

SVEP- The Kerala model

Introduction

The Start-up Village Entrepreneurship Program (SVEP) is the sub-scheme under the National Rural Livelihoods Mission initiated by the Ministry of Rural Development with the objective of encouraging entrepreneurship initiatives among the rural youth in the country. In a country like India, where more than 90% of the population is dependent on the unorganized sector as a means for livelihood, it is important to create an ecosystem where entrepreneurs are equipped with adequate business skills, get incubation support and are provided with necessary financial assistance. It is with this mandate; SVEP intends to support 1.82 lakh village enterprises, in 125 blocks across 24 states in a span of four years from 2015 to 2019. The program will benefit households and communities beyond financial gains by helping the rural population, especially the most marginalized, SC, ST and women to gain a sense of dignity and self-reliance.

In the year 2016, Kudumbashree NRO was entrusted with the task in implementing SVEP in Kerala along with three other states. In the first phase Parakkode block in Pathanamthitta and Vaduvakode block in Ernakulam district were chosen to implement the program. In the year 2017, Kerala became the first state in the country to implement SVEP in all its fourteen districts. It is to be noted that the MEC model implemented by Kudumbashree in Kerala and in partner states was among the models that went into the design of SVEP. Kudumbashree NRO played a crucial role in the development of the concept of SVEP.

The Kerala model

In Kerala, SVEP is implemented by Kudumbashree NRO with support from the respective District Missions. The guidelines issued by NRLM for implementing SVEP were customized considering the context of Kudumbashree activities in Kerala and was approved in September, 2017. The following are the major components under SVEP

- i) ***Community Resource Person for Enterprise Promotion (CRP-EP)*** – CRP-EPs are one of the main stakeholders in the program who will be responsible for providing technical assistance to entrepreneurs in the block. They are selected from the SHG network and are trained in business management, monitoring and support using ICT and audio visual aids. The CRP-EP is conceptualised similar to the Micro Enterprise Consultants (MEC's) who have been trained and deployed by Kudumbashree. In Kerala, as part of implementation of the program, the nomenclature of MEC is still used in place of CRP-EP.
- ii) ***Block Resource Centre for Enterprise Promotion (BRC)*** – The Block Resource Centre (BRC) will be set up at the block level and is expected to be a support system for all enterprise-related activities in the block using CRP-EPs (MECs). The centre will be a place where regular meetings, training programs and all planning for activities related to smooth implementation of the project activities will be carried out.
- iii) ***Block Nodal Society for Enterprise Promotion (BNS-EP)*** – The BNS-EP is a body constituted by SRLM comprising of representatives from all CDSs in the block. It will be responsible for monitoring and functioning of the BRC. The BNS-EP will be a registered entity responsible for undertaking all financial transactions related to functioning of

BRC. The nodal society will own BRC, whereas the MEC group working in the block will be assigned the responsibility of operating the BRC.

- iv) **Community Enterprise Fund (CEF)** – The Community Enterprise Fund (CEF) is a dedicated fund, on the lines of the Community Investment Fund provided under NRLM, for the pilot block under SVEP to give out loans to the entrepreneurs. It will help to enhance credit-worthiness of the village entrepreneurs and also showcase the ability of the community institution led enterprise capital provisions to demonstrate disciplined credit behaviour. This will also help to enhance bank's confidence in the unorganised sector. Under the project, a loan of up to Rs. 1 lakh can be provided for an enterprise from the CEF, but it is recommended that loans above Rs. 50,000 be first routed through banks.

SVEP will be implemented in all the fourteen blocks of Kerala in different stages which has been explained below

Stage	Month	Activities
1	Month 1-6	Selection and Capacity Building of MEC Groups
1	Month 1	Formation of Block Nodal Society for Enterprise Promotion (BNS-EP)
1	Month 2	Orientation of the member of the BNS-EP on SVEP and its objectives
1	Month 3	Issue / amend guidelines for operations of the Community Enterprise Fund (CEF)
1	Month 3	Constitute State Level SVEP Committee. The committee is proposed to explore opportunities for convergence with existing government

Stage	Month	Activities
		departments and schemes. It will be headed by the Executive Director, Kudumbashree.
1	Month 4	Opening of bank account of the BNS-EP so that funds can be transferred
1	Month 4	Setting up physical infrastructure for the BRC
1	Month 5	Transfer of CEF funds to a separate bank account of BNS-EP for SVEP
1	Month 5	Ensuring availability of necessary hardware with the BRC to manage the VE-IT App. The Village Enterprise – IT Application (VE-IT) is a tool used to monitor the performance of enterprises so formed under the project. The data collected by the use of this app will assist various stakeholders such as MEC, BRC, District Missions, Kudumbashree-NRO and the NRLM-NMMU in carrying out SVEP related activities.
2	Month 7	Establishing accounting system for the operations of the CEF
2	Month 7	Orientation on the VE-IT App to Block Project Managers (SVEP) and staff members responsible for livelihood activities at the District Mission and State Mission
2	Month 7	Ensuring language compatibility and pre-testing of software before floating the VE-IT App
2	Month 7	Training of the MEC on the VE-IT App
2	Month 7	Formation of MEC Group to take up BRC operations

Stage	Month	Activities
2	Month 7	Empanelment of MEC Group to operate the BRC
2	Month 7	Formal agreement between BNS-EP and MEC Group for operations of the BRC
2	Month 7	Disbursement of first loan from CEF for the Block under SVEP
2	Month 7	Orientation of entrepreneurs on use of data recording (paper or mobile-based) for PTS
2	Month 10	Certification of MECs
3	Month 11 onwards	Regular functioning of the BRC
3	Month 11 onwards	On-going use of VE-IT App
3	Month 11	Constitute Enterprise Benchmark Setting Committee. The committee will comprise of members from the District Missions and other expert practitioners of the trade and industry. The committee shall be responsible for validating the business performance benchmarks for enterprises.
3	Month 11	Synchronisation of the data collected through VE-IT app with the MIS of SRLM

It is estimated that at the end of the project, an approximate number of 400 CRP-EPs shall be trained who will provide support to more than 33000 enterprises across fourteen blocks in the state.