

S-11051/2020-21/NRLM (SVEP)/NRETPEC (374087)
Government of India
Ministry of Rural Development
Department of Rural Development
<https://rural.nic.in>
(Rural Livelihoods Division)

7th Floor, NDCC – II Building,
Jai Singh Road,
New Delhi – 110001

Dated: 17th November, 2022

To,
The SMD/CEO SRLMs
All States/UT

Subject: Promoting Sectoral Cluster guidelines under NRLM

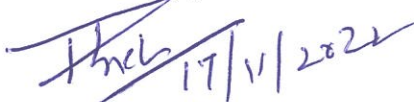
Madam/Sir,

I am directed to share the guidelines of Promoting Sectoral Cluster, a component under the Start-up Village Entrepreneurship Programme (SVEP) sub-scheme of Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM) of Ministry of Rural Development (MoRD).

The earlier Promoting Sectoral Cluster guidelines approved under NRETP will be applicable to all the States in which Promoting Sectoral Cluster are already approved.

This guideline of Promoting Sectoral Cluster issues with the approval of Secretary (RD).

Yours faithfully,


(Raghendra Pratap Singh)
Director (RL)
Ph. 011-23438102

Encls:A/a

To,

1. All NROs
2. All State anchors

Guidelines for Promoting Sectoral Clusters

**National Rural Livelihoods Mission,
Ministry of Rural Development (Government of India)**

Contents

1. Context.....	1
2. Definitions.....	2
2.1. Sectoral Cluster	2
2.2. Sectoral Cluster Development.....	2
2.3. Sectoral Cluster Development Objectives	3
3. Key Deliverables and Features.....	3
4. Selection of Sectoral Clusters.....	4
5. Institutionalisation of the Sectoral Cluster	7
6. Technical Support Agencies for Sectoral Cluster	8
6.1 Selection of TSA	8
6.2. Working of the TSA.....	9
6.3. Roles and Responsibilities	9
6.3.1. Technical Support Agency.....	9
6.3.2. State Rural Livelihoods Mission.....	10
6.4. TSA Training.....	12
7. Duration of Assistance.....	12
8. Fund and Release	12
8.1 Availability of Funds	12
8.2 Fund Release.....	13
8.3 Pre-condition for Release of Fund.....	14
9. Monitoring and Reporting	14
9.1. Review at the State Level.....	15
9.2. Review at the National Level.....	15
10. Grievance Redressal.....	15
Annexure 1: Template for Cluster Scoping Exercise (Sectoral Clusters).....	16
Annexure2: Framework for preparing Business Plan for the Sectoral Cluster (excluding baseline) 20	
Annexure 3: Draft TOR for Hiring TSA.....	25
Annexure 4: List of NITI Aayog’s Aspirational Districts.....	35

Acronyms

AAP	Annual Action Plan
CBO	Community Based Organisations
CDE	Cluster Development Executive
CEO	Chief Executive Officer
CFC	Common Facility Centre
CLF	Cluster Level Federation
CPC	Common Production Centre
CSR	Corporate Social Responsibility
DAY-NRLM	Deendayal Antyodaya Yojana - National Rural Livelihoods Mission
DDU-GKY	Deen Dayal Upadhyay Grameen Kaushalya Yojna
DMMU	District Mission Management Unit
DPM	District Project Manager
DTE-EP	District Technical Expert - Enterprise Promotion
EC	Empowered Committee
GO	Government Order
KRA	Key Result Areas
NRLM	National Rural Livelihood Mission NRLM National Rural Livelihoods Mission
NRP	National Resource Person
OBC	Other Backward Classes
RFP	Request for Proposal
RSETI	Rural Self Employment Training Institutes
SC	Scheduled Caste
SECC	Socio Economic Caste Census
SFURTI	Scheme of Fund for Regeneration of Traditional Industries
SHG	Self Help Group
SMMU	State Mission Management Unit
SRLM	State Rural Livelihoods Mission
SRP	State Resource Person
ST	Scheduled Tribe
STE-EP	Senior Technical Expert - Enterprise Promotion
TE-EP	Technical Expert - Enterprise Promotion
TOR	Terms of Reference
TSA	Technical Support Agency

1. Context

Promoting and strengthening non-farm clusters has been an important strategy for nurturing rural livelihoods under the Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM). Cluster approach allows for combining efforts, making use of synergies, and pooling resources to increase competitive advantage while sharing market risk. While several states have made significant progress in promoting agricultural clusters, there is huge untapped opportunity in the non-farm space.

Geographical agglomeration of enterprises does not automatically yield advantages associated with clustering. DAY-NRLM seeks to:

- Map the existing and potential enterprise agglomerations
- Understand the economic potential of the cluster, and
- Provide specific technical, capacity building, marketing, governance, and infrastructure support to transition them into remunerative clusters

Historically, clusters in DAY-NRLM have largely been beneficiary based, with few examples of consortiums delivering standardised products and services. Clusters in the second category have demonstrated immense potential to tap targeted customer segments, including governments. NRLM recognises this potential and provides for supporting geographically discontinuous clusters catering to a particular sector, such as food, nutrition, construction, retail, rural tourism, etc. Many of these sectors are also incentivised by the larger vision of the central and state governments.

Under NRLM, over 50 million women have been organized into Self Help Groups (SHGs) and higher-level federations. These women's collectives and networks have evolved into an institutional architecture that serves as a platform for enterprise and skill development, enhanced access to financial services, improved access to nutrition and sanitation public services, and a range of technical and business development services in farm/non-farm sectors.

Under NRLM, two types of clusters shall be promoted:

1. Artisan clusters (handloom and handicrafts)
2. Sectoral clusters (food service, tourism, nutrition, etc.)

This guideline pertains to development of sectoral clusters.

2. Definitions

2.1. Sectoral Cluster

A sectoral cluster is a concentration of enterprises making the same or similar range of products (goods / services) and that are:

- a) spread across several block or districts
- b) producing a similar range of goods / services and
- c) facing similar opportunities and challenges

The sectoral cluster could be geographically contiguous or discontiguous, i.e., dispersed within the larger area.

The non-farm sectoral clusters may be developed to:

- a) Recognise and support existing non-farm activities being undertaken in the state at scale
- b) Tap into emerging opportunities based on State priority / identified growth sectors and private sector investments, such as food, tourism, construction, nutrition, facility management, etc.
- c) Consider possibilities of customising and transferring models that have worked elsewhere in the country, including enterprise models that have tapped into the government supplies like the take home food supplement, school uniforms etc.

2.2. Sectoral Cluster Development

Development of sectoral cluster will primarily take place through:

- a) Soft interventions including design development, quality assurance, enterprise creation, market development, financing, technology upgradation, skilling, promoting responsible business interventions, strengthening the local ecosystem, and
- b) Hard interventions like creation of common facility centres (CFCs) / common production centres (CPCs) / common service centres (CSCs)

Common Service Centre is a group of professionals, initially from the open market, to provide technical services on an ongoing basis to the sectoral cluster¹. The professionals from the open market should be replaced by trained entrepreneurs / sectoral cluster members during the course of the intervention.

¹ AIFRHM (Adebha Institute for Food Research and Hospitality Management) in Kerala is one such example supported by Kudumbashree. This CSC provides technical services to Café Kudumbashree units in the state

2.3. Sectoral Cluster Development Objectives

Objectives of sectoral cluster development may include improvement in parameters like increase in member income, employment (hours / days / months of engagement), number of enterprises, etc. Sectoral cluster may also be developed to tap into certain market opportunities, such as government procurements.

3. Key Deliverables and Features

- a) Each sectoral cluster should have a potential of engaging at least 50 sectoral micro-enterprises over the period of intervention
- b) A maximum of 10% of the members in the sectoral cluster may be outside the SHG fold. Ideally, all the members of the sectoral cluster may be motivated to become members of SHGs
- c) The states may on-board a technical support agency (TSA), with specific sectoral experience, to provide technical assistance to the cluster
- d) Each state shall conduct a cluster scoping study (as per format suggested in annexure 1) for all potential clusters. The SRLM may provide a onetime sum of INR 1.50 lakh for engaging consultants (NRPs / SRPs) to prepare a scoping study for the proposed sectoral cluster.
- e) A few clusters will be selected based on the data collected from the scoping study. If selected, a business plan and cluster implementation plan will be prepared for each sectoral cluster (as per format suggested in annexure 2). The business plan will also include a baseline. The TSA must assist the SRLM in preparing the business plan, implementation plan, and baseline. The maximum cost of preparation of the business plan and implementation plan for each cluster of 50 micro-enterprises is INR 5.00 lakhs. For clusters benefitting above 50 micro-enterprises, business plan and implementation plan may be on pro-rata basis, upto a maximum of INR 8.00 lakh.
- f) The fund for scoping study and DSR may be provided by each SRLM from its NRLM budgets under the budget head of Technical support under Non-farm livelihood budget head, as it is not confirmed that the scoping study and/or DSR shall result in an approved cluster proposal.
- g) It must be ensured that the TSA that prepares the sectoral cluster business plan also implements the project. Hence while selecting a TSA, a combined quotation of preparation of business plan and implementation of the project should be taken.
- h) Preference may be given to the selection of SC / ST entrepreneurs and NITI Aayog's aspirational districts. The list of aspirational districts is appended in annexure 5.

4. Selection of Sectoral Clusters

Sectoral clusters will be selected by the SRLM in consultation with NRLM. Each state must conduct a scoping study in all clusters that can potentially be supported under NRLM. The scoping study shall cover aspects mentioned in annexure 1. SRLM may add to the scope, if required. Post the scoping study, the SRLM shall, internally vet the scoping study with a committee of sectoral experts and if they approve of the scoping study outcome, inform the same to the NRLM. The NRLM shall evaluate the scoping study and in case the same is approved, inform the SRLM of its decision within 15 days of the receipt of the scoping study. Post the scoping study, the SRLM in consultation with the NRLM, shall shortlist 3 to 5 clusters (including artisan beneficiary and sectoral clusters). NRLM will form a committee of experts to advise states on selection of clusters. Preference might be given to those clusters with higher proportion of SC / ST entrepreneurs and / or those which cover aspirational districts, as designated by NITI Aayog.

The SRLM may provide for a sum of upto INR 1.5 lakh (once) for engaging consultants (NRPs / SRPs) to prepare scoping studies. The fund for this may be provided by each SRLM from Institution Building & Capacity Building (IBCB) Funds under NRLM.

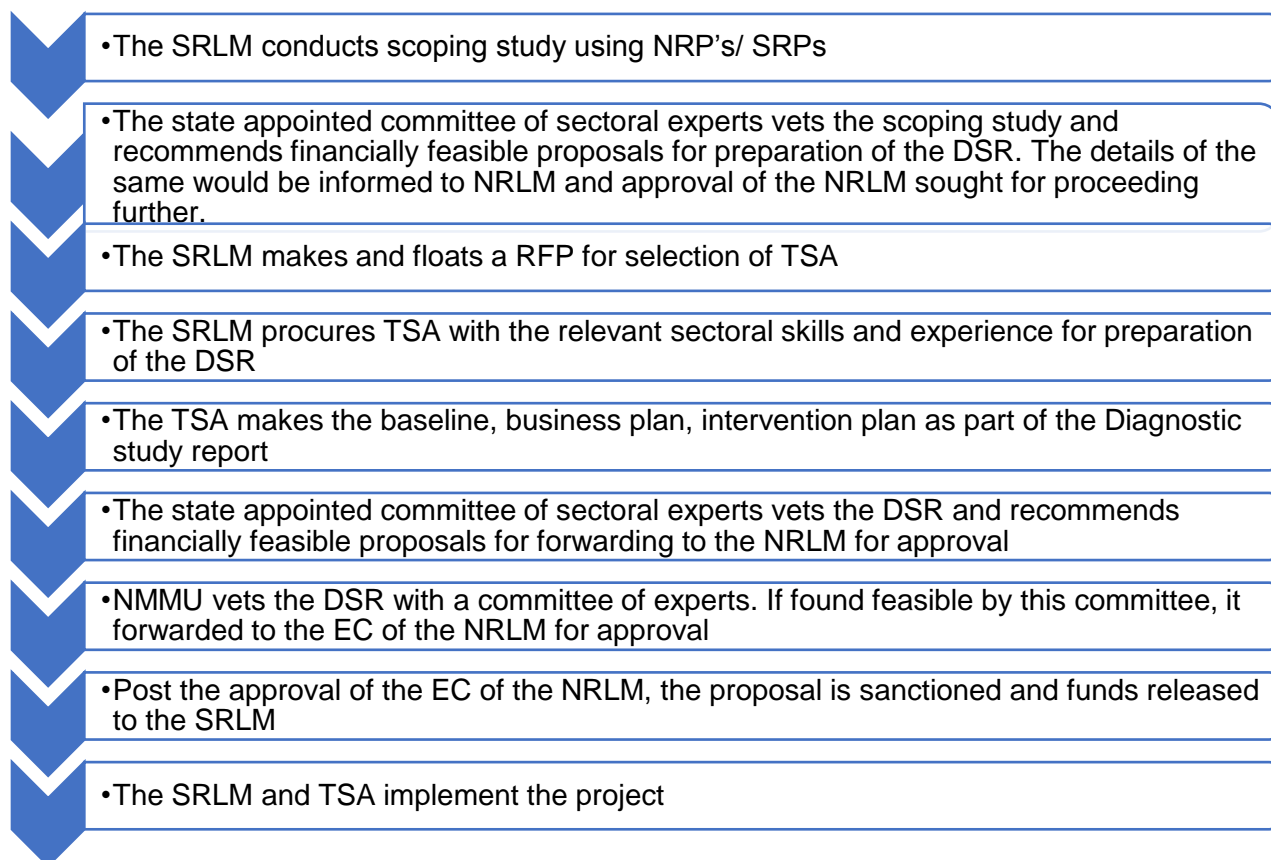
For each selected sectoral cluster, the SRLM will engage a TSA. Once the agency is on board, it will prepare a business plan (including baseline) for the sectoral cluster and propose an intervention plan along with expected outputs and outcomes. The plan will be internally scrutinized by the SRLM and its committee of sectoral experts and if found feasible, submitted by the SRLM to the NRLM for approval. The NRLM may accept the proposal or may suggest modifications. The TSA and SRLM will initiate activities in the sectoral cluster post approval of intervention plan by the NRLM. The framework for conducting diagnostic study is appended in annexure 2. **It is to be noted that only those sectoral clusters will be selected for which the cost-benefit ratio (at the culmination of the project) is proposed to be at least 1:1.25.** The cost being the cost of approved values of the soft and hard interventions as per the action plan. The formula for calculating benefit is the sum total of all the incremental income of the beneficiaries of the sectoral cluster and the profit /(loss) of all the enterprises promoted under the cluster for the duration of the project. The cost is the total cost of the project (central and state share), including TSA costs.

The formula for the benefit cost ratio is

$$\frac{\sum \text{Incremental income of the beneficiaries for the project duration} + \sum \text{Profit/(loss) of all the promoted enterprises for the project duration}}{\text{The total project cost}} > 1.25$$

The detailed process of sectoral cluster approval and timelines are presented below:

1. The SRLM conducts scoping study using NRP's/ SRPs
2. The state appointed committee of sectoral experts vets the scoping study and recommends financially feasible proposals for preparation of the DSR. The details of the same would be informed to NRLM. The NRLM shall evaluate the scoping study and in case the same is approved, inform the SRLM of its decision within 15 days of the receipt of the scoping study
3. The SRLM prepares and floats a RFP for selection of TSA
4. The SRLM procures TSA with the relevant sectoral skills and experience for preparation of the DSR.
5. The TSA makes the baseline, business plan, intervention plan as part of the Diagnostic study report
6. The state appointed committee of sectoral experts vets the DSR and recommends financially feasible proposals for forwarding to the NRLM for approval. (The benefit cost ratio should be greater than 1.25 during the project period)
7. NMMU vets the DSR with a committee of experts. If found feasible by this committee, it forwarded to the EC of the NRLM for approval
8. Post the approval of the EC of the NRLM, the proposal is sanctioned and funds released to the SRLM
9. The SRLM and TSA implement the project



An indicative timeline for the activities is as under:

Activity	Timeline	Remarks
SRLM identifies and proposes clusters	Month 0	Clusters will be shortlisted after consultation with NRLM
The SRLM conducts scoping study using NRP's/ SRPs	Month 1	SRLM can engage NRPs / SRPs with relevant experience to conduct scoping study
The state appointed committee of sectoral experts vets the scoping study and recommends financially feasible proposals for preparation of the DSR. The details of the same would be informed to NRLM.	Month 1.5	Vetting to be carried out at the state level on the scoping study
The NRLM approves the scoping study and gives the go-ahead to the SRLM for going ahead with preparation of DSR	Month 2	
The SRLM prepares and floats a RFP for selection of TSA	Month 2	

The SRLM procures TSA with the relevant sectoral skills and experience for preparation of the DSR.	Month 2.5	
The TSA makes the baseline, business plan, intervention plan as part of the Diagnostic study report	Month 4	
The state appointed committee of sectoral experts vets the DSR and recommends financially feasible proposals for forwarding to the NRLM for approval	Month 4.5	
NMMU vets the DSR with a committee of experts. If found feasible by this committee, it forwarded to the EC of the NRLM for approval	Month 5	
Post the approval of the EC of the NRLM, the proposal is sanctioned and funds released to the SRLM	Month 5.5	
The SRLM and TSA implement the project	Month 5.5	Immediately after approval of intervention plan by TSA

5. Institutionalisation of the Sectoral Cluster

The individual or group enterprises set up as part of sectoral clusters must be registered in due course to be able to conduct business with external entities.

Where possible, the physical infrastructure developed, or equipment invested in by the project will be owned and operated by a selected CLF (for example: canteens, THR). The fund for developing such infrastructure or purchasing equipment shall also be routed through the selected CLF. The enterprises (members) must pay rental to CLF for using the infrastructure or equipment. The rental amount should be enough to meet repair, maintenance, and depreciation costs. The CLF may consider creating a “Sinking Fund” to replace the asset after its useful life.

In cases where it is necessary for the sectoral cluster members to own the asset (example: tailoring), efforts must be made to provide a loan to the members at a maximum interest of 12% per annum from the CLF. The repayment schedule should be such that the enterprise should be able to repay the principal and interest during the intervention period.

It is recommended that SHG members operating enterprises for captive markets

(particularly governments eg Canteens at zero rental in a government office building or School uniform supplying tailoring units), should be rotated after a certain period based on the type of enterprise. This will ensure inclusiveness and provide an opportunity to more SHG members to build capacities and gain experience to be able to subsequently run their own enterprises. This, however, may be exempted for THR or similar sectors, where members may not have an opportunity to set up similar businesses. The SRLM may take a final call on this issue.

In case a CSC is being formed to provide technical, marketing, and quality assurance services to the sectoral cluster, the trained entrepreneurs (from canteen, THR, tailoring, etc.) should eventually replace the professionals from the open market during the course of the intervention.

Where possible, convergence with existing MoRD initiatives (catering in training programmes, uniforms for DDU-GKY trainees) should be explored.

6. Technical Support Agencies for Sectoral Cluster

TSA's can be procured by the SRLM for supporting one or more cluster(s) in the state. The SRLM can also hire the services of a National Resource Organisation (NRO) with experience and competence to support the sectoral cluster activity. Experienced CBOs which have done the sectoral cluster activities and have capable resource persons may also be selected as TSA's. The concerned SRLM shall support the TSA in discharging their responsibilities. The state may also train existing CBOs to take on this role. Each TSA will place a Cluster Development Executive (CDE) in the cluster. A CDE must:

- a) have no personal / organisational business interest in the cluster product
- b) preferably be a post-graduate
- c) has at least 3 years of experience in operations of the specific sectors enterprises
- d) operate full time in the cluster
- e) be stationed in the cluster

The TSA must declare the name of the CDE at the beginning (at the time of preparation of the business plan). The same CDE must be involved during the project implementation. Any change of CDE should be after the approval of SRLM

6.1 Selection of TSA

The selection of TSA will be based on demonstrated experience and proven ability in the following areas. The TSA must have:

- a) Demonstrated experience of implementing / providing technical assistance to at least 2 similar cluster development programmes within the country

- b) Should have an office and staff (or a full-time consultant) in the State where it has applied for
- c) Has been in existence for at least 3 years, barring the current year and has audited balance sheet of 3 years
- d) Joint bidding of at most two organization is permitted and in such cases the organizations should jointly possess the above minimum criteria
- e) Individual or proprietary establishments are not permitted to apply

It is recommended that TSA's incentives are tied to outputs / outcomes. For example, the SRLM may consider linking the release of a maximum of 15-20% of the project funds earmarked for TSA costs to the TSA to the financial performance of the enterprises promoted.

6.2. Working of the TSA

The TSA will prepare the business plan along with the intervention plan and baseline study. The TSA must submit an annual work plan, detailing activities and budget for that year. The annual work plan must be in line with the larger implementation plan approved by the NRLM. The annual work plan must be approved by the State Mission Director of the concerned SRLM and must be communicated to NRLM. Once a year (preferably during the sixth month) the SRLM and TSA may jointly review the work plan and can modify the same as per mutual agreement. The State Mission Director can authorise change in activities amounting up to 10% of the budget allocated in the annual work plan. Any change in activities that warrant a change of more than 10% of the annual budget, must be brought to the notice of NRLM and necessary authorisation may be sought.

6.3. Roles and Responsibilities

6.3.1. Technical Support Agency

I. Preparatory activities

- a) Put team in place as per resumes submitted during application
- b) Appoint a nodal person to actively coordinate with the SRLM. The nodal person can be one of the proposed team members of the TSA
- c) Engage with the DPM and other non farm professionals in the District /The defined Nodal officer from the SRLM for the cluster to discuss on the last-mile support, wherever required
- d) Prepare business plan, implementation plan, and baseline. Baseline survey should cover all SHG-member households engaged in the sectoral cluster activities. The Baseline should cover existing income and proposed income from the intervention.

II. Implementation

- a) Implement action plans for the year and achieve the approved outcomes of year 1

- b) Get action plan and targeted outcome for subsequent years approved by SRLM / NRLM and implement the same
- c) Get action plan, exit strategy and targeted outcome for the last year approved by SRLM / NRLM and implement the same
- d) Ensure enterprises are to be registered in due course. The TSA will also ensure that the necessary legal / registration formalities are complied with
- e) Assist SRLM in preparing guidelines / policy for sectoral cluster sustainability (how will the sectoral cluster sustain institutionally, operationally, and financially once the TSA / SRLM withdraw support)
- f) Participate in quarterly or more frequent review meetings
- g) Create monthly, quarterly, and annual report for each year and get approved by SRLM and NRLM
- h) Wherever possible, the TSA must seek to converge with the existing skill development programmes of Ministry of Rural Development (such as DDU-GKY, RSETI etc.) as well as schemes of other ministries for infrastructure
- i) Participate in review meetings organized by the SRLM and provide regular reports on performance of supported enterprises as per agreed terms
- j) The TSA must ensure achievement of cost-benefit ratio of at least 1:1.25 at the culmination of the project. The income earned by the sectoral cluster members should be more than the aspirational income stated at the beginning of the intervention.
- k) Maintain performance tracking system (PTS) for the sectoral enterprises
- l) Help enterprises prepare financial statements and comply with bank requirements for accessing loans (if required) from banks
- m) Based on the implementation experience, prepare a plan for scalability and replicability of the sectoral cluster across the state

6.3.2. State Rural Livelihoods Mission

I. Scoping Study

- a) Engage NRPs / SRPs / consultants to conduct cluster scoping study

Get scoping study done, approved by the committee of sectoral experts and decide if DSR is to be prepared.

II. Selection of TSA and managing the selected TSA

- a) Select TSA for preparing business plan in all the selected clusters
- b) Active coordination with the TSA
 - Position relevant staff in the non farm vertical at the state (SPM, PM and YP) and the district level) to oversee enterprise activities under the project
 - Appoint a nodal person at the SRLM to coordinate with the TSA.
 - The SRLM shall inform and work with the concerned DMMU and ensure their support
- c) Pay the TSA for the services rendered. The state may consider linking the release

of a maximum of 15-20% of the project funds earmarked for TSA costs to the TSA to the financial performance of the enterprises promoted. The balance amount of project funds may be released based on completion of activities planned to be done by the TSAs

III. Business Plan and Baseline Study

- a) Introduce the TSA to the SHG-households in the sectoral cluster
- b) Make available to the TSA, secondary data and cluster studies that may have been commissioned in the past

IV. Intervention

- a) Mobilise cluster stakeholders
- b) Approve and review action plan developed by TSA
- c) Monitoring of cluster activities
 - Organize review meetings with TSA and representatives of sectoral cluster members / cluster enterprises at regular intervals
 - Regular tracking of cluster activities through DMMU (DPM) and SMMU
 - Regular (minimum at annual intervals) monitoring of the financial and process audit of the producer enterprises set up as part of the sectoral cluster
- d) Support TSA for mobilising sectoral cluster into enterprises and assist them in the registration process
- e) Converge with existing schemes for arranging infrastructure for the cluster and skill-training for entrepreneurs
- f) Provide support for ensuring cluster sustainability
 - Issue guidelines / policy for operations of the cluster
 - Lead institution building activities in the sectoral cluster to strengthen institutional platform for joint / collective actions
 - Identify and facilitate setting up of training / production spaces such as CFCs / CPCs / CSCs as well as other assets as required based on diagnostic study and intervention plan
 - Ensure convergence with other government schemes to enhance profitability of the cluster enterprises.
 - Facilitate government procurement and get government orders (GO) released to give SHG the permission to supply goods and services to government
 - Wherever there is a need for a CFC, get the building allocated from the government for a minimum period of 5 years

V Financial linkages and funds flow mechanism

- g) Create processes and mechanisms for project funding including via the CLF

- h) Create processes for facilitating working capital loans to clusters from the CLFs at maximum 12% rate of interest per annum on a reducing balance basis
- i) Create processes for facilitating loans to clusters from the banks and other financial institutions

6.4. TSA Training

Once the TSA is on-boarded by the state, the Cluster Development Executive (CDE), along with other key persons (whose resumes have been furnished) will need to attend a training organised by SMMU/NMMU. The training will be to:

- Provide an orientation to the NRLM community network and cadres
- Introduce the district and block SRLM structure to the TSA
- Explain the components of business plan and the expected outcomes from the exercise. In case NROs / CBOs are hired to support the sectoral cluster, they must attend the orientation on business plan components

7. Duration of Assistance

The SRLM should ensure that the cluster project is completed in four years from the date of approval of the proposal by the DAY-NRLM. The Benefit-Cost Ratio of 1.25 should be achieved within the stipulated time frame.

If, in exceptional cases, the TSA and the SRLM expect the project to be of a longer time frame than the stipulated 4 years, then this should be clearly spelt out in the DSR. A maximum of seven years duration may be planned.

The GOI shall fund the project only for a period of up to four years. The funding for the project beyond four years shall have to be provided by the state. However, all reports of the cluster and its interventions and activities should be communicated to the NRLM, till the project ends.

8. Fund Release

8.1 Availability of Funds

The project has planned a maximum of INR 5 crore per cluster for setting-up and operationalising the clusters. Additional funds may be leveraged through convergence with existing government schemes such as SFURTI etc.

Not more than 40% (up to a maximum of INR 100 lakh) of the total project cost for each cluster should be spent on infrastructure (such as common production centres / common

facility centres / common service centres) and machinery. This fund is not permissible for spending on civil constructions (such as buildings). The cluster / TSA should leverage on existing government buildings for this purpose. The project funds may be used to carry out minor repairs / upgradations to existing building. The infrastructure fund should ideally be used for purchase of assets for operation of the cluster enterprise. Ministry of Rural Development and Ministry of Micro, Small, and Medium Enterprises shall coordinate with each other to ensure that there is no overlap between CFCs supported by both ministries.

The TSA charges should not exceed 15% of the total project cost.

8.2 Fund Release

The SRLM will submit the Annual Action Plan (AAP) which will have the details of clusters to be supported by the state. The cluster will be selected after reviewing its detailed business plan. The details need to be approved by the NRLM Empowered Committee set-up under the Chairmanship of Secretary (Rural Development).

The following will be the timeline for release of funds:

Fund	Time for Release	Released by	Released to
Cluster Scoping Study	On submission of scoping Study	SMMU	NRP / SRP
Sectoral cluster Project Costs	<p>Fund will be sanctioned on approval of clusters (based on DSR) by NRLM EC</p> <p>Fund will be disbursed on request by SRLM on approval of intervention plan submitted by TSA and submission of project initiation report</p> <p>II instalment may be released on utilisation of 60% utilisation of the available funds and achievement of Planned deliverables as per the action plan</p>	NRLM	SMMU

Technical Support Agency Cost	<p>Release of funds to the cluster should be as per the timeline given in action plan for the expenditure of six months.</p> <p>II instalment may be released on utilisation of 60% utilisation of the available funds and achievement of corresponding deliverables</p>	SMMU	TSA

8.3 Pre-condition for Release of Fund

The release of funds will be contingent on all following conditions being met:

- Positioning of relevant manpower in the non-farm vertical at the state level as per advisory issued by NRLM and identification and appointment of a Nodal officer for the cluster project in the state.

9. Monitoring and Reporting

Monitoring and review of the sectoral clusters will be done at two levels i.e. at the Central level by the NMMU and at the State level by the SRLM. The sectoral cluster will be closely monitored at various levels to ensure that:

- The cluster meets the required cost-benefit ratio and other financial and non-financial indicators defined in the DSR
- The cluster is able to meet its physical and financial targets as planned
- The total cost of monitoring and evaluation may not exceed 1% of the total project cost or Rs.5 lakhs whichever is higher. This amount may be used to conduct mid term and end term (Mandatory) evaluation of the project.

9.1. Review at the State Level

- a) The TSA shall submit a progress report on a monthly basis including data on key performance indicators
- b) The nodal person for supporting the sectoral clusters along with SPM and the State Mission Director (or their representative) shall review the progress of the sectoral cluster every month
- c) Representatives from TSA, sectoral cluster, and DMMU DPM) should attend the meeting
- d) The SMD of the SRLM should review the progress of implementation atleast once every quarter. Minutes of these reviews should be sent to the NRLM
- e) The intimation of the meeting along with the agenda shall be circulated by the state nodal person for sectoral clusters at least 10 days prior to conduct of the meeting through e-mail
- f) The meeting shall be minuted and the minutes of the meeting should be shared with all participants and concerned stakeholders, including NMMU, within 10-days of the meeting being held
- g) In the six-monthly review of the year, the SRLM and TSA may jointly review the work plan and can modify the same as per mutual agreement. The State Mission Director can authorise change in activities amounting up to 10% of the budget allocated in the annual work plan. Any change in activities that warrant a change of more than 10% of the annual budget, must be brought to the notice of NRLM and necessary authorisation may be sought.

9.2. Review at the National Level

- a) The nodal person supporting sectoral cluster development along with Lead – Non-Farm and the Mission Director (or their representative) shall review the progress of the sectoral cluster at least once every quarter
- b) Representatives from the TSA, SMMU (nodal person for sectoral clusters and SPM – non farm) and DMMU (DPM) should also attend the meeting
- c) The intimation of the meeting along with the agenda shall be circulated by the nodal person for sectoral clusters at NMMU at least 10 days prior to conduct of the meeting through e-mail
- d) The meeting shall be minuted and the minutes of the meeting should be shared with all participants and concerned stakeholders within 10-days of the meeting being held

10. Grievance Redressal

Conflicts in professional space are inevitable occurrences. However, it is in the best

interest of all concerned that conflicts are resolved immediately. In cases where the conflicts cannot be resolved internally, a conflict resolution mechanism will be put in place for their timely resolution.

In case of issues that cannot be resolved internally, a redressal committee will meet to understand the issue and arrive at a mutually acceptable decision. The SRLM should form a redressal committee at the district (s) where the cluster project is being implemented. In case the redressal committee cannot arrive at a mutually acceptable decision, the final decision will rest with the DPM / SPM (non farm livelihoods) and, in some cases with the Lead – Non-Farm at the national level. In case of dispute between the TSA and the SRLM, the decision of the JS (RL) shall be final and binding on both parties.

The redressal mechanism will be as follows:

Party 1	Party 2	Redressal Committee	Final Authority
TSA	Sectoral cluster beneficiaries	Representative(s) from the TSA, sectoral cluster, and DMMU	DPM
TSA	District Technical Expert / DMMU	Representative(s) from the TSA, DMMU, and SMMU	STE-EP
TSA	SRLM	Representative(s) from the TSA and SRLM	JS (RL)

Annexure 1: Template for Cluster Scoping Exercise (Sectoral Clusters)

1. Introduction to the sectoral cluster

- a) Mention the sector of the cluster (rural tourism, nutrition supplement, canteen, etc.)
- b) Location of the cluster intervention (name of blocks and districts)
- c) Explain the previous interventions that have taken place in the proposed sectoral cluster (SRLM and non-SRLM) along with financial support
- d) Name, designation, and e-mail ID of the nodal SMMU staff responsible for the proposed sectoral cluster

2. Nature of Sectoral Cluster

- a) Mention number and type of units proposed under the sectoral cluster (type of units may state whether the units will be individual or group)
- b) Does the sectoral cluster have potential to employ workers? (apart from the owners / entrepreneurs running the enterprises)
- c) What is the volume of production in the sectoral cluster?
- d) Will the sectoral cluster be operational 12-months a year? If no, how many months will the sectoral cluster be operational? Mention the months (names)
- e) Will the sectoral cluster be organised as an institution? (producer group, producer company, consortium, cooperative, etc.)? What will be the benefit of such an organisation?
- f) What is the proposed salary of the entrepreneurs (owners) and workers working in the sectoral cluster?
- g) Are there similar sectoral clusters in the country? If yes, where?

3. Market

- a) Mention the customer segment(s) that the sectoral segment will cater to
- b) In case the sectoral cluster proposes to sell to government or proposes to set up enterprises in government facilities, has permission been sought from the government department(s)? Has any government order (GO) been issued?
- c) Mention any linkages that the sectoral cluster proposes to have for purchase of raw material?

4. Technical Support

- a) Mention presence of support institutions / firms, service providers, sectoral cluster assets such as technical institutes, training centres, common facility centres, etc. that may support the sectoral cluster
- b) State linkages, if any, with the institutions mentioned above

5. Social and Environmental Challenges

- a) Mention any health risks that the sectoral cluster members may face
- b) State infrastructural challenges pertaining to water, electricity, transportation, etc. that the sectoral cluster may face
- c) What are the risks (customer, market, raw-material, taxation, availability of finance etc.)² that the sectoral cluster may face?
- d) Will the sectoral cluster be able to adhere to legal and statutory compliances that may be required for the sector?

² **Customer risk** may include change in customer taste and preferences, **raw-material risk** may include unavailability of raw material or seasonality of raw-material, **market risk** may include drop in prices or unavailability of certain markets or entry of new / bigger players / competitors in the market, **taxation risk** may include imposition of tax liabilities on cluster by government, **finance risk** may include unavailability of funds (particularly for working capital) when required from formal and informal sources

6. Complementarities

- a) Explore potential synergies with other development efforts including donor programs, CSR efforts, private sector investments etc.
- b) List other programs and partners that had funded this intervention (govt. programs, bilateral, multi laterals)
- c) Mention specific government schemes that can be leverages to benefit the sectoral cluster

Calculating Financial Feasibility of the Sectoral Cluster (at the time of scoping study)

SI No	Details	Remarks
I	Name of the Sector	
II	Name of the State	
III	Existing Situation	
1	Date (when the analysis was done)	
2	Total number of possible enterprises	
3	Is there an existing successful enterprise / benchmark enterprise, of the sector in the state	
4	If yes, has the P&L and Balance sheet for the successful enterprise been made for a minimum period of 3 months?	
5	Have the financial statements for a benchmark / successful enterprise attached?	
6	Can the benchmark P&L be replicated in the state?	
7	If no, has a model P&L been prepared which can be implemented in the state?	
8	Is the model P&L which is replicable attached?	
IV	Business KPI's of the enterprises	
1	No. of members involved per enterprise - as owners (Ideally all members should be owners)	
2	Average sale per month	
3	Gross margin	
4	Net profit as % of total sales	
5	Credit sales as % of total sales	
6	Finance cost as % of total sales	

7	Break - even sales (Rs)	
8	Net profit of the enterprise	
9	Net profit per owner member	
10	Wages earned per owner member per year	
11	Number of days the owner member worked in the month	
12	Average per diem per owner member	
13	Total investment needed for the enterprise	
14	Capital investment	
15	Working capital investment	
16	Closing stock (in no. of days sale)	
17	Creditors (in no. of days sale)	
18	Debtors (in no. of days sale)	
V	Expected Improvements due to Intervention in the Cluster	
1	Thematic Interventions - planned (Yes / No)	
2	Training and compliances (Yes / No)	
3	Providing access to subsidised rental property (Yes / No)	
4	Providing access to sales orders (Yes / No)	
5	Common branding (Yes / No)	
6	Improving productivity (Yes / No)	
7	Improving raw material procurement costs (Yes / No)	
8	Others - please specify	
9	Expected turnover of the entire cluster enterprises	
10	Expected cost of the TSA for the project period	
11	Expected total cost of the project (Total Investment in all enterprises (fixed + working capital) + TSA cost)	
12	Expected total wages earned by the owner members (for the project period)	
13	Expected net profits (after wages) of all the enterprises in the cluster during the project period	

14	Expected benefit cost ratio	
15	Sales per Rupee invested in the project	
16	Unit cost (project cost / total owner members)	

1. Expected output from the interventions

Parameters	Base year at the time of scoping study	Project end period (projected)	Percentage change
No. of community members involved per enterprise			
Wages earned per community members per year			
Annual turnover of the entire enterprise cluster			
Expected net profits (after wages) of all the enterprises in the cluster			

2. What is the estimated benefit-cost ratio of the cluster in the realistic case scenario at the end of the project period?
- i. Total wages earned by women SHG members in the cluster
 - ii. Profit earned in the cluster
 - iii. Project cost
 - iv. Cost benefit ratio
3. Other financial benefits due to the implementation of the cluster.

Note: Details of the Benchmark enterprises (those enterprises which the SRLM desires to replicate) and Model enterprise ('model' of the enterprise that the SRLM will be able to implement in the state) also to be captured during the scoping study.

Annexure 2: Framework for preparing Business Plan for the Sectoral Cluster (excluding baseline)³

1. Executive Summary

- a) Summarise vital statistics, nature of stakeholders, and major areas of interventions

2. Understanding the sectoral cluster

a) Policy and country context

- a) Capture the main policy incentives and disincentives for the sector in the state and the country

³ TSA may modify the same if required

b) History of the sectoral cluster

- a) Mention the past interventions in the sectoral cluster (if applicable). Indicate the costs, benefits, etc.
- b) Presence of technical and financial support institutions
- c) State the technical and financial institutions present in and around the sectoral cluster
- d) State if there have been any past or present partnerships with the technical institutes
- e) What were / are the major activities done to support the sectoral cluster by each institution

3. Intervention in the sectoral cluster

a) Objectives / Key Deliverables

- a) Mention the key objectives of the intervention in measurable terms
- b) Please mention the deliverables
- c) What is the pro-poorness and inclusiveness of the activity (what percent of SECC deprived households / ST, SC, OBC families will be covered by the intervention?)

4. Intervention Plan

- a) Intervention should describe (wherever applicable):
 - Seasonality of the sectoral cluster
 - How will the inputs / raw material be purchased?
 - What is the interventions for reducing input cost?
 - What is the capacity building plan of the entrepreneurs?
 - Who provides technical knowledge and how it is transferred?
 - What will be the credit policy of the sectoral cluster?
 - What are the technology interventions? How it is demystified and transferred?
 - Is there a system of providing services through community extension? What are the roles of the community professionals?
 - What are the interventions for reducing risks associated with the activity?
 - At what level the collectivization happens? Is there a need for it?
- b) Is there a need for a common production centre / common facility centre?
 - Explain the need for physical infrastructure
 - Will the building be rented?
 - What will be the location of the physical infrastructure and why it is chosen as location?
- c) Is there a need for a common service centre?

- Explain the need for a common service centre
 - Who will be the persons in the common service centre?
 - Attach their job descriptions / CVs / Key Result Areas (KRAs) and skill requirements
- d) What will be the fixed assets required for the sectoral cluster and in what quantity? Will they be purchased or rented?
- e) Describe the market, pricing, and marketing strategy. It may include the following:
- What are the sizes of the target market segments? Assess the customer segment(s) that would be served – mention their needs, state how are the needs presently been met, and what will make them switch to the products / services offered by the sectoral cluster enterprises
 - How will the price be set and revised?
 - What is the expected distribution channel / network? (if applicable)
 - How will the enterprise or products be promoted?
 - How will the sectoral cluster provide satisfaction guarantee?
- f) Describe how the quality will be maintained
- g) State the different government schemes supporting the proposed intervention and how the project can converge with these schemes
- h) How will monitoring of the sectoral cluster intervention take place? What is the MIS? How MIS feeds into course corrections?
- i) Can the sectoral cluster deliver results in the project time frame?

5. Community Institutional Architecture

- a) How will the sectoral cluster / sectoral enterprises be organised?
- b) What is the legal mechanism for registering / formalizing the sectoral cluster? (registration as consortium, or registration of individual enterprises in the cluster)
- c) What is the role of CLF?

6. Licenses / Permits / Registrations

- a) What licenses or permits will need to be obtained?
- b) How long will it take to get the needed licenses / permits? What is the cost involved?
- c) Describe the insurance coverage if required?

7. Implementation Arrangement

- a) Prepare a responsibility matrix (state the roles and responsibilities of entrepreneurs, community, SRLM, TSA)
- b) Who are the various partners in the entire implementation process apart from community, TSA, and SRLM? What are their roles and responsibilities?

8. Financial Aspects

(prepare business model for an enterprise in the sectoral cluster)

- a) What is the proposed revenue for an enterprise in the sector? (give forecast for the project period and mention the assumptions made)
- b) What are the various fixed and variable costs in the enterprise?
- c) Give a Profit and Loss & Balance sheet and cash flow statement for the project duration of the enterprise (give forecast and mention the assumptions made)
- d) What are the funds proposed to be arranged from (i) banks and other formal financial institutions, and from (b) community organizations (if any) for financing enterprises in the sectoral cluster?
- e) How will the increasing working capital need of the enterprises (as the enterprises grow) proposed to be met?

9. Sustainability of the intervention

- a) What is the action plan and time frame by which the enterprises in the sectoral cluster will run profitably without the support of the TSA?
- b) How will the sectoral cluster expand its business? (how will the sectoral cluster approach new markets, negotiate with buyers and sellers, ensure it is up to date with latest market trends etc.)
- c) What is the governance structure planned for the sectoral cluster to ensure sustainability after the end of the project? Who will ensure that the sectoral cluster adheres to the instated governance mechanisms?
- d) How will the sectoral cluster ensure availability of adequate working capital for operations?
- e) Explain the exit plan of the TSA to ensure a proper handover to the community after capacity building for ensuring sustainability after the project period

10. Proposed budget for the sectoral cluster

- a) Cost of technical support agency (max 15% of project cost)
- b) Infrastructure cost of the sectoral cluster
- c) Capacity building cost of the entrepreneurs
- d) Cost of knowledge and technology transfer
- e) Cost of developing community cadre (if required)
- f) Working capital cost
- g) Other costs

11. Output / outcome

- a) Total units established
- b) Number of community professionals trained and groomed for running the sectoral cluster? (if applicable)
- c) What will be the economic benefits to the entrepreneurs?
- d) Calculate the cost-benefit ratio⁴ of the intervention (it should be at least

1:1.125 at the culmination of the intervention)

12. Annexures

- a) Questionnaire (if any)
- b) List of persons interviewed / met
- c) Minutes of the validation meeting with the stakeholders
- d) Matrix of suggestions from validation meeting and response to suggestions

⁴ Total cost of the project divided by total benefits (incremental income of project beneficiaries) over the complete duration of the intervention, excluding CEF and other resources which are perpetual in nature

Annexure 3: Draft TOR for Hiring TSA

I. Scope of Work

- Diagnostic Study and Intervention Plan
- Product Development and Training
- Institutionalize beneficiaries (into enterprises / collectives)
- Skill Upgradation and Capacity Building
- Production
- Marketing
- Advisory support
- Monitoring of activities
- Handover activities

II. Deliverables and Timeline

III. Firm's Qualification and Experience Requirements

IV. Team Composition

- Reporting
- Payment Schedule

I. Scope of Work

A. Diagnostic Study and Intervention Plan

The TSA's first activity in the proposed clusters is to conduct a diagnostic study. The objective of conducting diagnostic study in a cluster is to map all the business processes of the cluster units viz. manufacturing processes, technology, marketing, quality control, testing, purchase, outsourcing, etc to find out its strengths, weaknesses, opportunities and threats (SWOT), problems and impediments, and accordingly prepare a well-drawn action plan for enhancing competitiveness of the units of the cluster and to position the cluster on a self-sustaining trajectory of growth.

The study should focus on enhanced competitiveness, technology improvement, product diversification, capacity building, adoption of best manufacturing practices, marketing of products, employment generation, etc. The interventions should follow from and directly address the issues highlighted in the report. The agency will seek inputs from the SRLM prior to its study.

The study is expected to include a comprehensive skill assessment exercise on all beneficiaries in the proposed cluster. The TSA is expected to assess the target beneficiary and categorize them into three categories (for example: A, B and C) on the basis of their skill sets.

Apart from skill assessment, the diagnostic study will identify other techno-managerial areas for capacity building and improvement. The TSA, after discussion with SRLM, will develop list of performance indicators to be tracked every quarter. The TSA will conduct a baseline exercise of the cluster and its beneficiaries (presently for existing and subsequently for all new beneficiaries) on the basis of performance indicators developed.

The agency will submit its report comprising

- **Diagnostic Study** containing skill assessment and baseline report and
- **Intervention Plan** to be implemented by it

The Intervention Plan prepared in the initial stages is subject to modification as it is expected that the plan may change as new facts, circumstances, requirements and ideas emerge. The TSA is expected to update the plan in consultation with the SRLM, whenever necessary, to enable mid-course corrections.

B. Product Development and Training

The TSA will (a) increase the range of products, and develop fresh, innovative and marketable approaches that are attractive to urban consumers and create opportunities to establish new B2B, B2C linkages (b) improve the quality of existing product portfolio. The agency will be working in close collaboration with the SRLM in specific product development activities for the international market.

Design / Product development through these workshops and trainings are part of the larger market strategy and should be accordingly timed by the TSA. The TSA is expected to prepare a market plan / strategy, identify target markets and segments, and accordingly plan product / design development.

C. Institutionalise Beneficiaries (into enterprises / collectives)

The TSA will mobilize and organize beneficiaries into enterprises or in one or more producer collectives in close coordination with the SRLM. The PC may be a Producer Company, a Cooperative or any other appropriate registered legal body, having mandatory ownership of beneficiaries, with the ability to conduct business on behalf of the beneficiaries. In case the TSA is forming enterprises, they should be registered in due course to be able to conduct business with external entities. The TSA will undertake relevant activities such as registration of the name of the entity, registering beneficiary members as shareholders, applying for bank accounts, TIN numbers etc.

Each producer collective will hire a CEO, an Admin and Finance officer, one or more Production Managers (as dictated by the geographical spread of operations) and other staff (wherever required) to facilitate smooth operations. The TSA will provide proactive support in the hiring process to ensure competent personnel are hired.

D. Skill Upgradation and Capacity Building

The TSA shall be responsible for providing training to the target group of beneficiaries on a regular basis to upgrade their skills such that they are able to produce marketable products with substantially improved quality. The TSA will also provide skill upgradation trainings in fabrication / finishing to beneficiaries in the fabrication / finishing unit.

Apart from skill up-gradation workshops and trainings aimed at enhancing the crafts skills of the beneficiaries, the TSA will organise managerial trainings that include trainings in record keeping, quality check, production management, costing, procurement, etc. These trainings will be provided to motivated beneficiaries / youth (identified according to well defined criteria) who will function as field level production managers.

The duration and frequency of the trainings will be as per need and determined jointly by the TSA and the SRLM. The agency will seek SRLM's inputs for developing specific capacity building and skill up gradation modules.

E. Production

The TSA will train the cluster in key business activities i.e. purchasing raw material, collecting raw material from traders, receiving orders, costing / pricing, carrying out production and marketing the finished product.

Based on orders from the market (that the TSA will actively generate), or on the TSA's assessment of potential demand, the TSA will facilitate production. The TSA will endeavour to include all beneficiaries / enterprises in the production process. The TSA will provide incubation support and techno-managerial services in the entire production chain including, but not limited to –

- On-going handholding support to clusters, including assisting them in developing a basic business plan and financial projections;
- Developing bank linkages for cluster or enterprises in the cluster so as to meet various capital needs of producers;
- Providing technical know-how and inputs;
- Securing backward linkages;
- Maintaining records;
- Maintaining quality; and
- Fostering linkages with other schemes and interventions working on non- farm livelihoods at the local, state and national levels.

F. Marketing

Developing market linkages for beneficiaries in the proposed cluster is a central activity in this project. All other activities that are part of the project scope (skill assessment, skill up gradation, product development and production) must be carried out with the market in mind. Marketing activities include but are not limited to the following:

- Actively generate orders from the market for products
- Facilitate participation of the cluster in national and international level fairs, exhibitions, sales, etc. over the project period
- Actively use digital and / or traditional media to promote cluster and products
- Design a catalogue or brochure for marketing purposes
- Design labels for the various products
- Assist in getting brochure / catalogue printed and the label made
- Develop marketing linkages with outlets / emporia and other boutique buyers

The role of the TSA in participation of fairs / exhibitions will be to execute activities such as (a) identifying the fair, exhibition or other marketing event the cluster will participate in (b) Liaise with the organisers in booking suitable space (c) Set up stalls and make suitable accommodation and transportation arrangements for the participants, and, (d) Provide guidance and advisory support to participating beneficiaries throughout (at least one staff member of the TSA will accompany the participants)

G. Advisory support

Besides the activities listed above, the TSA will provide key advisory support to the SRLM to facilitate project interventions. This will include proactive guidance in areas such as:

- Establishment of Common Facility Centres (CFCs)
- Establishment of the finishing / fabrication and packaging unit
- Establishment of other cluster assets, such as storage centres, support centres (such as childcare centres for women beneficiaries)
- Mobilization and institution building activities
- Exposure visits that can be organized to improve learning in key areas
- Developing marketing and publicity material
- Any other area that can significantly contribute to the effectiveness of the project.

H. Handover activities

At the end of the intervention period, the TSA will work with the cluster / enterprises in the cluster in preparing a business plan for the duration for the project period after the project period. As part of this business plan, the TSA will clearly chart out actions in terms of skill development activities, design development activities, managerial trainings, supply chain activities, key investments, exposure visits, marketing strategy and business building activities etc. to ensure that cluster / enterprises in the cluster have a clear roadmap beyond the project period. The TSA will seek SRLM's inputs especially in the area of product development and marketing in developing this. The TSA will also ensure that the cluster / entrepreneurs have the capacity to scout, negotiate, and close orders.

II. Deliverables and Timeline

The duration of the project is 48 months. The deliverables and the corresponding indicative timelines are as follows:

Expected Deliverables	Indicative Timeline³
Intervention plan and baseline data	3 rd month
Registration of cluster / enterprises in the cluster	4 th month onwards
Skill up gradation trainings of beneficiaries	12 th month
Product / Service development workshops	
Managerial trainings for identified persons (in costing, quality control, managing producer groups, other key management areas)	
Cluster management trainings for identified persons	
Marketing workshops for cluster	
Catalogue / brochure, label, and marketing materials	After 15 th month
Confirmed business worth INR xx crores of products to beneficiary enterprises / collective	By 24 th month
Manufacture and delivery of orders worth INR xx crores of products/service by enterprises / collective	By 30 th month
Quarterly report of activities (including reporting of data on key indicators)	After every 3 months
Mid Term Report along with case studies	24 th month
3-year business plans for producer collectives Exit strategy and sustainability plan	36 th month
Project Completion Report	48 th month

³ Timeline may be revised as per the duration of the project

III. Firm's Qualification and Experience Requirements

The agency must have:

- Prepared at least 4 DSRs in clusters or similar studies, preferably for micro and informal enterprises
- Implemented / provided technical assistance to at least 4 cluster development projects or similar programmes
- Engaged in market promotion for micro and informal enterprises on at least 3 occasions
- Has experience of implementing skill development activities on at least 3 occasions
- Has been in existence for at least 3 years, barring the current year and has audited balance sheet of 3 years
- Experience working with at least 1,500 beneficiaries across a minimum of 2 states in India
- Created and supported at least one beneficiary producer company, preferably in product segment similar to the proposed cluster
- Proven track record in participating in major exhibitions nationally or internationally
- Prior experience of implementing programs supported by national, bilateral, and multilateral agencies will be a plus
- Experience of working in the state is a plus
- Joint bidding of at most two organization is permitted and in such cases the organizations should jointly possess the above minimum criteria
- Individual or proprietary establishments are not permitted to apply

IV. Team Composition

The agency is expected to put in place a competent, dedicated team to ensure that the tasks are achieved with the highest quality. The guidelines for the team composition are as follows:

Team member	No. of members	Qualification, experience and responsibilities
--------------------	-----------------------	---

<p>Team Leader / Program Manager/ Director</p>	<p>1</p>	<p>At least 15 years of experience in cluster development (particularly non-farm / beneficiary cluster), institutional building, market development and other areas relevant to this assignment. Preferably from the sector of the cluster</p> <p>Will be responsible for providing overall direction and guidance to the team. Will interface with government officials, industry experts and other key stakeholders.</p> <p>Qualification: Post-Graduation in Development Studies, Business Management, Rural Management, or related fields</p>
<p>Accounts manager</p>	<p>1</p>	<p>This role will provide part-time support to the project.</p> <p>At least 10 years of experience in the finance, procurement, drafting TORs and reporting to the grant maker. Experience in the social sector, NGO, government is a plus.</p> <p>Qualification: Graduation in Finance / Economics</p>
<p>Cluster Development Executive</p>	<p>1</p>	<p>At least 2 years of experience in enterprise promotion</p> <p>Will be placed in the cluster and will be responsible for providing operational support to the cluster.</p> <p>Qualification: Post-Graduation in Development Studies, Business Management, Rural Management, or related fields</p>
<p>Cluster Coordinator</p>	<p>1</p>	<p>Preferably recruited from the cluster; good rapport / influence in his/her own cluster and in the neighboring ones; a practitioner of the skill practiced in the said skill is a plus. Must have technical knowledge of the product, and be conversant in the local language</p> <p>Will be responsible for regular coordination with the implementing agency for all the interventions implemented in the cluster.</p> <p>Qualification: Graduate in any field</p>

Additionally, the project may require services of other support providers in the form of the following. These services may be engaged on a part-time / contract basis by the TSA.

Team member	No. of members	Qualification, experience and responsibilities
Finance Director	1	<p>This role will provide part-time support to the project.</p> <p>At least 10 years of experience in the finance, procurement, drafting TORs and reporting to the grant maker. Experience in the social sector, NGO, government is a plus.</p> <p>Qualification: Graduation in Finance / Economics</p>
Sectoral Lead	1	<p>At least 7 years of experience in sectoral skill training-oriented activities in the skill-based sector, well networked in sector's fraternity, thorough understanding of the market.</p> <p>Will be responsible for all the skill and design development training programs in the field.</p> <p>Qualification: Graduation in relevant sector</p>
Sectoral Marketing Specialist	1	<p>More than 10 years of experience in direct market positioning of Services/ products, pricing and costing mechanism; thorough understanding of various market segments such as exhibitions, export, fairs and festivals, retail B2B and e-commerce. Will be expected to have in depth knowledge of new industry practices, certifications, regulations etc.</p> <p>Qualification: Post-Graduation in Business Administration</p>
Skill Trainers / Master beneficiaries	As required	<p>Minimum 10 years of experience in relevant skills in active practice at the cluster level as well as outside.</p>

V. Reporting

The TSA will report directly to the SPM Non-Farm Livelihoods or a suitable official

nominated by the State Mission Director of the SRLM

VI. Payment Schedule

Release of funds to the cluster should be as per the timeline given in DPR for the expenditure of six months. 2nd instalment may be released on utilisation of 60% utilization of the available funds and achievement of corresponding deliverables or as per the extant guidelines of the Department of expenditure.

Annexure 4: List of NITI Aayog's Aspirational Districts

#	State Name	District Name
1	Andhra Pradesh	Kadapa
2	Andhra Pradesh	Visakhapatnam
3	Andhra Pradesh	Vizianagaram
4	Arunachal Pradesh	Namsai
5	Assam	Barpeta
6	Assam	Darrang
7	Assam	Dhubri
8	Assam	Goalpara
9	Assam	Hailakandi
10	Assam	Baksa
11	Assam	Udalguri
12	Bihar	Araria
13	Bihar	Aurangabad
14	Bihar	Banka
15	Bihar	Begusarai
16	Bihar	Gaya
17	Bihar	Jamui
18	Bihar	Katihar
19	Bihar	Khagaria
20	Bihar	Muzaffarpur
21	Bihar	Nawada
22	Bihar	Purnia

23	Bihar	Sheikhpura
24	Bihar	Sitamarhi
25	Chhattisgarh	Bastar
26	Chhattisgarh	Dantewada
27	Chhattisgarh	Kanker
28	Chhattisgarh	Korba
29	Chhattisgarh	Mahasamund
30	Chhattisgarh	Rajnandagaon
31	Chhattisgarh	Bijapur
32	Chhattisgarh	Narayanpur
33	Chhattisgarh	Sukma
34	Chhattisgarh	Kondagaon
35	Gujarat	Dohad
36	Gujarat	Morbi
37	Gujarat	Narmada
38	Haryana	Nuh
39	Himachal Pradesh	Chamba
40	Jammu And Kashmir	Baramulla
41	Jammu And Kashmir	Kupwara
42	Jharkhand	Bokaro
43	Jharkhand	Chatra
44	Jharkhand	Dumka
45	Jharkhand	East Singhbhum
46	Jharkhand	Garhwa

47	Jharkhand	Giridih
48	Jharkhand	Godda
49	Jharkhand	Gumla
50	Jharkhand	Hazaribag
51	Jharkhand	Latehar
52	Jharkhand	Lohardaga
53	Jharkhand	Pakur
54	Jharkhand	Palamu
55	Jharkhand	Ranchi
56	Jharkhand	Sahibganj
57	Jharkhand	Simdega
58	Jharkhand	West Singhbhum
59	Jharkhand	Khunti
60	Jharkhand	Ramgarh
61	Karnataka	Gadag
62	Karnataka	Kalaburagai
63	Karnataka	Raichur
64	Karnataka	Yadgir
65	Kerala	Wayanad
66	Madhya Pradesh	Barwani
67	Madhya Pradesh	Chattarpur
68	Madhya Pradesh	Damoh
69	Madhya Pradesh	East Nimar
70	Madhya Pradesh	Guna

71	Madhya Pradesh	Rajgarh
72	Madhya Pradesh	Vidisha
73	Madhya Pradesh	Singrauli
74	Maharashtra	Gadchiroli
75	Maharashtra	Jalgaon
76	Maharashtra	Nanded
77	Maharashtra	Nandurbar
78	Maharashtra	Osmanabad
79	Maharashtra	Washim
80	Manipur	Chandel
81	Meghalaya	Ri Bhoi
82	Mizoram	Mamit
83	Nagaland	Kiphrie
84	Odisha	Balangir
85	Odisha	Dhenkanal
86	Odisha	Gajapati
87	Odisha	Kalahandi
88	Odisha	Kandhamal
89	Odisha	Koraput
90	Odisha	Malkangiri
91	Odisha	Nabarangapur
92	Odisha	Nuapara
93	Odisha	Rayagada
94	Punjab	Ferozepur

95	Punjab	Moga
96	Rajasthan	Baran
97	Rajasthan	Barmer
98	Rajasthan	Dholpur
99	Rajasthan	Jaisalmer
100	Rajasthan	Karauli
101	Rajasthan	Sirohi
102	Sikkim	East District
103	Sikkim	West District
104	Tamil Nadu	Ramanathapuram
105	Tamil Nadu	Virudhunagar
106	Telangana	Adilabad
107	Telangana	Jayashankar Bhupalapally
108	Telangana	Khammam
109	Telangana	Kumuram Bheem Asifabad
110	Telangana	Warangal Rural
111	Tripura	Dhalai
112	Uttar Pradesh	Bahraich
113	Uttar Pradesh	Balrampur
114	Uttar Pradesh	Chandauli
115	Uttar Pradesh	Chitrakoot
116	Uttar Pradesh	Fatehpur
117	Uttar Pradesh	Shravasti
118	Uttar Pradesh	Siddharthnagar

119	Uttar Pradesh	Sonbhadra
120	Uttarakhand	Haridwar
121	Uttarakhand	Udham Singh Nagar
122	West Bengal	Birbhum
123	West Bengal	Dakshin Dinajpur
124	West Bengal	Nadia