



DoL/AFI/RAMP/2023/SIPCycle1

Dated 11th December 2023

Dear *Shri Yuvraj,*

I wish to draw your attention to the Strategic Investment Plan submitted by your State by the first due date of 15th August 2023.

2. This Ministry had facilitated several meetings of the SIP Evaluation Committee – a Committee constituted with the approval of the Competent Authority in the Ministry, comprising of officials from other Ministries, academia, and industry experts – to evaluate the SIPs and recommend projects/proposals for part-funding from the RAMP programme, as per the scheme guidelines. After many brain storming sessions, and based on the collective wisdom of its Members, the SIPEC evaluated and recommended some projects and the quantum of financing under RAMP. The SIPEC, in conformity with the RAMP implementation guidelines, recommended benchmarking the cost of common activities proposed by all States such as Awareness Programmes, Vendor Development Programmes, EDP/Skill Development Programmes, training for MSME Champions schemes and training of State Govt. Industries/MSME Department officials.

3. The RAMP Programme Committee (RPC), the apex body headed by Secretary(MoMSME) mandated to steer and guide the implementation of RAMP programme, in its meeting dated 10th November, approved the recommendations of the SIPEC, including the quantum of funding. I may also add that, in its 4th meeting held on 02nd August 2023, the RPC had recommended that to incentivize the States that honoured the first deadline for submission of SIPs (15th August 2023), 60% of the total funds available for SIP financing may be earmarked for these States. The RPC, in its 5th meeting, approved 67%.

4. The list of selected project proposals received from Andhra Pradesh State, along with the quantum of funding recommended, is annexed. The RPC also recommended that 50% of the total amount approved for part-financing of selected project proposals be provided in the first instalment, to the States. However, due to paucity of funds this financial year, an amount equivalent to 40% of the total approved project cost is being provided (40% of total cost of approved amount Rs. 107.07 Crore). The State of Andhra Pradesh is therefore being provided a grant of Rs. 42.83 Crore as a first instalment.

5. The subsequent tranches of Grant-in-Aid will be released only after 75% of the first tranche is utilized and at least 50% of the targets for that project are achieved.

6. The fund flow arrangement will follow the guidelines issued by Department of Expenditure, Ministry of Finance in their OM dated 9th March 2023, and subsequent Orders on the subject. The Ministry of MSME will release Grant-in-Aid to the Central Nodal Agency (CTR Ludhiana), which in turn will set the drawing limits to the States (as per Sanction Order issued by this Ministry). The States will draw on real time basis from the CNA of RAMP scheme as and when payments are to be made to the vendors, beneficiaries etc. The available drawing limit will get reduced by the extent of utilization. As per the Dept. of Expenditure OM dated 27th March 2023, the CNA limits will be frozen on 31st March 2023 after 12:00 midnight, and the limits left with the States will be made zero on 31st March 12:00 midnight. The Ministry will allocate fresh limits for the next financial year.

7. The RAMP Programme Implementation Manual (PIM) was circulated to all participating States during the signing of the Letter of Undertaking (LoU). In conformation to the provisions laid down in the PIM, the following are to be undertaken by the States immediately, as preliminary steps towards implementation of the projects:

- i. For the selected project proposals that are being part-funded under RAMP, the States are required to prepare an Implementation Plan. The Implementation Plan for each selected proposal must contain the phasing of the proposal - milestones to be achieved with time-lines, the projected utilization of funds at each stage, the State / funds from other Centre/State schemes, as agreed upon in the SIP.
- ii. If not already done, every State should have a State Programme Implementation Unit (SPIU) in place, in the State Industries/MSME Department, with procurement done as per GFR 2017. The funds of Rs.5 Crore already provided for SIP preparation should be utilized for this purpose. Additional funds for SPIU will be considered only after the utilization of Rs. 5 Cr already sanctioned for the purpose. The SPIU shall be responsible for implementation, monitoring and evaluation of the selected projects. The SPIU shall co-ordinate with the NPMU in this Ministry for any assistance.
- iii. An M&E framework for each selected proposal is to be drawn up. This should contain the base-line figure for each indicator identified and the source of the data to be reported.
- iv. The State should draw and submit an Outreach plan for identification and mobilization of MSMEs, that would be the ultimate beneficiaries of the selected SIP interventions.
- v. The total Grant-in-Aid to the State includes an amount equivalent of 5% of the total cost of approved projects for Information, Education and Communication (IEC) activities. The States must limit expenditure on IEC to this. This will include activities such as awareness creation (other than MSME Champions scheme), mobilization, branding, publicity, etc. **However, States are**

required to take the approval of this Ministry before launching any branding campaign.

- vi. Unspent funds: Any unspent balance in the Zero Balance Sub Agency account, as on 31st March of every year, will revert back to the Central Nodal Agency (CTR Ludhiana) Account, along with the interest accrued on the same.
- vii. Reporting: The States shall:
 - a. provide DLI-wise M&E data to this Ministry on a monthly basis (disaggregated data with SC/ST/Women/PwD)
 - b. provide implementation status of the part-funded projects, on a monthly basis
 - c. provide semi-annual and annual reports containing the implementation status, the milestones achieved, MSMEs benefited (disaggregated data with SC/ST/OBC/Women/PwD etc.) on the implementation of the projects. Annual Report on programme status and achievements should reach this Ministry by 30th April.
 - d. Submit Utilization Certificates of funds utilized, every six months.
 - e. Submit Financial reports and Contract management reports at the end of every six months (31st July and 31st Jan). If the States do not submit these reports by the due date, further funds will not be released (para 8.3.5(e) of PIM).
 - f. State Government must conduct internal audit for financial management and procurement transactions, as laid out in the PIM. (Pl refer para 8.5 to 8.6 in PIM)
 - g. The State Governments/SPIU/Implementing Agencies shall submit compliance report to the Ministry on audit observations of the inter audit.
 - h. The financial audit of SPIU and participating public ad private sector Implementing Agencies will be conducted by their statutory auditors, and the audit report should be submitted to this Ministry within 9 months of end of each financial year, that is, before by 31st Jan of the subsequent year. (Para 8.6(g) of PIM)
 - i. If the SPIU and the participating public/private Implementing Agencies have 'disclaimer or adverse' audit opinion in the audit reports, or if they fail to submit audit reports in time, further grants will not be released to such States. (para 8.6(h) of PIM)
 - j. SPIU and the participating public/private Implementing Agencies shall submit compliance report

to this Ministry on the financial audit observations within 3 months from the date of audit report.

- k. All funds released to the States will be subject to the World Bank's "Guidelines on Preventing and Combating Fraud and Corruption in Programmes for Results Financing" dated 1 Feb 2012 and revised on July 10, 2015. The same is annexed as Annexure 8 in PIM
- l. In case of any other condition left out in this communication, the provisions as laid out in the Programme Implementation Manual will be applicable.

8. The States may take immediate action to complete the preliminary steps and start the implementation of the projects at the earliest. The Implementation Plans and M&E framework may be communicated to this Ministry in time. The National NPMU may be contacted for any further assistance/information.



(Ateesh Kumar Singh)

To

The Principal Secretary of Andhra Pradesh.

Encl:

1. List of approved project proposals in SIPs and fund approved
2. Benchmarked activities in SIPs

Annexure I

List of Andhra PradeshSIP project proposals approved by RAMP Programme Committee in the Ministry of MSME and Grant in Aid approved for these proposals

S.No	Intervention	Components	Total Budget	State Contribution	Request under RAMP	Central Schemes convergence	Budget approved	Remarks
AP1	Formalisation of MSMEs - Udyam Registration	1. Cost of survey including Udyam Registration 2. Cost of linkage of Udyam registration number	60 2	6 0.2	54 1.8	0 0	16.4 1.8	Benchmarked @Rs. 70000 per campaign for 2600 workshops for both the components combined. At least 20 MSMEs to register on Udyam portal.
Sub Total (AP1)			62	6.2	55.8	0	18.2	
AP2	Creation of supporting BDS Ecosystem in State	1. Cost of procurement and empanelment 2. Cost of training/Entrepreneurship Awareness Program	0.26 0.34	0.06	0.54	0	0.54	Cost of all the components have been approved as proposed in the SIP.
Sub Total (AP2)			0.6	0.06	0.54	0	0.54	
AP3	Entrepreneurship & Skill Development Program (ESDP) with special emphasis on Women & SC/ST	Cost of conducting ESDP	109.2	10.92	98.28	0	27.3	Benchmarked @Rs. 125000 per programme for 2184 programmes as proposed in the SIP.
Sub Total (AP3)			109.2	10.92	98.28	0	27.3	

S.No	Intervention	Components	Total Budget	State Contribution	Request under RAMP	Central Schemes convergence	Budget approved	Remarks
AP6	Procurement and Marketing Support (PMS)	<p>1. Market Access Initiatives: 1.1: Vendor Development Program (VDP) (CPSE level VDP cum exhibition of products Conventional) 1.2: Participation of individual MSEs in Domestic Trade Fairs (CPSE level VDP cum exhibition of products Conventional)</p> <p>2. Capacity building of MSMEs: 2.1: Cluster based Modern/ Green Packaging Technique / Branding Intervention</p>	5.92	3.48	3.48	27.82	4.55	Benchmarked @Rs. 5Lakh per programme. (For 91 programmes)
Sub Total (AP6)			1.56				0.73	Benchmarked @Rs. 70000 per workshop for 104 workshops.
AP7	Export Promotion Programmes	3. Buyer Seller Meet	9.1	1.73	15.56	0	8.19	Reverse buyer seller meet @20 persons.
Sub Total (AP7)			9.1	1.73	15.56	0	8.19	
AP10	Trade Receivable Discounting System (TReDS)	<p>1. Awareness Creation Programmes for MSMEs</p> <p>2. Sensitisation for Large Industries - CPSEs -Govt.Departments</p>	1.82	1.28	11.55	0	1.27	Benchmarked @Rs. 70000 per workshop for 182 workshops
Sub Total (AP10)			10.92	1.28	11.55	0	2.54	Benchmarked @Rs. 70000 per workshop for 182 workshops
AP11	MSME-Sustainable - ZED Certification	Capacity Building /Training Programmes / Awareness Creation Camps for Sustainable ZED Certification	17.68	1.77	15.91	0	11.466	32760 ZED certifications to be achieved at 20 certifications per workshop. Thus 1638 workshops to be

S.No	Intervention	Components	Total Budget	State Contribution	Request under RAMP	Central Schemes convergence	Budget approved	Remarks
AP12	MSME Competitive (Lean) Certification	Capacity Building /Training Programmes and Awareness Creation Camps	21.32	2.12	19.2	0		conducted at Rs. 70,000/- per workshop (Cost benchmarked as per the ZED Scheme Guidelines for awareness workshops)
Sub Total (AP11 and AP12)			39.00	3.89	20.97	0	11.466	
AP14	MSME Innovative - IPR	1. IPR Facilitation Councils @ INR 1 Cr. PerFacilitation Council 2. Awareness Creation Workshops/ Seminars on IPRs for MSMEs @ INR 1 Lakh per Programme	4	0	0	4	0	Cost of all the components have been approved as proposed in the SIP.
Sub Total (AP14)			5.82	0.36	1.46	4	1.46	
AP17	AP MSME One Monitoring & Evaluation Dashboard	Cost of development of AP MSME ONE platform	30	3	27	0	27	Cost has been approved as proposed in the SIP.
Sub Total (AP17)			30	3	27	0	27	
TOTAL			274.12	30.92	234.64	31.82	101.98	
Additional 5% of the approved budget for Information, Education and Communication (IEC)							5.09	
TOTAL APPROVED BUDGET							107.07	

The SIPEC recommended, and RPC approved the following, for project proposals common to all SIPs:

1. **Benchmarking of costs**: As mentioned in the Programme Implementation Manual, (Para 5.6.2), activities that are included in the existing schemes of the Ministry will follow the respective scheme guidelines. Following this, the SIPEC recommended that the following activities proposed in SIPs may be benchmarked to conform the existing guidelines:
 - a. Awareness Programmes: The rates approved under the Awareness Programmes component of MSME Champions schemes will be followed for any Awareness Programme being part-funded under RAMP. The funds are capped at Rs. 70,000 per One-day workshop on any topic. States may ensure maximum participation in such programmes. Wherever possible, awareness programmes on different subjects may be clubbed. Payment of Honorarium to guest faculty will be as per FR/SR. States are required to report disaggregated information on the number of MSMEs benefited, esp. SC/ST/Women/PwD etc.
 - b. Entrepreneurship Development Programme (EDPs): The ESDP Guidelines of the O/o DCMSME will be followed. For one EDP/ESDP of 4-6 weeks' duration, a ceiling of Rs.1.25 lakhs per programme is fixed, irrespective of the class of city where the programme is conducted. Subjects relevant to the RAMP proposals approved in the State may be selected. Intake capacity may be 25-30 participants per programme. For less than 25 participants, the expenditure will be restricted on pro-rata basis, that is, Rs 2500/- per participant. Payment of Honorarium to guest faculty will be as per extant FR/SR. States are required to report disaggregated information on the number of MSMEs benefited, esp. SC/ST/Women/PwD etc.
 - c. Training of MSME Department / DIC officials: Following the guidelines for training of officers of DCMSME, a rate of Rs 4000 /officer /day has been considered for training of MSME Department / DIC officials. The admissible expenditure includes

expenditure towards conducting the training, like, co-ordination, inauguration, valedictory sessions, honorarium to guest speakers, stationery, lunch, tea & refreshments, field visits, training kit etc. TA/DA will be borne by the State Govt concerned.

- d. Skill Development/ Training of MSME: Following the guidelines for ESDP training in the O/o DCMSME, a ceiling of Rs. 2500 /MSME /day is fixed.
- e. Vendor / Business Development Programmes: Following the guidelines of Procurement and Marketing Scheme of this Ministry, a ceiling of up to Rs. 5 lakhs per VDP / BDP has been considered for a two-day Vendor/Business Development programme. This includes a two-day exhibition of MSME products/PSE products.

2. **MSME Champions Scheme:** Only Awareness Programmes on components of MSME Champions Scheme (ZED/LEAN/Innovative) have been approved. Funding benchmarked as mentioned in i(a) above.

3. **CGTMSE:** SIPEC has recommended that proposals received from the States for interventions related to Guarantees for MSEs be compiled and wait-listed. The recommendation was approved by RPC. Depending on availability of funds, these proposals will be considered at a later stage.

4. **TReDS-related interventions:** This Ministry is organizing Regional TReDS workshops at selected locations and hence the States that have proposed TReDS related Workshops/Awareness Programmes have not considered for funding.

5. **Leveraging Existing Schemes:** Proposals which are covered under the existing schemes of this Ministry (PMS, International Cooperation, MSME CDP, SFURTI, Market Development Assistance etc.) have not been approved and the States are advised to leverage the existing schemes of this Ministry.

6. **New Schemes under consideration:** The Committee appreciated the initiatives proposed by the States related to greening, online dispute resolution, online marketing etc. However, as these initiatives are being covered through new sub-schemes of this

Ministry, like MSME Green Investment and Financing for Transformation (MSME GIFT), MSME Scheme for Promotion and Investment in Circular Economy (MSME-SPICE), Scheme for Online Dispute Resolution for Delayed Payments, and MSME -WOMEN that promotes onboarding of women owned MSEs on ONDC. Hence they were not considered for separate funding from the RAMP Budget. In view of the overlap, these proposals have not been considered for part funding under RAMP.

7. **IEC:** Keeping in view the importance of branding, awareness and communication, an amount of 5% of the overall approved support from the RAMP budget for that State, has been allocated. **States are required to take the approval of the Ministry of MSME before launching any branding campaign.**

8. **SPIU:** Rs 5 Cr has already been disbursed to the States / UTs towards SIP preparation. This includes cost of SIP preparation and cost of establishment and maintaining a State Programme Implementation Unit in the State Industries/MSME Department. Hence the resource cost for professional services for monitoring and evaluation of SIP-supported projects is to be supported under funds already allocated to this effect.
