



JEEVIKA

An Initiative of Government of Bihar for Poverty Alleviation

**Bihar Rural Livelihoods Promotion Society
State Rural Livelihoods Mission, Bihar**



बिहार सरकार

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Office Order

Policy for Micro Enterprise Development through support of MEC

BRLPS-Jeevika has partnered with Kudumbashree - National Resource Organization to develop a community-based support mechanism for promotion of micro enterprises in the form of Micro-Enterprise Consultants (MECs). The MECs have been trained and equipped with business related knowledge to promote and support micro-enterprises of the poor in the field. They have been divided into groups based on their competencies. Each group has been allotted a 'zone' (cluster of blocks) as their geographical area of work. Within the zone, one block would be assigned to focus their enterprise support activities, at any given point in time.

The MEC groups are independent units, functioning as technical agencies of Jeevika and the community organizations, and are responsible for their own revenue and profits. This policy for enabling smooth functioning of the micro enterprise development system of Jeevika, with support of the MEC groups, details the way in the MEC group needs to function, the relationship it would share with the Jeevika and its functionaries, the services the group offer and associated costs, the monitoring of the MEC group work and conflict resolution mechanisms.

1. Functioning of the MEC Group

Each MEC Group shall function on the basis of the following two documents.

- Partnership deed (*sample partnership deed will be provided*) – to register MEC groups as partnership firms. This can be modified by each MEC group accordingly
- Bye-law for MEC group (*bye-law guideline will be provided*) – to detail out the internal work management and regular operations of the MEC group. This will be prepared by each MEC group based on the guideline provided

2. Services Provided by the MEC Group

The services provided by the MEC Group to Jeevika and the CBOs can be classified as follows.

- a. Mobilization of entrepreneurs
- b. Orientation and training of entrepreneurs
- c. Business viability and diagnosis study
- d. Business plan preparation and linkages for credit
- e. Handholding support to enterprises for first 6 months of enterprise support
- f. Ongoing handholding support to enterprises
- g. Other services to CBOs / SRLM

The roles and responsibilities of the MEC Group, and the service receiving agency for the various specific activities of the MEC Group are provided below:

3. Relationship of MEC Group with Different Stakeholders

3.1. Relationship with Jeevika

Affiliation

Every MEC Group will be affiliated to Jeevika. The affiliation will be done at the district level. The MEC Group should submit the Group Dossier to the DPCU for approval. The dossier will contain information about individual members of the group and their capabilities. The group must give the details of bank account to DPCU when applying for affiliation and all transaction must be done only through this account. In case of change of bank account, the details have to be updated with the DPCU within seven days of such a change coming into force

Division of Work Area

The work area of the MEC group (specific blocks or zones consisting of blocks) will be assigned by the DPCU. The MEC group would be headquartered in one block of the zone and would carry out all official matters from there. The BPIU of the headquarter block will be the main monitoring level for the MEC group.

Financial Assistance from Jeevika

Each member of the MEC group will contribute an initial sum for establishment and functioning of the group. If this amount is insufficient Jeevika may provide financial assistance. Such assistance may be in the form of support for meeting working capital needs of the MEC group and for furnishing their office space and procuring equipment such as computers, printers etc. SRLM may also make provision for interest free loan with six month repayment moratorium to enable the MEC Group to meet its expenses. The financial assistance will be provided by the DPCU.

Link to CBO

The DPCU and BPIU will facilitate the following activities to ensure proper linkage between the MEC Group and the CBO.

- Orienting MECs on necessary aspects related to functioning of CBO
- Formally acknowledging MECs as a part of its structure and introduce them to their community cadres and CBO
- Finalising the contract between the MEC group and CLF / VO

Link with Other Agencies / Organizations

The DPCU will support the MEC Group by introducing them to other agencies, departments and schemes in the area of ME development. The DPCU and BPIU will also support the MEC Groups to negotiate terms and conditions with other agencies for providing services.

The MEC group will have full autonomy in deciding terms and conditions of offering services to agencies/organizations other than Jeevika.



Other Assistance

The SRLM will provide necessary and need-based assistance to the MEC groups to ensure quality and profitable operations. This will include capacity building of MECs, providing necessary infrastructure, getting legal sanctions, other support for MEC group activities like market development etc. Such assistance will be provided on a case-to-case basis and considering the merits of the situation.

Audit of Accounts

The MEC Group will maintain its books of accounts in the manner prescribed for the legal entity that it is registered as. Audit of the accounts of the MEC Group will be done annually, by a qualified Chartered Accountant. The DPM, Jeevika shall have the right to call the books of accounts of the MEC group for examination, in the event of any dispute or complaints.

3.2. Relationship with CLF

The CLF, or in its absence an assigned VO, will be the key facilitator of the work of the MEC in the cluster. The MEC Group with responsibility of the block will be the technical support agency of the CLF for enterprise development.

Contract between CLF and MEC Group

The engagement of the MEC group by the CLF will be governed by a contract between the CLF and the MEC Group (*format for contract will be provided*). The contract will be signed for a period of two years, after which the contract may be extended based on mutual agreement between the CLF and the MEC Group. Working together of the CLF and the MEC Group will be done as follows.

- Assigning of MEC Group to the CLF, formally by the BPIU
- Signing of contract between CLF and MEC Group
- Preparation of 6-month plan of action by MEC Group in consultation with CLF and constituent VO. This action plan will form the basis for operationalising the Contract between the CLF and the MEC Group. The CLF Committee for Micro Enterprises will examine and approve the 6-month plan of action.
- Cost norms for services provided to the CLF will be as per norms detailed in the section on Cost Norms in this policy or as revised by Jeevika from time to time
- Regular reporting by the MEC Group to the CLF on progress of work as per the 6-month action plan
- Submission of monthly work report by MEC Group to the CLF for payment of fees for services rendered during the month
- Work plan will be submitted to the CLF committee for Micro Enterprises. The Committee will examine the work plan and the financial claim and on being satisfied will release payment to the bank account of the MEC Group.
- In case of any dispute about the progress or financial claim made, the matter will be referred to DPM for examination and further action will be taken based on the recommendation of the DPM.
- All engagements of the MEC Group with the CLF, VO or SHGs during their meetings must be reflected in the minutes of such meeting.

4. CLF Committee for Micro Enterprises

The CLF Committee for Micro Enterprises will consist of five members. 3 representatives of the CLF, and two representatives of Jeevika – the concerned Block Project Manager and the concerned District Manager (Non-Farm). In case of either of these positions being vacant, the District Programme Manager will depute two persons to be on the Committee.

The CLF Committee for Micro Enterprises will be responsible for verifying and approving the:

- 6-month plan of action by MEC Group
- Monthly work report and claim for fees

The CLF Committee for Micro Enterprises shall meet once a month to consider the submissions made by the MEC Group. Decisions taken by the Committee shall be recorded in the minutes book. The CLF shall release the payment to the MEC Group based on the decision of the Committee. The decision of the Committee shall be final. No further verification shall be necessary once the Committee approves the 6-month work plan and monthly work report.

The committee will monitor the work progress of the MEC group as per the work plan submitted by them. The committee will also ensure and examine whether the loan taken for ME start up is being utilised in that purpose or not.

5. Cost Norms for MEC Services

The payment for services provided by the MEC group will be made by the concerned CLF or entrepreneurs. Services for which CLF has to pay are:

- Mobilization and training of entrepreneurs
- Business viability and diagnosis study
- Business plan and linkages for credit
- Handholding support to enterprises for first 6 months of enterprise support

Services to be paid by entrepreneurs

- Ongoing handholding support to enterprises, such as support during enterprise operations (after 6 months of MEC support), complying with legal formalities etc.

The table below provides detailed cost norms for the various specific services provided by the MEC Group. The payment triggers/milestones (conditions to be fulfilled) for each type of payment is also listed.

5.1. Rates for Services Rendered by MEC Groups

A. Mobilization and Training of Entrepreneurs

#	Activity	Payment to be made	Measurable Output	Submissions to be made
A1	SHG-level orientation for identification of entrepreneurs	Rs.100 per SHG	Completion of ME Orientation at SHG level	Report of SHG level orientation (Report 1)
A2	General Orientation Training (GOT) for potential entrepreneurs	Rs.300 for one day training to batch of 50 persons	Completion of GOT as per prescribed module	Report of GOT (Report 2)
A3	Soft-skills training for potential entrepreneurs	Rs.800 for two day training to batch of 25 persons	Completion of soft-skills training for potential entrepreneurs as per prescribed training module	Report of Soft-skills training (Report 3)
A4	Business management training for potential entrepreneurs	Rs.800 for two day training to batch of 25 persons	Completion of business management training for entrepreneurs as per prescribed training module	Report of business management training (Report 4)
A7	Need-based performance improvement training to existing entrepreneurs	To be determined as part of the specific training plan		

B. Business Viability/ Diagnosis Study and preparation of business plans

#	Activity	Payment to be made	Measurable Output	Submissions to be made
B3	Preparation of business plan for enterprises	Rs.500 if total project cost less than Rs.20,000 4% of total project cost for enterprises with total project cost between Rs.20,001 and Rs.1,00,000 3% of total project cost for enterprises with total project cost exceeding Rs,1,00,001	Written business plan in the format necessary by CLF/Bank with all necessary information	50% of fees to be paid on submission Business plan document to CLF/Bank 50% of fees to be paid when loan is sanctioned

C. Handholding Support to Enterprises for First 6 Months of Enterprise Support

#	Activity	Payment to be made	Measurable Output	Submissions to be made
C.	Handholding Support to Enterprises for First 6 Months of Enterprise Support	Rs.1500 per enterprise, @Rs.250 per month	Timely updated Performance Tracking Reports of the enterprise supported	Details of enterprises visited and supported to be part of the Monthly Work Report

D. Ongoing Handholding Support to Enterprises

#	Activity	Payment to be made	Measurable Output	Submissions to be made
D1	Ongoing Handholding Support to Enterprises	Not exceeding Rs.200 per enterprise per month (To be decided mutually by CLF, MEC group and entrepreneur) and made by the CLF/entrepreneur as agreed upon	Timely updated Performance Tracking Reports of the enterprise supported	Copy of PTS reports submitted to the entrepreneur to be filed with CLF (with acknowledgement of entrepreneur)
D2	Performance tracking of the enterprise (after 6 months)			

6. Payment to the MEC Group

6.1. Payments by CLF

The budget of the CLF for payment to MEC Group for services provided will be prepared for a six-monthly period, along with the 6-month action plan. The MEC Group will, at the end of each month submit a report of the work done during the period, as against the deliverables as per the 6-month action plan. Along with this the MEC Group will also submit the monthly claim for payment of fees for services provided during the month. The CLF committee for ME will examine the report and the claim and if satisfied will release the payment to the bank account of the MEC Group. In case of any difficulties with the monthly claim, the CLF will seek clarification from the MEC Group and demand a revised claim. In case of any difference of opinion arising between the CLF and the MEC Group with respect to the claim and payment, the matter will be referred to the BPIU, and the decision of the BPM shall be final and binding. The BPM, before arriving at the decision will ensure that all facts and documents related to

the claim are thoroughly checked and verified.

Under normal circumstances, the CLF will ensure that the payment to the MEC Group is released within fifteen days of submission of the report and claim.

6.2. Payments by Jeevika

For services provided by the MEC Group to Jeevika, if any, the payment shall be made on submission of report and invoice by the MEC group. The payment will be made by the office that entrusted the work to the MEC Group.

6.3. Payments by Entrepreneurs

For services provided to the entrepreneurs directly by the MEC Group, payment will be made by the entrepreneur directly to the MEC Group. The MEC Group will issue receipt to the entrepreneur for all such payments.

7. Monitoring and Reporting

The work done by the MEC Group will be monitored at various levels. Primary responsibility of monitoring will be with the CLF.

CLF

- A committee will be formed at CLF level. The members in the committee will be 3 representative of CLF, Non farm Manager of the district and Block Project Manager of the concerned block.
- MEC group representative(s) should participate in the monthly CLF meeting and share the work report
- The CLF meeting should include MEC work as an agenda and the discussions should be recorded in the minutes
- The discussion should not only review the work done and / or the plan for the coming months, but should also include discussions on the problems and the prospective new opportunities concerning self-employment of SHG members and family.

BPIU

- The BPIU should diligently appraise the work done by the MEC groups on a regular basis. This will be responsibility of the block nodal person for ME activities.
- A quarterly block level meeting should be initiated where leaders of all CLF and MEC group are called to vet the work done and initiate follow-up activities required
- A few entrepreneurs can participate in the meeting to share their experiences and discuss new ME possibilities

District and State

- A consolidated activity report must be submitted to DPCU and SRLM once in every three months by the MEC group through BPIU
- This will be discussed in the half-yearly meeting conducted by the DPCU for planning related to upcoming programmes, MEC work in new schemes (if any), and to discuss problems and issues on field
- This will be attended by BPMs, representative(s) from the MEC group and CLF leaders

8. Conflict Resolution and Grievance Redressal

Conflicts in professional space are inevitable occurrences. However, it is in the MEC group's best interests that conflicts are resolved immediately. All members of the MEC Group must strive to uphold the highest standard of integrity in their work. In cases where the conflicts cannot be resolved internally, a conflict resolution mechanism will be put in place to resolve these.

In case of issues that cannot be resolved internally, a redressal committee will meet to study the issue and arrive at a mutually acceptable decision. In case the committee cannot arrive at a mutually acceptable decision, the final decision will rest with the DPM and in some cases with the SPM. A report of the

grievance and the redressal measures is to be submitted at the DPCU, signed by the concerned conflicting parties. The redressal mechanism will be as follows.

Party 1	Party 2	Redressal Committee	Final Authority
MEC	MEC	Representative(s) from MEC group, BPM	DPM
MEC	Entrepreneur	Representative(s) from MEC group , CLF office bearers	BPM
MEC	CLF	Representative(s) from MEC group, CLF Committee for Micro Enterprises	DPM
MEC	BPIU	Representative(s) from MEC group, BPM	DPM
MEC	DPCU	Representative(s) from MEC group, BPM, DPM	SPM


(Arvind Kumar Chaudhary)
Chief Executive Officer

Copy to :

1. Director/OSD/AO/CFO
2. All SPMs/PMs/SFMs/PS/
3. All DPMs/Manager – Jobs/Finance Manager
4. IT Section
5. Concerned file

2.1. Services Provided by MEC Groups and Roles

#	Specific Activities	Nature of Service Provided by MEC Group	Roles of the Concerned Agency	Roles of the MEC Group
A. Mobilization, Orientation and Training of Entrepreneurs				
A1	SHG-level orientation for identification of entrepreneurs	MEC attending meeting of SHG to provide information	<ul style="list-style-type: none"> • CLF / VO to inform the respective SHG about the meeting • CLF / VO to inform the MEC group about the time and place for the meeting • SHG to include the engagement with the MEC in the agenda and record it in the minutes • SHG representative should sign the report prepared by the MEC group on the day of the orientation itself. Any rectifications in the report should be made then 	<ul style="list-style-type: none"> • MEC group to ready the content for the orientation • MEC group to prepare a report and get it signed by the SHG representative(s) on the day of orientation itself. Any rectifications in the report should be made then • The MEC group should file the report to the concerned CLF / VO in their subsequent meeting, keeping a copy in their records
A2	Delivering general orientation programme to the entrepreneurs	MEC providing training to a batch of persons interested in entrepreneurship / existing entrepreneurs (SHG women or their family members)	<ul style="list-style-type: none"> • CLF / VO to request SHG to submit the list of SHG members (or one member from the family of the SHG woman) interested in pursuing further training for starting new enterprises or improving existing businesses • CLF / VO to compile list at the CLF / VO level and divide the members into batches of 50 • CLF / VO to arrange for the place of meeting and other logistics (with the help of BPIU) • CLF / VO to inform the members participants and MEC group about the date, time, and place of training 	<ul style="list-style-type: none"> • MEC group to ready the content for the orientation • MEC group to distribute forms to gauge the entrepreneurial interest of the participant • MEC group to prepare a report including the list of participants with entrepreneurial interest and file the report to the concerned CLF / VO in their subsequent meeting, keeping a copy in their records
A3	Delivering soft-skills training to the entrepreneurs	MEC providing training to a batch of potential entrepreneurs (SHG women or their family members)	<ul style="list-style-type: none"> • CLF / VO to compile a list of interested entrepreneurs at the CLF / VO level and divide the members into batches of 25 • CLF / VO to arrange for the place of meeting and other logistics (with the help of BPIU) • CLF / VO to inform the members participants and MEC group about the date, time, and place of training 	<ul style="list-style-type: none"> • MEC group to ready the content for the training • MEC group to prepare a report of the training and file the report to the concerned CLF / VO in their subsequent meeting, keeping a copy in their records



#	Specific Activities	Nature of Service Provided by MEC Group	Roles of the Concerned Agency	Roles of the MEC Group
A4	Delivering business management skills to the entrepreneurs	MEC providing training to a batch of potential / existing entrepreneurs (SHG women or their family members)	<ul style="list-style-type: none"> • CLF / VO to compile a list of interested entrepreneurs at the CLF / VO level and divide the members into batches of 25 • CLF / VO to arrange for the place of meeting and other logistics (with the help of BPIU) • CLF / VO to inform the members participants and MEC group about the date, time, and place of training 	<ul style="list-style-type: none"> • MEC group to ready the content for the training • MEC group to distribute business viability / diagnosis forms to gauge viability of the businesses to arrive at a list of potential entrepreneurs requiring domain skill training • MEC group to prepare a report of the training along with the list of entrepreneurs requiring domain skill training and file the report to the concerned CLF / VO in their subsequent meeting, keeping a copy in their records
A5	Delivering domain skills training to the entrepreneurs	MEC providing training to a batch of potential / existing entrepreneurs (SHG women or their family members)	<ul style="list-style-type: none"> • CLF / VO to vet and approve the list of potential entrepreneurs requiring domain skill training prepared by the MEC group • CLF / VO to approve the batch size and participant list prepared by the MEC group • CLF / VO to arrange for the place of meeting and other logistics (with the help of BPIU) • CLF / VO to inform the members participants and MEC group about the date, time, and place of training 	<ul style="list-style-type: none"> • MEC group to prepare a domain-wise list of potential entrepreneurs after conducting the business viability / diagnosis requiring skill training pertaining to the concerned CLF / VO • MEC group to divide the potential entrepreneurs in batches depending upon the domain skill • MEC group to ready the content for the training • MEC group to prepare a report of the training along with the list of entrepreneurs requiring domain skill training and file the report to the concerned CLF / VO in their subsequent meeting, keeping a copy in their records
A6	Facilitating domain skills training to the entrepreneurs	MEC facilitating / supervising training provided by the relevant skill training institute to potential / existing entrepreneurs (SHG women or their family members)	<ul style="list-style-type: none"> • CLF / VO to vet and approve the list of potential entrepreneurs requiring domain skill training prepared by the MEC group • CLF / VO to approve the batch size and participant list prepared by the MEC group • CLF / VO to approve the concerned skill training institute for training the participants (with support of BPIU) • CLF / VO to inform the members participants and MEC group about the date, time, and place of training • CLF / VO to make payment to the skill training institute within the stipulated time (after the appraisal by BPIU) 	<ul style="list-style-type: none"> • MEC group to prepare a domain-wise list of potential entrepreneurs after conducting the business viability / diagnosis requiring skill training pertaining to the concerned CLF / VO • MEC group to divide the potential entrepreneurs in batches depending upon the domain skill • MEC group to liaison with the concerned skill training institute for training the participants • MEC group to facilitate the training • MEC group to prepare a report of the training and file the report to the concerned CLF / VO in their subsequent meeting, keeping a copy in their records



#	Specific Activities	Nature of Service Provided by MEC Group	Roles of the Concerned Agency	Roles of the MEC Group
A7	Delivering need-based performance improvement training to the entrepreneurs	MEC providing need-based training to entrepreneurs to improve performance or for expansion of their businesses	<ul style="list-style-type: none"> • CLF / VO to vet and approve the list of entrepreneurs requiring performance improvement training prepared by the MEC group • CLF / VO to approve the batch size and participant list prepared by the MEC group • CLF / VO to arrange for the place of meeting and other logistics (with the help of BPIU) • CLF / VO to inform the members participants and MEC group about the date, time, and place of training 	<ul style="list-style-type: none"> • MEC group to prepare a domain-wise list of entrepreneurs (who have been availing their support for the past 06-months) requiring performance improvement training based on analysis of the training needs assessment form pertaining to the concerned CLF / VO • MEC group to divide the potential entrepreneurs in batches depending upon the skill requirement • MEC group to ready the content for the training • MEC group to prepare a report of the training and file the report to the concerned CLF / VO in their subsequent meeting, keeping a copy in their records
A8	Facilitating need-based performance improvement training to the entrepreneurs	MEC facilitating / supervising training provided by the relevant skill training institute to entrepreneurs (SHG women or their family members)	<ul style="list-style-type: none"> • CLF / VO to vet and approve the list of potential entrepreneurs requiring performance improvement training prepared by the MEC group • CLF / VO to approve the batch size and participant list prepared by the MEC group • CLF / VO to approve the concerned skill training institute for training the participants (with support of BPIU) • CLF / VO to inform the members participants and MEC group about the date, time, and place of training • CLF / VO to make payment to the skill training institute within the stipulated time (after the appraisal by BPIU) 	<ul style="list-style-type: none"> • MEC group to prepare a domain-wise list of entrepreneurs (who have been availing their support for the past 06-months) requiring performance improvement training based on analysis of the training needs assessment form pertaining to the concerned CLF / VO • MEC group to divide the potential entrepreneurs in batches depending upon the skill requirement • MEC group to liaison with the concerned skill training institute for training the participants • MEC group to facilitate the training • MEC group to prepare a report of the training and file the report to the concerned CLF / VO in their subsequent meeting, keeping a copy in their records
A9	Exposure visits for entrepreneurs	MEC facilitating entrepreneur visits to successful enterprises in the field	<ul style="list-style-type: none"> • CLF / VO to vet and approve the list of entrepreneurs requiring exposure visit prepared by the MEC group • CLF / VO to approve the batch size and participant list prepared by the MEC group • CLF / VO to approve the exposure visit (with support of BPIU) 	<ul style="list-style-type: none"> • MEC group to prepare a domain-wise list of entrepreneurs (potential / existing) requiring exposure visit to successful enterprises pertaining to the concerned CLF / VO • MEC group to divide the entrepreneurs in batches depending upon the type of visit required • MEC group to make arrangements for the exposure visit • MEC group to facilitate the visit • MEC group to prepare a report of the training and file the report to the concerned CLF / VO in their subsequent meeting, keeping a copy in their records

B. Business Viability/ Diagnosis Study and preparation of business plans



#	Specific Activities	Nature of Service Provided by MEC Group	Roles of the Concerned Agency	Roles of the MEC Group
B1	Conducting viability study for new businesses and selecting the business	MEC conducting viability analysis for each enterprise suggested by the potential entrepreneurs and share the result with the entrepreneur and CLF	<ul style="list-style-type: none"> • CLF / VO to spread word through the network about filling out the business viability forms • CLF / VO to ensure that the potential entrepreneur has signed the business viability report before approving the MEC group claim for payment 	<ul style="list-style-type: none"> • MEC group to prepare and distribute business viability study and get potential entrepreneurs to fill before domain skill training phase • MEC group to involve the potential entrepreneur while conducting the viability check • MEC group to explain the result of the viability check to the entrepreneur and get their signature on the report after their consent
B2	Conducting diagnosis study for existing business and identify issues in the business	MEC conducting diagnosis study for each existing enterprises put forward by the entrepreneurs and share the result with the entrepreneur and CLF	<ul style="list-style-type: none"> • CLF / VO to spread word through the network about filling out the business diagnostic forms • CLF / VO to ensure that the potential entrepreneur has signed the business diagnostic report before approving the MEC group claim for payment 	<ul style="list-style-type: none"> • MEC group to prepare and distribute business viability / diagnosis study and get existing entrepreneurs to fill before domain skill training phase • MEC group to involve the existing entrepreneur while conducting the diagnostic check • MEC group to explain the result of the diagnostic check to the entrepreneur and get their signature on the report after their consent
B3	Preparing business plan for CIF	MEC preparing business plan in consultation with the entrepreneur (new / existing) and sharing it with entrepreneur and CLF	<ul style="list-style-type: none"> • CLF / VO to check if the business plan is in the prescribed format • CLF / VO to approve for release of CIF on satisfactory vetting of the business plan and approval by the BPIU in a stipulated time-frame • CLF / VO to monitor repayment of CIF disbursed to the entrepreneur through the SHG network and MEC group 	<ul style="list-style-type: none"> • MEC group to prepare a business plan for the enterprise after obtaining positive result from the viability / diagnostic study • MEC group to involve the entrepreneur while preparing the business plan • MEC group to get the entrepreneur's signature on the business plan after their consent
B4	Credit appraisal of the entrepreneur	MEC preparing a report assessing credit-worthiness of the entrepreneur and sharing it with the entrepreneur and CLF	<ul style="list-style-type: none"> • CLF / VO to ensure that the network cooperates with the MEC group in sharing relevant information • CLF / VO to validate the credit appraisal report submitted by the MEC group in the presence of the entrepreneur and the MEC group representative 	<ul style="list-style-type: none"> • MEC group to conduct credit appraisal of the entrepreneur seeking information from the entrepreneur, CBO network etc. • MEC group to get the signature of the credit appraisal report after their consent
B5	Preparing business plan and obtaining credit linkage from bank / financial institutions	MEC facilitating credit linkage with financial institutions for entrepreneur to avail loan	<ul style="list-style-type: none"> • CLF / VO to check if the business plan is in the prescribed format • CLF / VO to write a recommendation letter to the bank for release of loan to the entrepreneur on the basis of the business plan • CLF / VO to monitor repayment of bank loan disbursed to the entrepreneur through the SHG network and MEC group 	<ul style="list-style-type: none"> • MEC group to prepare a business plan for the enterprise after obtaining positive result from the viability / diagnostic study • MEC group to involve the entrepreneur while preparing the business plan • MEC group to get the entrepreneur's signature on the business plan after their consent



#	Specific Activities	Nature of Service Provided by MEC Group	Roles of the Concerned Agency	Roles of the MEC Group
C. Handholding Support to Enterprises for First 6 Months of Enterprise Support				
C1	One-time registration	MEC registering the enterprise (one-time) either on paper or through mobile app	<ul style="list-style-type: none"> • CLF / VO to ensure that the one-time registration is complete and the MEC group representative and the entrepreneur have signed the document before release of payment 	<ul style="list-style-type: none"> • MEC group to register the enterprise at the time of its inception / first time it provides support to the existing enterprise • MEC group to involve the entrepreneur in filling the one-time registration format and obtain their signature on its completion
C2	Support during enterprise launch / operations and continuous performance tracking of the enterprise	MEC supporting entrepreneur in decision making, for eg - identification of business location, sources of raw-material, markets, purchase of fixed assets, etc. and preparing financial statements of the business	<ul style="list-style-type: none"> • CLF / VO to ensure that the financial statements are filed on a regular basis • CLF / VO to ensure that the entrepreneur is satisfied with the services provided by the MEC group 	<ul style="list-style-type: none"> • MEC group to ensure that the entrepreneur maintains day-books on a daily basis • MEC group aggregate the day-book results and in calculate financial statements for the enterprise at least once a month • MEC group to make note of the meeting with the entrepreneur in a register and get it signed by the entrepreneur • MEC group to file the profit and loss statement and the summary of advice given to the enterprise with the CLF at least once a month
C3	Support for complying with legal formalities	MEC supporting the entrepreneur for licensing, etc,	<ul style="list-style-type: none"> • CLF / VO to ensure that the MEC group files the letter received from the entrepreneur before sanctioning payment to the MEC group 	<ul style="list-style-type: none"> • MEC group to assist the entrepreneur in filling out forms for requisite legal authorisations / complying with legal formalities and in submitting the form • MEC group to follow up with the authorities on obtaining legal permissions • MEC group to get a letter signed from the entrepreneur upon successful completion of the work and submit it to the CLF / VO , keeping a copy in their records
D. Ongoing Handholding Support to Enterprises				
D1	Support during enterprise operations (after 6 months of MEC support)	MEC supporting entrepreneur for decision making during business operations, eg - purchase of raw-material, marketing of produce, make or buy decisions etc. and preparing financial statements of the business	<ul style="list-style-type: none"> • Entrepreneur to pay the MEC group based on the terms agreed on before provision of service 	<ul style="list-style-type: none"> • MEC group to make note of the meeting with the entrepreneur in a register and get it signed by the entrepreneur • MEC group to finalise terms of trade with the entrepreneur before rendering the service



#	Specific Activities	Nature of Service Provided by MEC Group	Roles of the Concerned Agency	Roles of the MEC Group
D2	Support for complying with legal formalities (after 6 months of MEC support)	MEC supporting the entrepreneur for licensing, etc,	<ul style="list-style-type: none"> • Entrepreneur to pay the MEC group based on the terms agreed on before provision of service 	<ul style="list-style-type: none"> • MEC group to assist the entrepreneur in filling out forms for requisite legal authorisations / complying with legal formalities and in submitting the form • MEC group to follow up with the authorities on obtaining legal permissions • MEC group to finalise terms of trade with the entrepreneur before rendering the service
D3	Performance tracking of the enterprise (after 6 months)	MEC preparing financial statements (either paper-based or through mobile app)	<ul style="list-style-type: none"> • Entrepreneur to pay the MEC group based on the terms agreed on before provision of service 	<ul style="list-style-type: none"> • MEC group to ensure that the entrepreneur maintains day-books on a daily basis • MEC group aggregate the day-book results and in calculate financial statements for the enterprise at least once a month • MEC group to finalise terms of trade with the entrepreneur before rendering the service
D4	Specific services provided by MEC to the entrepreneur	MEC rendering specific service to the entrepreneur for eg- procurement of raw material, marketing of finished produce, promotion and advertising	<ul style="list-style-type: none"> • Entrepreneur to pay the MEC group based on the terms agreed on before provision of service 	<ul style="list-style-type: none"> • MEC group to provide raw-materials to the entrepreneurs on demand in lieu of service commission • MEC group to sell finished goods of the entrepreneurs in lieu of sales commission • MEC group to finalise terms of trade with the entrepreneur before rendering the service
E. Other Services to CBOs / SRLM				
E1	Marketing initiatives	MEC conducting / facilitating weekly / monthly markets for promoting SHG businesses	<ul style="list-style-type: none"> • CLF / VO to approve the proposal submitted by the MEC group • CLF / VO to seek necessary approvals from the concerned agencies, such as Panchayat • CLF / VO can seek MEC assistance in arranging for the logistics 	<ul style="list-style-type: none"> • MEC group to conduct viability of marketing initiatives • MEC group to propose the idea to CLF / VO and get their consent
E2	Micro-credit plan preparation	MEC preparing MCP / MIP for SHGs	<ul style="list-style-type: none"> • SRLM to release guidelines for MEC group to prepare MCP / MIP for SHGs • SRLM to release payment in a stipulated time-frame to MEC groups 	<ul style="list-style-type: none"> • MEC group to prepare the MCP / MIP for SHGs as per directions of the SRLM
E3	Data collection	MEC collecting data for concerned agency in the requisite format	<ul style="list-style-type: none"> • The concerned agency to establish clear terms of contract with the MEC group • The concerned agency to release payment to the MEC group within a stipulated time-frame 	<ul style="list-style-type: none"> • MEC group to establish terms of contract with the concerned agency before agreeing to render their services

