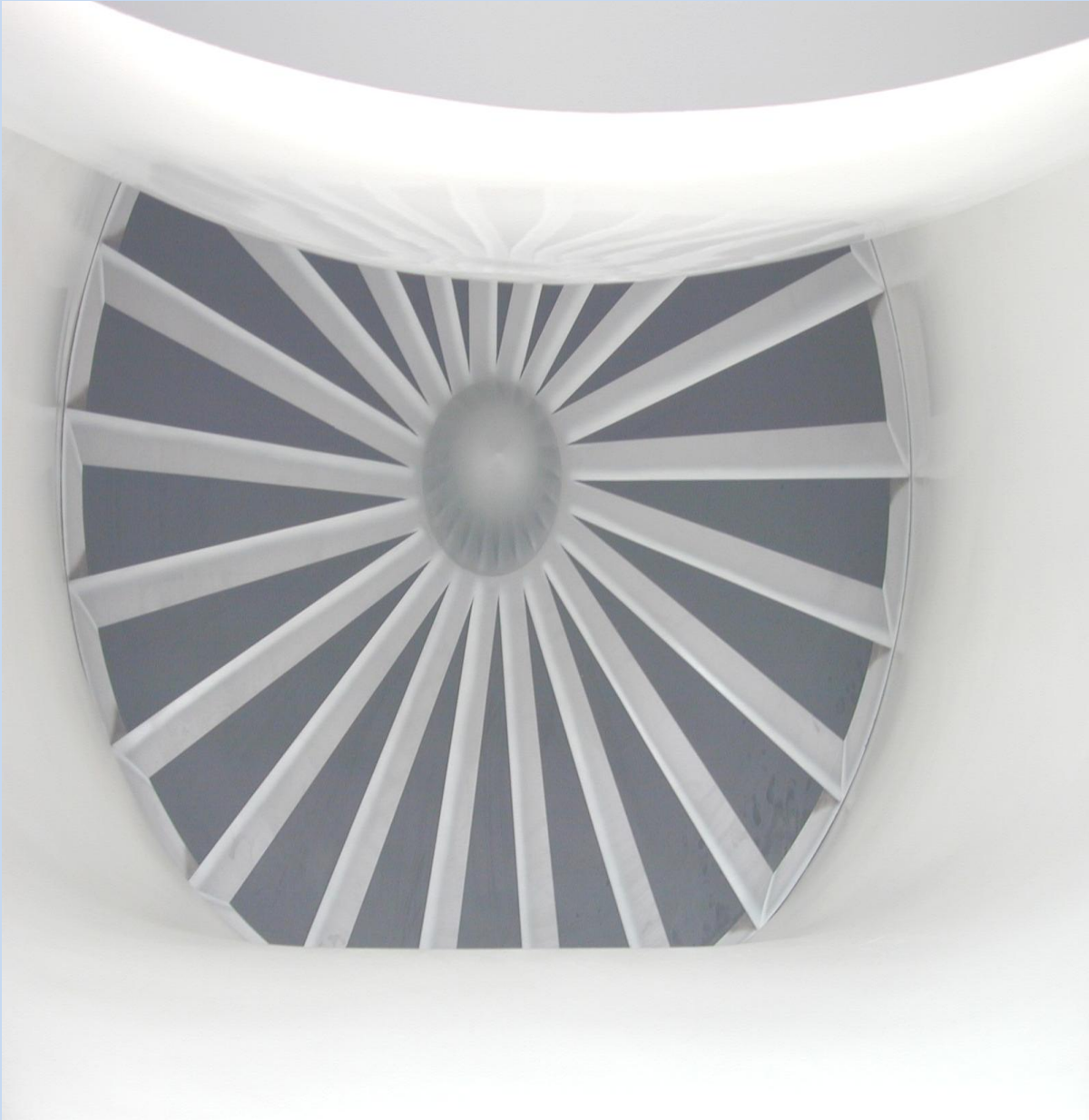


Challenge Fund for Advocacy in MSME Sector (ACF)



Challenge Fund for MSME Sector in India is an initiative under DFID TA of MSME Financing & Development Project. Policy Advocacy component of the project envisages strengthening the policy /legal /regulatory framework for Indian MSMEs.

"This document is an output from a project funded by the Department for International Development (DFID), United Kingdom, and being implemented by Small Industries Development Bank of India (SIDBI). All the information contained in this document is confidential and is not to be reproduced or transmitted.

13/08/2010

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Executive Summary

Challenge Fund for Advocacy in MSME Sector (ACF) is guided by principles of change management which aims to promote ownership through involvement of beneficiaries / stakeholders who are likely to be affected by change. ACF is an internationally tested approach to enable an actor [Industry Association, NGOs, Development Organisations, Institutional (preferably Public) BDS and Development agencies who have documented experience in advocacy issues of MSMEs] to influence another actor/ body [including policy makers] for removing barriers and bottlenecks that hinder their development. It promotes action based advocacy preferably on initiatives that have either been trialled or tested or can be tested/scaled up (backed by lesson learned / research findings).

Need of Challenge Fund

The need for challenge fund is felt due to inadequate delivery capacity of Industry Associations etc. coupled with absence of concrete information on policy initiatives.

Grant Award

The grant support is available in two categories:

1. Advocacy Action Grant (AAG) for implementation of proposed Action Plan
2. Capacity Building Grant (CBG) for strengthening the capacity of association/ members to advocate

Role of PMD

In its endeavour to adopt global best practices, PMD has designed an ACF targeted at addressing the issues of Indian MSMEs. ACF carries objectives of enabling improved sectoral engagement of representative organizations in Policy Advocacy.

Approach

To take forward the fund, strategy was chalked out in two stages:

A. Pilot Stage

This phase has already commenced with award of Advocacy Action Grant (AAG) to one BMO (which is implementing an Action Research initiative).

B. Scaling up

The present call is towards scaling up it is envisaged to be continued on regular basis.

Steps (for Industry Association/ NGOs and other applicant organization)

- Enlist the problems / issues which need attention.
- Undertake internal brainstorming on the:
 - ✘ Initial Stage – Situation and gap which needs to be filled up.
 - ✘ Final Stage – Situation you want to reach.
- Devise Advocacy Plan – Action oriented, feasible & participative

- › Implementation of the Advocacy Action
- › Document lesson learned / research findings.

I. INTRODUCTION

I.A. Sectoral Background

MSMEs play a vital role in the Indian economy. The sector has proved to be appropriate to address the national priorities of employment, removing poverty and regional imbalances. Government of India (GoI) has been taking proactive steps in the direction of strengthening the competency of Indian MSMEs. The Five-year plans of the Government have placed emphasis on the MSME sector for achieving various growth parameters. Launching various sectoral competency schemes, comprehensive MSMED Act 2006, Financial Package etc. are few of the proactive steps in the direction of creating enabling environment. Ministry of MSME, GoI is the nodal ministry which coordinates & supervises the issues of the MSME sector.

Overview of Indian MSMEs

- Contribute to economic growth, poverty reduction, employment creation etc.
- Entrepreneurship development & innovation wave.
- Balanced regional development along with rural development.
- Outsourcing support to and linkages with large units.

MSMEs-Backbone of Indian Economy

- Constitutes more than 90% of total units/enterprises.
- Manufacture more than 8000 products and contributes about 40% of manufacturing.
- Contributes around 34% to the direct exports.
- Second largest source of employment after agriculture (around 60 million persons).

Issues and Challenges

- Access to credit (adequate, timely & cost effective), particularly micro enterprises / unorganised sector facing major problems in accessing credit.
- Globalisation issues for MSMEs (opportunity & threat).
- Perception of banks on MSMEs towards risk, quality, and continuity associated with them.
- MSMEs need package of services for capacity building, technology access, marketing support & equity finance.

I.B. Definition of MSMEs

Enterprises classified broadly into (i) Enterprises engaged in the manufacture / production of goods pertaining to any Industry & (ii) Enterprises engaged in providing / rendering of services.

Definitions

- Manufacturing Enterprises: Defined in terms of investment in plant and machinery (excluding land & buildings) and further classified into:
 - * Micro Enterprises – Investment up to Rs. 25 lakh
 - * Small Enterprises – Investment above Rs. 25 lakh & upto Rs. 5 crore
 - * Medium Enterprises – Investment above Rs. 5 crore & upto Rs. 10 crore.
- Service Enterprises: Defined in terms of their investment in equipment (excluding land & buildings) and further classified into:
 - * Micro Enterprises – Investment upto Rs. 10 lakh.
 - * Small Enterprises – Investment above Rs. 10 lakh & upto Rs. 2 crore.
 - * Medium Enterprises – Investment above Rs. 2 crore & upto Rs. 5 crore.

Source: MSMED Act, 2006

I.C. SIDBI

SIDBI is the Principal Development Financial Institution for Promotion, Financing and Development of Industries in the small scale sector and co-ordinating the functions of other institutions engaged in similar activities in the sector. The business domain of SIDBI consists of Micro, Small and Medium Enterprises.

Constitution

- Set up under an Act of Parliament - April 1990
- Initially carved out as a wholly owned subsidiary of IDBI
- Subsequently made autonomous in 2001

Mandate

- Promotion, financing and development of SSIs (now MSMEs)
- Co-ordinate the functions of institutions serving the sector.

Structure

- Head office at Lucknow
- 5 Zonal offices and 1 Regional office (North East)
- 100 Branches across all the states, catering to 500 plus clusters

I.D. MSME Financing and Development Project (MSMEFDP)

SIDBI is the implementing agency for multi partnership- multi activity MSME Financing and Development Project (MSMEFDP) supported by international partners World Bank (IBRD), DFID, KfW and GtZ. Department of Financial Services, Ministry of Finance, GoI is the nodal agency for the project. Project Management Division (PMD) is the dedicated division of SIDBI placed at New Delhi to implement overall project.

MSMEFDP aims at making MSME lending an attractive and viable financing option as also facilitate increased turnover and employment in the sector. It addresses the demand and supply side issues concerning MSMEs. For details please visit our websites (www.sidbi.in / www.msme FDP.net).

The project has three important components:

- Credit Facility (CF)
- Risk Sharing Guarantee Facility (RSF)

- Technical Assistance from multilateral donors - DFID UK, GTZ and KFW Germany

In order to achieve its aims, the Project, besides upgrading direct flow of credit to MSMEs, addresses demand side issues of credit and streamline access to qualitative financial and non-financial enterprise oriented services. Technical Assistance (TA) from DFID is being utilized for strengthening the credit information system, credit rating, structuring of innovative products, capacity building of the participating banks, policy and regulatory issues and promotion of market oriented business development services for the sector. Being the critical TA component “Strengthening policy/legal/regulatory framework and its enforcement” aims at preparing and implementing a time bound action plan for key policy, legal and regulatory measures that are critical to establishing a more efficient framework underpinning MSME financing and development. It emphasizes on promoting informed and evidence based dialogue in public domain for systemic change. The project besides undertaking study, research, workshop, seminars etc. attempts the advocacy on important thrust / theme areas concerning MSMEs.

DFID – Department for International Development

The Department for International Development (DFID) is the British Government Department responsible for Britain’s contribution towards international efforts to eliminate poverty. DFID works in partnership with developing country governments towards poverty alleviation. DFID supports long-term programmes to help tackle the underlying causes of poverty. DFID recognizes that the development of MSMEs is key to creating jobs and income needed to reduce poverty. DFID is supporting the development of the MSME sector in India through MSMEFDP being implemented by SIDBI.

MSMEFDP intends to render thrust on areas which can foster the growth and development and create an enabling sustainable ecosystem for MSMEs.

Policy Advocacy (PA)

- PA is the process by which an actor [Association, NGOs, other organizations etc.] tries to influence another actor/ body to remove barriers and bottlenecks that hinder their development [for example SME associations may use it to influence bankers to improve their access to loans].
- The need for advocacy is felt to due to:
 - Inadequate delivery capacity – Resources/Finance
 - Weak indigenous advocacy groups
 - Lack of concrete information on policy constraints
 - Need to flag the emergent concerning issues of MSMEs.

It may be mentioned that the following have been the key initiatives by MSMEFDP under Policy Advocacy:

PMD has adopted a systematic approach towards instituting framework and structure for methodical attendance to Policy Matters. This included:

A. Creating Policy Support Mechanism

Assignments/Activities

- ☞ Under the project, few policy aligned studies for the benefit of MSMEs have been brought out.
 - Corporatization of MSMEs

<ul style="list-style-type: none"> ▫ A Study on Factoring ▫ MSME Database (single source information data) ▫ MSME Bi-monthly digest – OPTIMiSM (2 thematic issues till now) ▫ Report on CSR – Developing Model CSR Policy for MSME Support Institutions. ▫ SIDBI Report on MSME Sector <p>☞ Other ongoing projects include:</p> <ul style="list-style-type: none"> ▫ Feasibility Study on MSME Credit Card ▫ Documenting Best Practices on MSME Finance & Development ▫ Documenting International policies and experiences towards MSME support framework ▫ Study on designing New RSF (Risk Sharing Facility Product) & suitable corporate structure. ▫ Technology Vision for Indian MSMEs 2020. ▫ Developing MSME Info Kit - Single window information hub for MSMEs, researchers etc. to improve their operational efficiency and market competitiveness <p>☞ Undertaken /sponsored workshops, brainstorming with stakeholders and bringing out policy papers.</p>

B. CB Support to Specialized Institution

Specialized institutions carry the responsibility of advocating / disseminating on the critical mandate carried forward by them. To make policy framework more focused and specific decentralization of advocacy initiative through enabled intermediaries, stakeholders and specialized institutions, the support is extended.

C. Adoption of Best Practices – Action oriented initiatives (Advocacy Challenge Fund, working on thematic areas etc.)

Assignments/Activities

<p>☞ Advocacy Challenge Fund</p> <p>In line with international best practices, MSMEFDP has set up a Challenge Fund for Advocacy in MSME Sector (ACF) which aims to promote ownership through involvement of beneficiaries / stakeholders. Till now four initiatives have been supported</p> <ol style="list-style-type: none"> a) 'MSME Solution Centre' set up by a BMO in a hill state stands implemented. This has facilitated match making of MSME and service providers with thrust on retired skilled personnel's who are ready to provide services at reasonable rates. 58 matchmaking interventions have been made. b) Creation of MSME Performance Index c) Support for Green Dhaba Project d) Promoting Corporate Social Responsibility (CSR) in Indian Textile Industry by Developing a CSR Framework for Indian MSME Industries, based on Best International CSR Practices <p>☞ Few other thematic supports have been extended.</p> <ul style="list-style-type: none"> ▫ Energy Efficiency /Green Financing" through 'Go Green'- Times of India ▫ Fostering MSME Competitiveness through
--

D. Information Dissemination - To create measurable impact on the MSME sector by disseminating project's best practices, learnings, achievements etc.

Assignments/Activities

<p>☞ Website Up-gradation – The project website has been renamed to www.msmeffd.net in line with the project. The project website has been updated to include more dynamic contents such as blogs etc</p>
--

- ☞ Creation of Knowledge Hub- A knowledge hub has been created on the project website which contains all the publications brought out or supported by the Project. It acts as one stop repository of Project publications making the website a highly educating and information providing website
- ☞ Published Policy series, EE Booklets etc.
 - Risk Capital & Indian MSMEs
 - Dossier India MSME Summit
 - Walk-In-Kit on Corporatization of MSMEs
 - A Study on Factoring
 - CD/ DVD on Fostering MSME Competitiveness
 - 4 handbooks on Ceramics, Engineering, Foundry and F&V processing sectors released in Hindi and English including multiple languages (Gujarati, Marathi, Oriya, Kannada, Tamil & Bengali).
 - Publishing Posters – 3 General & 3 sector specific.
 - Tip Sheets for increasing EE of MSMEs

I.E. ACF

Under Policy Advocacy component of the DFID TA, Project Management Division of SIDBI has launched Challenge Fund for Advocacy in MSME Sector (ACF).

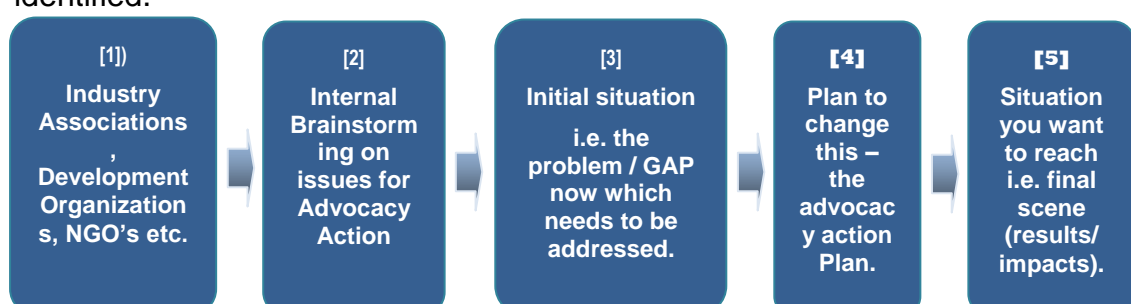
The ACF is a Challenge fund intended to play catalytic role & support advocacy pertaining to MSME sector in India. Funds / Grants shall be provided, on a competitive and transparent basis, to support proposals (received from pan India) which meet MSMEFDP's objective / laid down criteria and which have the best potential to make positive impact on the sector. Applicants will be responsible for the implementation of their actions and avail BDS/outourcing services. They could also provide and use their own funds for appropriate implementation as they see fit.

The fund would support innovative ideas from the eligible parties [on periodical basis]; judge them on a competitive and feasibility basis. Associations, Development Organizations, NGO's etc. are expected to participate.

Pursuant to launch of "Challenge Fund for Advocacy in MSME Sector" and its award to a Business Member Organisation the pilot initiative has commenced and is under implementation.

I.F. The Process

The applicants will be encouraged to think about the advocacy action to be undertaken by internal brainstorming. This will provide a way to obtain a clear understanding of the issue (initial situation) and the final situation proposed to be reached. The diagram below shows the process applicants may go through to identify and select the actions to address the problems or constraints identified.



II. AIMS AND OBJECTIVES OF FUND

.....✍
This fund shall facilitate the development and growth of a competitive and vibrant MSME sector by improved sectoral engagement in policy formulation and strengthening of representative organizations of MSME sector.

The objectives of the Fund are:

- a) Sectoral engagement of representative organisations in policy formulation.
- b) Active participation of private sector in policy advocacy.

Under ACF, grants shall be extended to eligible organisations in two categories:

- Category I : Advocacy Action Grant (AAG)
- Category II : Capacity Building Grant (CBG) for skill development training for advocacy

While the Advocacy action shall enable the applicant to address the identified concerns by implementing their advocacy plans, the Capacity Building (CB) Grant is to enhance the capacity of emerging and established Industry Associations, Development Organizations, NGO's, Institutional (preferably Public) BDS and Development agencies who have documented experience in advocacy issues of MSMEs] to advocate effectively for change and engage in public / private, private / private dialogues.

III. SCOPE OF WORK

III.A. Area

.....✍
The areas for sectoral articulation towards supportive policy for MSMEs are being kept open. But the chosen area for advocacy action research should be aligned to project objectives and in tune with Government policies.

The duplication of earlier and ongoing proposals or initiatives is strictly discouraged.

III.B. Implementation - Association /organization(s) would be responsible for implementation of the action plan within a time frame not exceeding six months and would furnish the documented information including Policy Papers as per timelines proposed by it and accepted by PMD.

The selected association/organization will also be responsible for:

1. Overall quality;
2. Implementation of Action; and
3. Management of deliverables

III.C. Methodology

The associations / organizations should propose innovative methodology / framework for the proposed initiatives that have either been trialled or tested or can be tested /scaled up (backed by lesson learned / research findings). The methodology / framework should demonstrate high sustainability and replicability potential. The proposals suggesting ongoing project / programme methodologies or duplication are discouraged.

IV. CONDITIONS FOR AWARD OF THE ACF

IV.A. Grant/Award

IV.A.1. The grants will be of two categories:

Category I: Advocacy Action Grant (AAG) - 90% of the total outlay up to a maximum of Rs 12 Lakh¹

- Applicants must provide from their own resources or mobilised resources at least 10% in cash or kind of the total cost of the Action as part of their commitment to the action. In exceptional cases, at the sole discretion of PMD, contribution of applicants can be considered for relaxation/ waiver

Category II: Capacity Building Grant (CBG) – Maximum up to Rs. 3 Lakh (Capacity Building Grant envisaged to support associations through skill development training on effective advocacy). **It shall be available as a performance incentive to such institutions that get the advocacy action grant and execute it to the satisfaction of PMD.** Generally, on request of select association(s)/organisation(s) for advocacy action, CB shall be considered by PMD after two months of ongoing action plan being assessed satisfactorily.

¹ Though the actual cost of Action could be higher

IV.A.3. To access/avail the fund to undertake advocacy actions or skill development training, applicants may apply after obtaining online applications formats from our websites www.sidbi.in / www.msmeefd.net using separate formats for AAG and CBG viz. (a) Concept Note and (b) Detailed Proposal.

IV.A.4. An organisation may submit only one proposal under each category at a time or during each call. Those who have already availed support and are currently implementing (during call period being open- refer IV B) are eligible to apply only after successful implementation of existing initiative, if any, being undertaken by them under MSMEFDP- ACF (i.e. the grant is not available under a category for those who are implementing an initiative under that /or same category except those where initiative along with the final deliverable has been accepted before the start of the call cycle. **It is to be mention that CBG is a one time grant and neither will it be given repeatedly to the same**

organization (s) nor to those who have availed skill development grant under other components of the MSMEFDP.

IV.B. Call Cycle

Call Cycle – Approximately 65 Days		
Description	Time Lines	Remarks
1. Release of advert on opening of call	Day 1	
2. Submission of preliminary proposal – Concept Note	Till closing date March 31, 2011	As per format provided
3. Short listing and inviting detailed proposal	1 Week	
4. Submission of detailed proposal (BMOs)	Within 20 days of above	As per format provided
5. Scrutiny and Award (PMD)		After receipt of complete information

Formats will be available on our websites (www.sidbi.in / www.msme FDP.net) during August 13,2010 till March 31,2011 , irrespective of holidays.

IV.C. Eligibility Criteria

IV.C.1. Must Have

- A) Industry / Business Associations, Development Organisation, NGOs, Institutional (preferably Public) BDS and Development Agencies who have documented experience in advocacy issues of MSMEs and are willing to advocate for improvements or reforms for MSMEs in India.
- B) Have been in existence (above entities) for more than 2 years.

IV.C.2. General – An Organisation / Association should

- Have a written constitution, memorandum of understanding, byelaws etc. which clearly set out the organisation's aims and how it operates.
- Be an Industry Association/organization having a sizable membership (minimum 250 Nos. of MSMEs as defined under MSMED ACT, 2006. Those organizations where membership is not significant but have proven capability of advocating MSME issues with Gol or other policy platform shall also be eligible.
- Being development organisations, Institutional (preferably Public) BDS and Development agencies have documented reasonable experience particularly in advocacy issues of MSMEs.
- Be directly responsible for the preparation and management of the action and not acting as an intermediary.
- Indicatively, the individual/executive(s) engaged in the advocacy would be having skills required to undertake an advocacy action, having experience to understand and deal with the dynamics of the issue. They should be well versed with the subject area. Besides these, the organisation should also commit the expert resources from within/outside.

- The above requirements apply to any organisation responding for a grant to undertake advocacy action or to undertake capacity building or training on advocacy.

IV.C.3. Desirable

- Sound knowledge of the Indian economic scenario, Banking/Financial Institutions / institutions engaged in MSME financing and development, MSME sector and its issues
- Ability to collaborate / coordinate with lead players in the sector and also GoI.
- The identified team members have at least 3 years of field/advocacy experience in MSME domain, designing and implementing advocacy actions and have proficiency in both English and local languages [spoken and written]
- Experience of working with multilateral agencies / supported projects. Ability to document / prepare reports / prepare case studies.

Preference shall be given to those

- Having established network among agencies/ organisation/ MSMEs.
- Have worked on pilot/ experiment basis in their chosen area which needs to be scaled up.

IV.C.4. Ineligibility

- If applicant has reason to believe they may have been, or are subject of any proceedings, that may be listed by the World Bank in its 'Listing of Ineligible Firms' or 'Listings of Firms' or 'Letters of Reprimand' posted at www.worldbank.org or on any similar list maintained by GoI / DFID / GtZ / KfW or any other donor of development funding, or any contracting authority.
- If they have
 - Conflict of interest with MSMEFDP;
 - Are guilty of misrepresentation in supplying the information required by the PMD, SIDBI under ACF as a condition of participation or fail to supply this information; and
 - Have attempted to obtain confidential information or influence the evaluation committee or PMD, SIDBI during the evaluation process for the present call of proposals.

IV.D. Eligible Advocacy Action/Training for Capacity Building

IV.D.1. Advocacy Action Grant

- Address issues at National level;
- Culminate in or achieve actual Advocacy in line with ACF objectives and criteria. This includes their preparatory or follow-up steps, to the extent that they or their results are essential to the core Advocacy Action which overall leads to the project mandate;
- Have strategic plan coupled with action (i.e. showcase solution to problem, action has to take place, cost incurred and impact possible); and
- Have duration of 6 months.

Suggestive Areas

Examples of the type of initiatives that may be funded under this heading are (These are neither exclusive nor exhaustive).

- Action oriented advanced surveys / studies to gather evidence in support of proposed policy changes and its validation by way of workshops. **(Basic study / research proposals are discouraged)**
- Action oriented research on refinement in existing policies which affect MSMEs.
- Seminars, workshops and meetings to facilitate policy dialogue within the Private Sector, and among the Public, Private and Central or Local Government level.

IV.D.2. Capacity Building (CB) Grant

Please note that CB Grant shall be considered for those who have successfully implemented any action oriented initiative under ACF

- Request for CB Grant has to be in line with the applicant's future course of action.
- The training proposed under CBG should lead to the objectives expected to culminate in or achieve actual Advocacy in line with ACFs objectives and criteria.
- While the duration of CBG support sought may be for 2 months, the advocacy training should not exceed 1 month.
- The skill development training expected to achieve:
 - ✓ Understanding fundamentals, concepts, types and tools of advocacy, coalition advocacy etc.
 - ✓ Adoption of best practices on management for strategic planning, membership development, effective communication, recruitment, organizational governance and the role of business associations towards environment and society.
 - ✓ Empowerment of associations so they can adopt systematic and scientific approach for advocacy.

IV.E. Eligible Costs

IV.E.1. Eligible Costs² [in Rupee]

The eligible costs must take into account the scenario during the course of action, except for travel, subsistence, indirect costs etc. associated with the due diligence exercise in the preparation of the budget. It is recommended that applicant should perform a due diligence exercise in the preparation of the budget to avoid any major changes in the agreement and also to avoid major deviation in the course of action. It is, therefore, in the interest of applicant's to provide a realistic and cost-effective budget focussed on:

- Necessary components for carrying out the action/activity,
- On the principles of sound financial management
- Value for money

PMD reserves the right to carry independent audits & may require beneficiaries to provide audited statements during or at the end of the project.

² The applicant must note the only "eligible costs" can be taken into account for calculating the amount for a grant.

Eligible Direct Cost

- General Instructions

- Be relevant , necessary and actually incurred by Applicant/(s);
- Be recorded in the Applicant's accounts or tax documents;
- Be identifiable and verifiable, and backed by originals of supporting documents;
- Be subject to the procedures or conditions, terms and condition in the offer document;
- Illustrative list (its not exhaustive, PMD discretion shall apply)
 - Cost of engaging Business development Services (BDS) in preparing or developing the proposal.
 - The costs for Technical staff, consultant and other BDS (service providers, hired technical resources, either national or international) assigned to the Action.
 - Relevant travel, halting and subsistence costs incurred by the staff and to comply with the prevailing market rates. Management / Technical staff of applicant assigned to action corresponding to normal remuneration paid.
 - The costs of conference, seminars, workshops and other facilities
 - Costs of research and dissemination of information, translation, printing, etc.
 - Cost of initial sensitisation training for the team undertaking advocacy action
 - Taxes such as service tax, if applicable, to be paid by the applicant

Eligible Indirect Costs - A sum of maximum of 10% of the direct eligible costs of the Action may be included in the budget towards administrative & management costs.

Contingencies- Max. 3% of direct cost

IV.E.2. The following costs are ineligible:

- Setting up of any infrastructure and purchase of fixed assets viz. land, buildings and equipment (cars, computers, office furniture, IT equipments etc.);
- Settling debts;
- Items already financed in another framework;
- Depreciation, Rent and electricity charges;
- Duplication of any similar work done in near past (say six months) and labour/ politically motivated/ persons targeted issues etc.
- Any other cost not associated with the approved proposal/methodology.

IV.F. Other Conditions

- The applicant shall be responsible for regular bi- monthly report towards progress registered, the emerging contours and the problems, if any.
- A presentation will have to be made to PMD, SIDBI / project stakeholders on the achievements after every two month or such time as decided by PMD, SIDBI.
- During periodical assessment, the execution of the assignment if found unsatisfactory, PMD, SIDBI shall have the right to terminate the assignment.
- All substantive reports should be copied to the General Manager, PMD, SIDBI.
- The agency shall assign a Project Coordinator to act as the main focal point to coordinate with PMD, SIDBI.

V. SELECTION PROCESS

V.A. Application

V.A.1. Preparation

Applications must be filled using the online Application Forms hosted on website along with guidelines (appended to this document). While sticking to the application format, the presentation of information should be simple, clear, and well articulated. Please keep in mind the following while preparing the application form:

- Follow the guidelines.
- Avoid contradiction in the statements, objectives and typographical errors.
- Keep all information ready during filling information online.

V.A.2. Submission

The applicant needs to submit proposal online in soft on the formats available on our website. It is not possible to edit the proposal once submitted.

Please refer IV B for steps involved in the process of selection

- A. Concept Note
- B. Detailed Proposal -Those who qualify during preliminary scrutiny would submit the detailed proposals.

The other documents that must be sent are:

- Copies of Constitution, Memorandum of Understanding, Byelaws etc. during submission of detailed proposal.

The Concept Note would be emailed at pmd_ndho@sidbi.in. While we encourage online submission, however, those who desire to send in hard copies may send it through registered mail or courier to the postal address indicated below:

Deputy General Manager, PMD, SIDBI, GF, Videocon Tower, E-1 Rani Jhansi Road, Jhandewalan Extension, New Delhi - 110 001

V.A.3. Last Date

The Call – 3 would remain live till March 31, 2011, 1700 Hrs. During this period eligible agencies may submit proposals towards ACF. Applications received after the deadline will not be entertained /processed/ invited for detailed proposals

V.B. Selection (Advocacy Action Grant)

V.B.1 Evaluation and selection of applications:

The following steps will then be taken, to process the applications received.

- Submission of Concept Note on Format 1A.
- Preliminary Assessment (PA)³ of Concept Note by PMD.
- Intimation to associations/organisations qualified or selected during PA & request to submit detailed proposal on Format 1B.
- Evaluation of the detailed proposals and decision by PMD Committee.
- Due Diligence⁴ by PMD for capacity/ eligibility evidence.
- Presentation/interaction with the preferred party need based adjustments if any required to complying with the objectives of the funds/grant.
- After successful interaction, notification for the award of grant.
- Signing of agreement with the association (within 30 days after the issue of sanction letter).

3. Preliminary Assessment of Application would be done by PMD on the basis of following:
 - Complete application (concept note)
 - Application broadly aligned to ACF objectives and eligibility criteria.
 - The Applicant's financial and operational capacity to undertake the action;

Note: Application not fulfilling any eligibility criteria or guidelines will be rejected this stage
4. During due diligence, an application may be rejected if information differ or contrary.

V B.2 Evaluation Process

- The Detailed application proposals will be evaluated by a committee based on:
 - A. Application being in prescribed format.
 - B. The scoring criteria (as appended below).

The committee reserves the right to further sub-divide these criteria. PMD has right to balance focus areas, topic areas, sectoral allocation of the fund if several applications are of comparable quality

Scoring Method for Selection

For awarding grant, following evaluation chart shall be used:

Evaluation Chart

Technical Criteria		Score
1. The Action: Relevance		25
1.1	Relevance of proposal to the a) fund objectives and b) addressing identified needs or constraints	10
1.2	Relevance of proposed Action to reach the desired situation	5
1.3	Relevance of the results and impacts to the MSMEs	5
1.4	Specific elements of Value Addition suggested/ planned	5
2. The Action: Technical quality & methodology		15
2.1	Methodology proposed to successfully achieve the proposed advocacy action- efficiency and coherence	5
2.2	Activities proposed are appropriate, practical, and consistent with the objectives of action and expected results	5
2.3	Feasible implementation plan/ objectivity/ staffing /time lines / deliverables	5
3. The Action Plan : Sustainability		10
3.1	Potential to have sustainable impact and replicability possibility	10
4. Other conditions		25
4.1	Sound knowledge of a) Indian MSME segment; b) growth prospects of MSMEs in the emerging global scenario; c) the best practices in the field and d) prior experience of executing advocacy action in the past	10
4.2	Ability to mobilize and commit a team with experience in MSMEs	5

4.3	Demonstrate capacity to effectively undertake the task, mitigate risks, nature and type of collaborations/networking.	5
4.4	Financial standing	5
5. The Action: Budget and cost-effectiveness		25
5.1	Eligibility and Basis of the costs	10
5.2	Capability to bring in contribution and experience of handling such amount /arrangement	10
5.3	Budget outlay commensurate with outputs envisaged i.e. offer Value for Money	05
Maximum total score		100

Note: Minimum qualifying score shall be 60.

V.B.3 Final Selection

The proposals qualifying with minimum scores shall be ranked and such proposals based on rankings as decided by the committee shall be declared as successful and considered for award. PMD reserves the right to call applicants for presentation, if required. *Any cost associated with this presentation will have to be borne by the applicants. SIDBI will not entertain any request for any cost to be supported.*

V.B.3 Rejection

Decision to reject the application or not to award the grant will be based on following grounds:

- The application was incomplete and/or did not comply with the stated conditions;
- The action was ineligible on account of action exceeds the maximum duration allowed, the requested contribution from the fund is higher than the maximum allowed, against government initiatives etc);
- The proposed action (or its activities) not relevant;
- The applicant's organization/institution/agency financial and operational capacity was not sufficient to accommodate the proposed action;
- The applicant organization/institution/agency was not eligible on account of being blacklisted;
- The application was received after the closing date.

Note: Decision of PMD to reject an application or not to award a grant shall be final and no appeals will be entertained in this regard.

V.B.4 Post Selection Conditions

- Following the decision to award a grant, the applicant will have to sign an agreement/ grant contract based on the MSMEFDP standard format which shall lay down the terms of monitoring and reporting.
- The grant would be disbursed as per agreed deliverables/ milestones. The first disbursement of 10% of the grant will be on

submission and approval of methodology. The subsequent disbursements would depend on the satisfactory completion and submission of deliverables/reports as per agreed milestones in schedule of payments; these disbursements will not be greater than 70% of the total project outlay.

- › Balance 30% will be disbursed on submission of the final reports and acceptance by PMD.

V.C. Selection (Capacity Building Grant)

The Capacity Building Grant is entirely for those who would have successfully implemented any action oriented initiative under ACF. Though no specific evaluation process has been adopted for capacity Building Grant, the selection of the organization is entirely based on need and performance (of ACF) assessment and such criteria as committee may decide. .

VI. OTHER

- › PMD reserves the right to cancel any or all the proposals without assigning any reason.
- › PMD reserves the right to terminate the agreement if the deliverables were continuously below acceptable quality.
- › PMD reserves the right to modify the terms and conditions of the assignment, if considered necessary.
- › Costs to be borne by applicant organization/institution - All costs and expenses incurred by applicant organization/institution in any way associated with attendance at meetings, discussions, etc. and providing any additional information required by PMD, will be borne entirely and exclusively by the applicant organization/institution .
- › Applicant organization/institution obligation to inform itself - The applicant organization/institution must conduct its own investigation and analysis regarding any information contained in this document and the meaning and impact of that information.
- › Evaluation of Proposals - Each applicant organization/institution acknowledges and accepts that PMD may in its absolute discretion apply selection criteria specified in the document for evaluation of proposals for short listing / selecting the eligible institution with such weight assignment as decided internally. The above document will not form part of any agreement or arrangement, which may result from the issue of this document or any investigation or review, carried out by a Recipient.
- › Errors and Omissions - Each recipient should notify PMD, of any error, omission, or discrepancy found in this document, if any, before the offer closing date.
- › Acceptance of Terms - A applicant organization/institution will, by responding to PMD, for ACF, be deemed to have accepted the terms and conditions mentioned in this document.
- › Each applicant organization/institution shall submit only one proposal. An applicant organization/institution that submits or participates in more than one proposal may be disqualified.

- Proposal Validity Period - The proposal must remain valid and open for evaluation according to their terms for a period of at least six (6) months from the time the document closes on the deadline for lodgement of Proposal. In exceptional circumstances, PMD may solicit the applicant organization/institution's consent to an extension of the period of validity. The request and responses thereto shall be made in writing or e-mail. A respondent granting the request will not be permitted to modify his/her proposal except after negotiation, if required by PMD. Decision shall take approximately 6-8 weeks of receipt of application and any extension shall be informed to the applicant.
- Amendment of proposal document - At any time prior to the deadline of submission of proposal, PMD may amend proposal document by issuing addenda. Any addendum thus issued, shall be part of the proposal document and shall be communicated in writing to all applicant organizations/institutions of the proposal document. PMD may extend as necessary the deadline for submission of applicant organizations/institutions, reasonable time in which to take an addendum into account.
- Disqualification - Any form of canvassing/lobbying/influence/query regarding short listing, status, etc will be a disqualification.
- Legal Conditions:
- Notification: PMD, will notify shortlisted applicant organizations/institutions only in writing
- Applicable Law/Jurisdiction: jurisdiction of any dispute arising from and related to this shall be in New Delhi, India.

VI.A. GLOSSARY

Outputs – These are the specifically deliverable results expected from the project to attain the purpose. Measures to verify the achievement of the outputs has to be in terms of the quality, quantity and time for example programme started and systems in place.

Purpose – The immediate impact on the project area or target group, i.e. the change or benefit to be achieved by the project.

Goal – The problem, the project suggests will help to resolve.

Value for Money – A good ratio of costs & results or costs & impacts over project lifecycle.

Open Offer Period – The period during which applicant may submit its proposal for AAG/CBG as per dates mentioned in call.

VI.B. CONFIDENTIALITY

- All the information contained in this document is confidential and is not to be reproduced, transmitted, or made available by the applicant organization/institution to any other party. You are required to limit dissemination on a need-to-know basis. PMD, SIDBI may update or revise the offer document or any part of it. The applicant organizations/institutions acknowledges that any such revised or amended document is received subject to the same terms and conditions as this original and subject to the same confidentiality undertaking.

- SIDBI will not be liable and will hold the consultant / Vendor responsible for any misuse of this document.

VII. Summary of Important Information

VII. A. Important Information

1.	Project Name	Challenge Fund for Advocacy in MSME Sector in India
2.	Name of the Office	Project Management Division [PMD], Small Industries Development Bank of India
3.	Address for submitting bids & other correspondence	Deputy General Manager Small Industries Development Bank of India, Project Management Division, Ground Floor, Videocon Tower, E-1, Rani Jhansi Road, Jhandewalan Extension, New Delhi - 110001 Telephones: 011- 23682473-77 Fax : 011- 23682461/64
4.	Nominated contact persons mail-ids	pmd_ndho@sidbi.in

VII.B. Calendar

VII.B.1 <u>Call</u>	
Release of Calls	August 13, 2010
Submission of Concept Note (Format IA)	During call open period i.e August 13,2010 till March 31,2011
Submission of detailed proposal (Format IB & IC)	Those who will qualify during the preliminary information will be informed to submit the detailed proposal.
Evaluation, selection and award of grant	

VII.B.2 <u>Post Award</u>	
Issue of Sanction Letter	Within 10 days after award of grant
Signing of Agreement	Within 30 days after issue of sanction letter

Annexure I (Format I A)

FORMAT OF CONCEPT NOTE (Advocacy Action Grant)

Section A: General Details		
A.1	Name of the Entity	
A.2	<input type="checkbox"/> Type (industry association, NGO Development organisations, Institutional (preferably Public) BDS and Development agencies who have documented experience in advocacy issues of MSMEs). <input type="checkbox"/> Constitution (legal status), Year in existence and MSME membership (Nos.). <input type="checkbox"/> Experience (in years) on documenting/Advocacy on MSMEs issues [for others].	
A.3	Confirmation that the entity is not categorised as an ineligible organisation by any entity.	
A.4	Experience in Advocacy for MSMEs - Areas, No. of activities and Years. (Max. Limit 400 words)	
A.5	Proposed Advocacy Action plan - Areas (subject) to be addressed.	
A.6	Establish compliance to ACF objectives. (Max. Limit 300 words)	
A.7	Indicate experience in the chosen area. (Max. Limit 400 words)	
A.8	Status at present. (Max. Limit 500 words)	
A.9	Strategy to address. (Max. Limit 500 words)	
A.10	End of the project scene contemplated. (Max. Limit 400 words)	
A.11	Outlay on Action Plan (Rs. lakh) excluding Capital expenses [Rs.]	
A.12	Fund Support required (Budget in Rs, not exceeding 90%)	
A.13	Readiness to bring own funds (cash / kind) of minimum 10% [Amount in Rs.]	
Section B :Contact Details		
B.1	Authorised Person	
B.2	Address	
B.3	Telephone no.	
B.4	Mobile No.	
B.5	Fax	
B.6	E-mail address	

Annexure I (Format I B)

DETAILED APPLICATION FORM FOR ADVOCACY ACTION FUND WITH GUIDELINES

While filling up, please carefully go through the guidelines in-built in the application.

A. 1	Name	
A. 2	Type (Those having documented experience in advocacy issues of MSMEs). [Give detail in brief]	<input type="checkbox"/> Industry/Business Association <input type="checkbox"/> NGO <input type="checkbox"/> Development organisations Institutional (preferably Public) BDS & Development agencies <input type="checkbox"/> Any other (Pls. Specify)
A. 3	Registration No. / Incorporation date/Year in Existence	
A. 4	Date of commencement of operation	
A. 5	Address for correspondence with contact person / telephone no. / Email /Web address	

A. ORGANIZATION

This part of application structured to bring out information's as :

- ▣ Objectives of the applicant entity.
- ▣ Brief of MSME members - active numbers and % of overall membership, etc.
- ▣ List the main activities of the applicant.
- ▣ Financial capacity to implement the action.

B.1	Status	<input type="checkbox"/> Local <input type="checkbox"/> Regional <input type="checkbox"/> National
B.2	<input type="checkbox"/> MSME Memberships Details [for Industry Association, NGO etc.] <input type="checkbox"/> Experience (in years) on documenting/Advocacy on MSMEs issues [for others].	
B.3	Details of Executive / Committee Managing Board	
	a. Name	
	b. Profession	
	c. Position	
	d. Brief profile	
B.4	Constitution	
B.5	Objectives/goals of the association/organisation; reasons for which the association was formed.	

	(Max. Limit 300 words)	
B.6	Activities conducted during past three years benefiting MSMEs. (Max. Limit 500 words)	
B.7	Financial support from donors if any (For B.6. mentions S. No., Name of Donors, Purpose, Amount)	
B.8	Achievements – Output/outcomes. (Max. Limit 500 words)	
B.9	Details of advocacy activities undertaken in the past for MSMEs. (Max. Limit 500 words)	
B.10	Experience in handling of the issues targeted in the proposal.	
B.11	Confirm that applicant has not been engaged in any fraudulent activity.	
B.12	Financial capacity	

B. PROPOSAL

C1. PROPOSAL BRIEF

This section is vital for the success of the application. The applicant is expected to state the goal and objectives of the action, confirm that it falls within the objectives of ACF and also provide a detailed description of each of the activities of the advocacy action.

C1.1	Topic chosen for Advocacy Action [The title of the action: Be concise and straight to the point] – (Max. Limit 20 words)	
C1.2	Rationale/reason for choosing the same [The ACF needs to understand why this issue is important, how it was identified and clearly and unambiguously state the reasons for deciding to address this particular problem, barrier or bottlenecks, if any] – (Max. Limit 500 words).	
C1.3	Project Duration [Months]	
C1.4	Problems/Constraints to be addressed through the proposed Advocacy Action. (Max. Limit 500 words)	
C1.5	Current Scenario, legal framework if any [India/World Best Practices].(Max. Limit 400 words)	
C1.6	<ul style="list-style-type: none"> □ Goals and objectives of the proposed advocacy action – Policy changes project intends to achieve □ How does it fit with ACF objectives? (Max. Limit 500 words) 	
C1.7	Description of the proposed activities under the assignment. (Max. Limit 500 words)	
C1.8	Action Plan with Timelines [Indicate No. of months and not dates]. (Max. Limit 500 words - Tabulated form)	
C1.9	Explain your Proposed Action/Impact in terms of the Matrix. [Proposed Activities – Target Group – Output – Impact]. (Max. Limit 600 words - Tabulated form)	
C1.10	Explain and Specify: <ul style="list-style-type: none"> □ Direct Beneficiary [Absolute and specific in 	

	<p>terms of numbers and broadness respectively, e.g. 100 MSMEs rather than 2 sectors]</p> <p><input type="checkbox"/> Indirect Beneficiary</p> <p>Any consultation has been taken with the target group in designing the project? If so, explain? (Max. Limit 200 words)</p>	
C1.11	What feature of the proposed project is innovative and which may be able to generate new learning and could be applicable. (Max. Limit 400 words)	
C1.12	What lessons have you drawn [from your own and others past experience] underlying the project. (Max. Limit 400 words)	
C2 – CATEGORIZATION		
This part refers to the area where the action is originating and where the action will produce direct benefits and should be so stated.		
C2.1	Project Core Area [Please tick-you can tick more than one]	<input type="checkbox"/> Competitiveness and Growth <input type="checkbox"/> Income and Employment Generation <input type="checkbox"/> Employment Generation <input type="checkbox"/> Technology Penetration/ Energy Efficiency <input type="checkbox"/> Quality Up gradation/ CDM Enterprise Development <input type="checkbox"/> Any other [Pls. mention]
C2.2	Target Group [Please tick the main target group(s)]	<input type="checkbox"/> Micro Enterprise <input type="checkbox"/> Small Enterprise <input type="checkbox"/> Medium Enterprise <input type="checkbox"/> MSMEs as a whole <input type="checkbox"/> Sector [Pls. mention viz. food, textile etc.]
C2.3	Which of the following ACF objectives your proposal is targeted to?	<input type="checkbox"/> Sectoral engagement of representative organisations in policy formulation. <input type="checkbox"/> Active participation of private sector in policy advocacy.
C 3 – PROJECT DESIGN		
C3.1	Approach and Effectiveness of the Project What activities intended for Targeted Problems. Why you consider this as the most effective way? 400 words	
C3.2	How do you think your proposal offers Good Value for Money? (Max. Limit 250 words)	
C3.3	Involvement of MSMEs in implementation (Max. Limit 200 words)	
C3.4	<p>1. Have you outsourced for development and preparation of application, formation of proposal</p> <p>2. Intend to avail BDS services for implementation support.</p> <p><i>Pls. provide name(s), contact telephone numbers and the e-mail addresses of BDS. (Max. Limit 400 words)</i></p>	
	<p><i>MSMEFDP is simultaneously engaged in Market Development of BDS in select clusters. After successful pilot phase in three clusters Kanpur (Leather, website: Kanpur BDS.org), Alleppey (Coir, website AllapuzhaBDS.org) and Pune (Fruit and Vegetable processing, Pune BDS.org), the programme has since been extended in fifteen more clusters (Pl see website 'www.msme FDP.net'). Efforts have been initiated to develop a cadre of sustainable BDS in these clusters. The Fund encourages applicants to utilise the services of BDS of their choice to help development and preparation of the application and/or implementation of the action. However ACF doesn't make the use of BDS mandatory. If the applicant has the capacity to prepare its own application, they are encouraged to do so. If applicants decide to use BDS, their cost can be covered by the budget of the Action</i></p>	
C3.5	Sustainability of the project (once funding get over). (Max. Limit 500 words)	
C 4 – PROJECT MANAGEMENT AND IMPLEMENTATION		
In this section, the applicant should try to match the relevance of the action with the ability of the association in terms of material and human resources to undertake the action.		

C4.1	Project Team [include external consultant] – Type[Full/Part Time], Skills, Background, Whether new or already in place etc.			
C4.2	Role and Responsibilities [of team or if more than one partner]			
C4.3	Requirement of any resource material/ inputs required – Justification Pl. note acquisition of assets not allowed			
C4.4	Expected Impacts	Beneficiary		
C4.5	Cross-cutting issues if any [The action may impact on other issues that are not directly targeted by the action but may be addressed indirectly] -(Max. Limit 100 words)			
C5. METHODOLOGY				
Here, you are to describe the action in a convincing manner. How you plan to implement your activities and related sub-activities (where applicable). The methods and tools to be used to convince the targets of your action should be carefully selected.				
C5.1	Mention briefly about the methodology you would adopt to implement or render the activities proposed. (Max. Limit 400 words)			
C5.2	How the learning of the project will be disseminated? - Sharing with the targeted group. (Max. Limit 200 words)			
C6. MONITORING AND EVALUATION				
Proposal should have “objectively Verifiable Indicators”. For each of the indicators used, you should define/list the value before the start of the action, during implementation of the action, and the intended value of the indicator at the end of the action. - Also mention about your internal monitoring and reporting. - Also Indicate how the impact of the action will improve the technical Advocacy capacities of your association members.				
C6.1	How would you monitor the performance of the project? (Max. Limit 400 words)			
C6.2	How will you demonstrate progress and how will you assess impact? (Max. Limit 500 words)			
C6.3	Results			
	Expected Results	Objectively Verifiable Indicators	Current Stage Value	Target Value (expected value after the action is completed)
C7. PROJECT RISK AND MITIGATION				
C7.1	Risks to the success of the project: Type and Scale [High/Low and controllable/non-controllable].(500 words)			
C7.2	Risk Mitigation Plans (Max. Limit 250 words)			
C8. SWOT ANALYSIS				
C8.1	<u>Strengths</u> Your institutional strength/ability to take up the action. (Max. Limit 200 words - Bullet Points).			
C8.2	<u>Weaknesses</u> Your organizational weakness if any [Financial/Management Capacity/Infrastructural]. (Max. Limit 200 words).			

C8.3	<u>Opportunities</u> a) In terms of objectives/expected benefits b) Scaling up/ replicability possibilities (Max. Limit 200 words).	
C8.4	<u>Threats</u> Problems/challenges (Max. Limit 200 words).	
C.9 EXPECTED BUDGET		
This part deals with the budget. Only "eligible costs" can be taken into account for calculating the amount for a grant. The budget is therefore both a cost estimate and a ceiling for "eligible costs". Note that the eligible costs must be based on real costs, not lump sums, except for travel, subsistence and indirect costs. Pl. give expenses in two headings: 1.Expenditure towards programme 2.Expenditure towards administration of the programme, which will include travel, salaries etc. Please enclose assumption / rationale in brief.		
C9.1	Total Expenditure	
C9.2	Direct Costs (estimated breakup)	
C9.3	Indirect Costs (Breakup) [Max 10% of the Direct Eligible Cost]	
C9.4	Administrative and Management Expenses	
C9.5	Other Expenses Contingencies' [Max 3% of the Direct Cost]	
C10. FUNDING DETAILS [Attach backup papers]		
C10.1	Source of your contribution (min 10% of total expenses in cash or kind)	
C10.2	Have you approached other donors for funding? Please give particulars.	

C. ENDORSEMENT BY THE KEY FUNCTIONARIES

Since the action will draw on applicants responsibilities and resources (human, financial), it is mandatory that the application be endorsed by the top Management Viz. Top executives (operational head of the wing), Board Members, Executive Committee depending upon the constitution.

Signature of authorised person

D. CHECK LIST – Documents Enclosed

- | | |
|--|--------------------------|
| E1. Audited Annual Report [Last Two Years] | <input type="checkbox"/> |
| E2. MAOA/ By laws | <input type="checkbox"/> |
| E3. Application form | <input type="checkbox"/> |
| E4. Action Plan | <input type="checkbox"/> |
| E5. Research Papers | <input type="checkbox"/> |
| E6. Budget | <input type="checkbox"/> |

Annexure II (Format II A)

FORMAT OF CONCEPT NOTE (Capacity Building Grant)

Section A: General Details		
A.1	Name of the Entity	
A.2	Type (Type (industry association, NGO Development organisations, Institutional (preferably Public) BDS and Development agencies who have documented experience in advocacy issues of MSMEs), Constitution (legal status), Year in existence and MSME membership (Nos.))	
A.3	Confirmation that the entity is not categorised as an ineligible organisation by any entity	
A.4	Experience in Advocacy for MSMEs - Areas, No. of activities, Years. (Max. Limit 400 words)	
A.5	Establish compliance to ACF objectives (Max. Limit 300 words)	
A.6	Advocacy Action Implemented under ACF (400 words)	
A.7	Status at present [Max. Limit 500 words)	
A.8	Skill Development Needs	
A.9	Skill Development – Type of Training Required	
A.10	How Skill Development will help to address future initiatives/Up-scaling	
A.11	Outlay (Rs. Lakh) excluding Capital expenses [Rs.]	
A.12	Fund Support required (Budget in Rs, not exceeding 90%)	
A.13	Readiness to bring own funds (cash / kind) of minimum 10% [Amount in Rs.]	
Section B :Contact Details		
B.1	Authorised Person	
B.2	Address	
B.3	Telephone no.	
B.4	Mobile No.	
B.5	Fax	
B.6	E-mail address	

Annexure II (Format II B)

APPLICATION FORM FOR CAPACITY BUILDING [TRAINING] GRANT

Please ensure that you read the guidelines before filling out the application form. Use A4 page/5Pages

A. Application Data Sheet

1.	Name	
2.	Type (industry association, NGO Development organisations, Institutional (preferably Public) BDS and Development agencies who have documented experience in advocacy issues of MSMEs) [Give detail in brief and also include]	
3.	Registration No.	
4.	Objectives/goals of the applicant; reasons for which the association was formed. [Attach separate sheet if required]	
5.	Major Achievements	
6.	Memberships Details	
7.	Topic of Training	
8.	Training Details	
9.	Proposed Budget for Training	Head Timeframe (moths) Outlay

B. Assessment Data Sheet

1.	List the types of assistance and services the applicant offers to its members.	
2.	Is their any support form the Government and other agency for point 1 above? Yes/No If yes please briefly explain the same.	
3.	List out the most important problems challenges of the applicant	
4.	The model adopted for the revenue generation.	
5.	Training program conducted for capacity building in the past	
6.	Any Advocacy program undertaken in the past and brief achievements.	
7.	Support if any received for any advocacy action in the past.	
8.	State the qualification of the executives, specific role played/ to	

	be played by them for the applicant in the advocacy action.	
9.	State how the training would help to build the applicant's capacity in Policy Advocacy and enable the applicant own and manage proposed advocacy for which application given on sustainable basis.	

C. Training Impact

1.	State if all the executives and selected members or the whole membership of the association will participate in the training. Whether any outsider would be the part of the training. If the participants would be on selection basis then what would be the basis for the same. Also quantify beneficiaries	
2.	Expected outcomes (indicators)	

E. Training Cost/Investment – Impact Analysis

1.	Training cost	
	Training Venue	
	Training Material	
	Fee for Trainers /Faculty /Consultant /Resource Person's	
	Transportation Charges } Boarding and lodging }	To be borne by beneficiary
	Training material [including stationary]	
Note: Provide the basis for the charges of the Trainers /Faculty /Consultant /Resource Person's and Training Provider. Please explain the criteria for the selection of Trainers /Faculty and also there is any task of cost comparison done for the same in brief.		

F. Check List

- F1. Month wise roadmap for training
- F2. Deliverables
- F3. Budget

Who can apply to the Challenge Fund for Advocacy in MSME Sector [ACF]?

- The challenge fund is open to National/Regional/Local level Industry Association, NGO, Development Organisations, Institutional (preferably Public) BDS and Development agencies who have documented experience in advocacy issues of MSMEs). Those who are actively involved in advocating MSME issues with Gol or on other policy platform are encouraged to apply.
- Have an established and effective network among various agencies, organizations, MSMEs etc.
- Have the capability to manage the proposed project.

What shall the ACF for Indian MSMEs do?

- The ACF would address the Policy gaps that exist within the system. The fund is intended to play catalytic role & support advocacy actions pertaining to MSME Sector in India, which have the best potential to make positive impact on the sector.
- Strengthen associations to enable advocacy action in areas of concerns and also potential/emergent areas of importance for MSMEs
- To broaden public understanding of the role of business and private sector in policy advocacy. Enable Private effectiveness to showcase solutions to important problems.
- Enhance the engagement of the private sector in public policy formulation and implementation at national, regional and local levels.

What may not be funded under ACF for Indian MSMEs ?

- Duplication of any activity, research, project etc. on same area conducted in the near past (say six months) by applicant or any other organization.
- Politically motivated issues (including those targeted at individuals), labour issues, etc.
- Capital Expenditure – Land, Building, Vehicle, Office Equipments, IT Infrastructure (except very necessary) etc.
- Depreciation
- Standalone Research – If part of the activity under the project then shall be considered.
- Administrative and other costs which are not directly related to the project.
- Pre-selection Costs – Communication, Travel Expenses, Printing etc. except on preparation of proposal by BDS.
- Rent, electricity, settling debts, items etc. financed elsewhere
- This list is not exhaustive

What issues Project is expected to address?

- All applicants expected to address Policy Issues pertaining to MSMEs in India and may include:
 - Adoption of Global Best Practices
 - To influence another body/organization within the sector to remove barriers and bottlenecks that hinder their development
 - Monitoring, Evaluation and Lesson Learning

What would be accorded preference?

- Strategic plan coupled with action i.e. showcase solutions to a problem through demonstration

- Tried/efforts already undertaken need to be scaled-up
- Offer value for money
- High impact / replicability potential
- Depict leveraging possibility

How much funding can ACF provide?

Category I Advocacy Action

The total outlay up to a maximum of Rs 12 Lakh

Category II Capacity Building Grant (Available for those who have successfully completed an initiative under Challenge Fund for Advocacy in MSME Sector”

The total up to a maximum of Rs. 3 Lakh

How do we apply?

- Download Application
- Send filled application form as attachment in mail to pmd_ndho@sidbi.in

Advocacy Action Grant

Annexure I (Format I A) - Concept Note

Annexure I (Format I B) - Detailed Application Form

Capacity Building Grant

Annexure II A (Format II A) – Concept Note

Annexure II A (Format II B) - Detailed Application Form

The Detailed Application Form to be accompanied with:

- A copy of constitution / By Laws
- Audited annual account statement (last two years)
- Action Plan along with budget outlay with assumption

If these are not available in soft, please arrange to send the copies to the postal address along with covering letter having following details:

1. Title of proposal submitted
2. Date of submission of proposal
3. List of Enclosures

What for application form? Format of Application Form

- The application forms intend to provide the desired information for us to decide whether or not a project or organization is eligible for consideration.
- When submitting an application form, you must use the format provided in Annexure I and II.
- Don't give unnecessary details and any other documents unless specifically asked to do so.
- Pages/ words should be as per guidelines.
- Take a due diligence in respect of Evaluation Chart while structuring application form.

How does PMD decide which project to fund?

- Following criteria used to assess:
 - Fit with ACF mandate
 - Evaluation criteria mentioned with emphasis on:
 1. Relevance
 2. Concept and Approach
 3. Elements of value addition
 4. Project Management, Monitoring and Evaluation
 5. Value for Money
 6. Capability for managing funds as per budget outlay

7. Sustainability/replicability prospects

Reporting requirements

- Bi- Monthly progress report
- Need based external evaluation at the end of the project
- Report on agreed objectives

How would funds be released?

- Reimbursement basis in instalments against deliverables/price schedule.
- If the fund is not utilized within the project time, the same may be withdrawn. Any unspent amount will not be carried forward.

Whether fund may be claimed in advance?

- No

How MSMEFDP support is to be acknowledged?

- Acknowledgement of MSMEFDP in all public or media communication pertaining to the ACF project.

What is the Maximum period of funding?

- Six months

What does innovation mean?

- It is emphasised that new ways of addressing problem be evolved or adopted, for instance:
 - New delivery mechanisms
 - Access to goods/services
 - New modules/ approaches to access market, appropriate technology etc.

What are Objectively Verifiable Indicators (OVIs)?

Under any project, one must be able to verify whether objectives would be attained or reached and to what extent. Objectively Verifiable Indicators show the important characteristics of the objectives and the performance standard expected to be reached in terms of quality (a variable indicating what will change or be delivered) quantity, (viz. how much of the quality will be changed or delivered) , time frame (viz. when will the change be realized) etc.

Whom to apply

Deputy General Manager
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