance and working capital by strengthening receivable financing markets for MSMEs through well-functioning digital factoring platforms; improve access to finance for women entrepreneurs and greening investments through CGTMSE; and strengthen dispute resolution mechanisms for delayed payments to MSMEs by incorporating online dispute resolution and private sector provision of these services.

The following Key Performance Indicators (KPIs) are proposed to measure progress towards this PDO:

- Improved Firm Capabilities from utilizing Schemes - measured by MSME Champions Scheme and linked schemes uptake.
- Increased access to finance for female-headed businesses - measured by the volume of credit guarantees.
- Increased access to finance for green investments - measured by the volume of credit guarantees.
- Increased MSME access to factoring – measured by the value of invoices placed on the TReDS platform.
- Increased resolution rate for delayed payments – measured by the number of MSMEs able to unblock payments via ODR platforms accessed via the MoMSME Samadhaan portal.

The principal beneficiaries of this operation are: MSMEs in the target States. The principal beneficiaries are formal MSMEs (as per the revised MSME definitions⁹) with the intention and potential to grow, invest in themselves and improve productivity.

- The Ministry of MSMEs. The primary CG agency supported by the operation.
- The focus State governments. The specific departments and agencies of the focus State governments who will be the primary beneficiaries of the operation will be identified as part of the State MSME SIPs.

3. Objectives of the Assignment

The Department of, Government of (name of the State) intends to select an agency to who will be responsible to set up the Programme Implementation Unit to support the State in designing, planning, implementation and monitoring of the World Bank assisted Raising and Accelerating MSME Performance (“the Programme”).

The hired PIU will deploy fulltime onsite resources to establish the Programme Implementation Unit (PIU) at(name of the city) to support the Department ofIn the State of.....

The main purpose for setting up the PIU is to assist the State in the implementation of RAMP Programme in the State.

Scope of Services

⁹ Micro enterprise - < INR 10 mn and turnover<INR 50 mn; Investment < ₹ 100 mn and Turnover <₹ 500 mn; Investment < ₹ 500 mn& Turnover < ₹ 2.5 bn

The scope of services of the PIU will be to assist and support the State which, inter-alia includes, activities listed below:

- (i) Support the State in all matters relating to Programme implementation as defined in the Programme implementation manual
- (ii) Support the State department in coordinating the preparation of State Strategic Investment Plan (SIP) and thereafter implementation of the SIP
- (iii) Facilitating convergence with other Central and State schemes and availing benefits of State incentives for MSME.
- (iv) Support strengthening existing government departments/service providers that support the last mile MSME ecosystem.
- (v) Assist in structured interface/ workshop with stakeholders and related departments, financial Institutions, research and development institutions etc.
- (vi) Assist in compliance and in meeting various reporting requirements of Government of India (GoI) and World Bank.
- (vii) Monitoring the performance and results of other consultancies under RAMP at the State-level, during the duration of the Programme.
- (viii) Assist in communication and dissemination of information, exchange of knowledge and experience.
- (ix) Integration of MIS system and portal developed for the Programme, provide input on real time basis and retrieval of information from the system for use.
- (x) Any other activity related to implementation, management, monitoring of the RAMP Programme, not specified within the above scope of services.

4. Team Composition and Qualification

The firms are advised to deploy sufficient human resource required to successfully deliver the tasks and quote accordingly in their proposal. An indicative qualification pack for the Programme during the period of five years is shown in the table. The team composition prescribed is based on the existing project requirement and objectives.

Key Personnel					
S. #	Area of Specific Experience Desired	Designation and Number required	Roles and Responsibilities	Minimum Professional Qualification & Desired Experience	Indicative Man Months
K 1	Project Management	State Lead Project Manager- One (1) Number	- Overall management and establishing full functionality of PIU as planned and ensuring Programme triggers are met. - Periodic reporting of the overall performance of Programme to the Programme director. - Ensuring timely communication and compliance with all agreed-upon financial and procurement procedures at	Post Graduate degree in economics/social sciences/public administration/ Masters/Post graduate diploma in business management from national/ international premier	60

			State levels; • Establishing clear working relationship with district level agencies/key stakeholders and ensuring flow of information, discussions and feedback among the various stakeholders of the Programme; • Facilitation in preparation, timely submissions and implementing of SIP. • Convening meeting of the State Level Committees and putting forth issues to be decided upon from time to time during the implementation of the Programme. • Support to the department to enable convergence with various schemes identified under RAMP.	institutes • Minimum 10 years of experience in managing development projects preferably in MSME domain • At least minimum 3 years in experience in Programme implementation in a leadership role. • Preferred work experience in the State in managing and leading government Programmes.	
K 2	Finance and Banking Partnerships	Financial & Banking Manager- One (1) number.	• Developing and coordinating partnerships with commercial banks/financial service providers. • Tracking the delayed payments and registration of NBFCs and MSMEs on TReDS platform. • Coordinating with banks to track the gender and greening products of CGTMSE for MSMEs. • Coordinating with business service providers to review business plans for enterprises. • Facilitation in preparation of SIP/other plans • Facilitating convergence with Central schemes and availing benefits of State incentives for MSMEs; • Tasks as assigned by the State Lead	• MBA/PGDM (Finance) from a premium Institute; • Minimum 8-10 years of experience in working with commercial banks with at least 3 years in leadership role. • Experience in appraisal of business plans and financing MSMEs.	60

K 3	Enterprise Development	Enterprise Development Manager-One (1) number	- Increasing the reach and performance of Market access schemes under RAMP - Monitoring the BDS providers for last mile service to units - Providing domain inputs in review of Strategic Investment Plans	- Post graduate degree/equivalent in marketing/business management/ other relevant field from a premier national/international institute - Demonstrated experience in working with State Governments/ public agencies in establishing business and marketing linkages. - Prior work experience with lead buyers in India or other developing economies would be an added advantage. - Experience in MSME sector	60
K 4	Digital Solution and Upgradation	MIS specialist	- Providing technical support for integration for various portals and linking with Central portals. - Assist the State in setting up the linkage between Samadhaan Portal and ODR platforms for faster dispute resolution	Master's degree in Computer Science with at least 8 years of experience in promoting digital initiative preferably within a government set up.	60
K 5	M&E and Data Analytics	M&E Manager-One (1) number	- Provide professional advice and support to the State in all matters relating to M&E and Data analysis in the RAMP Programme. - Developing MIS to track the progress of the Programme in	Master's degree in Economics/ Statistics/ Data Analytics/ MBA from reputed University or Institute	60

			the State and aligning it with the State MIS • Providing regular reports on the physical and financial progress of the Programme • Participate in regular monitoring and evaluation of the Programme at the State level • Developing reports with respect to inputs, outputs, outcomes, processes and impacts of the various interventions and their compliance. • Preparing / collating and submitting all reports related to RAMP for internal and external reporting	• Minimum 3 years' experience in monitoring or data analytics on development Programme at national level. Ability to handle data for interpretation of information, experience in using statistical and M&E tools and dashboard preferred.	
K 6	Procurement Management	Procurement Specialist One (1) number	• Facilitating and assisting the State and other Programme implementation agencies in the procurement of goods, works and services in accordance with approved procurement plan, following the World Bank Procurement Regulations. • To provide operational advice to the State on concepts, policies, and procedures for international and local procurement as per World Bank's guidelines • To gather client needs and liaise with the domain experts for preparation of bid documents-including EOI, RFPs, etc • Maintenance of procurement related records and documentation for audit/review by the World Bank. • Handle procurement related complaints, if any, received as per the agreed procedure for the Programme. • Ensure all disclosure	• Graduate degree in Engineering/Economics/Management disciplines • MBA/PGDM, preferably with focus in contract management/procurement. • Minimum 3 years' experience in public procurement with State or Central government or with State/Central Public Sector Undertaking. • Experience in procurement methods of World Bank/Asian Development Bank/Multi-lateral funded projects, is desirable. • Competent in use	60

			requirements relating to procurement are uploaded on the Programme website in a timely manner, including publication of contract award notices. • Extend support on any and all procurement related activities under the Programme.	of Computer applications.	
K 7	Financial Management Specialist – One (1) Number	Financial Management	• To provide technical support to the State Nodal Department on FM matters and liaison/coordinate with participating public & private sector implementing agencies on fund flow releases and expenditure monitoring, obtaining Utilization certificates, financial reports, contract management reports • To prepare annual financial Statements of the Programme, liaison with auditors on audit matters, obtain audit report and ensuring audit compliances • to submit financial management reports to the NPMU	• Bachelor's Degree in Finance & Accounts with at least 8 years of experience in government accounting and State PFM systems. Preference will be given to Chartered or Cost Accountant. • Experience in Programmes financed by MDBs/international development organizations. • Experience of providing support to State Departments in the implementation of central sector schemes, centrally sponsored schemes.	60
Non-Key Expert ¹⁰					
S. #	Position		• Roles and Responsibilities	• Minimum Professional Qualification & Desired Experience	Indicative Man Months
N K 1	Safeguards	Environmental Specialist-	• Reviewing and monitoring of all SIP from the environmental perspectives in	• Master's degree in Environmental Science or	36

¹⁰ To be hired intermittently based on need

		One (1) number	accordance with the Environment Management (EM) Framework as laid down in Environment and Social Safeguards Report • Work with the State and the selected enterprises to ensure the greening agenda is core to the RAMP Programme	B.Tech in Environmental Engineering; • Minimum 3 years' experience in compliance of Environmental norms of MSME sector	
N K-2	Safeguards	Social Specialist-One (1) number	• Reviewing and monitoring of all SIP from the social management perspectives in accordance with the Social Management (SM) Framework as laid down in Environment and Social Safeguard Assessment report	• MSW or master's degree in Sociology/ Anthropology; • Minimum 3 years' experience in development projects/ Programme for under privileged population of the society, empowerment of women & in gender issues	36

While evaluating technical proposals, CVs of the key experts proposed will be evaluated with respect to the indicative qualification and experience specified for each position in the above table.

5. Duration of the Assignment

Duration of the assignment would be intimated separately

6. Proposal submission process

Interested agencies the following are the eligibility criteria to select these institutions:

- (xi) at least three years of experience in working in the MSME sector;
- (xii) staff members/human resources with relevant experience;
- (xiii) list of similar projects managed in the last three years and other development assistance projects they have managed; and
- (xiv) the average income per year of the agency should be at last INR 100 crores.

The agencies meeting the above criteria should submit their proposal as per the template provided in **Appendix 1 to Annexure 7**. The institutions will submit one hard copy of the proposal will provide it electronically (via e-mail).

The proposals submitted will be assessed as per the criteria mentioned in **Appendix 2 to Annexure 7**. Any queries regarding the ToR should be sent to Department dealing with MSMEs in the State.

7. Proposal submission deadline

The deadline for submission of the proposal would be intimated separately.

Appendix 1 to Annexure 7 : Proposal Template

(Pl refer para 6 of Annexure 7)

Details of the agency: Name, address, contact details.

- xvi. Project Title:
- xvii. Project Summary:
- xviii. Existing Competencies for the specific theme: human resources, physical infrastructure, content (1 page)
- xix. Methodology (max 2 pages)

Describe in detail: the methods of implementation and rationale for such methodology; the role and participation of the various stakeholders and the reasons why these roles have been assigned to them; the organizational structure and the team proposed for the implementation of the project by function; the main means proposed for the implementation of the project (equipment, materials, and supplies to be acquired or rented)

- xx. Key Staff along with CV (template provided below)

- xxi. Duration and indicative project plan for preparing

Activity	Week 1	2	3	4	5	6	7	8	9	10	11	12
Example	Example											
Preparation Activity 1 (title)												
Execution Activity 1 (title)												
Preparation Activity 2 (title)												
Etc.												

- xxii. Budget for the project (to be provided in a spreadsheet)

Budget for the project	Year wise			
	Unit	# of units	Unit value	Total Cost
Costs				
1. Human Resources				

1.1 Salaries				
1.3 Per diems for missions/travel				
1.3.2 Local	Per diem			
1.3.3 Seminar/conference participants	Per diem			
Subtotal Human Resources				
2. Travel				
2.1. Travel	Per flight			
2.2 Local transportation	Per month			
Subtotal Travel				
3. Equipment and supplies				
3.1 Rent of vehicles	Per vehicle			
3.2 XXX				
3.3 XXXXX				
3.4 XXXX				
3.5 Other (please specify)				
Subtotal Equipment and supplies				
4. Costs related to activities/others				
4.1				
4.2				
4.3				
4.4				
4.5				
Subtotal Other costs				
5. Taxes, etc				
Subtotal Other				
Total cost				

xxiii. Organisational capacity

Please describe the organisational capacity to deliver the project. For example, provide clear examples/work experience of managing/delivering similar projects and impact that was delivered. Existing specific staff capacity and their experience and how they will be engaged in this project.

CV Template

Name:

Position:

Career History:

Organization	Title	Year

Education:

Institute	Degree/Diploma	Year

Key Relevant Assignments:

Client	Country	Brief Summary of the Assignment

Appendix 2 to Annexure 7: Proposal Assessment Criteria

(Pl refer para 6 of Annexure 7)

The proposal will receive an overall score out of 65 using the breakdown in the assessment grid below. The assessment will also check on compliance with the instructions. The assessment criteria are divided into headings and subheadings. Each subheading will be given a maximum score as specified below. The maximum scores are assigned because of their importance.

Assessment Criteria (Headings)	Description (Sub-headings)	Maximum Score	Score
Relevance	How relevant is the proposal to the objectives of the ToR?	10	
	Is the proposal innovative and has taken into account best practices?	5	
Effectiveness	Are the activities proposed appropriate, practical, and consistent with the objectives and expected results of the ToR?	10	
	Is the proposal plan (work plan) clear and feasible?	10	
	Does the proposal contain clear plan to measure the progress?	5	
Budget and Cost Effectiveness	Are the activities appropriately reflected in the budget?	5	
	Is the ratio between the estimated costs along with the scope of ToR rational?	5	
Organizational capacity	Do the applicant/s have sufficient technical expertise?	10	
	Do the applicant/s have sufficient management (i.e. staff, equipment, etc.) capacity?	5	
TOTAL		65	

Annexure 8 – Anti-Corruption Guidelines Protocol

(please refer para 8.7)

Pursuant to Section 5.13 of the World Bank General Conditions: (i) as defined and incorporated by reference in the Loan Agreement for the financing of the “Raising and Accelerating MSME Performance (RAMP)” (the “Programme”), to be entered between Government of India (the “Borrower”) and the International Bank for Reconstruction and Development (the “Bank”); and also (ii) incorporated by reference in the [Programme] Agreement for the Programme, to be entered between the Bank and the MoMSME (“Programme Implementing Entity”), the Borrower [and the Programme Implementing Entity] shall ensure that the Programme is carried out in accordance with the provisions of the Bank’s “Guidelines on Preventing and Combating Fraud and Corruption in Programme-for-Results Financing”, dated February 1, 2012 and revised on July 10, 2015 (variously, the “Anti-Corruption Guidelines” or “ACG”). Set out below are the supplementary protocols to be followed in implementing the Anti-Corruption Guidelines for the Programme.

1. Borrower Arrangements.

- a) All fraud and corruption complaints in relation to the Programme Implementing Entity will be
 - 1. obtain a report from NPMU, SPIU and participating public & private sector implementing agencies on a regular basis for all Fraud and Corruption cases, complaints received, related investigations and actions taken, and will submit a consolidated bi-annual report to the World Bank.
 - 2. include in the ‘Sanction order’ or Bid and Contract document a specific reference to applicability of World Bank’s ACG.
 - 3. add to the scope of auditor ToR to validate compliance of ACG that no contract is awarded to World Bank debarred firms.
 - 4. set-up a centralized Procurement & FM complaint redressal system with web- interface to receive complaints and clearly defined rules and authorities to resolve/process complaints and suggestions. Furthermore, this system shall be designed to ensure compliance with the requirements of various applicable acts and rules.
- b) The MoMSME will be the Borrower’s focal office for facilitating coordination among relevant agencies [SPIUs and Implementing Agencies / Partners] to ensure that the Programme activities are implemented in accordance with the provisions of the ACG and these protocols.
- c) As there is no distinction between Bank-financed activities and government-financed activities within the Programme, the ACG shall be applied in an unrestricted manner on all activities within the Programme boundary.

2. Reporting.

- a) For purposes of Section 6 of the ACG, the Programme Implementing Entity will collect, consolidate and provide the Bank, on a semi-annual basis, with a report on: (1) any material and credible allegations and other indications of fraud and corruption under the Programme that come to the attention of [the Borrower] during such period, including those reported under the Whistle Blowers Protection Act (2014); (2) any investigations launched by Programme Implementing

Entity into such allegations; and (3) the progress of and outcomes from such investigations and any remedial or corrective actions taken or planned in response to such allegations or the findings of such investigations.

- b) It will also report therein that none of the contract awards under the Programme are made to any of the Bank debarred or suspended persons or entities.
- c) A template for reporting under paragraph 2. (a) above is attached to this Protocol as Appendix. Reports under paragraph 2. (a) above may] be included in the Progress Reports provided to the Bank by the MoMSME pursuant to the Loan Agreement.¹¹ If there are no allegations received or investigations or remedial actions undertaken during the reporting period, the report will so note.
- d) Where such allegations might constitute a serious risk to the implementation of the Programme, the reputation of the Borrower or the Bank, or to the proper use of the proceeds of the Loan, the MoMSME will immediately inform the Bank.
- e) For purposes of Section 7(a) of the ACG, the Bank will, consistent with its policies and procedures, inform the MoMSME of any material and credible allegations or other indications of fraud and corruption in connection with the Programme that may come to its attention, for investigation by the Borrower under the relevant criminal and civil laws.

3. **Conduct of Investigations and Inquiries.**

- a) For purpose of Section 6(d) of the ACG, the MoMSME or its authorized independent agency by GoI and agreed by the World Bank will be responsible for carrying out investigations of all material and credible allegations and other indications of fraud and corruption under the Programme. MoMSME will convey its progress and findings to [*name of entity*] for incorporation in the reports referred to above and inform the Bank of its progress and findings at quarterly intervals during and no later than one month after the conclusion of any investigation, and make public the conclusions or results of the investigation consistent with the policies and procedures of the Borrower¹².
- b) For purposes of Sections 6(f) and 7(b) of the ACG, in the event that the Bank decides to conduct its own inquiry into allegations or other indications of fraud and corruption in connection with the Programme, the Borrower, [and the Programme Implementing Entity] [*other entities implementing the Programme*]¹³ will cooperate fully with the Bank's representatives and take all appropriate measures to ensure the full cooperation of relevant persons and entities, including in each case, allowing the Bank to access sites and facilities, meet with relevant persons and/or entities, and to inspect all of their relevant accounts, records, and other documents and have them audited by, or on behalf of, the Bank.
- c) Any inquiries undertaken by the Bank are administrative in nature. The Bank's right to investigate or conduct review does not extend to criminal investigations, which is the exclusive jurisdiction of the Borrower. The World Bank may, however, sanction any individual or entity

¹¹ Choose the preferred option. Reporting as part of the Progress Reports is a practical solution, but in some context, borrowers may prefer to report separately on F&C matters, due to their sensitive nature.

¹² (i.e., if conclusions or results of investigations will be made public according to the Borrower's or relevant State's rules and procedures).

¹³ Insert other entities as applicable, based on implementation arrangements of the concerned Programme.

other than the Member Country (as defined in the ACG) on its own pursuant to its prevailing policies and procedures.

4. Suspension and Debarment.

- a) The Borrower [and the Programme Implementation Entity] will ensure that any person or entity debarred or suspended by the Bank is not awarded a contract under, or otherwise allowed to participate in or benefit from, the Programme during the period of such debarment or suspension by the Bank. To that end, the Borrower [and the Programme Implementation Entity] will put in place appropriate measures, including but not limited to the following:
 - (i) Bidding documents will include information regarding the applicability of the ACG to the Programme, and exclusion of any debarred or suspended person or entity from a contract under or participation in the Programme.
 - (ii) the Bank's listing of debarred or suspended persons or entities will be incorporated in the filter used by [implementing agencies] when they conduct due diligence.
 - (iii) each participating bidder will be required to submit a self-declaration that the firm is not subject to ineligibility or has not been sanctioned under the Bank system of debarment and cross-debarment.
- b) Compliance with the Bank's suspension and debarment lists will be verified [by the independent auditor] as part of its annual audit of the Programme's Financial Statements. In the event that a person or entity suspended or debarred by the Bank has been awarded a contract under, or has otherwise benefited or participated in the Programme, any proceeds of the Loan expended in relation to such person or entity will be considered ineligible and promptly refunded to the Bank or, at the Bank's discretion, reallocated to other eligible expenditures. The Borrower shall take timely and appropriate action to exclude such person or entity from the Programme.

APPENDIX

ANTI-CORRUPTION: COMPLAINTS HANDLING REPORT¹⁴

(Date)

1. Credible and Material Allegations of Fraud and Corruption under the Programme¹⁵

S.No	Complaint Summary	Complaint Date	Who received the complaint	Manners of complain submission	Status	
					Interim Action	Final Action taken
				(e.g. phone, e-mail, writing, verbal)		

2. Suspension and Debarment.

This is to confirm that none of the contract awards under the Programme are made to any of the Bank debarred [or suspended] persons or entities. *[Describe the situation, including any remedial action taken, if this confirmation cannot be provided herein.]*

¹⁴ Use of this Appendix is optional. If a separate reporting from the Programme Report is chosen under paragraph 2 (c) above, a form of such report may be attached as Appendix here.

¹⁵ This is an indicative example only. Specific form of report, including use of digital format, can be agreed for the specific Programme.

Annexure 9 - Summary Environmental and Social Safeguard Arrangements

(pl refer para 9.11)

I. ESSA Methodology:

1. The ESSA guidelines for RAMP-supported activities focus on: a) environmental and social due diligence of the proposed interventions across States; b) regulations and monitoring; and incorporation of screening for potential risks, alternative analysis, stakeholder consultations at the federal and State level, and measures to promote sustainability amongst women-led SMEs to offset COVID-19 impacts, c) management of workers, occupational health and safety (OHS) and good practices, and; d) best practices/end-to-end solutions for assisting SMEs, especially women-led SMEs to access information, credit and redressal of grievances.

II. Key Findings:

2. **Environmental Issues:** The key findings on environmental systems are:

- a) The national and State governments have well-developed environmental legislation. However, the implementation setup to address RAMP environmental challenges needs to be further strengthened.
- b) Non-compliance with required environmental permits, exceeding discharge limits, poor monitoring and enforcement by government authorities, and improper technology selection may affect the environment negatively.
- c) The Programme's existing institutional systems needs further strengthening for environmental management especially related to due diligence and monitoring aspects.

3. **Social Issues:** The key findings on social systems are:

- a) **Limited Institutional Capacity:** Legislation at the national and State level is well-developed from a social perspective. The central level schemes supported under The Programme have clear targets to improve outreach to vulnerable groups and first-generation SC/ST/Women entrepreneurs. However, roles and responsibilities of nodal officers at the State and district levels on management of social inclusion aspects (e.g.: targeted training, tailor-made business development courses, awareness and outreach strategies for SC/ST/Women entrepreneurs) were largely found to be missing.
- b) **Limited awareness among enterprises on occupational health and safety issues:** There is a lack of awareness among enterprises on the benefits that they can avail after obtaining scheme-related registration/ licenses and the need to adhere to occupational health and safety norms. Scheme and State-level officials conduct sessions to promote awareness on registration/licenses and benefits. However, these sessions are not effective because: a) they don't ensure complete participation of owners due to lack of prior effective communication about the sessions; b) women beneficiaries and beneficiaries from aspirational districts/Schedule V Areas do not participate; and c) Enterprises largely perceive OHS aspects and scheme-related registration to be a bottleneck.
- c) **State-level departments do not have a consolidated MIS/database disaggregated by social and gender status:** Across various schemes operated by the federal and State governments, a consolidated MIS system that provides information disaggregated by gender and social status is missing. Investments in strengthening such a database at the State level will help in building targeted training and capacity building initiatives to reach SC/ST/women entrepreneurs.

III. Key Risk Mitigation Measures and Inputs to The Programme Action Plan:

4. **Strategy to Strengthen Environment and Social Management:** The national and State governments have well developed environmental and social legislation, although the implementation setup to address the environmental/social inclusion challenges of The Programme needs to be

strengthened. To address this, it is proposed to develop a strategy document - ‘Strategy to Strengthen Environment and Social Management’ which will seek to outline the existing regulatory mechanisms, communication, due-diligence, monitoring and capacity building plan around E&S aspects; and the risk screening and management mechanism associated with MSME operations at the federal and State levels. The strategy document will also include action-oriented recommendations on occupational health and safety issues (OHS) to be integrated in the SIPs. A draft strategy document will be finalized with stakeholder consultations during the first year of the project implementation.

5. **Environment:**

- a) Building institutional capacity to address environmental issues for monitoring and due diligence.
- b) Assist development of detailed checklists, standard operating procedures, guidelines etc. to ensure adequate environmental permits are in place for the MSMEs supported by the Programme.
- c) Ensure Occupational Health and Safety (OHS) aspects are not compromised, OHS regulatory compliance is in place and all accidents/incidents are recorded and reported to the authorities.

6. **Social:**

- a) **Labour management and Occupational Health and Safety oversight** will be integrated into the Strategic Investment Plans developed for States.
- b) **Strengthening/convergence of State-level MIS systems** to reflect disaggregation by social and gender status of entrepreneurs
- c) **Strengthening of feedback/Grievance Redressal Mechanism (GRM) at the State and district-level:** The SIPs will include interventions to localize the feedback mechanism at the State-level as well as capacity measures to improve the functions of DICs to build effective information flows targeting first-generation entrepreneurs from SC/ST communities.
- d) **Land management:** Assist in developing screening checklists to ensure no risks of involuntary resettlement and/or loss of livelihoods are associated with investments supported by the Programme.
- e) **Awareness and training Programmes** targeting first-generation entrepreneurs from aspirational districts, women entrepreneurs and SC/ST entrepreneurs.

Annexure 10 - Programme Action Plan

(pl refer first para Chapter 6)

Action Description	Source	Responsibility	Timing	Action Steps	Completion Measurement
Implementation plan for strengthening policy department and M&E systems developed	Technical	Ministry of MSME	Year 1	• Publication of Official Gazette notification for Council constitution, function • Ensuring key strategic documents are prepared in a timely manner (e.g., INMP Roadmap, SIPs, CLCS Improvement and Scale Up Implementation Plan • Timely implementation of PAP actions	Plan in Place
Training, capacity building and outreach programme for TReDS stakeholders (anchor buyers including CPSEs, MSMEs, FIs, NBFCs, TReDS platform companies) formulated	Technical	DFS, RBI and Ministry of MSME	Year 1 and 2	• TOR & RFP to be prepared for onboarding of agency for CB • Drafting guidelines for partnerships • Drafting agreements • Preparing Notification • Capacity Building of the Nodal, Private & Public Sector Technical Service Providers in the States.	Guidelines for programme published
Consultations conducted by CGTMSE with	Technical	CGTMSE	Year 1	• Collection of relevant Data from the Govt	Consultations completed

nodal environment agencies for defining green tag				Portals • Segregation of data • Cleaning of Data • Performing the analysis of the data	
Green Tag defined and Operationalized	Technical	CGTMSE	Year 1	• Letter to CGTMSE for regarding defining Green Tag for use of proceeds to track Greening RECP Investments • issuance of Revised Guarantee guidelines for Women Headed and Green Investments under RAMP in consultation with nodal agencies and using extant metrics; • enhancing product offerings to incentivize financing for greening investments. The Product offering will be based on the green tag and market study conducted and will cover elements to incentivize greening investments – Pricing differentials; guarantee cover; outreach measures to Financial institutions and MSMEs.	Guidelines issued by CGTMSE

Assessment completed with an action plan for increasing guarantees to women owned MSEs	Technical	CGTMSE	Year 1	• Conducting the Stakeholder Consultations with the women Owned MSEs Entrepreneurs • Coordination of CGTMSE and state-outreach and data collection pilots to identify concentration of underserved women-headed MSMEs; • agreements with new NBFCs, including FinTech NBFCs.	Assessment and action plan formulated
Revised guidelines on (i) product adjustments/ new product offerings to increase access and uptake of guarantees issued women headed MSEs (ii) product adjustments/ new product offerings to increase access and uptake of guarantees issued by CGTMSE	Technical	CGTMSE	Year 2	• Conducting Stakeholder Consultations • Collection of relevant Data from the Govt Portals • Segregation of data • Cleaning of Data • Performing the analysis of the data • Drafting the Revised guidelines on enhancing effectiveness of CGTMSE and GG Delivery	Guidelines published by CGTMSE
Outreach to Financial institutions on products on greening	Technical	CGTMSE	Year 2	• Identification of Key Performance indicators	CGTMSE puts in place the outreach programme

investments and women owned MSEs				to measure performance • Designing the Reporting Format to capture detailed information • Developing and M&E framework to provide optimal feedback on programme efficiency	
Creation of data dictionary and format for Annual Statistical Yearbook	Technical	CGTMSE	Year 2		Data dictionary and format in place
Guidelines issued by Ministry of MSME to lay out process and technology standards for ODR platforms including training requirements of service providers (in consultation with a committee on ODR experts)	Technical	Ministry of MSME	Year 1	Notification to Link ODR with Samadhan Portal and Integration of MSMEs to Single Sign on Platform for MSMEs seeking the out-of-court resolution of disputes	Ministry of MSME publishes guidelines
Samadhaan portal adapted to play the role of platform to link: (i) ODR private service providers; (ii) complaints to certified mediators and arbitrators	Technical	Ministry of MSME	Year 1	• Bid-Process Mgmt. for procurement of Agencies • Preparation of open meta-data structure for data sharing • Preparation of data sharing policy • Drafting of technical architecture and implementation strategy with the specifications and entire flow of the mechanism	Enhanced portal features in place

				(Right from Receipt of the complaint to providing the resolution)	
Creation of standardized forms on the ODR platform (e.g. sample settlement agreements/arbitral awards/confidentiality agreements/statements; etc) to minimize the likelihood of legal anomalies and grounds for challenge	Technical	Ministry of MSME	Year 1	- Identifying a competent accredited ODR provider would be done by inviting the MSME representative/ Focus Group Discussion. - Designing of Standardized forms required for ODR settlement on the Samadhaan Portal. (in consultation with accredited ODR Service Provider) - Drafting of series of pre-programmed question regarding: - The entity with which the MSME has a dispute - The language or dialect in which the process should be conducted - The type of dispute - The amount of the dispute	Forms published on Samadhan portal
Ministry of MSME institutes a voucher programme to incentive ODR	Technical	Ministry of MSME	Year 2	Develop Incentive Structure to encourage	Ministry of MSME issues guidelines for the voucher

adoption				Private Sector Participants to Offer ODR Services Develop detailed design and operating guidelines to private ODR service providers	programme
Guidelines issued to bring Medium enterprises under Samadhaan Portal	Technical	Ministry of MSME	Year 1	- Develop a dissemination plan (including outreach to MSMEs through states, DICs and industry associations) and explanatory materials on ODR - Guidelines to be issued to bring Medium enterprises within the scope of enterprises that can file disputes within the Samadhaan Portal, including review of the Act	Ministry of MSME publishes guidelines
Ministry of MSME database and information system updated to meet M&E and IE Plan requirements	Technical	Ministry of MSME	Year 3	- Building of registries, data hubs and other master databases - Single Source of Truth and System of Record on different aspects and backed by strong data governance. - Develop strategic roadmap for	Systems updated

				integrated MSME database and portal.	
Preparation of a "Strategy to Strengthen Environment and Social Management".	Environmental and Social Systems	MoMSME and participating States	Year 1	- Strengthening M&E systems of MoMSME to incorporate greening data and analysis in regular monitoring of their programs - Incorporating the Environment checklist for MSME interventions - Incorporation of RECP practices in ZED; Lean and Design Schemes	Preparation and approval of Strategy based on template agreed by negotiations. This will include action-oriented recommendations on OHS issues to be integrated into SIPs.
Build E&S institutional capacity through: (i) appointment of specialists to Ministry of MSME/NPMU and State/SPIU; (ii) development of Standard Operating Procedures, checklists/guidelines.	Environmental and Social Systems	MoMSME/NPMU and State/SPIU	Year 1	- Develop Action plan to institute a screening, assessment and monitoring system - Identification of measures to be undertaken to strengthen coordination mechanisms and implementation partners to implement MSME support programme	Capacity building completed.

Complete Preparation of SIP plans by the States	Technical	States	Year 1	• Develop a State Strategic Implementation Plan (SIP) defining main gaps, priorities for intervention and use of existing national and state schemes (including convergence of non-MSME schemes), and critical actions that need financing through the RAMP • Identification of priority sectors • Identification of priority sectors • Finalisation the outcome goals • Finalising the interventions • Budgeting of investments • Outreach plan for identification and mobilization of MSMEs including communication strategy	SIP plans prepared and submitted by states

Support for the integration of OHS and Land Management oversight arrangements into SIPs	Environmental and Social Systems	MoMSME/NP MU and State/SPIU	Year 1		SIPs competed with OHS/Land Management oversight arrangements incorporated.
Awareness training programmes for all key stakeholders (government and associated agencies, financial institutions, firms) targeting needs of first generation entrepreneurs from marginal groups (women, SC/ST)	Environmental and Social Systems	MoMSME/NP MU and State/SPIU	Yearly	• Design Awareness Raising Programs (Workshops, Seminars) • Developing the Training Calendars • Training to MSME Officials, MSMEs, Professionals, etc.,	Awareness and training programmes completed.
Gender and Socio-Economic disaggregated MIS system and GRM in place within the MSME data portal.	Environmental and Social Systems	MoMSME/NP MU and State/SPIU	Year 1	• Develop a monitoring framework for Gender, Environmental and Social Interventions	INMP operational with PAP identified functionalities included.
ToRs and methodological approach for Impact Evaluation assessments prepared	Technical	Ministry of MSME	Year 3		ToRs completed
Policy guidelines and digital blueprint for Integrated national portal for MSMEs in compliance with the principles of India Enterprise Architecture developed and approved	Technical	Ministry of MSME	Year 1	Develop INMDP Blueprint and strategy Roadmap. Approval of INMDP Digital Blueprint & Strategy Roadmap • Service / Consultant	Guidelines issued by Ministry of MSME

				contract(s) completed on integrating MoMSME portals and services • Report on FRS, solution architecture & integration strategy Approval of INMDP Digital Blueprint & Strategy Roadmap • Service / Consultant contract(s) completed on integrating MoMSME portals and services • Report on FRS, solution architecture & integration strategy • Dashboards and data analytics • Firm level indicators • Program level indicators • MSME ecosystem improvement indicators for evidence-based decision making • Rating/feedback system for service provider	
Functional requirement specifications, data sharing and interoperability guidelines for all agencies under MoSME to ensure integration of all	Technical	Ministry of MSME	Year 1	• Integration of state portals with unified national online portal – • integration needs to include automatic	Guidelines issued by Ministry of MSME

portals into one national portal formulated and notified				scheme referrals across national and state schemes and data reporting to national platform as per national data protocols and standards;	
Develop DPR & reference architecture including platform's non-functional requirements, metadata structure for provision of services to MSMEs & RFP Document for commissioning integrated portal development in compliance with principles of digital devlp	Technical	Ministry of MSME	Year 1	• Develop INMDP Blueprint and strategy Roadmap. • Approval of INMDP Digital Blueprint & Strategy Roadmap • Service / Consultant contract(s) completed on integrating MoMSME portals and services • Report on FRS, solution architecture & integration strategy - Approval of INMDP Digital Blueprint & Strategy Roadmap • Service / Consultant contract(s) completed on integrating MoMSME portals and services • Report on FRS, solution architecture & integration strategy • Dashboards and data analytics • Firm level indicators • Program level indicators	DPR developed and RFPs issued
Formulate and notify capacity	Technical	Ministry of MSME	Year 2	.	Roadmap formulated

building/training and awareness roadmap for Ministry of MSE officials to ensure inhouse capacity for using national portal modules for service delivery and monitoring functions				Capacity Building of Key Players: • Developing Blueprint for interventions to enhance Capacity of Key Govt and other support agencies to implement MSME support programme. • Filling of Staff Vacancies • Identification of main functional areas where CB is needed • Training and capacity building of staff including identification and partnerships with relevant public and pvt training intuitions • Designing Training Calendar	and issued
Capacity building/training and awareness activities of MoMSME officials for using national portal modules completed	Technical	Ministry of MSME	Year 2 and Year 3	• Developing Blueprint for interventions to enhance Capacity of Key Govt and other support agencies to implement MSME support programme. • Identification of main functional areas where CB is needed • Training and capacity building of staff including	Training completed as per roadmap

				identification and partnerships with relevant public and Pvt training intuitions • Designing Training Calendar	
SIP Plans of states approved by Ministry of MSME	Technical	Ministry of MSME	Year 1	• The MoMSME will support all States and UTs in preparing these SIPs. The SIP will be submitted to MoMSME and will be reviewed by the MoMSME, and the RAMP Programme Committee (RPC) headed by the Secretary, MoMSME. State SIPs/Projects will be approved by the RPC for grant funding, i.e., part financing to support specific activities under the SIP via the selection process • State PIU (SPIU) in each of the State will be responsible for implementation of the SIPs and for providing inputs to the NPMIU	Ministry of MSME approves plans
Institutional	Technical	Ministry of	Year 1	• Database at the	states submit progress

Strengthening and capacity building activities carried out as per SIP		MSME		state level will help in building targeted training and capacity building initiatives to reach SC/ST/women entrepreneurs • Capacity Building of Key players to deliver on the MSME agenda, including coordination mechanisms. • Training and capacity building of State Industries Department and DICs for outreach and implementation support of MSME • Training and capacity building of State Industries Department and DICs for outreach and implementation support of MSME	report on activities completed
Preparation and approval of MSME Champions schemes improvement and scale-up Implementation plan, including guidelines to firms on social distancing and other measures to protect the workplace against COVID infection.	Technical	Ministry of MSME	Effectiveness	• Incorporate preparedness screening as a part of scheme assessment • Identifying the specific interventions that support the scaling up adoption of RAMP themes like greening practices, Zed and Lean	Plan with updated guidelines published

				directly relate to RECP • ZED Certifications to promote adaptation of Quality tools/systems and Energy Efficient manufacturing • Lean will promote resource-efficiency in the participating firms. Lean techniques are about reducing wastage (of physical materials, energy etc.,) thus reducing costs. • Design intervention under the Design scheme can potentially support climate-friendly design related improvements and product development projects in MSMEs such as green products; reducing/ recycling • Advisory services to prepare commercial loan applications and linkages to other financial institutions	
Establishment of an integrated programme management system for all MSME Champions	Technical	Ministry of MSME	Year 1	• Assessment of existing Programme Management System of MSME Champions	System integration completed

schemes				Scheme Development of Specifications to integrate the system across schemes	
RFPs issued and contracts initiated for appointment of additional competitively selected implementation partners	Technical	Ministry of MSME	Year 1 and Year 2	RFPs issued and contracts initiated considering the basic principles and aims of procurement: 1)Transparency 2)Extrinsic Legal Principle 3)Public Accountability	RFPs issued on website and procurement process initiated
Training and accreditation process and guidelines for additional Business Development Service providers completed	Technical	Ministry of MSME	Year 1	The Guidelines comprises of: - Stakeholders roles and Responsibilities - Registration process of the Training Providers - Empanelment of third-party Inspection Agency to conduct the accreditation process - The roles and responsibilities of various committees	Publishing of guidelines
Outline/Framework of State of Sector Report prepared	Technical	Ministry of MSME	Year 1	Identification of priority Thematic areas for the	Outline/Framework in Place

				Annual State of Sector Report. Formulating the framework of the report	
RFPs issued and contracts initiated for IEA	Technical	Ministry of MSME	Year 4		RFPs issued and contracts initiated
Development of a Roster of mediators/arbitrators who meet guideline requirements	Technical	Ministry of MSME	Year 2	- Develop a list of accredited conciliators and arbitrators, who have undertaken suitable training and meet the guideline parameters. - MoMSME could consider developing its own tailored program or manual on resolving MSME contractual disputes	Ministry of MSME publishes roster on Samadhaan Portal
Ministry of MSME to revise procedural rules incorporating ODR initiative	Technical	Ministry of MSME	Year 1	- Identify key areas for review in the existing legal framework to incorporate ODR with the existing mechanism. - Constitute an expert advisory committee to develop a comprehensive action plan to create an effective implementation framework for ODR. - Develop	Ministry of MSME issues guidelines

				TORs and functions of the committee. • Adopt the suitable recommendations/ report of the committee after consultations with stakeholders to initiate changes in the existing law.	
CGTMSE publishes Annual Statistical Yearbook with disaggregated data on women-headed businesses and green investments receiving guarantee support.	Technical	CGTMSE	Yearly	Strengthening of Data Reporting Systems of CGTMSE	This Yearbook to include tables on: (i) origination data by fiscal years and active portfolio data at the end of fiscal years, (ii) annual penetration rates across its MLIs, the financial sector by major type of institution, and the MSE sector by g
Formation of advisory Expert Committee on ODR	Technical	Ministry of MSME	Year 1	• Identify key experts from suitable fields, including retired judges, who shall be the Chairperson and Members of the Committee • Define Terms of Reference and objectives of the Committee, including review of the existing legal framework to create an effective implementation framework for ODR. • Define the timeline in which the Committee will submit its report.	Notification of Committee Formation with Members and TORs
Engage procurement and financial management specialists in NPMU and SPIUs	Fiduciary Systems	NPMU, SPIU and IAs	Year 1	• Each IA shall assign Procurement expert at NPMU and SPIU's with	Recruitments/Assignments completed.

to operationalize fiduciary requirements				experience for overall coordination on procurement aspects and to provide operational and technical support to MoMSME • Responsible for collating fiduciary information and carry out concurrent review of activities under the programme	
Focused training to fiduciary and programme staff directly involved in financial management, procurement and contract management.	Fiduciary Systems	MoMSME (NPMUs), SPIUs and IAs	Year 1	• Formulate a roadmap for MoMSME officials to ensure in house capacity for Service delivery and monitoring functions • Preparing a detailed training schedule for the programme staffs • Conducting Sessions for in depth discussion on specific topics	Training Completed.
Development of standard bid document and contract templates for use across Programme procurement activities by all IA's, including reference to applicability of	Fiduciary Systems	MoMSME	Year 1	• Standard Bid and Contract documents to be developed in accordance with the GoI issued Model Tender Docs for Goods and Non-Consultancy services and	(i) Copy of revised standard bid documents with reference to applicability of World Bank anti-corruption guidelines notified. (ii) Documents adopted by all IAs

World Bank's Anti-corruption Guidelines and no contract award to debarred firms.				applicability of ACG • The Standard bid and contract documents to be circulated to all the IAs for consistency.	
Finalize the Internal Audit ToR of the Programme in agreement with the Bank and appoint Internal Auditor to review FM and procurement aspects of the Programme.	Fiduciary Systems	MoMSME	Year 1	Drafting the TOR for the Internal Audit of the Project: • Basic Considerations for Audit Relationships and Responsibilities • Audit Objectives • Scope of the Audit • Other Responsibilities of Auditor • Audit Reports • Inspection and acceptance of the Audit works and Reports	Internal Auditor appointment made based on TORs agreed with the World Bank
Establish a procurement and contract management MIS system to monitor annual planned procurement, contract award, implementation progress and completed activities of each IA under the programme.	Fiduciary Systems	MoMSME	Year 1	• Develop Blueprint for strengthening M&E framework, including MIS systems • Tracking of inputs; outputs/ outcomes for MSME interventions • Availability of gender disaggregated data and data by other social groups etc., • To track and report data on SIP	Procurement and contract management MIS systems operationalized

				implementation	
Establish a centralized web-based complaint handling mechanism with interface for procurement and FM complaint with provisions for complaint resolution, including appeal.	Fiduciary Systems	MoMSME	Year 1	- Maintain separate complaint handling register for procurement and FM till web-based mechanism is in place and Share Report with WB. Procurement of Agencies for developing web-based mechanism - Preparation of open meta-data structure for data sharing - Preparation of data sharing policy - Drafting of technical architecture and implementation strategy with the specifications and entire flow of the mechanism (Right from Receipt of the complaint to providing the resolution)	(i) Web-based complaint handling mechanism operational. (ii) Notification of complaint redressal process by MoMSME.
MoMSME to monitor and compile fraud and corruption related allegations that are received and registered under the Programme, including cases that are under investigation, and share the report with the World Bank in prescribed format.	Fiduciary Systems	MoMSME	Semi-Annually	- Strengthen internal audit function to conduct the audit of the Program-Risk-based audit approaches can be practiced, to conduct an integrated audit of the schemes covering Procurement & FM aspects - Close	Bi-annual consolidated report (both for Central and State level cases) formally sent by MOMSME.

				monitoring to obtain timely utilization certificates (UC) as per GFR2017 and year end audit reports from IAs High value contracts under the Program shall be monitored during the implementation supervision missions to ensure that the Program is in conformity with the WB policy	
Guidelines issued for framework for integration and verification of GST invoices with the TReDS platform.	Technical	DFS, Department of Revenue	Year 2	Guidelines issued for strengthening the Receivable Financing Market: Opening of a Second window of TReDS where the MSME Seller can obtain Cash Flow lending for its invoice directly Developing the TReDs platform the need for Buyer's "acceptance of invoice" through GST submissions.	Ministry of Finance issues guidelines
RBI amends TReDS guidelines to allow claiming input credit by large buyers on GST	Technical	DFS and RBI	Year 2	Strengthening the regulatory and operational components of TReDS	RBI issues amended guidelines for TReDS platforms

invoices can be considered implicit buyers' confirmation on TReDS				Develop mechanism for TReDS and GSTN interoperability where submission of invoices by buyers of GSTN for input tax is to be treated as implicit buyer confirmation on TReDS platform	
Interoperability of GSTN and TReDS achieved through technological integration. This will allow verification of the status of input tax credit for GST invoices by TReDS platforms	Technical	DFS, Dept. of Revenue & TReDS platform	Year 2	- Attaining Necessary approvals from the competent authority for integration of the interoperable functions - Compliance of legacy systems to the TReDS and GSTN to be assessed through an appropriately designed Assessment Tool.	Interoperability of GSTN and TReDS platforms implemented
Finalize the Financial Audit ToR of the Programme for the IAs in agreement with the Bank.	Fiduciary Systems	MoMSME	Year 1	- The financial audit of the Program will be conducted by Comptroller and Auditor General (CAG) - TOR for internal audit to be prepared and agreed b/w MoMSME & WB - Drafting agreements - Financial audit of	ToR of Financial Audit notified.

				SPIU and participating public & private sector implementing agencies will be conducted by their statutory auditors	
MoMSME to develop and notify selection criteria and state support framework for additional selected projects of the States	Technical	MoMSME	Year 1	• SIP Template approved by Programme committee • Appointment of Nodal officers by States • Preparing the formats for the M&E framework • Holding Stakeholder Consultations with the states for understanding the existing M&E system. • Assessment of the existing Govt portals of the states in capturing the data for the output /outcome in the RAMP programme. • States for SIP implementation actions • Onboarding of the SPIUs of the states • Assessment of existing M&E systems for state government interventions in	Criteria developed and shared with the World Bank. State support framework to include financial support to be given to additional selected projects through the programme.

				the MSME sector including MIS systems. • Mapping existing state Govt portals to deliver services • Identificat ion of the Central and States schemes to be implemented • Identificat ion of the Central and States activities to be implemented • Capacity Building of the Nodal, Private & Public Sector Technical Service Providers in the States. • Preparing the action Plan in various phases • Developin g Blueprint for M&E framework- Tracking of inputs, outputs, outcomes for MSME Interventions resulting in Theory of Change	
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Annexure 11 - Terms of Reference for Independent Verification Agency

(pl refer para 11.6)

Terms of Reference

For

Independent Verification Agency (IVA)

for

WBG supported MSME Operation

“Raising and Accelerating MSME Performance” (RAMP)

I. Background

The MSME sector comprises an estimated 63 million MSMEs, contributes about 45% to manufacturing output, more than 40% of exports, over 28% of the GDP and employs about 111 million people, spread across manufacturing, trade and service sectors.

Notwithstanding the contribution of MSMEs to the GDP and employment, the sector faces major challenges relating to physical infrastructural bottlenecks, absence of formalization, technology adoption, firm competencies, backward and forward linkages, lack of access to credit, risk capital, delayed payments, etc. These challenges were highlighted and addressed in the RBI committee Report of the Expert Committee on Micro, Small and Medium Enterprises, in June 2019. The Committee also recommended various regulatory, financial and implementation reforms as well as initiatives for improving firm level access to provide targeted interventions to MSMEs across recognized challenge areas, which becomes even more pertinent in the current post COVID-19 recovery efforts of the Government of India.

As a step to take forward the implementation of these recommendations, the Government of India (GoI) is focusing on strengthening the existing Programmes of Ministry of MSME, through an enhanced collaboration with States, to address the challenges of the last mile enterprises across institutional, financial and technological areas, increase outreach, increased leverage of existing schemes of Government of India, thus improving the competitiveness of MSMEs in India.

This initiative called as the ‘MSME competitiveness – A Post Covid Resilience and Recovery Programme’ will particularly focus on supporting the MSMEs in their efforts to strengthen resilience in the face of economic impacts of the pandemic and foster recovery through the, provision of faster, low cost and greater business services, credit, easier redressals, greater inclusiveness, greener practices, while also strengthening the monitoring, evaluation and institutional capacities at the National and State level.

II. “Raising and Accelerating MSME Performance” (RAMP)

The Cabinet approved a World Bank supported Central Sector Scheme “Raising and Accelerating MSME Performance (RAMP)”. The total outlay of this scheme is Rs. 6062.45Cr over a period of five years (FY 2022-23 to FY 2026-27). Of this, Rs.3750Cr (USD 500 Mn) is a World Bank loan, and Rs.2312.45 Cr (USD 308 Mn) is the counterpart funding by the Govt of India.

RAMP is designed as an outcome of the above findings and is designed to support selected ongoing MoMSME support Programmes, particularly focusing on the competitiveness aspects. RAMP would be a Programme for Results (PforR R) and the fund through RAMP would flow into the Ministry’s budget against mutually agreed Disbursement Linked Indicators (DLIs). This will be combined with a Technical Assistance component for strengthening implementation and monitoring capacity of MoMSME and of States.

In addition to building the MoMSME’s capacity at the national level, the RAMP Programme will seek to scale up implementation capacity and firm coverage in select States, based on a set of readiness criteria **(placed in annexure 1)**.

The Programme has identified two results areas after the preliminary missions and studies viz: (1) Strengthening Institutions and Governance of the MSME Programme, and (2) Support to Market Access, Firm Capabilities and Access to Finance.

a) The specific objectives of RAMP are as follows:

- Elevate the overall capacity and institutional mechanisms within the MoMSME to deliver on its mandate
- Strengthen capacity and institutions in States to deliver on the MSME agenda
- Demonstrate results in the key areas of firm capabilities and access to finance and markets, while innovating and effectively utilizing the systems and procedures of MoMSME and the States
- The PforR also provides the most suitable instrument to mainstream the four key thematic areas of change targeted by the operation. This include: (i) greater inclusiveness of women-headed businesses; (ii) facilitation of “green” investments; (iii) scale up of technology solutions; and (iv) increase in use of private sector service providers.

The outputs under RAMP will be monitored annually through the Results Framework and the Disbursement Linked Indicators (DLIs). Overall Programme monitoring will be led by the Ministry of MSME through the Programme Management Unit (PMU) of RAMP to be set up within the Ministry. An Independent Verification Agency (IVA) will be selected and engaged to independently verify the achievement of project indicators (DLIs) and targets on a periodical basis.

b) Disbursement Linked Indicators (DLIs)

The Disbursement Linked Indicators have been formulated under Key results areas, against which the disbursements would be made which is detailed in Annex 1. Each DLI target has a specific timeline and achievement level linked to it.

III. Independent Verification Agency:

An Independent Verification Agency (IVA) will be hired to carry out independent verification of the achievements under the DLIs. The primary task of the IVA will be to carry out transparent and impartial verification of the achievements of DLIs under various components of the project and produce independent verification reports to MoMSME. For verification of the results, the IVA will be expected to include in its design, both quantitative and qualitative verification/ evaluation methods that verify the achievement of specific DLI targets and the quality of interventions implemented. This will require a team of members with expertise in verification/evaluation in development sector (preferably with exposure to MSMEs and livelihood sector), and hands-on experience in ICT infrastructure and relevant software. The IVA is expected to sub-contract appropriate expertise as needed, to meet the technical requirements of the verification process, where this expertise is not available in-house.

IV. Terms of Reference of the Assignment of IVA

(i) Objectives of the Assignment

The objective of this assignment is to carry out an independent verification of achievement of the DLIs reported by Mo MSME for each disbursement claim under the RAMP Programme, based on the Verification Protocol agreed between MoMSME and the World Bank; and prepare and submit independent and comprehensive verification reports to MoMSME in a timely manner, for DLIs achievement reports for each disbursement claim prepared by MoMSME in the form and substance acceptable to MoMSME and the World Bank.

(ii) Scope of Services, Tasks (Components) and Expected Deliverables

The IVA will verify the DLIs as per the agreed terms, through remote and physical inspection to confirm the accuracy and quality of results and eligible disbursement amounts claimed by the MoMSME in its supporting documentation with each disbursement claim. Verification will take place as described in detail in the Verification Protocol.

The IVA will verify the achievement of each Disbursement Linked Result (DLR) for all Disbursement Linked Indicator (DLIs) based on the verification protocol provided in the Project Appraisal Document (PAD). Additionally, the IVA will also survey a representative sample of final beneficiaries to corroborate the information provided by the MoMSME. The survey of final beneficiary MSMEs will be conducted on a periodic basis (annual/ or twice a year based on the submission of claims for disbursement against DLIs and verification of achievement of DLIs by the IVA). The IVA will follow standard statistical sampling methods each time to ensure representative samples from the States.

(iii) Approach and Methodology Suggested

The basis for the verification by the IVA would include, but not be limited to the following:

- a) The Programme Results Framework
- b) The Programme DLI Matrix DLI Verification protocol table as given below at point.
- c) The Verification Protocol agreed between MoMSME and the World Bank and the verification

- plan that will be prepared by IVA for each DLI under each disbursement claim.
- d) The Programme Implementation Manual (PIM) manuals
Annual Workplans and Semi-Annual Workplan updates; and DLI monitoring reports (as per the Programme Implementation Manual (PIM)).
- e) Any contracts entered between any of the project implementing agents and partners and third parties.
- f) Physical on-site verification, interviews and discussions with beneficiaries and other stakeholders.
- g) Other relevant documents provided by MoMSME from time to time.

The methods and tools used in the assessment may include a combination of the following:

- a) Document review: The IVA team will find it useful to consult a broad range of background documents related to the documents /literature available for the design of various studies conducted during the verification process.
- b) Review of M&E data of Ministry and States: including verification of a representative sample to check accuracy.
- c) Key Informant Interviews (KIIs): KIIs are suggested to be conducted with key stakeholders, including MoMSME, World Bank, Implementing Agencies and Partners, State counterparts, MSME Associations and project beneficiaries etc.
- d) Focus Group Discussion: Focus group discussions with stakeholder representatives to ensure even participation and design of the assessment tools.
- e) Survey: The team would be required to carry out a survey of MSMEs and other stakeholders such as employers, training providers etc to collect the required data for the project. The team will detail its sampling plan, reaching out plan, data analysis approach in approach and methodology with supporting reasons.

The IVA will provide to the Ministry; the methodology it proposes to use for the verification process. It shall use standard statistical tools for statistical analysis. For assessment of reforms, digital platform and other processes, verification would be done against accepted standards.

(iv) DLI wise description of deliverables

Please refer to Annex 1 for the DLI wise description of activities for the IVA.

(v) Team Composition & Qualification Requirements for the Key Experts

The IVA will be expected to report and deploy sufficient amount of manpower required to successfully deliver the tasks. The manpower requirement for the project must include Key Experts of suitable qualifications and experience for the Key positions tabulated below:

S.No	Position	Nos	Essential Qualifications/Experience
K1	Team leader	1	Seasoned professional with experience of at least 15 years, and with strong background in project management,

			independent verification, monitoring, and evaluation. Exceptional leadership skills to manage diverse stakeholders and lead clients in public sector About 10 years of demonstrated experience in assessment, evaluation of development sectors Programmes (required). Experience in managing projects involving quantitative data collection, questionnaire design and large-scale surveys. Exposure to randomized control trials, propensity score matching, regression, design effects preferred, Masters in Economics, Finance or Statistics (or a similar qualification) from a reputed University, Experience of working on externally aided projects required. Professional Public Institutions Audit or Accountancy qualification desirable. (if not, a separate position is required to assess institutional and regulatory dimensions aspect of the Programme)
	Companies and Financial Institutions Assessor		Seasoned professional with experience of at least 10 years, demonstrated experience in the assessment and auditing of financial and portfolio accounts of companies (specifically technology and platform companies) and financial institutions. Professional Audit or Accountancy qualification required.
	Monitoring & Evaluation Specialist	2	Two senior M&E experts will be engaged. They will (each) preferably have Masters in Economics or Statistics from a reputed University, and more than 10 years of relevant experience in private and financial sector and government MSME support operations, and M&E. They should have the experience of designing and conducting rigorous surveys of development / MSME projects. 7 years of experience in monitoring & evaluation of development Programmes in public/private sector. Proficiency in using statistical analysis software, such as SPSS, STATA, Excel and in different impact evaluation methodologies (including randomized control trials) Qualitative data analysis software (such as QSR) will be an asset.

K3	IT specialist	1	B.E / B.Tech / MCA with 6-10 years of experience in MIS development, especially for large-scale monitoring and evaluation projects.
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S.No	Position	Nos	Essential Qualifications/Experience
K4	Statisticians	2	Two Statisticians with Master's degree in Statistics having at least 5 years of relevant experience in designing and conducting evaluation studies, large scale surveys and doing empirical research are required. Preference will be given to candidates with Doctorate in Statistics
K5	Report Writer	1	An experienced professional report writer with a Master's degree in English, Journalism, or Mass Communication from a reputed University with more than 5 years of relevant work experience in report writing. He/she will edit drafts of reports prepared by the IVA. All reports should be professionally formatted and edited as per the Bank's template, provided by the Bank's team.
K6	Central Field Coordinator	1	Must have a Master's degree in Economics and/or Public Administration; Governance or other relevant discipline, and more than 6 years' experience of working as an Independent Verification expert. Should have experience of conducting surveys or the equivalent and be proficient in undertaking relevant surveys (design and methodologies, staff recruitment and training, field supervision and data analysis/write up). Should be fluent in English and Hindi with excellent English writing and presentation skills. In case surveys are conducted using smart phones/Tablets, should be proficient in IT and should be able to adapt to new technologies with ease. Should be able to gather available information on the context and survey planning, selecting team members, Training team members, take necessary actions to enhance the accuracy of data collected.

Non Field Members

S.No	Position	Nos	Essential Qualifications/Experience

Additional non-key staff/ consultants on specific aspects of MSME support that are part of the DLIs to be hired or put in place through partnerships with the relevant technical institutions can be mentioned here. This should include consultants able to assess (i) scheme and firm performance measures against criteria set out in DLI matrix and Results Framework; and (ii) ODR outcomes.

(vi) Reporting Requirements and Time Schedule for Deliverables

a. The IVA will carry out the verification in close coordination with Ministry of MSME and State nodal offices and officers in charge of RAMP and with the nodal institutions in the States.

b. The MoMSME shall provide the IVA with relevant data and documents necessary to verify DLI achievements and shall ensure that consultant has access to all project sites and locations.

c. The IVA shall timely submit following reports to MoMSME:

1. Develop and furnish to MoMSME an Inception report (for DLI verification) in 2 Parts within one month of award of contract and prior to commencement of verification process.

- (i) Part 1 will cover templates in which it seeks input data from MoMSME that is to be verified by the IVA .

- (ii) Part 2 will contain its own verification plan for each DLI. Verification plan will include detailed work plan and verification arrangements proposed by IVA for each Disbursement Linked Indicator that would be claimed by MoMSME with each disbursement claim for verification. This will cover IVA's team composition, names of sites and offices that would be visited, agreed days and dates for each visit, what field survey will be carried out by the IVA, what coordination and logistics arrangements are needed and most importantly output formats for each site visit that will go in the IVA's verification report. IVA will seek MoMSME approval of such verification plan included in the Inception Report. ^[1]_{SEP}

2. Develop and furnish to Mo MSME annual verification reports for DLIs (single report covering all 6 DLIs)

3. Submit an assignment completion report containing summary of work done and suggestions for strengthening the verification protocol and process for future use by MoMSME.

vii). Responsibility of MoMSME: MoMSME's Input Services and facilities will be made available to the IVA: It shall give access to all the required documents, correspondence and any other information associated with the project as deemed necessary.

viii) IVA: Deliverables and Deadlines

No	Deliverable	Description	Deadline
1.	Inception report (inclusive of approved verification plan)	Refer para V.c. 1 of ToR	T ₀ + 1month
2.	DLI Verification Report for Year-1	The IVA is required to do DLI verification during 01 st April-31 st September of each year. Each report would cover the verification of all DLI's for that particular year.	Report to be prepared and submitted to MoMSME within 45 days of verification of each DLI each year.
3.	DLI Verification Report for Year-2		
4.	DLI Verification Report for Year-3		
	DLI Verification Report for Year 4		
	DLI Verification Report for Year 5		
5.	Assignment completion report	Refer para V.c.3 of ToR	Within 45 days of T ₀ +5 years

ANNEXURE 12

Revised Guidelines Fund flow TSA (Treasury Single Account) and Central Nodal Agency

(pl refer para 8.3.4)

**F. No. 1(18)/PFMS/FCD/2021
Government of India
Ministry of Finance
Department of Expenditure**

**North Block, New Delhi
Dated : 9th March, 2022**

OFFICE MEMORANDUM

Subject: Revised procedure for flow of funds under Central Sector Schemes

In supersession of all previous orders issued by the Department of Expenditure, Ministry of Finance regarding release of funds under the Central Sector Schemes, the following procedure shall be followed w.e.f 1st April, 2022 by the Ministries/ Departments of Government of India for flow of funds under the Central Sector Schemes and monitoring utilization of funds released.

Model – 1 : Implementation through Treasury Single Account (TSA)

2. In case of Central Sector Schemes having annual outlay of more than Rs 500 crores and implemented without involvement of State agencies, it shall be mandatory to implement such schemes through the Treasury Single Account (TSA) model. This will ensure that the funds of these schemes are released "Just-In-Time" from the Consolidated Fund of India (CFI) to the beneficiaries/vendors. The Ministries/Departments may opt for Model-1 for other Central Sector Schemes too in consultation with RBI. For the schemes implemented through this model, the following procedure shall be followed by the Ministries/Departments:

- i. For each Central Sector Scheme, the concerned Ministry/Department will designate an Autonomous Body as the Central Nodal Agency (CNA) to implement the scheme.



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- ii. If there are other agencies involved in implementation of the scheme down the ladder, which get funds from the CNA, these Implementing Agencies (IAs) will be notified as Sub-Agencies (SAs) of the CNA.
 - iii. Each CNA will open an account with the Reserve Bank of India (RBI) in e-Kuber. Even in cases where CNA is already registered in the TSA module and has a bank account in e-Kuber for some other grant, it will open separate account in e-Kuber for funds to be provided under each Central Sector Scheme.
 - iv. The SAs of every CNA will also open scheme-wise bank accounts with RBI in e-Kuber in line with the requirements of para (iii) above.
 - v. The relevant details of all the accounts of the CNA and SAs opened with RBI shall be mapped in the TSA module of PFMS as per the extant guidelines on TSA.
 - vi. In respect of funds of Central Sector Schemes, the CNA and SAs shall not open/operate/ park funds in any other bank account except under the provisions made in these guidelines.
 - vii. RBI will function as the primary banker to the Ministries/ Departments in this regard without involvement of an agency bank.
 - viii. All these accounts in RBI will be "Assignment Accounts". A limit up to which expenditure can be incurred by the CNA/ sub-agencies shall be assigned to these accounts from time to time by the Pay and Accounts Office (PAO) concerned through PFMS.
 - ix. Assignment will be based on an expenditure sanction issued by the Programme Division (PD) and the bill preferred by the Drawing and Disbursing Officer (DDO). The e-format of the assignments and Sub-assignments shall have requisite details required for accounting and reconciliation of transactions. The e-Kuber bank account details of the CNA/SAs shall be incorporated in the sanction order.
 - x. Consequent upon receipt of the sanction order for release of funds to the CNA alongwith bills from the Drawing and Disbursing Officer (DDO), the concerned

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- Pay and Accounts Officers (PAOs) shall, through assignments, advise RBI, after exercising all necessary checks, to honour the payment instructions issued by the concerned CNA/SA up to the, "assigned limit" in the advice.
- xi. The PAO shall debit the concerned Head of Account for appropriation but not transfer the cash directly to the CNA. It shall be retained in an interim account in respect of the CNA listed under the parent Ministry/ Department in the public account.
- xii. The assignments shall be uploaded on the TSA module and received electronically by the CNAs as per the existing protocols of TSA module. The CNA may issue e-Sub-assignments in PFMS against this assignment setting limits of expenditure for the SAs.
- xiii. CNAs & SAs shall adhere to all due process while incurring expenditure from the assignment limit sanctioned through PFMS. CNAs shall also ensure that sufficient limit is available in the relevant account before issue of assignment to SAs.
- xiv. The system will be digital and fully online on PFMS with no physical flow of assignments to RBI or expenditure by CNAs/SAs on assignment basis. The electronic file containing a unique sanction ID and necessary details of the sanction order will travel directly from PAO to RBI and concerned CNAs. RBI will maintain individual ledgers in respect of the accounts of the CNAs for watching the availability of assignment.
- xv. PFMS Division in CGA will design requisite reports to enable all Program Division (PDs), Pay & Accounts Officers (PAOs), and other stakeholders to view details of sanction orders, summary and budget balance of assignments/sub-assignments, and expenditure details.
- xvi. Ministries/ Departments administering the schemes concerned should strive to make realistic estimation of Budget under the Central Sector schemes and issue sanction orders according to actual requirements. The savings in the assignments should be anticipated well in advance particularly in the third quarter of

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Financial Year and Ministries/Departments shall ensure suitable savings/surrenders are informed to Budget Division during the pre-budget meetings.

- xvii. Control of limits shall be at the Standard Object Head level.
- xviii. Unutilized assignments will lapse to the Government at the close of the Financial Year as per the extant norms of Budget execution and will not be available to the CNAs /SAs for expenditure in the next financial year. In PFMS too, all e-assignments/e-sub assignments shall cease to exist after the close of financial years and shall be flushed out from the system as per the current practice in TSA module.
- xix. In respect of some transactions like payment of TDS, Income Tax and GST, Opening of Letter of Credit in favour of foreign suppliers, scholarships to foreign students not having account in India, and payment of salaries of the month of March to be paid in 1st week of April, CNAs/SAs may utilize the services of their existing account at commercial banks. They may transfer funds "just in time" to the extent required for meeting such transactions. However, in no case the money transferred under this provision will be parked in a Commercial Bank beyond a period of two weeks.
- xx. Unutilized amount of past releases under the scheme available in the bank account of CNA & SAs shall be deposited in the Consolidated Fund of India.

Model – 2: Implementation through scheduled commercial banks

3. In case of Central Sector Schemes having (a) annual outlay of less than Rs 500 crores or (b) the schemes are being implemented by agencies of the State Governments exclusively or in addition to the central agencies or (c) other schemes not covered in Model-I, the following procedure will be followed by the Ministries/ Departments :

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- (i) Every Ministry/ Department will designate a Central Nodal Agency (CNA) for implementing each Central Sector Scheme. The CNA will open a Central Nodal Account for each Central Sector Scheme in a scheduled commercial bank authorized to conduct Government business by the Ministry/ Department concerned.
 - (ii) Implementing Agencies (IAs) down the ladder will be designated as Sub-Agencies (SAs). The SAs will use the CNA's accounts with clearly defined drawing limits set for that account. However, depending upon operational requirements, zero balance subsidiary accounts for each scheme may also be opened by the SAs.
 - (iii) All zero balance subsidiary accounts will have allocated drawing limits to be decided by the CNA concerned from time to time and will draw on real time basis from the Central Nodal Account of the scheme as and when payments are to be made to beneficiaries, vendors etc. The available drawing limit will get reduced by the extent of utilization.
 - (iv) For seamless management of funds, the main account and all zero balance subsidiary accounts should be maintained with the same bank. However, Ministry/ Department may choose different banks for opening Central Nodal Accounts of different Central Sector Schemes.
 - (v) Only banks having a robust IT system and adequate branch network should be chosen for opening Central Nodal Account and the zero balance accounts of SAs of each Central Sector Scheme. The bank chosen should have the facility to open the required number of subsidiary zero balance accounts and a robust MIS for handling accounting and reconciliation at each level. The bank should also provide necessary reports and a user-friendly dashboard to officers at various levels to monitor utilization of funds by SAs.
 - (vi) The bank's software system should be able to monitor the drawing limits of the SAs who should be able to draw funds on real time basis from the CNA's account as and when payments are to be made. The selected bank should ensure

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proper training and capacity building of branch managers and other staff for smooth operation of these accounts.

- (vii) Ministries/ Departments will release the scheme funds for each Central Sector Scheme to the account of CNA concerned strictly on the basis of requirement, keeping in view the balance funds of the scheme available with the CNA as per PFMS or scheme-specific portals fully integrated with PFMS in consonance with Rule 232(v) and 230(vii) of the General Financial Rules, 2017.
- (viii) The Ministries/ Departments and the CNAs shall ensure that the interest earned from the funds released is mandatorily remitted to the Consolidated Fund of India in terms of Rule 230(8) of GFR, 2017. The interest component shall be distinctly reflected in the MIS provided by the banks.
- (ix) The Ministries/ Departments shall release the funds as far as possible in 'Just-In-Time' manner keeping the float in CNAs account to the minimum possible and shall in no case release more than 25% of the amount earmarked for the scheme in a financial year at a time. Additional funds (not more than 25% at a time) will be released only upon utilization of at least 75% of the funds released earlier and in compliance with the conditions of previous sanction.
- (x) For administrative convenience and efficiency the Program Division may obtain approval of the competent authority and concurrence of the Financial Advisor for more than 25% at a time. But release of funds shall not exceed 25% in one instalment.
- (xi) After opening of Central Nodal Account of the scheme and before opening zero balance subsidiary account of SAs or assigning them drawing rights from CNA's account, the SAs at all levels shall return all unspent amounts of the scheme lying in their accounts to the Central Nodal Account of the CNA.
- (xii) It will be the responsibility of the Ministry/ Department concerned to ensure that the entire unspent amount of the scheme is returned by all the SAs to the Central Nodal Account of the CNA concerned before releasing funds to CNAs.

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- (xiii) Ministries/ Departments will ensure that releases under all Central Sector Schemes are made strictly as per the actual requirement on the ground, without resulting in any material float with the implementing agencies at any level.
 - (xiv) Ministry/ Department will register the CNAs and all SAs on PFMS and use the unique PFMS ID assigned to the CNA and SAs for making all payments to them. Bank accounts of the CNAs, SAs, vendors and other organisations receiving funds will also be mapped in PFMS.
 - (xv) Payments will be made from the zero balance subsidiary accounts up to the drawing limit assigned to such accounts from time to time. Transactions in each Subsidiary Account will be settled with the Central Nodal Account daily through the core banking solution (CBS) on the basis of payments made during the day.
 - (xvi) CNAs and SAs will mandatorily use the EAT module of PFMS or integrate their systems with the PFMS to ensure that information on PFMS is updated by each SA at least once every day.
 - (xvii) CNAs will keep all the funds received in the Central Nodal Account only and shall not transfer the funds to any other account or not divert the same to Fixed Deposits/ Flexi-Account/ Multi-Option Deposit Account/ Corporate Liquid Term Deposit (CLTD) account etc. The funds released to CNA shall not be parked in bank account of any other agency.
 - (xviii) Release of funds by the Ministries/ Departments towards the end of the financial year should be avoided to prevent accumulation of unspent balances with CNAs.
4. UTs without legislature work directly in PFMS and should be given Letter of Authorization (LoA). There is no need for them to open a Central Nodal Account. They will ensure that the funds are released on the basis of LoA to the vendors/ beneficiaries 'Just-In-Time'.
5. Secretaries are requested to, and Financial Advisors of Ministries/ Departments shall, undertake monthly review of strict implementation of these guidelines, opening of

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accounts in RBI, issue of authorization or release of funds to the CNA, utilization of funds by CNAs and IAs and outputs/ outcomes vis-a-vis the targets of each Central Sector Scheme.

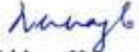
6. Gradually, schemes in Model-2 are expected to move to Model-1 depending on readiness of RBI and Ministries for which necessary orders will be issued separately by the Department of Expenditure.

7. The following categories of Central Sector Schemes will be exempted from following these guidelines and may continue in existing mode:

- (i) Central Sector Schemes being implemented by Ministries/ Departments in Direct Benefit Transfer (DBT) mode or reimbursement mode.
- (ii) Central Sector Schemes involving payment of equity share or extension of loan by the Government to a company.
- (iii) Central Sector Schemes where 100% payments are made by the Ministry/Department directly to the vendors/beneficiaries against the bills/claims raised by the vendors/beneficiaries.
- (iv) Central Sector Schemes where funds are transferred by the Ministry/Department directly to multiple Implementing Agencies (IAs) and amount transferred to any agency does not exceed Rs. 10 lakhs per annum.
- (v) Central Sector Schemes in which funds are transferred to the Indian Missions abroad for implementation of the scheme.
- (vi) Central Sector Schemes being implemented exclusively from a corpus/revolving fund approved by the Cabinet.
- (vii) Central Sector Schemes where expenditure is based on authorization and is incurred on real time basis with no float. However, in such cases Ministry/Department shall avoid the mode of transfer of funds through Civil Deposit and the option of Letter of Authorization should be adopted.



8. In cases where there is no Central Autonomous Body in a Ministry/Department or where the Ministry/Department wishes to implement the scheme directly through State Government agencies, such State Government agency will be designated as CNA. However, there shall not be more than one CNA per State. The funds in such cases will be released by the Ministry/Department to the CNA directly and not through state treasury
9. An illustrative list of roles and responsibilities of CNAs is given in Annexure-I.
10. This issues with the approval of Finance Secretary & Secretary (Expenditure).


(Abhay Kumar)
Director
Tel. No. 24360647

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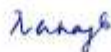
1. Secretaries of all Ministries/Departments of Government of India
2. Chief General Manager, Reserve Bank of India, Department of Government and Bank Accounts
3. Controller General of Accounts, Department of Expenditure, INA, New Delhi
4. Financial Advisers of all Ministries/Departments of Government of India
5. Additional CGA (PFMS), O/o CGA with the request to take immediate steps for carrying out necessary change in PFMS and designing requisite reports.
6. Additional CGA (GBA), O/o CGA with the request to take necessary steps to implement model I of the Guidelines.
7. All Principal CCAs/CCAs of Ministries/Departments

Copy to:

1. Chief Secretaries of all States/Union Territories
2. Principal Secretary Finance of all States/Union Territories

Copy for information:

1. PSO to Secretary (Expenditure)
2. PSO to Special Secretary (Pers.)
3. Sr. PPS to AS (PFC-II)
4. Sr. PPS to AS (PF-S)



Role and Responsibilities of CNA
Modified Fund Flow Guidelines for Central Sector Schemes

1. Model 1 – Treasury Single Account (TSA) Model

- a. Open Account with RBI in e-Kuber for each scheme under which it receives grant
- b. Mandatorily use TSA Module of PFMS
- c. Map the RBI Account details in TSA Module of PFMS
- d. Receive (electronically in TSA Module) the assignment done by the PAO
- e. Approve the account and scheme mapping of sub-Agencies at Level 1
- f. Issue e-Sub-assignments against the assignment setting limits of expenditure for the sub-Agencies
- g. Ensure funds are not transferred/parked in any other account except as per the guidelines
- h. Process payments by adhering to due process
- i. If existing accounts with commercial banks is to be used for specified purposes in the guidelines (such as payment of TDS, IT and GST, opening of LoC for foreign suppliers etc.), funds shall be transferred just-in-time and, in no case, parked beyond two weeks.
- j. All such unutilized funds (as above) shall be deposited back to the Consolidated Fund of India.

2. Model 2 – through Scheduled Commercial Banks (SCBs)

- a. Open Account with a SCB authorized to do Government business, for each scheme under which it receives grant
- b. Mandatorily use REAT Module of PFMS or integrate own IT system with PFMS for exchange of information (contact PFMS Rollout for details)
- c. Approve the account and scheme mapping of sub-Agencies at Level 1
- d. Approve the scheme mapping of all sub-Agencies using the CNA's Account

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- e. Allocate limits for Level 1 sub-Agencies and all other sub-Agencies using the Central Nodal Account
 - f. Ensure funds are not transferred/parked in any other account of any Agency
 - g. Submit UCs after utilization of the funds that were transferred in the Central Nodal Account
 - h. Ensure that interest earned from the funds released is remitted to the Consolidated Fund of India

3. One time activity –

- a. Ensure refund of unspent balance of lower level Agencies to the Central Nodal Account. This is needed after opening of the Central Nodal Account and other Zero Balance Subsidiary Accounts, and prior to assigning the drawing rights to sub-Agencies.

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Annexure : Cycle wise status approval of SIPs

S. No	State/UT Name	Cycle
1	Andaman & Nicobar Island	Cycle 3
2	Andhra Pradesh	Cycle 1
3	Arunachal Pradesh	Cycle 3
4	Assam	Cycle 2
5	Bihar	Cycle 1
6	Chandigarh	Cycle 2
7	Chhattisgarh	Cycle 3
8	DDNH&DD	Cycle 4
9	Delhi	Cycle 5
10	Goa	Cycle 2
11	Gujarat	Cycle 2
12	Haryana	Cycle 2
13	Himachal Pradesh	Cycle 2
14	Jammu & Kashmir	Cycle 3
15	Jharkhand	Cycle 3
16	Karnataka	Cycle 1
17	Kerala	Cycle 2
18	Ladakh	Cycle 4
19	Lakshadweep	Cycle 5
20	Madhya Pradesh	Cycle 1
21	Maharashtra	Cycle 1
22	Manipur	Cycle 4
23	Meghalaya	Cycle 2
24	Mizoram	Cycle 1
25	Nagaland	Cycle 2
26	Odisha	Cycle 1
27	Puducherry	Cycle 3
28	Punjab	Cycle 2
29	Rajasthan	Cycle 2
30	Sikkim	Cycle 1
31	Tamil Nadu	Cycle 1
32	Telangana	Cycle 2
33	Tripura	Cycle 2
34	Uttar Pradesh	Cycle 1
35	Uttarakhand	Cycle 2
36	West Bengal	Cycle 2

* The States and Union Territories identified under Cycles 1 and 2 are supported through World Bank funding, whereas remaining States and Union Territories will be through Government of India budgetary provisions.