



**Ministry of Micro, Small & Medium Enterprises  
Government of India**

**MSME Trade Enablement and Marketing Initiative  
(MSME TEAM Initiative)**

**Operating Guidelines**

(June 2024)

## Table of Contents

1. Introduction .....	4
2. Objectives.....	5
3. Key features.....	6
4. Activities supported .....	7
5. Eligibility Conditions .....	11
6. Institutional Arrangement and their Role and Responsibilities .....	13
6.1 Scheme Monitoring Committee (SMC):.....	13
6.2 Implementing Agency (IA).....	14
6.3 Seller Network Participants (SNPs).....	15
6.4 Open Network for Digital Commerce (ONDC).....	15

## Abbreviations

B2B	Business-to-Business
B2C	Business-to-Consumer
BNP	Buyer Network Participant
DFO	Development and Facilitation Office
DIC	District Industries Centre
DOE	Department of Expenditure
FPO	Farmers Producer Organization
FY	Financial Year
GST	Goods and Services Tax
IA	Implementing Agency
KYC	Know Your Customer
MIS	Management Information Systems
MoMSME	Ministry of Micro, Small and Medium Enterprises
MSME	Micro, Small, and Medium Enterprises
NSIC	National Small Industries Corporation
ONDC	Open Network for Digital Commerce
RAMP	Raising and Accelerating MSME Performance
SNP	Seller Network Participant
SKU	Stock Keeping Unit
SMC	Scheme Monitoring Committee
TEAM	Trade Enablement and Marketing (Initiative)

## 1. Introduction

- 1.1 India is aspiring to become a USD 5 Trillion economy by 2027. The World Bank, ADB (Asian Development Bank) and IMF (International Monetary Fund) have projected that India is likely to remain the fastest growing major economy in the world over the next few years
- 1.2 Increased trade and commerce will play an important role in achieving this objective India is witnessing one of the fastest-growing digital transformation in the world, particularly in the sector of e-commerce. It is projected that by 2030, digital consumption in India could increase fivefold, reaching USD 340 billion, with 500 million digitally transacting consumers<sup>1</sup>.
- 1.3 This surge has been partly due to the technology transformation which has been unfolding across the country for the past decade or so. The Government has been providing impetus to the technological infrastructure with the objective of creating digital ecosystem that enables access to trade and marketing facilities to the MSMEs.
- 1.4 However, there is a need to include more and more MSMEs in the e commerce development. With the objective of promoting digitalization of trade and commerce among MSMEs, the Ministry of MSME has designed a new initiative, MSME TEAM (Trade Enablement and Marketing) under the World Bank supported "Raising and Accelerating MSME Productivity (RAMP)" Program being implemented by the Ministry of MSME.
- 1.5 The initiative will empower MSMEs with digital tools and guidance to effectively utilize the e-commerce marketplace. One of the primary objectives of the TEAM Initiative is to support MSMEs to help them access different markets by integrating them avenues for online commerce. This will enable the MSMEs in widening their customer base and increase their income. This will also strengthen the trustworthiness and credibility of MSMEs by establishing their digital presence and creating transaction history.

---

<sup>1</sup> Democratising digital commerce in India, McKinsey & Company Report

## 2. Objectives

- 1) **Expanding Market Reach for MSMEs:** Enable MSMEs to present their products and services to a wider audience, unlocking new market prospects beyond their conventional local customer base.
- 2) **Reduction in Cost of Doing Business:** MSMEs will have access to significantly higher number of buyers, suppliers and service providers which will help bring down the cost of doing business. The commission for online commerce would be lower than what is charged by traditional e-Commerce platforms. This will allow even the smallest of units to conduct online transactions.
- 3) **Leveraging Digital Public Infrastructure through ONDC:** Ease the burden on MSMEs to invest in developing their own digital setup or e-commerce platforms. By capitalising on the ONDC ecosystem, MSMEs can access a readily available digital framework, complete with online storefronts, payment gateways, and logistical support.
- 4) **Digitalization of MSMEs thereby enhancing their competitiveness:** Embracing ecommerce can drive the digitization of MSMEs' operations, enabling them to streamline processes, optimise supply chains, and improve overall efficiency. This enhanced competitiveness can help MSMEs thrive in a rapidly evolving business landscape.
- 5) **Enabling and making the MSMEs export ready:** By participating in e-commerce, MSMEs can expand their reach to international markets, making them more export ready. The digital platform provides access to a global customer base, potentially boosting export opportunities and contributing to the growth of the local economy.
- 6) **Localised e-commerce Access:** Offer MSMEs access to e-commerce platforms in their native languages, to support the Government of India's "Local for Global" initiative.
- 7) **Convergence with other Government initiatives:** Converge with schemes and initiatives such as PM Vishwakarma, Udyam database, Trade Receivables electronic Discounting System, Online Dispute Resolution, Credit Support programmes, Interest Subvention programmes, mSeva, Digilocker, Digital MSME scheme, etc that align with the objectives of the MSME TEAM initiative.

- 8) **Formalisation of MSMEs:** The integration of MSMEs into the digital commerce ecosystem leads to formalisation of their operations, ensuring compliance with regulations and enhancing their legitimacy in the market. This can improve their access to financial services and government support.
- 9) **Enhancing Credibility and Financial Standing:** Strengthen the trustworthiness and credibility of MSMEs by establishing their digital presence and transaction history.
- 10) **Nationwide Outreach and Education:** Engage with MSMEs across the nation through awareness campaigns and workshops, educating them about the advantages and practicality of embracing e-commerce platforms.

### 3. Key features

- Initiative outlay: Rs. 277.35 Cr
- The Scheme duration is 3 years (FY 2024-2025 to FY 2026-2027)
- National Small Industries Corporation (NSIC) will be the Implementing Agency
- Target beneficiaries: 5 lakh MSEs (50% will be women owned MSEs)
- **Sunset clause:** All the assistance sanctioned after the date of notification of the Initiative by Ministry of MSME would be in operation till such time the sanctioned corpus is fully committed, or the tenure of the Initiative is over, whichever is earlier. The Implementing Agency shall ensure that there is no committed liability beyond the period of the Initiative.

## 4. Activities supported

Sr. No.	Name of the activity	Description
1	Awareness creation and demand generation	<p><b><u>Awareness creation:</u></b></p> <ul style="list-style-type: none"> <li>• 150 workshops will be organized across the country to create awareness among MSMEs about business benefits of e-commerce for their eventual onboarding onto ONDC compliant Seller Network Participants (SNPs).</li> <li>• The workshops will be conducted preferably in Tier 2 and 3 cities and MSME Clusters for greater outreach especially to women and SC/ ST owned MSMEs. The SNPs will also be invited to attend the workshops and will be encouraged to onboard MSMEs on ONDC.</li> <li>• NSIC will be conducting these workshops with support from the Ministry of MSME, State Governments/ UTs, industry bodies and ONDC.</li> <li>• The SNPs would be identified for each workshop, based on the product category/ archetype of MSMEs (B2B/B2C) (with the details of the MSMEs already shared with the SNPs as far as possible).</li> <li>• Mapping of SNPs and MSMEs (based on product, archetype) will also be done before the workshop to the extent possible.</li> <li>• The cost of conducting a workshop is as follows and would include venue, branding, refreshments etc. <ul style="list-style-type: none"> <li>a. Metro cities @ Rs 4.75 lakhs</li> <li>b. Non metro cities @ Rs. 3 lakhs</li> </ul> </li> </ul>

		<ul style="list-style-type: none"> <li>• The Implementing Agency (IA) i.e. NSIC will be responsible for organising these workshops. The IA will draw out a calendar in consultation with the ONDC and SNPs indicating dates, locations /venue etc. The same would then be duly approved by the Ministry / Scheme Monitoring Committee (SMC) and wherever possible, may club / combine the workshops with other RAMP workshops. The Ministry of MSME will further assist the IA through its field offices for ensuring larger participation and outcome.</li> </ul> <p><b><u>Demand generation</u></b></p> <ul style="list-style-type: none"> <li>• In eCommerce, one of the biggest challenge a seller faces is related to creating awareness among consumers and getting online orders. Accordingly, it is important that continuous efforts are made for demand generation.</li> <li>• Towards this, funding is being earmarked for Buyer Network Participants and Digital Marketing Agency (through IA) to create awareness among consumers about the products and service being made available through this Initiative.</li> <li>• This would include the development and implementation of a comprehensive marketing and campaigning strategy covering digital, print, social media and buyer network participants of the ONDC. The components would be -       <ol style="list-style-type: none"> <li>a. Incentives to Buyer Network Participants of ONDC for visibility and order generation (Rs. 50 per order with a maximum of 10 orders per MSE through a buyer network participant</li> <li>b. Digital marketing campaigns (Social Media platforms) and expenditure towards print/offline</li> </ol> </li> </ul>
--	--	---



		media at Rs. 450 per MSE on-boarded on ONDC as part of the initiative
2	Onboarding of MSEs on the ONDC Network and Creation of ONDC Compliant Digital Catalogue	<ul style="list-style-type: none"> <li>• The Seller Network Participants will connect with MSEs that have registered for the Initiative.</li> <li>• The SNPs will initiate the registration/KYC process and will be responsible for further follow-ups for completing onboarding process till MSEs go live.</li> <li>• A Reference Guide / SoP along with other reference material towards this would be prepared by the Implementing Agency with the support of ONDC.</li> <li>• The SNPs will be supported towards the preparation of ONDC Compliant digital catalogue for MSEs. This will be capped at Rs. 2,500 per MSE. (Capped at Rs. 50 per SKU up to 50 SKUs for B2C and at Rs. 125 per SKU up to 20 SKUs for B2B).</li> <li>• For the Seller Network Participant to claim benefit under the initiative, the MSE seller should have successfully delivered at least two orders on the ONDC Network prior to submission of claim.</li> </ul>
3	Account Management support to MSEs	<ul style="list-style-type: none"> <li>• The SNPs would be incentivized, subject to a cap of Rs. 5,000 per MSE for supporting the MSEs in driving their online business on ONDC through account management support. It will comprise the following: <ul style="list-style-type: none"> <li>✓ Order fulfilment</li> <li>✓ Operations support</li> <li>✓ Logistics support</li> <li>✓ Training and capacity building</li> <li>✓ Contract management between the buyer and seller (for B2B transactions)</li> </ul> </li> </ul>

		<ul style="list-style-type: none"> <li>• For B2C MSEs, the incentives will be linked to the value of transactions being undertaken on the network. Given that the average order value of B2B transaction is generally higher, for B2B MSEs, the incentives will be linked to the number of orders on ONDC.</li> <li>• The incentives will be paid to the Seller Network Participant on a monthly basis, based on the following (once the incentive limit of Rs. 5000/- for any MSE is reached, the SNP will not be able to claim any further incentive for driving transactions for that particular MSE) – <ul style="list-style-type: none"> <li>✓ For B2C : 5% of net sales on the network up to Rs. 5,000 per MSE</li> <li>✓ For B2B : Rs. 250 per transaction on the network, up to Rs. 5,000 per MSE</li> </ul> </li> </ul>
4	Subsidy for transportation and logistics	<ul style="list-style-type: none"> <li>• Subsidy for transportation and logistics will be provided to the MSEs through the SNPs as per the following details: <ul style="list-style-type: none"> <li>✓ For B2C: Rs. 50 per order for up to 10 orders per MSE</li> <li>✓ For B2B: Rs. 200 per order for up to 10 orders per MSE</li> </ul> </li> </ul>
5	Subsidy on Packaging material	<ul style="list-style-type: none"> <li>• Support for Packaging material will be provided to the MSEs through the Seller NPs as per the following details: <ul style="list-style-type: none"> <li>✓ For B2C: Rs 20 per order for up to 10 orders per MSE</li> <li>✓ For B2B: Rs 250 per order for up to 10 orders per MSE</li> </ul> </li> </ul>
6.	Subsidy for Packaging design from Indian Institute of Packaging (IIP)	<ul style="list-style-type: none"> <li>• Subsidy of 20% of packaging design cost or Rs. 2,000 per MSE, whichever is less</li> <li>• Subsidy for packaging design will be claimed by IIP from the IA</li> </ul>

7.	AI Based Cataloguing	<ul style="list-style-type: none"> <li>AI based cataloguing system will be developed under the Initiative to fast rack and reduce the cost towards preparation of digital catalogues required for conducting eCommerce</li> </ul>
8.	Benefits from the Initiative Portal (Msmemart.com as Initiative portal in Vernacular language)	<p>The Portal inter alia, will provide the following services:</p> <ul style="list-style-type: none"> <li>(a) Initiative Information</li> <li>(b) Registration system</li> <li>(c) Fund flow system</li> <li>(d) Centralized support system (call center / help desk and other digital system including grievance)</li> <li>(e) Embedded finance</li> <li>(f) Packaging design subsidy system</li> <li>(g) MIS</li> </ul>

**Notes:**

- 1) For activities 3, 4 and 5 the benefits must be availed within first 6 months of the 1st transaction done on ONDC
- 2) The benefits for activities 2, 3, 4 and 5 for an MSE can be claimed only by one SNP. The benefits under activity 6 would be payable directly to IIP through the IA.
- 3) For an MSE utilizing the AI cataloguing on MSMEart portal, the SNP will not be eligible to claim support for cataloguing. (Activity no. 2)
- 4) No single SNP shall be allowed to claim benefits of more than 20% of budget allocated for any of the activities listed at 2-5 in section 4 of the Operating Guidelines of this initiative.
- 5) The B2B transactions require a certain level of trust and association which takes time and transactions to develop. Hence, MSEs that join the network for the B2B archetype, will be encouraged to bring a set of their existing buyer base online as far as a possible as it will help drive initial volume and also help the sellers build their reputation on the network.

## 5. Eligibility Conditions

- All the Udyam registered Micro and Small Enterprises (MSEs) under manufacturing and services sectors will be eligible for benefits under the Initiative. The MSEs who have Udyam Registration certificate without a GST will only be able to do intra-state online business as per applicable laws.
- The MSE should not have been onboarded on any SNP as on the date of operationalisation of the Initiative.
- The MSE unit should not have taken similar assistance from any other Central / State Government schemes / programmes.
- The MSEs who want to avail benefits under this Initiative shall authorize ONDC to share their relevant details, including transactions on the ONDC Network, with the Implementing Agency (NSIC) for the purpose of scheme administration and support, in compliance with applicable laws.

## 6. Institutional Arrangement and their Role and Responsibilities

### 6.1 Scheme Monitoring Committee (SMC):

The scheme will be monitored by the MSE TEAM Scheme Monitoring Committee (SMC -TEAM). The AS&DC, Ministry of MSME will be the Chairperson of the Committee. The constitution of the SMC will be as follows:

Sl. No.	Name of the Ministry/Department	Designation
1	AS&DC, Ministry of MSME, Government of India	Chairman
2	Joint Secretary (AFI), Ministry of MSME, Government of India	Member
3	Representative from Ministry of DPIIT (Not Below the level of Director)	Member
4	Representative from Ministry of Textiles (Not Below the level of Director)	Member
5	Representative from the Implementing Agency (NSIC) (Not Below the Rank of GM)	Member
6	Representative from ONDC (Not Below the Rank of VP)	Member
7	Representative from Industry association / academia/ SNP	Member
8	Any other invitee as and when required co-opted by the Chairman	Member
9	Director, Ministry of MSME dealing with the subject matter.	Member Secretary

The **Terms of Reference** (ToR) of SMC are as under:

- a. The Committee shall be responsible for providing overall guidance and direction, implementation, monitoring, necessary approvals and tracking the progress of the Initiative.

- b. Any change/ course correction in the Initiative guidelines may be affected on the recommendation of the SMC and with the approval of the Minister, MoMSME.

## 6.2 Implementing Agency (IA)

National Small Industries Corporation (NSIC) will be the Implementing Agency (IA) for the Initiative. It will have the following roles and responsibilities -

- 1) Prepare a schedule for the workshops and conduct them
- 2) Develop SOPs for fund flow to SNPs and other implementing partners.
- 3) Create a portal to register eligible MSEs for the Initiative and pass on the leads to the SNPs
- 4) Sign an MoU with ONDC for implementing the activities under the Initiative
- 5) Coordinate with IIP to provide packaging design solutions for MSEs through the scheme portal
- 6) Empanel SNPs and BNPs for supporting MSEs as per Initiative guidelines.
- 7) Onboard a 'Digital Marketing Agency' for undertaking marketing and demand generation activities
- 8) Develop a mechanism to ensure that the expenditure under the various components of Initiative is utilized for the intended purpose. Further, the mechanism should have a facility to prevent any deviation on the usage thereby
- 9) Set up a centralised helpdesk to facilitate the implementation of the Initiative
- 10) Develop a monitoring and evaluation framework for the initiative and submit progress report to the Ministry of MSME periodically
- 11) Develop a system to encourage women-owned MSEs to participate in the Initiative
- 12) Nominate a nodal officer for effective coordination with the Ministry of MSME and other stakeholders
- 13) All dispute resolution and litigations related to the Initiative will be handled by the IA on behalf of the Ministry of MSME
- 14) Any other task assigned by the Ministry of MSME with the approval of SMC

### 6.3 Seller Network Participants (SNPs)

The Seller Network Participants (SNPs) shall be the nodal points for the MSEs to join the ONDC network. The SNP will be responsible for the following:

- 1) Onboard the eligible MSEs on the ONDC network and support them in creation of their digital catalogue
- 2) Act on the leads generated through the Initiative portal
- 3) Provide operations and account management support to the MSEs that join the ONDC network under the Initiative
- 4) Support growth of MSEs on the network in terms of increase in orders, pricing support, market intelligence, etc.
- 5) Provide reports and documentation as required and communicated by the Ministry of MSME and the IA
- 6) Participate in awareness and onboarding workshops.
- 7) Include Initiative beneficiaries in their marketing and outreach activities
- 8) Any other task assigned by the Ministry of MSME with the approval of SMC

### 6.4. Open Network for Digital Commerce (ONDC)

ONDC shall play a strategic role in designing the e-commerce ecosystem and in supporting the Implementation Agency in rolling out various components of the scheme as outlined below -

- 1) Support in assessing the B2B and B2C e-commerce ecosystem requirements for the implementation of the Initiative
- 2) Support in prioritising archetypes and categories of MSMEs that will get optimum value from ecommerce and open network
- 3) Design and implement a 'train the trainer' session(s) for capacity building on various aspects of the Initiative.
- 4) Support the Ministry in the empanelment process of the eligible SNPs
- 5) Provide necessary reports/documents for implementing various components of the Initiative
- 6) Any other support requested by the Ministry of MSME with the approval of SMC