THE NATIONAL SC-ST HUB ACTION PLAN

AT THE FOREFRONT OF INCLUSIVE GROWTH!
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<tr>
<td>B2B</td>
<td>Business-to-Business</td>
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<tr>
<td>CII</td>
<td>Confederation of Indian Industry</td>
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<td>CPSEs</td>
<td>Central Public Sector Enterprises</td>
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<td>CSR</td>
<td>Corporate Social Responsibility</td>
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<td>DICCI</td>
<td>Dalit Indian Chamber of Commerce &amp; Industry</td>
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<td>FICCI</td>
<td>Federation of Indian Chambers of Commerce and Industry</td>
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<td>MIS</td>
<td>Management Information System</td>
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<td>MSEs</td>
<td>Micro &amp; Small Enterprises</td>
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<td>MSMEs</td>
<td>Micro, Small &amp; Medium Enterprises</td>
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<td>NEDFi</td>
<td>North Eastern Development Finance Corporation Limited</td>
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<td>NMCP</td>
<td>National Manufacturing Competitiveness Programme</td>
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<td>NSIC</td>
<td>National Small Industries Corporation Limited</td>
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<td>NSSH</td>
<td>National SC-ST Hub</td>
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<td>PMEGP</td>
<td>Prime Minister’s Employment Generation Programme</td>
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<td>R&amp;D</td>
<td>Research &amp; Development</td>
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<td>SC-ST</td>
<td>Scheduled Caste/Scheduled Tribe</td>
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<td>TRIFED</td>
<td>Tribal Cooperative Marketing Development Federation of India Limited</td>
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<td>UAM</td>
<td>Udyog Aadhaar Memorandum</td>
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Those who are at the bottom of the economic pyramid should be given every chance to rise. We should make all possible efforts to encourage entrepreneurship in these sections.

Shri Narendra Modi
Prime Minister of India
India is witnessing rapid growth and prosperity. For this to be truly inclusive, all sections of the society need to partake in this prosperity. Besides wage employment and education, the marginalised sections of the society also need to envision, create and scale-up ventures to be a major participant in this growth story. While in the past, there has been some increase in the number of SC-ST-owned enterprises, this needs to increase substantially to enable the socio-economic empowerment of the SC-ST communities. In this context, the National SC-ST Hub is an initiative of the Government of India targeted towards developing a supportive ecosystem for SC-ST entrepreneurs.

The Government of India and the State Governments have launched a number of schemes to support entrepreneurship development. Special schemes have also been earmarked for SC-ST enterprises. Several exclusive organisations such as the National Scheduled Castes Finance and Development Corporation, and the National Scheduled Tribes Finance and Development Corporation work dedicatedly for the cause of entrepreneurship among SC-STs, aided suitably by organisations at the state level. The Hon’ble Prime Minister of India, has launched a flagship programme – ‘Standup India’ to further the cause of entrepreneurship among the marginalised sections of the society. Under this

The National SC-ST Hub is an initiative of the Government of India targeted towards developing a supportive ecosystem for SC-ST entrepreneurs.
programme, all branches of banks would adopt and provide loan to at least one entrepreneur belonging from the SC-ST community to SC-ST categories. The Public Procurement Policy for Micro & Small Enterprises Order mandates 4% of annual procurement of goods and services by Central Ministries/Departments and Public Sector Enterprises from SC-ST Micro & Small Enterprises w.e.f. 1st April, 2015. It has been reported that at present, Government procurement from SC-ST enterprises is less than 1% due to low participation of the SC-ST enterprises. This needs to be scaled up to meet the procurement target from SC-ST units.

The National SC-ST Hub (NSSH) would support SC-ST enterprises in technological upgradation and capacity building thereby enabling them to effectively participate in procurement processes. This would involve participation by CPSEs/Central Ministries, States, Industry Associations such as DICCI and others. The Hub would also work towards the development of new entrepreneurs to participate in procurement processes leveraging on the ‘Standup India’ programme. Selected entrepreneurs would be provided with support and mentoring by industry experts, CPSEs, and incubators.

To start with, the Ministry of Micro, Small & Medium Enterprises (M/o MSME), has made an initial allocation of ₹ 490 crore for the period 2016-2020 for the National SC-ST Hub. Discussions with various stakeholders have enabled the Ministry to create an initial agenda for action on this front. While the agenda for action is flexible and would evolve with further inputs from stakeholders and more robust data, initially it attempts to address gaps that exist across multiple drivers of the entrepreneurial ecosystem. This Action Plan is an effort to utilise various existing schemes spread across departments and Government bodies, to effectively leverage the opportunities and benefits set aside for the SC-ST sections. Amongst other themes, the Plan also envisages to seek ways to encourage the private sector to introduce diversity in their supply chains. Periodic monitoring and evaluation of the effectiveness of interventions suggested in improving the participation of SC-ST promoted MSEs¹ and in achievement of 4% procurement target would be an integral part of the Action Plan.

¹As per The Public Procurement Policy for MSEs Order issued by the Ministry of MSME, Government of India, only micro and small enterprises and not medium enterprises are covered under the policy. Hence, the acronym MSE is used for the purpose.
The Hub would operate out of the National Small Industries Corporation Limited (NSIC) headquartered in Delhi, supported by a special cell created for this purpose. A website – www.scsthub.in has been launched to register existing and new SC-ST entrepreneurs and to apprise them of the latest developments regarding the public procurement drive. These entrepreneurs can also register on the ‘Single Point Registration Scheme’ of NSIC with a nominal payment of only ₹100. Furthermore, a mobile application would also be developed to enhance the access of SC-ST enterprises. The different committees that are envisaged for smooth functioning of the Hub are as follows:

A. HIGH POWERED MONITORING COMMITTEE

The Minister of MSME is the Chairperson of the committee. The committee members are representatives of various stakeholders including States, various Ministries, Industry Associations and SC-ST entrepreneurs. This committee would monitor the overall activities of the Hub at the highest level. The other main functions of the committee are:

- Formulating vision for the encouragement of SC-ST entrepreneurship and providing guidance to the Hub for development of an effective implementation strategy
• Reviewing work done by Central Public Sector Enterprises/Central Ministries with regards to SC-ST vendor development
• Reassessing and coordinating the schemes related to the development of SC-ST entrepreneurship, existing under various Ministries and organisations in the Union Government
• Monitoring and evaluating the work done by the National SC-ST Hub
• Serving as a one-stop decision-making committee for all matters related to the SC-ST Hub.

B. ADVISORY COMMITTEE

The Chairperson of this committee is Shri Milind Kamble, Chairman, Dalit Indian Chamber of Commerce & Industry (DICCI). This committee works under the High Powered Monitoring Committee. It would bring the industry and SC-ST entrepreneurs’ perspective to the Hub with the purpose of developing an effective, mutually beneficial relationship between the target group and the Government. It would also help in promoting affirmative action in private sector to encourage supplier diversity.

C. EMPOWERED PROJECT APPROVAL COMMITTEE

The Secretary, Ministry of MSME chairs this committee. As the Hub is dynamic in nature and would evolve over the envisaged period, requirement of funds for various activities is likely to evolve depending on the emphasis areas or changes in identified focus areas. This committee would ensure such flexibilities with a view to accommodate the changing requirements of SC-ST entrepreneurs.

A website – www.scsthub.in has been launched to register existing and new SC-ST enterprises and to apprise them of the latest developments regarding the public procurement drive.
A multipronged strategy is being adopted to achieve the underlying objectives of the National SC-ST Hub. This attempts to address the existing gaps across multiple drivers of the entrepreneurial ecosystem with an intent to provide growth to SC-ST entrepreneurs.

Amongst other aspects, the Hub would aid in strengthening market access/linkages, mentoring, capacity building, leveraging financial support schemes, and sharing industry best practices, etc.

In detail, the Hub would facilitate the following activities:

**A. MSME DATABANK**

One of the major issues which has emerged from consultations with stakeholders, especially CPSEs and Central Ministries is lack of information about SC-ST enterprises. A reliable database of SC-ST enterprises is a key input to develop SC-ST vendors and input to policy formulation process. To strengthen the role and increase the efficiency of SC-ST Micro, Small & Medium Enterprises (MSMEs), a centralised MSME databank or repository of data is being created by means of registration of SC-ST enterprises and by integrating data from
other reliable sources. With all information related to SC-ST entrepreneurs available centrally, there would be enhanced accessibility to this database by procurement agencies.

**DETAILS**

- The MSME Development (Furnishing of Information) Rules, 2016 mandates every enterprise to furnish information on [www.msmedatabank.in](http://www.msmedatabank.in). SC-ST entrepreneurs would be encouraged to provide requisite information about their enterprises on this website for effective collation. This activity would be one of the prime focus areas of the special cell.

- MSMEs owned by SC-ST entrepreneurs having Udyog Aadhaar Memorandum (UAM) and any other Government Registration/Certification, would be encouraged to register on the MSME Databank. Existing enterprises without an UAM would also be roped in.

- Industry Association(s) and other organisation, including DICCI would also be encouraged to get SC-ST enterprises in this Databank. This Databank would also eventually enable SC-ST enterprises to indicate the names of CPSEs/ Central Ministries to which the enterprise would be interested in supplying its goods and services.

- Central Ministries/CPSEs would have access to this MSME Databank to have information about the SC-ST enterprises and products and services which are available for procurement.

- The Databank would also provide information on a real-time basis on all enterprise parameters and would help both the sellers and the buyers.

- The MSME Databank would also be used to assess the preparedness of enterprises with respect to becoming potential suppliers to the CPSEs/ Central Ministries/Private Sector and for designing strategic interventions as per stated requirement.

A reliable database of SC-ST enterprises is a key input to develop SC-ST vendors and input to policy formulation process.
B. VENDOR DEVELOPMENT PROGRAMMES

CPSEs/Central Ministries would be encouraged to organise Vendor Development Programmes (VDPs) with SC-ST enterprises to become part of their supply chain. At Vendor Development Meets, CPSEs/Central Ministries would interact with potential SC-ST suppliers and collect information about them. CPSEs/Central Ministries would then evaluate such SC-ST enterprises and adopt them under their Vendor Development Programmes.

DETAILS

• A special Vendor Development Cell would be created in procurement department of each CPSE/Central Ministry with a nodal officer for SC-ST vendors
• Vendor Development Meets would be held for each CPSE, if possible, at the plant level
• SC-ST enterprises would be screened by the CPSEs/Central Ministries based on their capacity to produce products and offer services that are suitable for their stated requirements
• Shortlisted units would be further evaluated by CPSEs/Central Ministries directly or through third parties to identify the units that could become part of the VDP
• Selected units that have potential to grow, would be adopted by CPSEs/Central Ministries for further mentoring
• CPSEs/Central Ministries would also extend support to new SC-ST enterprises as a part of Vendor Development Programme, leveraging Standup India and other Government programmes.
• Adopted units would be supported through Industry Associations/mentors, access to credit/financing schemes, technology upgradation or expansion for development and growth of the unit
• Besides CPSEs/Central Ministries charting a detailed roadmap for the unit, Industry Associations like DICCI would also be involved in planning the development of these units
• Standup India Scheme and Venture Funding schemes would be dovetailed with the Vendor Development Programme to facilitate funding for working capital requirements, capacity expansion and technology upgradation.
C. MENTORING MSMEs

Mentoring Programme aims at empowering SC-ST enterprises in their early stage of business to learn from and be guided by accomplished entrepreneurs, experienced executives, and professionals through one-on-one counselling to achieve their full business potential.

DETAILS

• As a part of Vendor Development Programme, industry experts and mentors who own and operate their own companies or serve in management positions would be nominated as mentors for the adopted SC-ST enterprises

• Support from specific Industry Associations and other State Government organisations would be leveraged to handhold SC-ST enterprises in achieving their goals

• Enterprises that are presently suppliers of goods and services to CPSEs/ Central Ministries or large private industry and have a turnover above a certain threshold would be provided guidance and capacity building support

• Various technology business incubators set up in various Government institutions, would be requested to include at least two new SC-ST entrepreneurs

• An online digital advisory support system would be launched to provide support to SC-ST entrepreneurs. All support advisory services would be rendered through this system.
D. FINANCE FACILITATION CENTRE

To meet the credit requirements of MSMEs, credit facilitation support systems are designed to assist the present and prospective SC-ST entrepreneurs in their business growth and expansion.

DETAILS

• NSIC’s Finance Facilitation Centre would have a separate window for SC-ST entrepreneurs. Those who want to avail credit could submit their proposal online to the Finance Facilitation Centre.

• The Financial Facilitation Centre would carry out pre-appraisal of the proposal and take it up with financial institutions indicated by the SC-ST entrepreneurs. This Centre would bring the SC-ST entrepreneurs and the financial institutions together and assist in establishing credit linkages.

• SC-ST entrepreneurs would be encouraged to get credit rating done with a minimal fee under the Performance and Credit Rating Scheme of the Ministry of MSME to facilitate credit from the banks.

• Credit Linked Capital Subsidy Scheme (CLCSS) of the Ministry of MSME provides 15% capital subsidy for loans up to ₹ 1 crore for select technology upgradation. For SC-ST entrepreneurs, the scope of the subsidy would be increased.

• For the development of new SC-ST enterprises, there are a number of schemes for financial assistance by the Central and State Governments, such as Standup India, PMEGP, Schemes of SC-ST Finance & Development Corporations, Venture Funding, Credit Guarantee Funds like CGTMSE and others. The Finance Facilitation Centre would help SC-ST applicants to avail benefits from these schemes.

Credit Facilitation Centre would be designed to assist the present and prospective SC-ST entrepreneurs in their business growth and expansion.
E. CONSORTIUMS OF SC-ST SUPPLIERS

There are a large number of small SC-ST suppliers who find it difficult to supply to CPSEs/Central Ministries due to low scale of operations. To integrate these suppliers in the supply chains of CPSEs/Central Ministries and augment their participation, institutions like NSIC, NEDFI, State level SC-ST marketing organisations and others would be involved to help create consortiums of SC-ST suppliers.

DETAILS

• State level SC-ST development organisations would be supported for aggregation of SC-ST suppliers and developing marketing consortiums

• Such consortiums would enable small SC-ST suppliers to participate in medium and large tenders of CPSEs/Central Ministries

• NSIC would hold targeted programmes so as to educate SC-ST entrepreneurs to create consortiums and will handhold the consortia as the need be.

The creation of consortiums would enable small SC-ST suppliers to participate in medium and large tenders of CPSEs/Central Ministries.
F. MANAGEMENT INFORMATION SYSTEM (MIS)

A Management Information System (MIS) would be created to monitor the performance of CPSEs/Central Ministries in fulfilling their annual public procurement target from SC-ST entrepreneurs, as well as to monitor the progress of registered SC-ST vendors in public procurement. The MIS would be an effective monitoring and evaluation tool to provide inputs for support to be provided to SC-ST entrepreneurs.

DETAILS

- To start with, procurement results of CPSEs/Central Ministries from SC-ST enterprises would be published periodically on the website. Eventually, such results would be published on a real-time basis on the portal as well as on the respective websites of CPSEs/Central Ministries.

- CPSEs/Central Ministries would also be requested to share the list of items procured from SC-ST enterprises, share of procurement, enterprise details, etc. This would include details at the plant level as well as at the enterprise level. CPSEs/Central Ministries would also provide details of procurement undertaken from registered SC-ST vendors.

- Data analysis from MIS would be used to facilitate and guide SC-ST enterprises to be a part of the public and private procurement programmes.

- MIS would enable the government to take suitable action with respect to enhancing procurement by CPSEs and Central Ministries from SC-ST entrepreneurs.

MIS would be an effective monitoring and evaluation tool to provide inputs for support to be provided to SC-ST entrepreneurs.
G. AWARDS AND FELICITATION

Awards would be introduced to promote entrepreneurship among SC-ST entrepreneurs and develop a competitive environment among them. It would motivate the entrepreneurs to perform better and induce other SC-ST individuals to explore the enterprise sector.

DETAILS

- Best SC-ST Entrepreneurs Annual Awards would be introduced for industriousness and continued effort
- Best CPSE Procurement Award for development of SC-ST entrepreneurs in the MSME sector
- Best Incubator Award for facilitation, collaboration with and guidance provided to the entrepreneurial enterprises
- Best CPSE for SC-ST Vendor Development Programme
- Best Finance Facilitation Centre Award for ease in credit facilitation to SC-ST enterprises
- Best Industry Association Award for their contribution in mentoring entrepreneurs and extending support in creation of MSME Databank
- Best Private Affirmative Action Award to the private sector company for their contribution in increasing supplier diversity through SC-ST enterprises.

Recognition programmes would motivate the entrepreneurs to perform better and would induce other SC-ST individuals to explore the enterprise sector.
H. MARKETING ASSISTANCE

NSIC and the Development Commissioner, MSME would implement the scheme of Special Marketing Assistance for SC-ST enterprises. Under this scheme, SC-ST enterprises would be supported to participate in various domestic and international events, trade fairs, buyer-seller meets, consortia formation, seminars and other related marketing activities.

DETAILS

• Assistance would be provided for SC-ST MSE enterprises’ participation in domestic trade fairs, international trade fairs outside India and buyer-seller meets.

• Awareness campaigns would be organised to make SC-ST entrepreneurs aware of various Government schemes.

• Assistance in establishing business linkages at national and global conferences would be provided.

SC-ST enterprises would be supported to participation in various domestic and international events, trade fairs, buyer-seller meets, consortia formation, seminars and other related marketing activities under a special Marketing Assistance Scheme.
I. PRIVATE AFFIRMATIVE ACTION

Private sector companies would be encouraged to increase diversity among their suppliers by including SC-ST entrepreneurs as vendors through an affirmative action plan.

DETAILS

• SC-ST entrepreneurs would be linked with private sector enterprises, which have robust affirmative action and CSR programmes for supplier diversity

• Supplier diversity would be broadened and private market opportunities for SC-ST entrepreneurs would be developed

• Many leading corporates have signed a Code of Conduct designed by industry organisations like CII relating to non-discrimination, assistance and transparency in the context of employees/applicants/vendors. This supports inclusion of the SC-ST entrepreneurs in the supply chain

• Vendor Development Meets and workshops with private companies committed to affirmative action would be organised to integrate the SC-ST entrepreneurs in the supply chains of these businesses

• Networking and coordination with Industry Associations, and building proper linkages for communication and business would be undertaken

• Large private sector companies would be encouraged to undertake standard supplier diversity programmes.
J. CAPACITY BUILDING

SC-ST enterprises need support in technological upgradation, enhancing capacity and better availability of credit to cater to the larger markets. While several government schemes exist to address the need for such support, additional assistance would be extended to SC-ST enterprises through the Hub to fill the gaps. Skill development and upgradation would be undertaken through Pradhan Mantri Kaushal Vikas Yojana.

DETAILS

• The Ministry of MSME would be sponsoring/providing financial support for organising seminars/symposiums/workshops on various issues concerning the SC-ST enterprises. Such activities are an essential part of the scheme for capacity building, for strengthening of database and for advocacy by Industry Associations.

• Programmes would be undertaken to build capacity of the budding entrepreneurs by providing knowledge in setting up and running enterprises, in proposal making and in developing finance linkages. Programmes would also be undertaken to create awareness about the ‘Standup India’ initiative of Government of India besides providing post sanction handholding support.

• Content for self-learning/capacity building (standardised e-learning modules-short duration courses) in subjects like taxation, human resource, financial management, new age marketing (online B2B services, e-tendering) would be developed. Such cases would be facilitated through grant.

• Select enterprises would be nurtured and accelerated by facilitating infrastructure, credit, technology and marketing support.

The Ministry of MSME would be sponsoring/providing financial support for organising seminars/symposiums/workshops on various issues concerning capacity building of the SC-ST enterprises.
• The responsive capacity building would involve Ex-bankers, Industry Experts, Industry Associations and other bodies for mentorship

• Network of technology centres would be leveraged to provide support and capacity building to SC-ST entrepreneurs towards technology upgradation, technical learning and skill development, quality improvement, to move up in the supply/value chain and develop and global best practices

• Programmes would be organised in collaboration with incubation centres, educational institutions, private organisations and R&D institutions to support capacity building

• National Manufacturing Competitiveness Programme (NMCP) would be leveraged for SC-ST enterprises for technology upgradation.
K. COLLABORATION WITH STATES

State Governments operate various schemes to support SC-ST enterprises. These include higher capital subsidy, allotment of industrial sheds, training, margin money subsidy, marketing support, etc. The Hub would collaborate with the States to seek their support in capacity building for SC-ST enterprises and in dovetailing Central and State schemes. State Governments have large administrative machinery at district level whose support is critical for providing handholding assistance, mentoring and for facilitating regulatory compliances.

DETAILS

- State level policy provisions directed towards the development of SC-ST entrepreneurs would be harnessed for entrepreneurship development
- SC-ST entrepreneurs would be linked with State level schemes, associations and local support centres
- Networking between State Government, State level institutions and SC-ST entrepreneurs would be facilitated. In addition, local and community support for SC-ST entrepreneurs would be instituted with State level initiatives.

The Hub would collaborate with the States to seek their support in capacity building for SC-ST enterprises and in dovetailing Central and State schemes.
Equality may be a fiction but nonetheless one must accept it as a governing principle.

Dr. B.R. Ambedkar
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