

ANNEXURES

Annexure A

Government of India
Ministry of Housing & Urban Affairs/ Food Processing Industries

New Delhi, 9th June 2021

To

The Chief Secretary (All States)

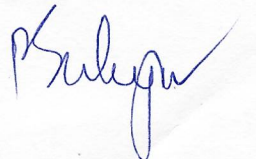
Subject: Joint Letter for Convergence of Deendayal Antyodaya Yojana – National Urban Livelihoods Mission (DAY-NULM), Ministry of Housing & Urban Affairs (MoHUA) and Ministry of Food Processing Industries (MoFPI) to promote food processing enterprises by SHGs/ Federations under the PM Formulation of Micro food processing Enterprises (PM FME) Scheme.

Madam/ Sir,

Ministry of Food Processing Industries (MoFPI), Government of India, is involved in development of infrastructure for storage, transportation and processing of agro-food produce, introduce of modern technology into the food processing industries, encourage Research and Development (R&D), capacity expansion/ upgradation and other supportive measures for the growth of the sector. MoFPI is implementing PM Formalization of Micro food processing Enterprises (PM FME) Scheme, an important initiative under Aatma Nirbhar Bharat Abhiyan to support Micro Level Food Entrepreneurs, Farmer Producer Organizations (FPOs)/ Self-Help Groups (SHGs)/ Producers' Cooperatives. The scheme aims to formalize two lakh Micro Food Processing Enterprises with an outlay of Rs. 10,000 Crore, over five years from 2020-21 to 2024-25. Main objective of the scheme is to enhance the competitiveness of existing individual micro-enterprises in the unorganized segment of the food processing industry and support FPOs, SHGs and Producers Cooperatives along with their entire value chain. This Scheme has four major components i.e, Support to individual and groups of micro enterprises; Branding and Marketing support; Strengthening institutional support and setting up robust project management frameworks with Tribal Sub plan and Development action plan for Scheduled Caste being one of the important elements.

1.2 DAY-NULM has been mobilizing urban poor households into SHGs and their federations and supporting in their livelihood interventions. As on February 2021, 5.36 lakh SHGs have been formed covering over 55 lakh members. Many SHGs are actively pursuing livelihoods activities in form of micro-enterprises, which include food processing as well. PM FME Scheme provides another opportunity for supporting the SHGs, Federations and their members.

1.3 MoFPI and MoHUA have agreed to work together to ensure that SHG members are able to avail the benefits of the scheme, especially in the component to support SHGs.



1.4 The State Urban Livelihoods Missions (SULMs) under DAY-NULM and the designated State Nodal Agency (SNA) appointed by the State Governments for the PM FME Scheme would work closely for providing scheme benefits to the target beneficiaries.

2. Role of DAY-NULM

DAY-NULM through SULMs and SNAs for PM FME Scheme, will collaborate to extend support to target beneficiaries. SULMs would provide hand-holding support to identified SHGs/ Federations and their members in preparation of DPRs, getting bank loans, getting necessary technical training, etc. so as to enable them to access benefits under various provisions of PM FME Scheme including the capital investment.

DAY-NULM and the SULMs will take up the following responsibilities;

A. Identification of SHGs/Federations:

- a. DAY-NULM with the help of their SULMs would provide the list of SHGs/ Federation involved in Food Processing sector that could be supported under the PM FME Scheme in the mutually agreed formats.
- b. Identification of Scheduled Caste and Schedule Tribe entrepreneurs among the SHGs/ Federations to provide priority support under the Development Action Plan for Scheduled Castes (DAPSC) and Development Action Plan for Scheduled Tribes (DAPST) of PM FMEScheme.

B. SHG Seed Capital component:

- a. SULM in association with SNA would shortlist the members of SHGs/ SHG Federations eligible for SeedCapital.
- b. SULM would help in preparation & submission of the application for the selected members of SHGs/SHG Federations for consideration and approval from State Nodal Agency under PM FME Scheme.

C. Credit Linked Grant for Capital Investment and Support for Common Infrastructure:

- a. SULM would facilitate the applicants in accessing the standard DPR formats made available by MoFPI and the financial assistance under the PM FME Scheme for DPR preparation.
- b. SULM would also explore facilitating specialized support from the designated State level technical institutions in this regard.

D. Training and Capacity Building

- a. SULM would organize onsite training and hand-holding support to selected applicants in close coordination with State Nodal Agencies.
- b. DAY-NULM would also support establishment of incubation centers under PM FME Scheme by facilitating identification of the cluster areas, technical know-how and providing resources for facilitating benefits to identified SHGs and Federations.

E. Marketing and Branding:

- a. DAY-NULM would facilitate the applicants benefitted under PM FME Scheme, to

access marketing and branding support under PM FME Scheme in respect of common branding, standard packaging, quality certification and linkages with state and national level institutions.

3. Role of MoFPI

MoFPI will support MoHUA in carrying out the functions mentioned, by providing funds and other assistance, as per the provisions of the PM FME Scheme, as under:

- a. MoFPI will provide its assistance to members of SHGs through its SNA by approval of identified list of target beneficiaries by extending support to prepared/ submit applications/ DPR, process of allocation of seed money and capital subsidy.
- b. MoFPI with its SNAs and district nodal points will support DAY-NULM in preparation of DPR for project proposals, access to common facilities, access to incubation centers and marketing & branding. MoFPI would provide fund for the same under the provisions of the PM FME Scheme.
- c. MoFPI would provide fund for the training and capacity building required to train DAY-NULM staff/ functionaries/ resource persons at various levels for identification process, DPR preparation, screening process of loan applications etc. Training materials and curriculum would be made available to DAY- NULM and its SULMs. Training plan and schedule for DAY-NULM staff/ functionaries/ resource persons would be discussed and agreed upon jointly.
- d. MoFPI would also extend its support in Training and Capacity Building of DAY-NULM units in association with National Level Technical Institutions and State Level Technical Institutions.
- e. MoFPI plans to establish incubation centers to facilitate common services, which will serve as training space. MoFPI would provide fund and resources to DAY-NULM for facilitating access to services and training to identified SHGs and Federations.
- f. Marketing and Branding is important endeavor under the Scheme. MoFPI would make available its resources and funds to support marketing and branding. MoFPI with its SNAs will collaboratively work towards promotion and marketing of produce of applicants from DAY-NULM, supported under the Scheme.
- g. MoFPI is developing an MIS module for PM FME Scheme including for filing of applications for support under the Scheme for capital investment grant for individuals/ groups, common infrastructure, marketing & branding, incubation centers and capacity building. MoFPI would integrate its MIS system for input and monitoring of data of SHGs and Federations and track their activities along their life cycle under PM FME scheme. DAY-NULM and its SULMs will be provided with necessary credentials for working in integrating MIS system of MoFPI and DAY-NULM.

4. Monitoring & Coordination

- a. The State Level Approval Committee set up for monitoring the components under PM FME Scheme will also monitor various components for convergence listed under these


- guidelines and shall include respective State Mission Director (DAY-NULM).
- b. The District Level Committee constituted under the chairmanship of District Collector, will include the authorized representative of the concerned Urban Local Body (ULB). This Committee will review the activities listed above for convergence and also make an assessment of the SHGs enterprises supported through seed capital. The support to SHG enterprises for branding and marketing support will also be monitored.
- c. MoFPI and DAY-NULM will review the status and implemented modalities time to time. Any revisions on the guidelines may be jointly reviewed and agreed upon. The States/ UTs are requested to prioritize activities for supporting the SHGs under DAY-NULM in accordance with guidelines of Schemes.



Secretary

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Date: 09/06/2021