



Government of Jammu and Kashmir
Labour and Employment Department, J&K
Civil Secretariat, Jammu/Srinagar

Subject: Administrative Approval of Project "YUVA", for Accelerating Employment opportunities through Entrepreneurship in the UT of J&K.

Reference: Administrative Council Decision No. 114/07/2024 Dated 16.08.2024.

Government Order No: 46- L&E of 2024
Dated: 16.08.2024

Sanction is hereby accorded to the implementation of Project "YUVA" for Accelerating Employment opportunities through Entrepreneurship in the UT of J&K.

Sanctioned is also accorded to:

- i. Detailed Project Report of Project "YUVA" (Annexure 1)
- ii. Convergence with self-employment schemes of other Departments like Rural Development (NRLM), Industries & Commerce Department (PMEGP, REGP, KVIB, KVIC etc.), Agriculture Production Department etc. to ensure better effectiveness by leveraging on the resources of these employment schemes.
- iii. To ensure necessary alignment with the Hon'ble Prime Minister's Package for Employment which has been announced in the Union Budget 2024-25 and proper utilization of opportunities under the budget announcements.

By order of the Government of Jammu & Kashmir

Sd/-

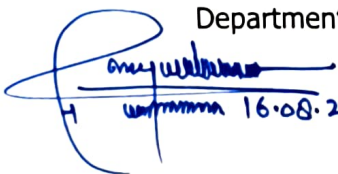
(Kr. Rajeev Ranjan) IAS
Secretary to the Government
Labour & Employment

No. LE-Plg/17/2024 (E7547133)


Dated:- 16.08.2024

Copy to:-

1. Chief Secretary, UT of Jammu and Kashmir.
2. Financial Commissioner, Department of Forest, Ecology and Environment, (Additional Chief Secretary), J&K.
3. Principal Secretary to the Government, Higher Education Department, J&K.
4. Principal Secretary to the Government, Agriculture Production Department.
5. Principal Secretary to the Government, Finance Department, J&K.
6. Principal Secretary to the Hon'ble Lieutenant Governor, J&K.
7. Joint Secretary (Jammu, Kashmir and Ladakh), Ministry of Home Affairs, Government of India.
8. Commissioner/Secretary to the Government, General Administration Department.
9. Commissioner/Secretary to the Government, Housing & Urban Development Department.


16.08.2024

10. Commissioner/Secretary to the Government, Industries & Commerce Department, J&K.
11. Commissioner/Secretary to the Government, Information Technology Department.
12. Commissioner/Secretary to the Government, Tourism Department, J&K.
13. Administrative Secretary, Department of Rural Development and Panchayati Raj.
14. Administrative Secretary, Planning Development & Monitoring Department, J&K.
15. Administrative Secretary, Cooperative Department.
16. Director, Indian Institute of Management, Jammu.
17. Director Indian Institute of Technology, Jammu.
18. Vice Chancellor, Jammu University.
19. Vice Chancellor, Kashmir University.
20. Vice Chancellor, Central University, Jammu.
21. Vice Chancellor, Central University, Kashmir
22. Vice Chancellor, SKUAST, Kashmir
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35. In-charge website.


16.08.XXIV.

(Waheed Ahmed) JKAS
Under Secretary to the Government

Annexure-1



Project YUVA

*Yuva Udyami
Vikas Abhiyan*

*Directorate of Employment
Department of Labour & Employment*



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Foreword

The Union Territory of Jammu & Kashmir is on the cusp of a transformative journey toward economic prosperity and inclusivity. The region has faced numerous challenges over the years, yet the resilience and spirit of its people have always shone through. Today, we stand at a pivotal juncture, with an unprecedented opportunity to transform our region through focused economic development and inclusive growth.

Our commitment is to create an environment where entrepreneurship can flourish and employment opportunities are accessible to all segments of society. We believe that fostering entrepreneurship is not just a pathway to individual prosperity but a critical driver of regional economic growth & economic diversification. By leveraging strategic interventions, robust policy frameworks, and targeted support programs, we aim to stimulate economic activity, attract investments, and nurture a skilled workforce.

This vision document herein presents a comprehensive roadmap to harness the inherent advantages of Jammu & Kashmir, fostering a dynamic ecosystem that supports innovation, inclusivity, & sustainable growth for enterprises and creating gainful employment opportunities. It outlines key initiatives and strategic actions across sectors and lays special emphasis on empowering women & youth, ensuring that economic growth benefits all segments of society.

We envision a future where Jammu & Kashmir is synonymous with opportunity, resilience, and prosperity. This vision document is a testament to our unwavering dedication to achieving this goal. We invite all stakeholders, including government bodies, private sector players, educational institutions, and civil society, to collaborate in this transformative journey. Together, we can unlock the full potential of Jammu & Kashmir, creating a vibrant, inclusive, and prosperous economy for all its residents.

Executive Summary

The Union Territory of Jammu & Kashmir, with its abundant natural resources, rich cultural heritage & strategic geographic location, is uniquely positioned to emerge as a hub of entrepreneurial activity in India. However, it faces a higher unemployment rate than national average due to limited opportunities in the private sector and has over 287,500 registered job seekers¹ as of December 2023. This unemployment is specifically higher for youth, women & urban population. This programme presents a comprehensive strategy to harness the inherent advantages of J&K to generate gainful employment, by promoting business opportunities & fostering a dynamic ecosystem for entrepreneurship.

Vision

*To establish Jammu & Kashmir as a **thriving hub of enterprises & employment** by fostering equity, dignity, and income, unlocking its inherent 'potential' to transition towards 'prosperity'.*

Focus Areas

To achieve this vision, a four-pronged strategy is proposed to enable enterprises and employment over the next 5 years, namely:

Sl. No.	Strategy Pillar	Enterprises	Employment
A.	<u>Creation of Nano-Entrepreneurs and Collectives:</u> Promoting mass self-employment through small-scale businesses across sectors to create gainful livelihood opportunities	1,25,000	2,50,000
B.	<u>Creation of new MSMEs in Focus & Sunrise Sectors:</u> Promoting sustainable growth through focusing on grassroot communities and enabling employment in potential growth sectors, renewable energy, pharmaceutical, etc.	7,500	1,07,500
C.	<u>Business Acceleration of Existing Enterprises (MSMEs & Collectives):</u> Promoting business growth of existing enterprises to increase employment generation through growth incentives and business development support	4,000	60,000
D.	<u>Creation of Neo-Innovative Enterprises:</u> Promoting innovative & cutting-edge startups and MSMEs in emerging sectors like knowledge based enterprises for creating employment opportunities for high-skilled youth.	500	7,500

¹ Job seekers registered with Directorate of Employment

	Total	1,37,000	4,25,000
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Key Interventions

The programme aims to develop an effective business ecosystem & enable enterprise through a comprehensive set of interventions anchored around the 4Cs: **Culture, Capital, Capacity, and Connectivity**.

Culture | Ecosystem Creation

Building an encouraging & healthy culture for entrepreneurship through:

- Information, Awareness & Education (IEC) campaigns via mass media outreach, mass awareness events at the Panchayat level, and motivational lectures
- Interactive Portal for Application, Schemes & Credit Convergence to simplify business initiation
- Institutional Business Support Mechanisms for different kinds of business to provide incubation & business development support
- Counseling and Handholding by community-level 'Motivators'
- Dedicated Technical Support Agency (TSA) for the support of New & Existing Collectives
- Innovation & Sustainability Challenge Event to nurture creative talents

Capital | Enterprise Creation / Expansion

Financial assistance through:

- Initial investment support up to ₹1,00,000 and interest subvention on microloans for the creation of nano enterprises
- Interest subvention for capital investment loans for new MSMEs under focus & sunrise sector
- Interest subvention on business expansion loans to enable business acceleration of existing enterprises
- VC Fund for addressing initial capital needs of early-age startups and knowledge-based enterprises

Capital | Credit Enablement

Improving the credit ecosystem for easy access to credit for entrepreneurs through:

- Warehouse receipt financing to improve liquidity for small and marginal farmers
- Credit guarantees for collateral-free loans
- Fintech partnerships for digital microloans

Capacity | Capacity Building & Training

Empowering new & existing entrepreneurs with essential skills and knowledge for establishing enterprises through:

- Entrepreneurship and Business Management Program
- Sector-Specific Capacity Building Programs

- Technology for Entrepreneurs
- Innovation and Design Thinking

Connectivity | Market Linkages

Improving reach, export, and trade opportunities for business growth through:

- E-commerce platform to enhance market reach for J&K's local crafts and products.
- Rebranding and expansion of trade fairs to promote trade, cultural exchange, and foreign investments through Business Conclave and regional trade fairs.
- Job matching portal to efficiently connect job seekers with employers

Programme Implementation Roadmap

The programme will be implemented over a **five-year period**, with the first year dedicated to critical preparatory activities such as creating the implementation structure, hiring personnel, training and orientation of project functionaries, preparation of guidelines and protocols, and onboarding technical agencies. Awareness campaigns will also be conducted during this phase. Enterprise creation will commence in the second year and continue through the fifth year.

A **Special Purpose Vehicle (SPV)** will be established to oversee the entire program. This SPV will be led by a dedicated Mission Director, who will be responsible for heading the project and ensuring its successful implementation. It will also onboard a **Programme Management Unit (PMU)** which will play a crucial role in coordinating and driving all activities.

The PMU will also provide support in the establishment of a multi-level business support mechanism to enable effective enterprise creation & business support as follows:

- The PMU will establish **Business Acceleration Hubs at the divisional level** to strategize, manage, and monitor enterprise development activities.
- **At the district level, 20 Small Business Development Units (SBDUs)** will be established to act as business facilitation-cum- incubation centers by recruiting relevant resource persons for tailored support services
- **80 Business Help Desks at the regional level** will be set up at the regional level to offer comprehensive business support services to the nano enterprises and MSMEs.
- Additionally, 1000 local **'Motivators' will be empanelled from the community** on incentive-basis to work directly with entrepreneurs at the grassroots level, providing guidance, support, and encouragement.

This programme aims to significantly uplift Jammu & Kashmir by **creating 137,000 new enterprises and generating over 425,000 job opportunities**. By leveraging community support to build a strong entrepreneurial culture and unlocking private sector investments for prolonged financial sustainability, this strategy ensures enhanced business opportunities, employment generation for individuals with different skill-levels, and diversification of economic activities in the UT. Jammu & Kashmir is poised to become a beacon of economic resilience and inclusive growth. This vision document lays the foundation for a future where every citizen has the opportunity to thrive, contributing to a prosperous and vibrant economy.



Chapter 1 | Overview of Economic Analysis of J&K

Jammu & Kashmir, a region renowned for its breathtaking landscapes and rich cultural heritage, is situated in the northernmost part of India. Bordered by Himachal Pradesh, Punjab, and the international borders of Pakistan and China with a land size of 42,241 sq. km., it comprises a diverse topography that ranges from the fertile plains of Jammu to the lush valleys of Kashmir. Due to the diverse demographics, strategic geo-political location, and rich natural resources, the region boasts a diverse economy with agriculture, tourism, and handicrafts at its core, complemented by a rapidly growing services sector. J&K is renowned for its unique agricultural outputs, including world-famous saffron and premium apples, key exports that bolster its economy. The region's rich cultural heritage shines through in its prized handicrafts, such as Pashmina shawls and silk carpets. Tourism also plays a crucial role, attracting global visitors with its stunning landscapes and contributing significantly to local economic activity.

1.1 Socio-Economic & Employment Analysis

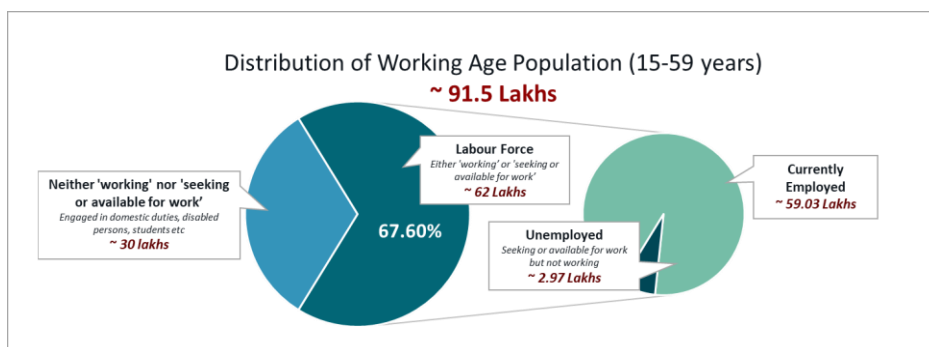
Demographic Profile

According to the Census 2011, the population of Jammu & Kashmir was 1,25,41,302 (1.25 crores) and the **current estimated population is 1.56 crores.**

Sex Ratio	889/1000 males
Literacy Rate	67.17%
Urbanization	27.38%
Population in Age-Group 15-59	58.71% (~91.5 lakhs)

Current Status of Employment

The Ministry of Statistics and Programme Implementation (MoSPI) regularly conducts the [Periodic Labour Force Survey \(PLFS\)](#) which provides estimates of employment & unemployment trends in India. Some key insights from the PLFS 2022-23:



- The Labour Force Participation Rate (LFPR) represents the population that is **either working or actively looking for work**. LFPR for Jammu & Kashmir between the age group 15-59 is 67.6%, which is higher than the national average (61.6%). The **estimated labor force for Jammu & Kashmir in 2023 is ~62 lakhs**.
- Unemployment Rate represents the population that is actively seeking to work but not currently employed. The Unemployment rate in Jammu & Kashmir between the age group 15-59 is 4.8%, which is also higher than the national average (3.40%). This indicated that **~2.97 lakh are currently unemployed**.
- **Urban Unemployment:** The LFPR for rural areas is higher than the LFPR in urban areas in Jammu & Kashmir. Moreover, **a much higher unemployment rate is observed in urban regions (10.8%)** than in rural regions. The rate of urban unemployment in J&K is almost double the urban unemployment nationally.

	Jammu & Kashmir	Himachal Pradesh	Punjab	India
Labour Force Participation Rate (Overall)	67.6%	81.3%	57.9%	61.6%
Rural	70%	83.4%	57.8%	64.2%
Urban	56.2%	63.6%	58.0%	55.1%
Unemployment Rate (Overall)	4.8%	5.0%	6.7%	3.4%
Rural	3.7%	4.1%	6.9%	2.7%
Urban	10.8%	15.0%	6.3%	5.7%

- **Female Unemployment:** Even though the Female Labour Force Participation Rate (53.8%) in Jammu & Kashmir is higher than the national average, huge variations are seen between male & female labor force participation. **The unemployment rate in women also is much higher than men in J&K**. The unemployment rate for women in urban areas is specifically very high (24.2%).

	Jammu & Kashmir	Himachal Pradesh	Punjab	India
Labour Force Participation Rate (Overall)	67.6%	81.3%	57.9%	61.6%
Male	81.1%	86.2%	83.4%	83.2%
Female	53.8%	76.6%	30.9%	39.8%
Unemployment Rate (Overall)	4.8%	5.0%	6.7%	3.4%
Male	3.3%	4.1%	5.7%	3.6%
Female	7%	6.0%	9.3%	3.2%

- **Youth Unemployment:** The population between the age group 15-29 constitutes 28% of the total population of Jammu & Kashmir, presenting an opportunity to leverage this youthful demographic to boost productivity, innovation, and economic activity. Within the working population, even though the population distribution between age groups 15-29 and 30-59 is almost similar, **the LFPR (47.7%) is much lower, and unemployment rates (13.70%) are much higher for the age group 15-29 i.e. youth population.**

	Jammu & Kashmir	Himachal Pradesh	Punjab	India
Labour Force Participation Rate (Aged 15-59)	67.6%	81.3%	57.9%	61.6%
Youth - Labour Force Participation Rate (Aged 15-29)	47.7%	62.4%	47.5%	44.5%
Unemployment Rate (Aged 15-59)	4.8%	5.0%	6.7%	3.4%
Youth – Unemployment Rate (Aged 15-29)	13.7%	12.5%	17.5%	10.0%

- **Employment status by Educational Qualification:** The data indicates significant disparities in labor market outcomes based on educational attainment. The largest workforce segments are those with up to middle school education (25.7%) and the non-literate (25.6%), with the smallest being post-graduates (3.6%). **Higher educational levels correlate with increased labor force participation rates (LFPR), peaking at 86.9% for post-graduates, but also show higher unemployment rates, with post-graduates facing the highest at 23%. Conversely, the non-literate and primary school-educated groups have the lowest unemployment rate.**

Category	% of workforce	LFPR %	Unemployment %
Not Literate	25.6%	62.6%	0%
Up to Primary School (Grade 5)	10.2%	69.8%	1.2%
Up to Middle School (Grade 8)	25.7%	63%	2%
Up to Secondary (Grade 10)	15.5%	59%	1.9%
Up to Higher Secondary (Grade 12)	13%	55%	8.1%
Up to Graduation	6.6%	74%	18.3%
Up to Post Graduation	3.6%	86.9%	23%

- **Distribution by Employment Type:** Self-employment constitutes a substantial 49.4% of the workforce, with **rural areas showing a higher tendency (50.4%) towards entrepreneurial or necessity-driven work** compared to urban areas (42.7%). **Self-employed persons engaged in household enterprises are engaged informally without receiving any regular salary or wages and it constitutes 18.9% of the total workforce. This number is significantly high among rural population (21%)** indicating the economic contribution of rural people through unpaid or informal work within household enterprises, reflecting the critical role in supporting family businesses. It also indicates **potential underemployment and lack of formal employment opportunities for rural population**, underscoring the need for

targeted interventions to improve their access to formal job opportunities and enhance their economic empowerment.

Salaried or wage employment, although representing 19.4% of the workforce, highlights **urban areas as hubs for formal job opportunities, capturing 43.7% of this category**. Casual labor makes up **12.4%** of the labor force, with a fairly balanced presence in both urban (8.1%) and rural (13%) areas, highlighting the reliance on casual work in various regions.

Distribution of Labour Force by Employment Type

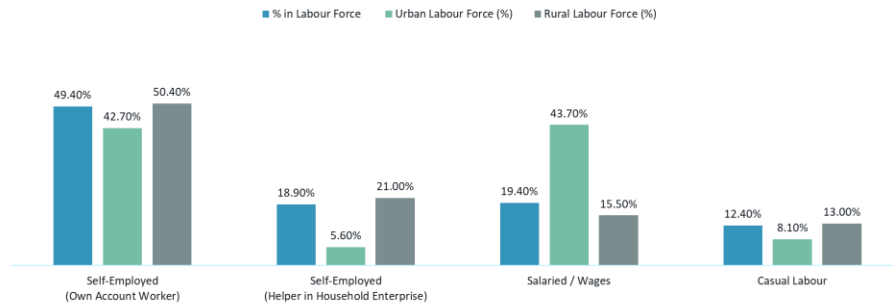


Figure: Distribution of Labour Force by Employment Type

Gross State Domestic Product (GSDP)

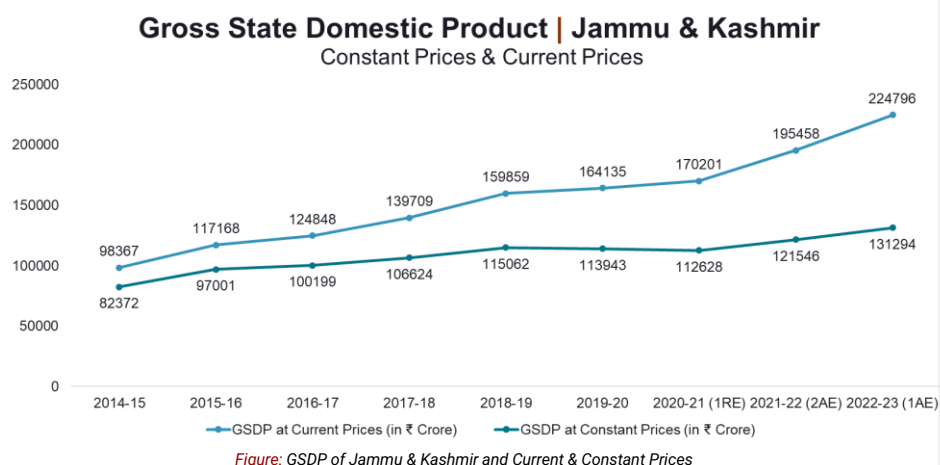
Jammu & Kashmir, often referred to as the crown of the country, actively contributes to the national GDP (0.8 percent) in proportion to its population (0.98 percent). The economy is characterized by a diverse mix of sectors, with significant contributions from agriculture, horticulture, tourism, handicrafts, and services. These factors collectively position J&K as a dynamic region for economic expansion and development, reflected in its Gross State Domestic Product (GSDP). The economy is primarily services-based and agri-oriented. At current prices, the **nominal GSDP of J&K has been estimated at 2.31 trillion (US\$ 27.95 billion) in 2023-24**. The nominal and real GSDP is estimated to grow at the **CAGR of 10.88%** (current prices) and **6% (constant prices)** respectively.

Gross State Domestic Product Jammu & Kashmir ²				
Financial Year	Current Prices (Nominal GSDP) ₹		Constant Prices (Real GSDP) ₹	
	GSDP (in Crore)	Growth Rate	GSDP (in Crore)	Growth Rate
2014-15	98367	2.87	82372	-3.22
2015-16	117168	19.11	97001	17.76
2016-17	124848	6.55	100199	3.30
2017-18	139709	11.90	106624	6.41
2018-19	159859	14.42	115062	7.91
2019-20	164135	2.67	113943	-0.97

² [Economic Survey 2022-23](#)

2020-21 (1RE)	170201	3.70	112628	-1.15
2021-22 (2AE)	195458	14.84	121546	7.92
2022-23 (1AE)	224796	15.01	131294	8.02
CAGR	10.88		6.00	

Both Nominal and Real GSDP have shown a positive growth trend over the years, indicating an overall expansion of the economy. The years 2019-20 and 2020-21 were challenging, likely due to disruptions caused by various factors, including socio-political changes and the COVID-19 pandemic. However, the economy has shown resilience with a strong recovery in subsequent years. The periods of high growth align with various government initiatives aimed at economic development, infrastructure improvement, and business facilitation.



Jammu & Kashmir has largely been an agrarian economy over the years. However, there has been a clear shift towards a service-oriented economy in the past decade.

- **Relative decline in agriculture:** The contribution of the Agriculture and Allied sector has significantly **decreased** from 28.06% in 2004-05 to 16.91% in 2022-23. This indicates a **declining share** of agriculture in the overall economy, suggesting a need for modernization, technological adoption, and value addition in the sector.

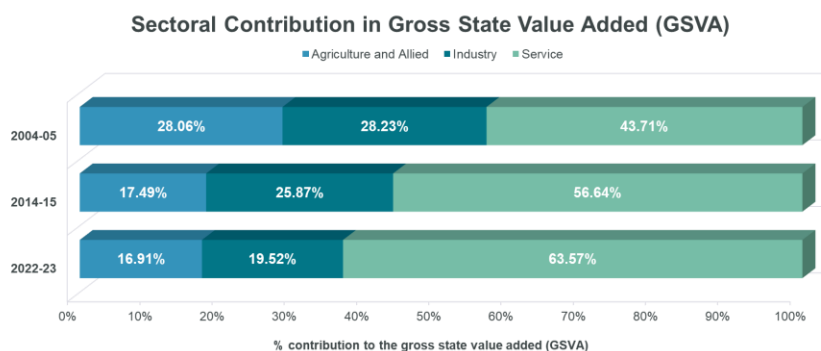


Figure: Sectoral Contribution in Gross State Value Addition

- Stagnation in Industrial Growth:** The industrial sector's contribution has also **decreased**, and is **much lower than the national GSVA contribution of the Industrial Sector (28.48%)**. This suggests stagnation in the sector indicating underdeveloped industrial sectors or challenges in scaling industrial activities.
- Emerging Dominance of the Service Sector**
 The Service sector's share has **increased dramatically** (from 43.71% to 63.57%) highlighting its emerging dominance. This shift indicates a structural transformation in the economy, advancing towards a more diversified and modern economic structure. Investment in service sector infrastructure, such as IT parks, business centers, educational institutions, and a skilled workforce could further enhance this growth. There is a substantial potential for tourism development, leveraging Jammu & Kashmir's natural beauty and cultural heritage. This can create numerous jobs and spur economic growth but requires robust infrastructure and marketing strategies. Encouraging entrepreneurship in the service sector can also spur job creation.

Sub-Sectoral Contribution of GSDP in FY 2022-23

Sector	Sub-Sector	% contribution FY 2022-23 (1AE)
Agriculture & Allied	Crops	10.01
	Livestock	5.17
	Forestry & Logging	1.40
	Fishing & Aquaculture	0.34
Industry	Construction	7.50
	Manufacturing	6.61
	Electricity, Gas, Water Supply & Other Utility Services	5.06
	Mining & Quarrying	0.36

Services	Public Administration	21.20
	Trade, Repair, Hotels and Restaurants <ul style="list-style-type: none"> Trade & Repair Services (10.22) Hotels & Restaurants (1.30) 	11.52
	Real estate, Ownership of Dwelling & Professional Services	11.51
	Transport, Storage, Communication & Services related to Broadcasting <ul style="list-style-type: none"> Railways (0.04) Road Transport (3.70) Air Transport (0.24) Services Incidental to Transport (0.07) Communication & Services related to Broadcasting (2.27) 	6.32
	Financial Services	3.56
	Other Services	9.46

Agriculture & Allied

- **Crops are the largest sub-sector within Agriculture & Allied**, which underscores the region's reliance on crop production, with high-value crops like saffron, apples, and walnuts playing a key role.
- The **substantial contribution from livestock (5.17%)** indicates diversified agricultural activities and the importance of animal husbandry in supporting rural livelihoods and economic stability.
- Though a minor contributor currently, **fishing and aquaculture represent important niche areas with growth potential** for local communities involved in these activities.

Industries

- Construction is the largest sub-sector within the industry, highlighting ongoing infrastructure development and urbanization efforts in the UT.

Services

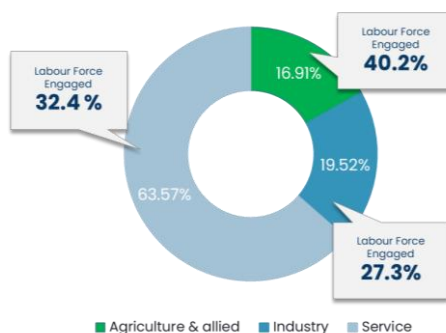
- **Public Administration is the single largest sub-sector**, reflecting the substantial impact of government services and administration on the economy. This indicates a heavy reliance on public sector employment and government-driven economic activities.
- Trade and Repair Services (10.22%) and Hotels and Restaurants (1.30%) **underscore the importance of commerce and tourism with the UT's economy**. This highlights the potential for expanding retail trade, enhancing hospitality services, and promoting tourism.

Correlation Between Employment & GSDP

- **Agriculture & Allied**

Agriculture, while engaging the highest proportion of the labor force in Jammu and Kashmir, contributes the least to the GSDP. This discrepancy can be attributed to several factors including small and fragmented land holdings that limit economies of scale and hinder the adoption of modern practices; reliance on traditional farming methods and limited access to advanced agricultural technologies; poor market access and inadequate infrastructure, leading to inefficiencies in the supply chain and lower prices for farmers; and a dependence on low-value crops rather than diversifying into high-value horticulture or floriculture, which restricts overall agricultural income.

Relationship between Sectoral Contribution to GSDP & Employment



- **Industry**

The industry sector in Jammu and Kashmir shows a more balanced relationship between GSDP contribution and labor force engagement, but there is still room for productivity improvements. **Enhancing the skills of the industrial workforce through training and education can boost productivity.** Increased investment in machinery, technology, and infrastructure can lead to higher efficiency and output. Additionally, **promoting innovation and diversifying industrial activities beyond traditional manufacturing to include high-tech industries can further enhance productivity and GSDP contribution.**

- **Services**

The service sector contributes the most to the GSDP but employs a relatively smaller percentage of the labor force. This indicates **higher productivity and value addition per worker in services** compared to other sectors and **potential for expansion within the sector.** The service sector likely benefits from better access to technology, higher skill levels, and greater capital investment, leading to more efficient and higher-value economic activities.

*This analysis points us towards **focusing on strategies to enhance productivity in agriculture and industry** including technological updation, diversification, focus on value addition and skill development. It also suggests the need for continued support for the service sector for entrepreneurship & employment generation.*

Occupational Shortage Index (OSI)

The Ministry of Labour & Employment has initiated the Occupation Shortage Index (OSI) for the States in India is computed and derived based on the methods and guidelines provided by the ILO. The occupation shortage index is a valuable tool for policymakers, businesses, and educational institutions to make informed decisions about workforce planning, education, and training programs. It would serve as a foundation for informed decision-making and action in the labor market ecosystem.

High OSI indicates Shortage/higher demand of workers within a particular occupation, which may result in higher wages, more job opportunities.

Low OSI indicates Surplus/less demand of workers, which may lead to lower wages, fewer job opportunities, and increased competition for available positions.



Negative OSI (More Labour than Jobs in the Market)

Positive OSI (More Jobs than Labour in the Market)

Category	Occupations	OSI
Management and Administration	Hospitality, Retail and Other Services Managers	-0.88
	Administrative and Commercial Managers	-0.06
	Production and Specialized Services Managers	0.03
	Chief Executives, Senior Officials and Legislators	0.62
Professional and Technical Skills	Information and Communication Technology Professionals	-0.9
	Science and Engineering Professionals	0.14
	Science and Engineering Associate Professionals	0.31
	Business and Administrative Professionals	0.36
	Business and Administration Associate Professionals	0.79
	Electrical and Electronics Trades Workers	0.94
	Information and Communications Technicians	0.94
	Metal, Machinery and Related Trades Workers	0.94
Health and Social Care	Legal, Social, Cultural and Related Associate Professionals	-1.96
	Health Associate Professionals	-0.89
	Health Professionals	-0.65
	Legal, Social and Cultural Professionals	-0.42
	Personal Care Workers	-0.4
Clerical and Support Staff	General and Keyboard Clerks	-0.11
	Numerical and Material Recording Clerks	0.15
	Other Clerical Support Workers	0.31
	Customer Services Clerks	0.55
Service and Sales Workers	Personal Service Workers	0.07
	Refuse Workers and Other Elementary Workers	0.32
	Protective Service Workers	0.36
	Drivers and Mobile Plant Operators	0.4
	Stationary Plant and Machine Operators	0.42
	Sales Workers	0.58
	Cleaners and Helpers	0.8
	Street and Related Sales and Services Workers	1.43
Craft and Related Trades	Food Processing, Woodworking, Garment & Other Craft & Related Trades Workers	-1.02
	Handicraft and Printing Workers	1.3
Primary Sector Workers	Market-Oriented Skilled Forestry, Fishery and Hunting Workers	-0.89
	Market-Oriented Skilled Agricultural	-0.19
	Laborers in Mining, Construction, Manufacturing, and Transport	-0.02
Education Sector	Teaching Professionals	-0.33

- **High Demand Areas:** Skilled technical professions like ICT Technicians, Electrical Workers, and Metal Workers are in high demand (OSI > 0.9), suggesting robust job opportunities and potentially higher wages.
- **Stable Demand:** Management and administrative roles, while varied, generally show mild demand, with some managerial roles in hospitality and production showing slight surpluses.
- **Critical Shortages:** Handicraft workers are experiencing significant shortages (OSI > 1.3), indicating a niche market with potential for growth. Street and Related Sales and Services Workers also have high potential for growth.
- **Critical Surpluses:** Legal and social associate professionals face substantial surpluses, suggesting oversupply and potential for re-skilling.
- **Sector Challenges:** The negative OSI in many health and legal occupations suggests an oversupply or a reduced number of openings, which might require strategic interventions in education and training programs.

Sector-Wise OSI Analysis

Sector	Current Status	Insights
Tourism	Opportunities	High demand in service roles like Street and Related Sales and Services Workers indicates robust job opportunities, potentially enhanced by growing tourism.
Manufacturing	Mixed	Strong demand for skilled positions such as Metal and Machinery Workers contrasts with surpluses in general labor, suggesting a shift towards high-skill manufacturing.
IT/ITES	Mixed	Slight surplus in IT Professionals but strong demand for specialized Technicians highlights areas for growth and the need for specific technical training. There's a need for creation of more job opportunities & enterprises in the sector.
Agriculture and Allied	Challenges	Surplus in skilled agricultural workers indicates challenges from market changes and technology, suggesting a need for diversification and advanced training.
Handicrafts and Handlooms	Opportunities	Significant shortage in Handicraft Workers suggests a strong market demand, possibly driven by cultural tourism and a focus on preserving traditional crafts.

1.2 Landscape of Entrepreneurship in J&K

Current Status of Industrial Enterprises in Jammu & Kashmir

The entrepreneurship landscape in Jammu and Kashmir (J&K) is diverse, encompassing a variety of **18697 industrial enterprises** ranging from micro to large-scale businesses. The graph below provides a comprehensive overview of the number and percentage of micro, small, medium, and large industrial enterprises operating in J&K.

Industrial Type	Number of Units	%
Micro	17525	93.7%
Small	989	5.3%
Medium	138	0.7%
Large	45	0.2%

1. Micro Enterprises as Economic Backbone:

- **Dominance:** Micro enterprises form the backbone of J&K's entrepreneurial ecosystem, accounting for 93.7% of all enterprises. This indicates a highly fragmented market with a multitude of small-scale operations.
- **Economic Impact:** Given their vast numbers, micro enterprises collectively contribute significantly to employment and local economies, though individually their economic impact may be limited due to scale.
- **Challenges:** These enterprises often face challenges such as limited access to capital, technology, and markets, highlighting the need for targeted support in these areas.

2. Role of Small Enterprises:

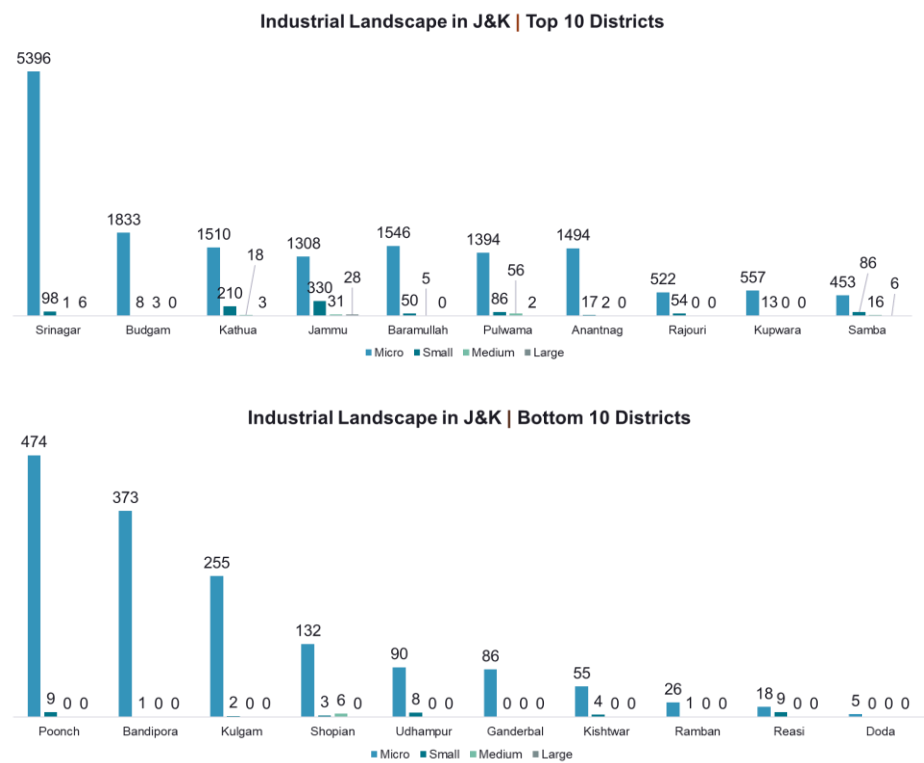
- **Growth Potential:** Small enterprises, comprising 5.3% of the total, represent a crucial segment with significant growth potential. These businesses are often in transition from micro to medium scale and can benefit immensely from capacity-building programs.
- **Economic Stability:** They contribute to economic stability by diversifying the industrial base and offering more stable employment compared to micro enterprises.

3. Medium and Large Enterprises as Industrial Anchors:

- **Economic Leverage:** Although medium and large enterprises make up only 0.7% and 0.3% of the total respectively, they wield considerable economic leverage due to their larger scale operations, higher productivity, and greater capacity for innovation and investment.
- **Employment Quality:** These enterprises typically provide higher quality employment opportunities, with better wages, benefits, and working conditions, thus playing a key role in improving living standards.

District-wise Status of Industrial Enterprises

The district-wise enterprise distribution graph provides a visual representation of the number of enterprises in each district of Jammu and Kashmir, categorized into micro, small, medium, and large enterprises. The graph highlights the dominance of micro enterprises across most districts, reflecting the region's reliance on small-scale businesses. High-performing districts such as Jammu and Srinagar show a diverse mix of enterprise sizes, indicating robust industrial and commercial activities.



Low-performing districts such as Ganderbal and Kishtwar show limited industrial development. This visualization aids in understanding the economic landscape and identifying areas for targeted interventions to promote balanced regional growth.

The table below provides a detailed analysis of the performance levels of various districts in Jammu and Kashmir based on the distribution and type of enterprises. The districts are categorized into high, medium, and low-performing groups, each with specific salient insights and examples to illustrate their economic activities and potential. This categorization helps in identifying the strengths and areas for improvement in each district, providing a targeted approach for fostering balanced regional development across J&K.

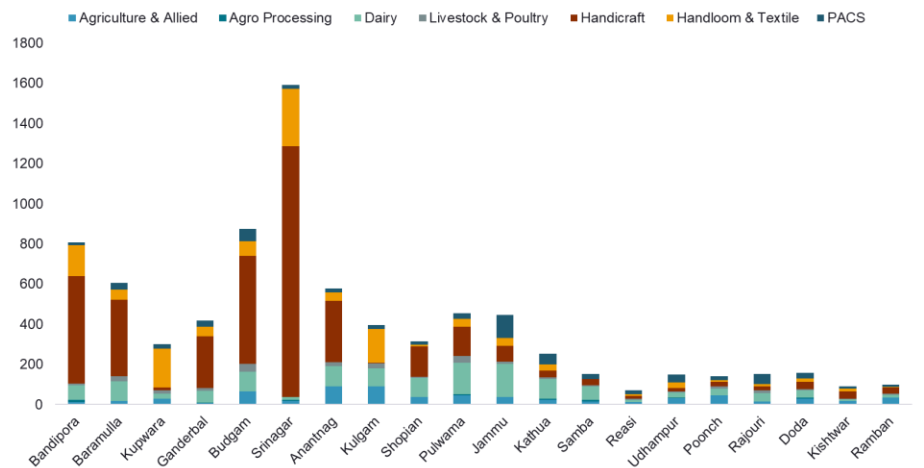
Performance Level	District	Salient Insights	Examples
High	Jammu	Highest number of enterprises across all categories; Industrial Hub; Commercial Center; Well-developed infrastructure.	Bari Brahmana Industrial Estate; SIDCO Industrial Complex.
	Srinagar	Significant number of enterprises in micro and small categories; Economic Diversification; Urban Center; Major tourism destination.	Lal Chowk business district; Craft clusters like Pashmina and paper mache.
	Kathua	Notable number of micro and small enterprises; Proximity to Punjab; Industrial Estates; Strong agricultural base.	Kathua Industrial Estate; Agro-processing units.
Medium	Pulwama	Moderate number of micro and small enterprises; Agricultural Hub; Potential for growth in saffron and dairy farming.	Rice mills; Dairy farms.
	Samba	Balanced number of micro and small enterprises; Emerging industrial area; Proximity to Jammu and major highways.	SIDCO Industrial Complex; Small manufacturing units.
	Baramulla	Moderate number of micro enterprises; Tourism potential; Strong agricultural sector, especially apple production.	Apple processing units; Tourism services.
Low	Ganderbal	Low number of enterprises; Predominantly rural with limited industrial development; High reliance on agriculture.	Small agro-processing units; Tourism potential around Manasbal Lake.
	Kishtwar	Low number of enterprises; Geographical challenges; Potential for supporting businesses around hydro projects.	Small businesses providing services to hydroelectric projects; Small-scale saffron processing units.
	Shopian	Low number of enterprises; Heavy reliance on apple orchards; Inadequate infrastructure for industrial growth.	Apple packaging and processing units; Potential for expanding agro-processing activities.

Current Status of Cooperatives in Jammu & Kashmir

There are over **9025 cooperatives** in Jammu & Kashmir which play a vital role in the socio-economic development of the region. These cooperatives span a diverse range of sectors, including agriculture, dairy, crafts, and financial services, providing essential support to local communities. They help in fostering self-reliance, generating employment, and promoting sustainable development. The data reveals that the handicraft sector has the **highest number of cooperatives in Jammu & Kashmir (3904)**, followed by **dairy (1308)**, **handloom textile & weavers (1221)**, indicating their significant role in the local economy.



District-wise Analysis of Cooperatives in J&K

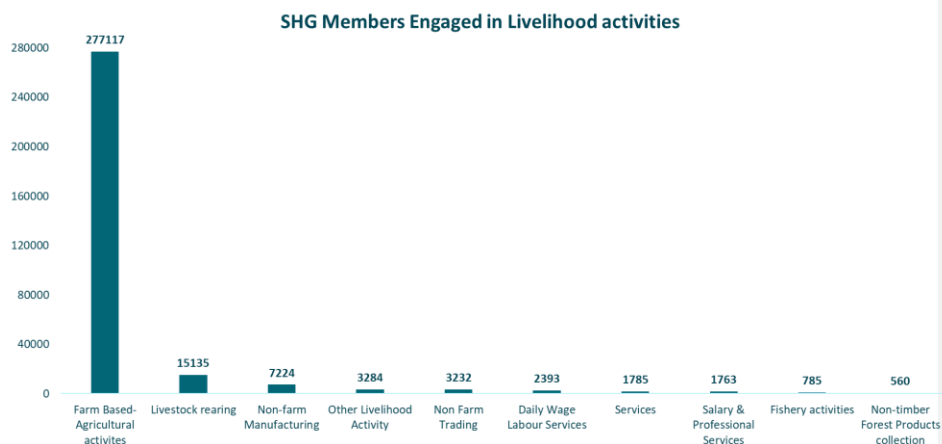


- **Agriculture Cooperatives:** Anantnag and Kulgam are well-known for their horticulture, particularly apple orchards and saffron cultivation. Budgam, with its extensive agricultural activities, including rice and mustard cultivation, supports a large number of agricultural cooperatives to manage and enhance productivity.
- **Dairy Cooperatives:** Jammu and Pulwama are strong in dairy farming, supported by cooperative structures that enhance productivity and market access.
- **Livestock & Poultry Cooperatives:** Pulwama and Baramulla are significant players in livestock and poultry, indicating well-established practices.
- **Handicrafts Cooperatives:** Srinagar is a hub for traditional Kashmiri handicrafts, crucial for employment and export. These districts benefit from organized cooperatives that support artisans. Underrepresented areas like Kulgam can be targeted for development to diversify and strengthen the local economy through crafts
- **Handloom Cooperatives:** Known for its rich history in weaving, Srinagar leads significantly in handloom cooperatives closely followed by Kupwara & Budgam. The high number of cooperatives reflects a strong tradition of textile and weaving, with famous products like Pashmina shawls, silk carpets, and other traditional Kashmiri textiles

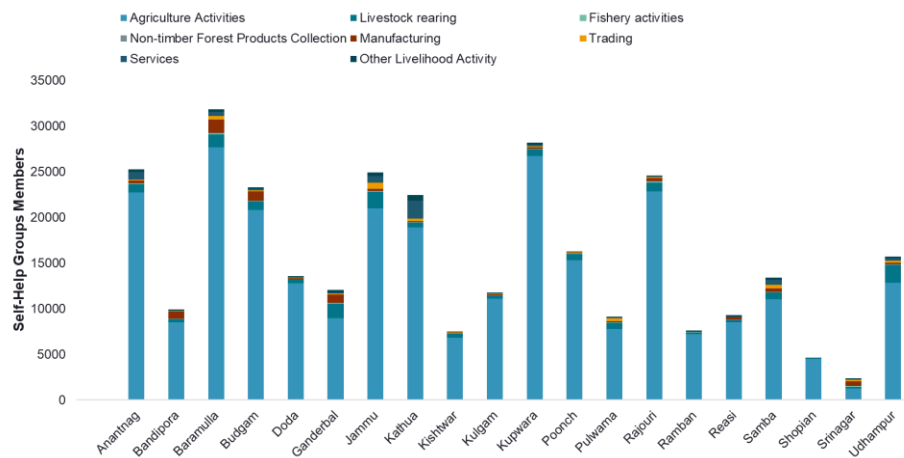
Current Status of Self-Help Groups in Jammu & Kashmir

There are **92,214 SHGs** in Jammu & Kashmir empowering local communities by promoting entrepreneurship, facilitating microfinance, and providing skill development opportunities for enhancing livelihoods and fostering economic independence. These groups play a crucial role in women's empowerment and rural development, driving socio-economic progress across the region.

The graph shows that the majority of SHG members in Jammu & Kashmir (277,117) are engaged in farm-based agricultural activities, followed by livestock rearing (15,135), non-farm manufacturing (7,224 members), and various livelihood activities. Comparatively less SHG members are involved in non-farm trading, daily wage labor, services, professional services, fishery activities, and non-timber forest product collection, indicating diverse economic activities with a strong emphasis on **agriculture and allied sectors**.

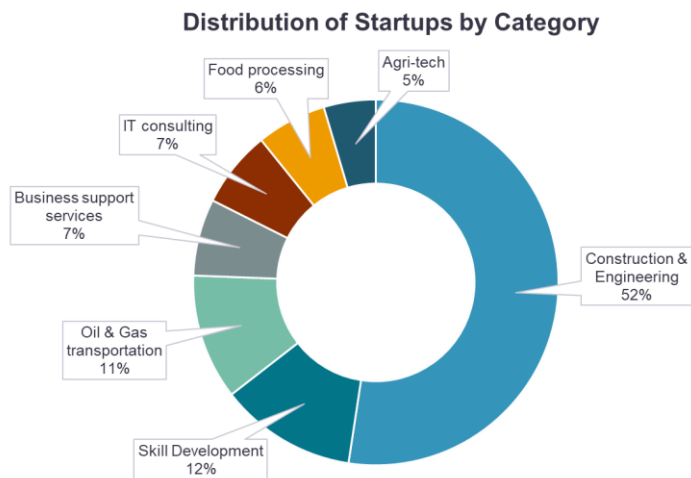


District-wise Analysis of Self-Help Group Members in J&K



Business Incubation Ecosystem

- There are 782 DIPP recognised startups in J&K, making it the 14th ranked state/UT out of 36 in the country.
- 279 (36%) out of these 782 are women led startups.
- The sector-wise breakdown of these DIPP recognised startups is:



List of Existing Incubators in Jammu & Kashmir

S.No.	Name
1.	Agri Business Incubator SKUAST-Jammu
2.	Center for Innovation, Incubation & Business CIIBM- JKEDI
3.	Shri Mata Vaishno Devi University Technology Business Incubation Center Society (SMVDU TBIC)
4.	University Business Incubation Centre (UBIC) - Jammu University
5.	CENTER FOR INVENTION, INNOVATION, INCUBATION & TRAINING (CIIT) Government Polytechnic College Jammu
6.	CENTER FOR INVENTION, INNOVATION, INCUBATION & TRAINING (CIIT) Government Polytechnic College Baramulla
7.	INSTITUTE INCUBATION & INNOVATION COUNCIL (I3C) - IIT JAMMU
8.	MIET
9.	Innovation, Incubation & Entrepreneur development center IIEDC National Institute of Technology Srinagar
10.	NewGn IEDC, University of Kashmir

Schemes & Policy to Support Enterprises in Jammu & Kashmir

The table below enlists a list of initiatives by the Central and UT governments to enhance economic opportunities and foster entrepreneurial growth in Jammu & Kashmir. These centrally-sponsored schemes address broad national objectives such as enhancing livelihoods, improving access to finance, and supporting agricultural and industrial development. On the other hand, the UT schemes meet the unique developmental needs of the regions, focusing on youth empowerment, local entrepreneurship, and sector-specific support. These schemes collectively represent the government's concerted efforts to stimulate economic activity and ensure sustainable development across all communities.

1. Central & UT Schemes

S.No.	Scheme Name	Type	Department	Benefit Type	Enterprises in 2022-23
1	Prime Minister's Employment Generation Program (PMEGP)	Central	Industries and Commerce	Credit linked subsidy	26,033
2	J&K Rural Employment Generation Programme (JKREGP)	UT	Industries and Commerce	Credit linked subsidy	642
3	National Rural Livelihood Mission	Central	Rural Development Department	Microfinance	16,952

4	National Urban Livelihood Mission	Central	Housing and Urban Development	Credit & Interest subsidy		1,350
5	Kisan Credit Card Scheme	Central	Agriculture	Microfinance		44,569 KCC cards issued
6	Poultry Venture Scheme	Central	Animal, Sheep Husbandry and Fisheries	Credit subsidy	linked	632
7	Pradhan Mantri Weaver Mudra Yojna	Central	Handicrafts & Handlooms Department	Credit Guarantee		629
8	Pradhan Mantri Formalization Of Micro Food Processing Enterprises (PMFME)	Central	Horticulture	Credit subsidy	linked	156
9	National Agriculture Infra Financing Facility (AIF)	Central	Agriculture	Interest subvention		44
10	Animal Husbandry Infrastructure Development Fund (AHIDF)	Central	Animal, Sheep Husbandry and Fisheries	Interest subvention		1
11	PM- SVANidhi Scheme	Central	Housing	Subsidy		13,902
12	Holistic Agriculture Development Programme (HADP)	UT	Agriculture	Subsidy		18861
13	Micro Finance Loan Scheme	UT	Women Development Corporation	Microfinance		1884
14	Mumkin - Mission Youth	UT	Mission Youth	Credit subsidy	linked	7167
15	TEJASWINI- The Radiant	UT	Mission Youth	Credit Subsidy	linked	4427
16	Spurring Entrepreneurship Initiative	UT	Mission Youth	Credit		3057
17	Integrated Dairy Development Scheme	UT	Animal Husbandry	Subsidy		2672
18	Mini-Sheep Farm	UT	Animal Husbandry	Credit subsidy	linked	2383
19	Artisan Credit Card Scheme	UT	Handicrafts & Handlooms	Microfinance		2357
20	Tourist Village 2.0	UT	Mission Youth	Credit Subsidy	linked	20

21	National Apprenticeship Promotion Scheme (NAPS)	Central	Skill Development	Skilling	989 Wage Employment
22	Deen Dayal Upadhyay – Gramin Kaushalya Yojana (DDU-GKY)	Central	RDD	Skilling	2981 Wage Employment

2. UT Key Policies

Policy	Implementing Department	Key Components
Jammu and Kashmir Industrial Policy 2021-2030	Department of Industries & Commerce	<ul style="list-style-type: none"> • Public & Private Infrastructure: • Capital Subsidies • Financial Incentives • Ease of Doing Business • Market Linkage • Skill Development
Jammu and Kashmir Tourism Policy - 2020	Department of Tourism	<ul style="list-style-type: none"> • Capital Investment Incentives • SGST Concessions Energy Audit Subsidies • Eco-Tourism Project Training Subsidies • ICT Development Support • Event Funding • Training and Employment Incentives
Jammu and Kashmir's IT/ITes Policy 2020	Department of Information Technology	<ul style="list-style-type: none"> • Capital Subsidies • FAR Relaxation • Bandwidth Subsidy • Education / Skill Development
Jammu and Kashmir Wool Processing, Handloom, Handicrafts Policy 2020	Department of Handicrafts & Handloom	<ul style="list-style-type: none"> • Capital Investment Incentives • Marketing and Sales Support • Training and Design Development • Credit Enhancement • Infrastructure Development
Jammu and Kashmir Start-up Policy 2024-2027	Department of Industries & Commerce	<ul style="list-style-type: none"> • Venture Capital Fund • Seed Funding • Loan Guarantee Program • Incubators and Accelerators • Patent Support • Co-Working Spaces • Start-up Awards • Assistance for Mentorship • Marketing Support • Startup Events • Incubation Centre/Tinkering Labs

1.3 Understanding the Roadblocks for Entrepreneurship

A. Nano Entrepreneurs

Current Status:

These are ultra-small-scale businesses, often operated by a single person or a small family unit. They typically employ less than two people and have very minimal capital investment and revenue.

There's a distinct segment within micro, small, and medium enterprises (MSMEs) which may be called 'Nano Entrepreneurs, with annual revenue between 1-10 lakhs. Nano entrepreneurs, often referred to as the lifeblood of grassroots economies, embody the spirit of innovation and resilience at the smallest yet impactful scale. These entrepreneurs typically operate with minimal resources, managing businesses that often start with just a few thousand rupees. They play a crucial role in local economic development, providing essential goods and services to their communities while creating employment opportunities.

Characteristics:

- **Nature of Businesses:** Nano entrepreneurs in Jammu and Kashmir typically engage in small-scale businesses such as street vending, small retail shops, and various service-oriented enterprises like barbers, cobblers, and laundry services. These businesses often operate with minimal capital and are mostly unregistered, falling within the informal sector.
- **Size:** 1-2 individuals, usually from the family
- **Income Levels:** These entrepreneurs generally have low income levels, with many earning less than INR 25,000 per month. The average revenue of nano enterprises is between 3 lakhs – 5 lakhs per annum. This makes them vulnerable to economic shocks and limits their ability to save and reinvest in their businesses.
- **Market Audience:** Nano businesses have the ability to cater to both B2B (business-to-business) and B2C (business-to-consumer) customers. This diversification acts as a crucial buffer against economic downturns, industry-specific challenges, or sudden shifts in consumer preferences.

Financial Profile of Nano Entrepreneurs

Micheal and Susan Dell Foundation (MSDF)³ and LEAD at Krea University⁴ have conducted several researches around the current status of Nano-Entrepreneurs in India. Based on the findings of their report:

- Initial investment for nano businesses manufacturing sector (tailoring / home-based food processing / accessories & cosmetics, etc.) is ₹12,000.
- Initial investment for nano businesses in **services** sector (hotels / tea shops / hair salon/ photocopy / kirana store etc.) is ₹19,000
- Initial Investment for for nano businesses in **trade** businesses (kirana store / medical store / textile shop / fruit & vegetable shop etc) is ₹29,000
- Initial Investment for for nano businesses in **agriculture & allied sector** businesses (small scale

³ <https://www.dell.org/wp-content/uploads/2023/01/Nano-Enterprises-Report-Jan-2023.pdf>

⁴ <https://ifmrlead.org/wp-content/uploads/2024/04/Exploring-the-Growth-Potential-for-Women-Led-Nano-Enterprises-Study-Report-March-2024.pdf>

vegetable cultivation / backyard poultry / dairy etc.) is ₹15,000

Key Challenges and Roadblocks:

- A focus on survival rather than growth limiting innovation
- Struggle to secure loans due to a lack of credit history and collateral (huge new-to-credit audience)
- Gap of financial products tailored to the small needs of nano entrepreneurs, with existing options often being unsuitable or inaccessible
- Lack connections to sustainable market channels or corporate supply networks
- Lack of essential business management skills, such as financial management, marketing, and inventory control
- Low level of digitization among nano enterprises due to low technical know-how
- Complex and time-consuming processes to comply with business regulations
- Lack exposure to entrepreneurial culture and role models, leading to risk aversion

B. Micro Entrepreneurs

Current Status

The majority of industrial units in J&K are micro enterprises, highlighting the importance of micro-scale operations in the region's industrial landscape. Micro enterprises have a notable presence across all the districts. Urban and semi-urban areas like Srinagar, Jammu, Pulwama, Baramulla, and Anantnag have higher concentrations of micro enterprises due to better infrastructure, access to markets, and supportive business environments.

Characteristics:

- **Nature of Businesses:** Micro entrepreneurs in Jammu and Kashmir typically operate small businesses such as local manufacturing units, small-scale food processing, repair services, and boutique retail shops. turnover
- **Size:** These businesses often employ a few workers, having employment of 1-10 individuals
- **Investment:** Initial investment in plant and machinery is up to ₹1 crore.
- **Income Levels:** Micro entrepreneurs generally have moderate income levels, with annual turnover limit maximum up to ₹5 crores. Their incomes allow for basic reinvestment into their businesses, although they remain vulnerable to economic fluctuations.
- **Market Reach:** These businesses typically serve local or regional markets, with some extending their reach through online platforms and participation in local fairs and exhibitions.
- **Infrastructure Limitations:** Inadequate infrastructure due to small scale of operations, particularly in rural areas, can impede business operations, affecting logistics & access to markets.

Key Challenges

- Lack of collateral and credit history to secure loans and attract investment
- Unpredictable income and frequent revenue fluctuations
- Dependent on informal lending and exposed to high interest rates leading to financial instability.
- Limited customer reach and a lack of established distribution networks to access wider markets
- Intense competition from both small and large enterprises leading to price wars
- Insufficient funds for marketing leading to difficulty in creating a strong brand presence

- High costs and time demands for business registration, permits, compliance, & taxes
- Inability to offer competitive salaries & insecure job conditions leading high employee turnover
- Limited access to modern technology and the internet, low digital literacy
- Heavy reliance on intermediaries for raw materials and distribution

C. Small and Medium Entrepreneurs

Current Status

Small and medium enterprises (SMEs) are significantly fewer in number compared to micro enterprises in Jammu & Kashmir. Jammu and Kathua have significant presence of Small and medium enterprises, indicating a strong presence of business activities and the infrastructure, resources and the support systems showcasing their roles as major centers for comparatively large scale enterprises.

Characteristics:

- **Nature of Businesses:** SMEs in Jammu and Kashmir typically operate in sectors such as manufacturing, IT services, hospitality, construction, and medium-scale food processing. These enterprises often have more complex operations and diversified product or service offerings compared to micro enterprises.
- **Size:** SMEs generally employ between 11 to 250 individuals, providing more substantial employment opportunities within the region.
- **Investment:** Initial investment in plant and machinery ranges from ₹1 crore to ₹20 crores.
- **Income Levels:** SMEs have higher income levels, with annual turnover ranging from ₹5 crores to ₹100 crores. This enables significant reinvestment into business growth, though they still face risks from economic fluctuations.
- **Market Reach:** These businesses usually serve regional and national markets, with some SMEs extending their reach internationally. They often leverage online platforms, trade shows, and export channels to expand their market presence.
- **Regulatory Environment:** SMEs operate within a formal regulatory framework, benefiting from government policies, tax incentives, and business support programs. Compliance with regulations can still be resource-intensive but provides a stable operating environment

Key Challenges and Roadblocks:

- Delays in receivables and high expenses leading to inconsistent cash flows.
- Stringent lending criteria and lack of collateral limiting credit access.
- Complex tax structures and compliance costs
- Administrative Burdens (bookkeeping, payroll, and compliance is time-consuming) affecting overall efficiency
- Balancing quality and growth can be challenging, especially when scaling operations without compromising on standards.
- Low level of online presence due to technical skills and limited resources
- Finding and keeping skilled employees is difficult due to competition with larger firms
- Heavy reliance on founders, making it challenging to delegate responsibilities
- Competition from larger companies with more resources for marketing & customer acquisition
- Customer Acquisition and Retention is difficult with limited budgets
- Undiversified Customer Base make SMEs vulnerable to fluctuations in demand

D. Collectives

Current Status:

Cooperatives are concentrated in handicrafts, dairy, agriculture and financial services. A major challenge for cooperatives is limited access to capital. Traditional financial institutions are often reluctant to lend to cooperatives, considering them high-risk borrowers. A significant majority of SHG members (277,117) are engaged in farm-based agricultural activities. There's a diversity of economic activities but with a primary focus on agriculture.

Characteristics:

- **Nature of Operations:** Collectives in Jammu and Kashmir, such as cooperatives and self-help groups, engage in agriculture, dairy, handicrafts, and handloom textiles. They pool resources for better bargaining power and shared services.
- **Size:** Collectives consist of 10-50 members, though larger ones may have over 100 members.
- **Access to Resources:** Collectives leverage collective bargaining for lower input costs, access government schemes, and secure loans more easily than individual entrepreneurs.
- **Economic Scale:** Operating on a larger scale, collectives produce and market goods in bulk. They face challenges in accessing larger markets and advanced technology.
- **Income Distribution:** Income is shared among members, providing livelihood support for multiple households. Individual earnings can be low and dependent on market conditions, but the shared model mitigates individual risks.
- **Social Capital:** Built on strong social ties and mutual trust, social capital enables effective coordination, conflict resolution, and support systems within the group.
- **Regulatory and Institutional Support:** Registered under cooperative societies or self-help group federations, collectives benefit from a legal identity, government support programs, and structured governance.


Key Challenges & Roadblocks

- Traditional gender roles and limited access to resources and decision-making processes limit women's access.
- Limited Market Access due to a lack of marketing skills and networks
- Limited access to credit and investment restricting the scale up of operations
- Irregular income streams and dependency on external funding without sustainable business model
- Ineffective management practices and governance structures
- Regulatory Hurdles impact their ability to operate smoothly and expand
- Limited access to training and skill development opportunities impede the professional growth of cooperative members, affecting the overall productivity.

E. Job Seekers

Current Status:

The employment scenario in J&K is marked by high urban (10.8%) and female unemployment rates (7%), significant youth unemployment (13.7%), and a need for targeted skill development. There are strong opportunities in specific high-demand sector (Service, tourism, handicrafts and handlooms, manufacturing) for roles including Skilled technical professions, Street and Related Sales and Services



Workers, Handicraft Workers, Metal and Machinery Workers but also critical surpluses that require re-skilling and strategic interventions.

Key Challenges:

- Mismatched employable skills making many graduates unemployable in the private sector
- Lack of regional employment opportunities
- Private sector in J&K is underdeveloped, with minimal presence of large corporations and limited SME, reducing the number of job opportunities outside government employment.
- Low risk-taking ability restricting them from self-employment
- Lack of relevant documentation / proof of skill-set for accessing right opportunities
- Cultural norms and lack of supportive infrastructure like childcare facilities limit the opportunities for women

1.4 Key Takeaways & Way Forward

Key Takeaways from Current Landscape Analysis

1. **Promotion of Self-Employment:** Over 48% of the population in J&K is self-employed indicating high entrepreneurial spirit and potential for growth, specially in the services sectors where SGDP contribution is much higher as compared to people employed
2. **Many Capital Subsidy Schemes but Low Business Support Systems:** Business support structures which exist in the UT are fragmented, and only exist in specific regions of J&K indicating need for a widespread one-stop support centres for businesses
3. **Focus on Youth, Women & Urban Employment Creation:** High rates of unemployed observed in the mentioned groups indicated need for targeted programmes / additional incentives for the mentioned beneficiaries
4. **Improving Access to Finance for Small-Scale Enterprises:** There are multiple programmes for MSMEs promoting enterprise creation through capital investment subsidies but little support to hyperlocal, small scale enterprises at very initial stage of establishment
5. **Creation of High-Skilled Job Opportunities for Educated Youth:** Promotion of emerging knowledge sector enterprises in the UT to boost high-skill & high-paying employment opportunities for youth

Key Takeaways from Challenges of Enterprises

Enterprises in Jammu & Kashmir face multifaceted challenges that can be categorized into four critical pillars: Culture, Capital, Capacity, and Connectivity.

- **Culture:** Risk aversion, a predominant focus on survival, and adherence to traditional roles significantly hinder innovation and access to opportunities, especially for women. These cultural factors create a conservative business environment that discourages entrepreneurial risk-taking and limits the participation of underrepresented groups.
- **Capital:** Securing financial resources is a major hurdle, with enterprises struggling to obtain loans and financial products due to a lack of collateral, credit history, and stringent lending criteria. This results in a heavy reliance on informal lending at high-interest rates and inconsistent cash flows, making it difficult for businesses to sustain and grow.
- **Capacity:** Many enterprises lack essential business management skills and face insufficient funds for marketing and limited access to modern technology. The complex tax structures and administrative burdens further complicate their operations, leading to ineffective management practices and governance issues that stifle business development.
- **Connectivity:** Limited market reach and over-reliance on intermediaries impede the growth of enterprises. Informal operations and minimal established distribution networks restrict customer reach, making SMEs vulnerable to demand fluctuations. Additionally, regulatory hurdles and a lack of marketing skills and networks further limit their market access and growth potential.

Table: Summary of Challenges faced by different kinds of entrepreneurs

Category	Nano Entrepreneurs	Micro Entrepreneurs	Small & Medium Entrepreneurs	Collectives
Culture	- Risk aversion	- Focus on survival limiting innovation	- Balancing quality and growth can be challenging	- Traditional gender roles limit women's access
Capital	- Struggle to secure loans due to lack of credit history & collateral - Financial products unsuitable or inaccessible	- Lack of collateral and credit history to secure loans - Dependent on informal lending with high-interest rates	- Stringent lending criteria - Delays in receivables and high expenses leading to inconsistent cash flows	- Dependency on external funding without a sustainable business model
Capacity	- Lack of essential business management skills	- Insufficient funds for marketing - Limited access to modern technology	- Complex tax structures & compliance costs - Administrative burdens	- Ineffective management practices & governance
Connectivity	- Lack connections to sustainable market channels or corporate supply networks - Informal operations, leading to minimal market reach	- Limited customer reach and established distribution networks - Reliance on intermediaries for materials and distribution	- Undiversified customer base makes SMEs vulnerable to demand fluctuations - Lack of labor with relevant skill set	- Limited market access due to a lack of marketing skills and networks - Regulatory hurdles impact their ability to operate smoothly and expand

Chapter 2 | Overview of the Programme

Programme Vision

To establish Jammu & Kashmir as a **thriving hub of enterprises & employment**
by fostering equity, dignity, and income,
unlocking its inherent 'potential' to transition towards 'prosperity'.

To achieve this vision, a four pronged strategy is proposed to enable enterprises and employment, over the next 5 years, namely:

1. Creation of Nano-Entrepreneurs and Collectives:

Promoting mass self-employment through small-scale businesses across sectors to create gainful livelihood opportunities

2. Creation of new MSMEs in Focus & Sunrise Sectors

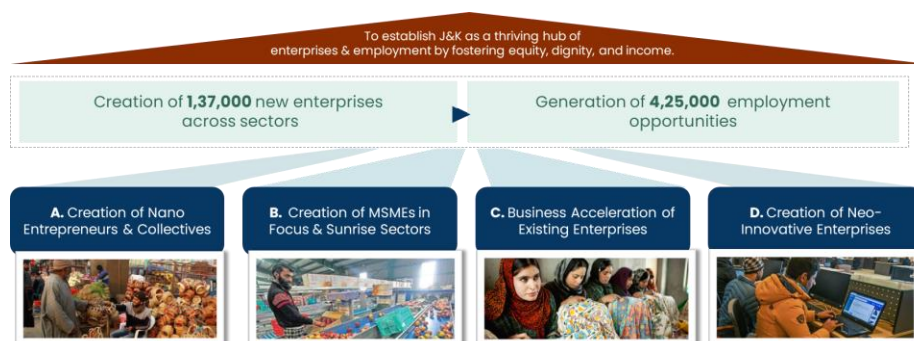
Promoting sustainable growth through focusing on grassroot communities and enabling employment in potential growth sectors, renewable energy, pharmaceutical, etc.

3. Business Acceleration of Existing Enterprises (MSMEs & Collectives)

Promoting business growth of existing enterprises to increase the employment generation through growth incentives.

4. Creation of Neo-Innovative Enterprises

Promoting innovative & cutting-edge startups and MSMEs in emerging sectors like knowledge based enterprises for creating employment opportunities for high-skilled youth.



Key Performance Indicators

Sl. No.	Indicator	No. of Units	Employment Generation
A.	Creation of Nano enterprises & Collectives	1,25,000	2,50,000
B.	Creation of New MSME Enterprises among Focus & Sunrise Sectors	7,500	1,07,500
C.	Business Acceleration of Existing Enterprises	4,000	60,000
D.	Creation of Neo-Innovative & Knowledge-based Enterprises	500	7,500
	Total	1,37,000	4,25,000

Programme Beneficiaries

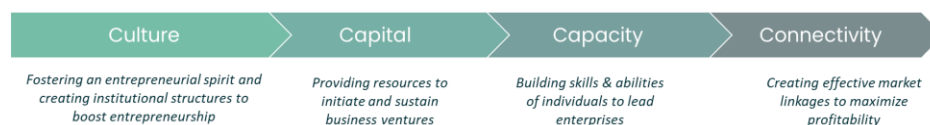
The programme will target the **unemployed individuals**, with primary focus on youth & women. The project will work directly with 1,25,000+ targeted individuals for creation of nano enterprises. 7,500 youth shall be encouraged to set-up MSMEs in Focus & Sunrise sectors. Special focus will be paid on 500 aspirational, new-age entrepreneurs within the programme. Additional incentives have been incorporated for vulnerable segments including women, differently abled persons (PwD), etc.

Programme Duration

The project will be implemented **over a period of 5 years**. The first year of the project will be exclusively dedicated towards critical preparatory activities like creating the implementation structure, hiring of people, training and orientation of project functionaries, preparation of guidelines and implementation protocols, on-boarding of technical agencies etc. Apart from these, various interventions related to spreading awareness on the project among the public will also be taken up during the first year. Enterprise creation will be initiated from Year 2 and will continue through Year 5.

Programme Design

The programme aims to develop an effective business ecosystem & enable enterprise through a comprehensive set of interventions anchored around the 4Cs: **Culture, Capital, Capacity, and Connectivity**.



1. **Culture:**

Ecosystem Creation: Build an encouraging and healthy culture for entrepreneurship through support structures for business development at various levels enhancing their operations through hand holding & support.

2. Capital

Enterprise Creation / Expansion: Financial assistance through subsidies, grants, and VC funding addressing initial capital needs and fostering the establishment and growth of new enterprises.

Credit Enablement: Improving the credit ecosystem for easy access to credit for entrepreneurs through loans and credit guarantees

3. Capability

Capacity Building & Training: Entrepreneurship Development Training (EDP) and sector-specific skilling programmes to build the capacity of entrepreneurs

4. Connectivity

Market Linkages: Improving reach, export, and trade opportunities for business growth by connecting businesses to broader markets through a one-stop e-commerce marketplace, export promotion, business conclaves, and trade fairs, driving growth and sustainability.

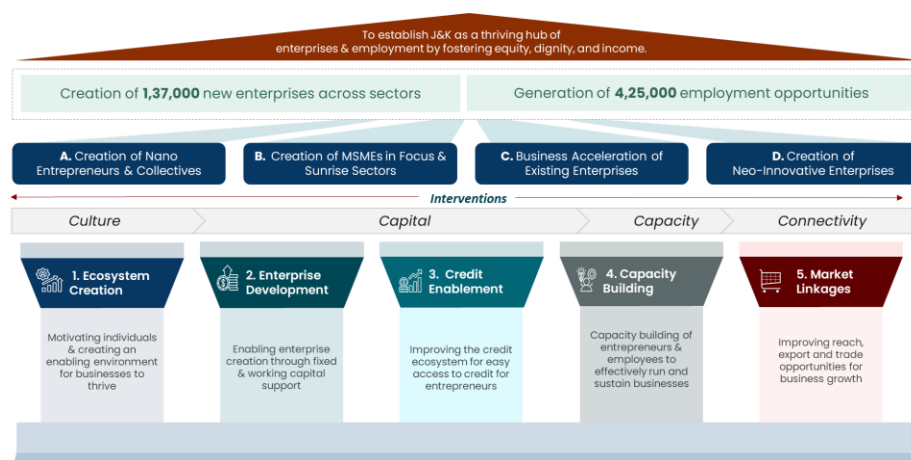


Figure: Overarching Framework of the Programme

Chapter 3 | Proposed Interventions under the Programme

3.1 Ecosystem Creation

Many new businesses fail owing to a lack of support, understanding of the industry, not enough resources and poor management skills. Such repeated instances of failure create a sense of delusion and confusion among the public, depicting entrepreneurship in poor light, promoting many to relinquish the idea of establishing businesses and resorting to safer job options. Eventually, for a society, this creates a situation of impasse, with a large number of people vying for few jobs available and no new jobs getting created.

Objective:

The objective of this component is to catalyze an entrepreneurial culture among citizens, particularly youth, creating an enabling environment for promotion of new & existing enterprises

Interventions

3.1.1 Information, Awareness & Education (IEC)

Total Govt. Budget (Cr.)	13.15
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- **Mass Medium Outreach:**
 - Place advertisements detailing support services, financing options, and assistance schemes for entrepreneurs
 - Publish articles, success stories, and informative pieces in newspapers & magazines.
 - Create and air commercials & radio jingles that encourage entrepreneurship
 - Posters, pamphlets, wall painting with Mission taglines
 - IVRS-based awareness campaigns
- **Mass Awareness Events at Panchayat Level**
 - Mass Awareness Drives promoting opportunities within the programme and additional benefits by the government in a mission mode to grassroot levels
 - Collaboration with Banks to conduct awareness drives
 - Career Days at Colleges / Education Institutes
- **Motivational Lectures by Successful Entrepreneurs**
 - Creation of a panel of successful entrepreneurs who can act as 'inspiration' for aspiring entrepreneurs
 - Motivational lectures on business development & entrepreneurial journey
 - Creation of Documentaries on these success stories and promotion on mass media
 - Mechanisms to connect with growing entrepreneurs like WhatsApp Community

3.1.2 Interactive Portal for Application, Schemes & Credit Convergence

Total Govt. Budget (Cr.)	7.5
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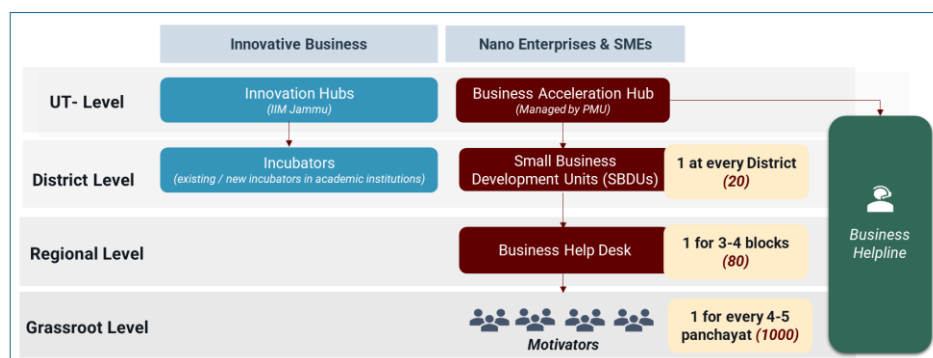
The objective of this intervention is to create a 'One-Stop Portal for Scheme Convergence' to enable recommendation of relevant schemes, streamline scheme & credit delivery and maximize the impact of government interventions.

Key Functions of the Portal:

- **One Interface:** Single, intuitive interface for application to all government schemes and other UT programmes of J&K
- **Government Schemes:** Comprehensive Government Scheme searchable Database of all government entrepreneurship schemes, complete with detailed application guides (including video tutorials), success stories, and FAQs to help users understand & utilize the schemes
- **Skilling Programmes:** Various courses related to skill development and entrepreneurship; courses offered on various trades by different institutions
- **Credit Application:** Partnerships with banks and financial institutions to offer a streamlined application process for loans and credit schemes with auto-filled credit application system
- **Other Utilities:** Other functional utilities for Businesses like automated DPR generator, loan calculator, scheme recommendation, monitoring dashboard etc to ease user experience on the portal

3.1.3 Institutional Business Support Mechanisms

Total Govt. Budget (Cr.)	80.21
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The programme aims to create a strong ecosystem of support for new & existing enterprises in J&K at levels leveraging the existing infrastructure and resources of the government. The programme will be driven by supporting structures at three different levels - **UT Level, District Level & Regional levels**.

A. Support Structures for Innovative Businesses

A1. Innovation Hubs: **Divisional Level**

The Innovation Hubs shall be established in top academic institutions of J&K, which will nurture innovative businesses such as high-tech, research-driven & knowledge-based startups

through access to state-of-the-art resources, expert mentorship, and investment opportunities. These innovation hubs shall act as central hubs for the incubation of startups and guide the operations of other incubators in the UT.

Total Innovation Hubs: 2 (IIM Jammu- Jammu and Srinagar Campus)

Roles of Innovative Hubs:

Support for Startups

- Provide private offices, shared workspaces, or co-working areas where start-ups can work on their projects.
- Establish specialized labs and workshops for research and development, prototyping, and testing.
- Providing tailored mentorship programs for innovative businesses.
- Facilitating regular interaction with industry experts, successful entrepreneurs, and academic professionals.
- Facilitating connections with venture capitalists, angel investors, and other funding sources to help MSMEs secure necessary capital.
- Offer access to advanced technological tools, software, and equipment necessary for business development and innovation.
- Monitoring the progress of each incubated enterprise through regular reviews and feedback sessions.

Table: Detailed List of Support to be provided by Incubation Hubs

<i>Pre-incubation</i>	<ul style="list-style-type: none"> ● Design thinking, Ideation, and problem-solving skills ● Pedagogic, Academic & Skill programs ● Projects – Proof of concepts (PoC) – minimum viable prototypes ● Common infrastructure and resources ● Business Model and Ecosystem Building ● IP creation and protection, Pre Seed support ● Validation through early users ● Motivation /awards/citation/Recognition
<i>Incubation</i>	<ul style="list-style-type: none"> ● Business model canvas development & Mentorship ● Market access, Industry linkages ● Post seed support ● Funding for full-fledged product realization ● Customer validation ● Legal and strategic support
<i>Post-Incubation</i>	<ul style="list-style-type: none"> ● Support in Growth stage, Regulation & public policy ● Venture capital and private equity ● Ease of running a business ● Facilitating exit ● Expansion and globalisation

Support for Incubators

- Create detailed guidelines and support enlisted academic institutions in the establishment of state-of-the-art incubation facilities

- Connect incubators with relevant mentors based on the kind of startups supported
- Provide regular mentorship support to startups supported through regional incubators & connect regional startups with mentors
- Develop a framework for monitoring the progress of all incubators in the UT

A2. Incubators: District-Level

There are multiple business incubators currently existing in Jammu & Kashmir. The Innovations Hubs shall act as the nodal body for these incubators and support other academic institutions to become business incubators. Under the program, incubators shall be established across the UT as follows:

- Strengthening of existing incubators
- Establishment of new incubators leveraging support under the **J&K Startup Policy**

Total Incubators: 20

Role of Incubators:

- **Office space:** This can include private offices, shared workspaces, or co-working areas where start-ups can work on their projects.
- **Meeting rooms:** Incubation centers may have meeting rooms and conference facilities available for start-ups to use for client meetings, presentations, or team meetings.
- **High-speed internet:** Fast and reliable internet access is essential for start-ups to conduct research, communicate with clients and partners, and collaborate with team members.
- **Laboratories and workshops:** Incubation centers that support science and technology-based start-ups may provide specialized labs and workshops for research and development, prototyping, and testing.
- **Mentoring and coaching:** Experienced mentors and coaches may be available at the incubation center to provide guidance and advice on business strategy, market research, financial planning, and other areas.
- **Networking opportunities:** Incubation centers may organize networking events, conferences, and workshops to connect start-ups with potential partners, investors, and customers.

Proposed List of Incubators:

Division	District	Available Locations	Existing Incubator?
Kashmir Division	Anantnag	University of Kashmir South Campus	No
	Bandipora	Govt Polytechnic Bandipora	No
	Baramulla	Govt Polytechnic College Baramulla	Yes
	Budgam	Moulana Azad University, Govt Polytechnic	No
	Ganderbal	Central University of Kashmir	No

	Kulgam	Govt Polytechnic College	No
	Kupwara	Govt Polytechnic College	No
	Pulwama	Islamic University of Science and Technology	Yes
	Shopian	Govt Polytechnic College	No
	Srinagar	Kashmir University, NIT Srinagar	Yes
Jammu Division	Jammu	IIT Jammu, Govt Polytechnic Jammu	Yes
	Kathua	Jammu University South Campus	No
	Samba	Central University of Jammu	Yes
	Reasi	SMVDU	Yes
	Doda	University of Jammu Bhaderwah Campus	No
	Poonch	University of Jammu Poonch Campus	No
	Kishtwar	University of Jammu Kishtwar Campus	No
	Rajouri	Baba Ghulam Shah Badshah University	No
	Udhampur	University of Jammu Udhampur Campus	No
	Ramban	Govt ITI (Gool, Kowbagh)	No

B. Support Structures for Nano Businesses & MSMEs

B1. Business Acceleration Hubs: *UT Level*

The PMU shall establish two Business Acceleration Hubs at the divisional level to strategize, manage, and monitor enterprise development activities in the UT. This shall act as the central regulatory body for enterprise development and guide operations of Small Business Development Units (SBDUs).

Structure of Business Acceleration Hubs

Each of the Business Acceleration Hubs will maintain a 7-8 member specialist team from various domains including – Mobilization & Institution building, Training/ Capacity Building, Project finance & business accounting, Monitoring and Evaluation, Marketing, IT, Communication & ICT, etc.

Roles of Business Acceleration Hubs:

The Business Acceleration Hubs will lead the strategy formulation in their respective provinces, oversee the timely execution of project activities, and ensure the achievement of desired outcomes.

- Formulate long-term strategies for fostering enterprise growth for nano enterprises and SMEs
- Scoping and identifying potential sectors and opportunities for business development.
- Coordinate with various stakeholders, including government agencies, financial institutions, and private sector partners
- Support Labour & Employment Department in the recruitment and orientation for motivators and members of SBDUs
- Track and evaluate the performance of enterprise development activities
- Ensure compliance with regulatory frameworks and policies.
- Provide guidance and support to Small Business Development Units (SBDU)
- Act as a knowledge hub, providing information and resources to stakeholders.
- Implement a systematic process for addressing and resolving grievances

B2. Small Business Development Units (SBDUs): District Level

Small Business Development Units (SBDUs), one in each District will be the **Nodal body** overlooking the functioning of the business help desks at the regional level, providing support for tailored business development of innovative businesses and MSMEs. These district units will act as business facilitation - cum - incubation centers and will lead the implementation of the program in their respective districts.

Total Small Business Development Units (SBDUs): 20 (One in Each District)

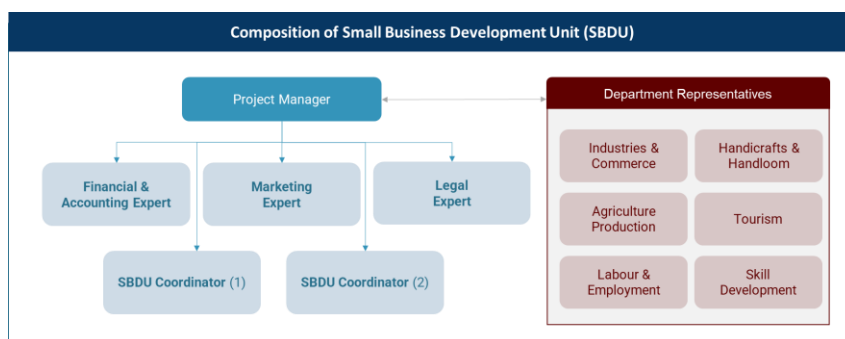
Role of Small Business Development Units:

- Develop district-specific business development plans with clear objectives, targets, and implementation strategies.
- Identification of relevant business activities for the district, creation of model DPRs
- Coordination with relevant government departments, financial institutions, and other agencies to streamline business support services.
- Offering direct advisory services to entrepreneurs, including financial planning, marketing strategies, and legal advice to enterprises
- Provide guidance and support to the Business Help Desk at the regional level in executing their roles
- Develop and implement marketing strategies to promote businesses and coordinate with district-level export promotion committees
- Support Business Help Desks to conduct capacity-building and training programs for entrepreneurs (through sector experts)
- Analysis of data and feedback to assess the effectiveness of programs and identify areas for improvement.

Composition of Small Business Development Units (SBDUs)

Each Small Business Development Unit would consist of a team of 12 members consisting of:

- **1 Project Manager** to oversee operations and ensure the effective functioning of the SBDU.
- **3 Experts** specializing in Marketing, Finance and Accounting, and Legal domains provide specialized advice and support to businesses in SBDUs.
- **2 SBDU Coordinator** for coordinating activities and ensuring smooth operation. will report administratively to the DPM of the concerned district and shall coordinate with the functional experts for functional expertise and guidance.
- **6 Department Representatives** from Industries and Commerce, Handicrafts and Handlooms, Agriculture, Labour and Employment, Skill Development, and JKTPD. The representatives would act as liaisons between the SBDU and their respective departments to ensure alignment and support.



Selection Process for Small Business Development Units (SBDUs) Experts

The managers, coordinator and experts of SBDU shall be recruited for the role on contract basis through a transparent recruitment process conducted by the Labour & Employment Department with the support of the PMU. The process shall include two major steps:

Step 1: Shortlisting of Application based on Eligibility Criteria

Step 2: Aptitude and Skill-set Assessment for shortlisted candidates based on the roles



Eligibility Criteria for Small Business Development Units (SBDUs) Experts

Position	Eligibility	Preferred Experience ⁵
Project Manager	<ul style="list-style-type: none"> • Age: 25-45 years • Minimum Qualification - Bachelor's Degree • At least 5 years of experience in business management, project management, or a related field • Proficiency in English 	<ul style="list-style-type: none"> • BBA, BBS, B.Com, or similar degrees in colleges • Masters in Business Administration (MBA) or other masters degree • Knowledge of one local language preferred (Kashmiri in Kashmir Division/ Dogri in Jammu region)
SBDU Coordinator	<ul style="list-style-type: none"> • Age: 25- 45 years • Minimum Qualification - Bachelor's Degree • Proficient in English and one local language • At least 2-3 years of experience in business management, project management, or a related field 	<ul style="list-style-type: none"> • Bachelors in Business Administration, Business Data Analysis, or similar fields • Masters in Business Administration (MBA) or other masters degree • IT Certification preferred
Marketing Expert	<ul style="list-style-type: none"> • Age: 25- 45 years • Minimum Qualification - Bachelor's • At least 5 years experience in marketing, preferably with small businesses or startups 	<ul style="list-style-type: none"> • BBA or Bachelors in Communications/ Marketing/ Sales or any other related field • Master's degree in Marketing or related field • Certification/ Experience in digital marketing, SEO, and social media strategies • Ability to analyze market trends and consumer behavior
Financial and Accounting Expert	<ul style="list-style-type: none"> • Age: 25- 45 years • Minimum Qualification - Bachelor's • At least 5 years experience in financial management, banking or accounting 	<ul style="list-style-type: none"> • Bachelors in Commerce/ Finance/ Accounting/ Banking/ BBA Finance • Master's degree in Commerce/ Finance/ Accounting or a related field • Professional certification: CA/ CPA/ CFA • Previous banking experience

⁵ All the degrees should be recognized by UGC /AICTE

		<ul style="list-style-type: none"> • Strong analytical skills and attention to detail • Knowledge of financial software and tools
Legal and Regulatory Expert	<ul style="list-style-type: none"> • Age: 25- 45 years • Minimum Qualification - Bachelor's • At least 5-7 years of experience in business law 	<ul style="list-style-type: none"> • LLB /LLM, Masters in Legal Studies/ Jurisprudence/ Business Law • Professional licence to practice law • Excellent negotiation, communication, and analytical skills • Strong understanding of legal regulations and compliance requirements for enterprises

Scoring matrix for selection process & criteria for motivators is listed in [Annexure 3](#).

B3. Business Help Desk (BHD): Regional Level

One **Business Help Desk** will be set up for every 3-4 blocks which will act as a one-stop business service center providing comprehensive business support services to nano enterprises, and MSMEs. These centers will be leading the implementation of the program in their respective blocks as a Local Help Center and coordinate with both motivators & SBDUs on a need basis.

Total Business Help Desks: 80 (One business helpdesk for 3-4 Blocks)

Roles of Business Help Desks:

- Act as a central hub for coordination among various stakeholders, including government departments, Gram Panchayats & financial institutions
- Support in business ideation & business plan preparation for entrepreneurs and assess the viability of business models
- Facilitation support to access finance from formal institutions like banks
- Handholding and mentoring businesses for business expansion, market linkage, and regulatory processes in coordination with SBDU
- Guide & monitor business motivators onboarded for the programme
- Conduct training programs for local entrepreneurs with SBDU experts
- Support to linkages to online portals for business support like e-markets, applications for schemes & services, etc.

Composition of Business Help Desks (BHDs):

Each Business Help Desk would consist of a team of 4 members consisting of:

- **One Project Manager** to oversee operations and ensure the effective functioning of the Business Help Desk.

- **Three Business Help Desk Coordinators** to assist the Project Manager in the day-to-day operations of the support desks. These would help in coordinating activities, providing business support, and liaising with various stakeholders including motivators.

Position	Eligibility	Preferred Experience
Project Manager	<ul style="list-style-type: none"> • Age: 25-45 years • Minimum Qualification - Bachelor's Degree • At least 5 years of experience in business management, project management, or a related field • Proficiency in English and the division specific local language 	<ul style="list-style-type: none"> • BBA, BBS, B.Com, or similar degrees in colleges • Masters in Business Administration (MBA) or other masters degree
Business Help Desk Coordinators	<ul style="list-style-type: none"> • Age: 25- 45 years • Minimum Qualification - Bachelor's Degree • Proficient in English and the division specific local language • At least 2-3 years of experience in business management, entrepreneurship, or a related field 	<ul style="list-style-type: none"> • Bachelors in Business Administration, Business Data Analysis, or similar fields • Masters in Business Administration (MBA) or other masters degree • Relevant Certifications: IT, Computer Applications, Marketing, Business Management

B4. Motivators: Grassroots Level

For effective implementation, the program proposes to engage 'Motivator' directly with local entrepreneurs, providing guidance and support. Motivators would consist of extension workers/ staff including retired government officials, NGO-workers, trained CRPs like Pashu Sakhis, bank Sakhis etc or local community members. Motivators will be empaneled following an exhaustive and transparent selection process.

Total Motivators: 1000 (1 for every 4-5 panchayat)

Details of selection process & criteria for motivators is listed in the next section - [Section 3.1.4 - Counseling by Motivators.](#)

B5. Business Helpline: All Levels

Business Helpline is a dedicated support system designed to address the problems and grievances of enterprises across all levels, from innovative businesses to nano enterprises and SMEs. A specialized 10-member team will manage the helpline, ensuring that businesses

receive timely and effective assistance. This team will be responsible for providing solutions, guidance, and support to enterprises, facilitating their growth and overcoming challenges. The helpline aims to create a seamless and efficient communication channel, enhancing the overall business support mechanism.

3.1.4 Counseling by 'Motivators'

Total Govt. Budget (Cr.)	17.60
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For effective implementation, the programme proposes to empanel 'Motivator' directly engaging with local entrepreneurs, providing guidance and support. These resource persons will directly speak with the candidate and their family members and act as motivators & guide the candidates to seek the right career path and seek the right kind of assistance. Resource Persons performing their duty diligently will be awarded and appreciated on public occasions.

Role of the Motivator:

- **Identification** and mobilization of potential entrepreneurs
- Counsel them to consider establishing their enterprises, **providing ideas** for business setups
- Holding **awareness campaigns at the village level** collaborating with the **panchayats**
- Raising awareness about the availability of financial support through **government schemes**
- Assistance to potential entrepreneurs in preparing the **necessary documentation** for credit
- Ensuring all required forms and paperwork are completed accurately and submitted on time
- Follow-up with financial institutions for release of enterprise finance on approval of business plans
- Help in **redressal of grievances** that arise during the loan repayment period
- Keeping track of the progress of the entrepreneurs once they establish an enterprise
- Attend all block-level meetings

Total Motivators: 1000 (1 for every 4-5 panchayat)

Selection & Eligibility Criteria for Motivators:

Motivators would consist of extension workers/ staff including retired government officials, NGO-workers, trained CRPs like Pashu Sakhis, bank Sakhis etc or local community members. Applications will be invited for selection through relevant channels and motivators would be shortlisted based on the following objective criteria.

Table: Criteria for selection of Motivators

S. No.	Description	Points	Max Points
1	Domicile of the District	15	15
2	Proficiency in Local language	15	15
3	Educational Qualification	25	25
	Post Graduation	25	
	Graduation	20	
	Diploma in Business/Corporate/Taxation Law	15	

	Class 12th	10	
	Class 10th	5	
4	Experience in Entrepreneurship		20
	Experience of running a business	20	
	Experience of working with a business	10	
5	Previous experience as Community Resource Person/ NRLM cadre/ Bank employee/ Teacher/ Social worker	15	15
6	Awards: Exceptional achievement at regional level	10	10
	Total	100	100

Remuneration Structure for Motivators

Fixed Pay

The fixed subsistence allowance of ₹ 2000 per month will be provided to the motivators to take care of travel and communication allowance for travel within the block. The allowance shall be provided on a quarterly basis. In case a motivator has not resulted in any successful application within three months of engagement, the fixed subsistence allowance shall be discontinued.

Variable Pay

A performance incentive of ₹ 1,000 per successfully sanctioned loan application for an enterprise. This incentive can be funded jointly by government & banks as follows:

Enterprise Type	Target No. of Enterprises	Support Amount	Government Contribution	J&K Bank Contribution
Creation of Nano Enterprises	1,50,000	₹1000	₹500	₹500
Creation of New MSMEs	10,000	₹2000	₹1000	₹1000

3.1.5 Dedicated Technical Support Agency (TSA) for New & Existing Collectives

Total Govt. Budget (Cr.)	10
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Challenges of a collective are quite different from individual entrepreneurs, including limited organizational capacity, inadequate financial management skills, and difficulties in scaling operations and accessing larger markets. The absence of a dedicated technical support agency exacerbates these issues, limiting their ability to optimize operations, innovate, and grow sustainably. Many dedicated organizations have been working across the country to improve the capacity of collectives like SEWA Bharat, MANAGE, NABARD, etc.

Objective of Technical Support Agency (TSA) for Collectives

To enhance capacity and capability of collectives to undertake entrepreneurial activities and create stronger market presence with a common branding, the programme suggests to onboard a Technical Support Agency (TSA) for enabling existing & new collectives in the UT.

Function of the Technical Support Agency (TSA):

- Conducting **comprehensive baseline assessments** to identify specific needs for technical assistance across UT
-
- Conduct training and capacity building of existing cadres JKRLM
- Developing and **implementing training programs tailored to the specific needs of existing JKRLM collectives,**
- Strengthening the **JKRLM 'Umeed' brand** by providing expert guidance on strategic branding initiatives, thereby increasing its market visibility, enhancing consumer trust, and solidifying its presence in the competitive market.
- Setting up robust monitoring and evaluation systems to track the progress of collectives and the impact of technical support, adjusting strategies as necessary to ensure effectiveness
- Facilitating networking opportunities with other successful collectives and industries to foster learning, collaboration, and market access

3.1.6 Innovation & Sustainability Challenge Event

In Jammu and Kashmir, the potential for entrepreneurial growth is significant, yet remains largely untapped. A key obstacle is the prevailing lack of courage and confidence among potential entrepreneurs to take the first step towards starting their own ventures. This hesitation stems from a fear of failure, limited access to funding, and a lack of mentorship and support systems.

Objective of Innovation & Sustainability Challenge

To better nurture creative talents, promote innovations, and drive significant economic growth in J&K through Innovation & Sustainability Challenge based the Shark Tank Model

Total Govt. Budget (Cr.)	5
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Activities:

- Launch **competitive funding series** where startups pitch their ideas as follows:
 - Applications submitted online
 - Selected startups advance to district-level pitch events for further evaluation
 - Top-performing district startups proceed to UT level final events Expert panel invests in the most promising startups
- Allocate **equity / quasi-equity support** (detailed in [Section 3.2D Creation of Neo-Innovative Enterprises](#)) to selected startups; and facilitate connections with a network of angel investors, venture capitalists & NBFCs for follow-up rounds
- Marketing and Outreach campaigns to promote the event and engage participants.
- Offer a mentorship program by innovation hub to selected startups
- Support to **sustainable businesses** which include businesses promoting:

Key Aspects	Description
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Environmental Responsibility	Resource Efficiency, Renewable Energy, Waste Management, Pollution Reduction, Biodiversity Conservation
Social Responsibility	Fair Labour Practices, Community Engagement (supporting local community), Equity and Inclusion, Consumer Well-Being
Economic Responsibility	Long-term financial health and stability, Ethical Governance, Innovation and Competitiveness

3.2. Enterprise Development

This pillar aims to address initial capital needs and foster the establishment and growth of new enterprises. Since the capital needs vary from enterprise-to-enterprise, a set of targeted interventions have been designed under this bucket for:

- A. Creation of Nano Enterprises & Collectives
- B. Creation of MSME in Focus & Sunrise sector
- C. Business Acceleration of Existing Enterprises
- D. Creation of Neo-Innovative Enterprises

3.2A Creation of Nano Entrepreneurs & Collectives

Nano enterprises & collectives serve as the backbone of the rural economy in J&K. With their low capital requirements and local market focus, they provide accessible pathways to economic participation, reducing poverty and enhancing livelihoods through local job creation.

There are numerous schemes providing margin money subsidies for enterprises in India and J&K, aimed at fostering economic empowerment and supporting business ventures. The Prime Minister's Employment Generation Program (PMEGP) has observed massive uptake in Jammu & Kashmir, with ~21,478 units in FY 2022-23. However, **majority of the beneficiaries in the programme are micro-enterprises with projects of unit cost 5 lakhs and above.**

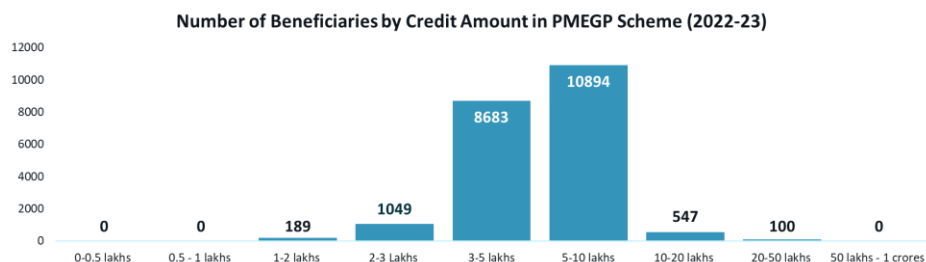


Figure: PMEGP Applications by Loan Amount in FY 2022-23

The success rate of micro-loans in enabling nano-entrepreneurs in India is visible through the PM SVA-Nidhi programme which provides loans from ₹10,000 - 50,000 to urban street vendors. This project aims to use the margin money subsidy to enhance the financial capability of nano entrepreneurs.

Objective of the Intervention

To provide collateral-free microloans to nano entrepreneurs with margin money support & subsidized interest rates for meeting working capital expenses

Project Enterprise Creation	1,25,000
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Projected Employment Generation	2,50,000
Total Govt. Budget (Cr.)	787.50

Components of the Intervention:

Component I

- **Initial Investment Support on Enterprise Credit as follows:**
 - 25% of the project cost / working capital loans, up to a maximum of ₹ 1,00,000 in two equal tranches with the maximum project cost of ₹ 10,00,000
 - 30% of the project cost / working capital loans up to a maximum of ₹ 1,00,000 in two equal tranches with the maximum project cost of ₹ 10,00,000
 - Possible list of activities for nano enterprises is attached in [Annexure I](#).

Beneficiaries	Beneficiary contribution	Government Contribution	Bank Loan
General	10%	25%	65%
Women Entrepreneurs/PWD	10%	30%	60%

Component II

- **Interest Subvention @ 6% p.a.** upto a period of 5 years with an upper limit of ₹50,000.
- In case of early repayment of the loan, the actual interest amount or ₹50,000, whichever is lower, will be given as interest subvention.

Tranches for Disbursal of Investment Support.

- **Initial Incentive (50% of the incentive)**- Initial Incentive will be given as upfront subsidy immediately after sanctioning of the case.
- **Completion Incentive (50% of the incentive)**- The Completion Incentive will be given after successful establishment of the unit within a maximum time period of 1 year.
- **Sustenance Incentive (Interest Subvention on Loan @ 6% p.a.)**- The interest subvention amount will be credited into the borrower's account quarterly. In case of early payment, the admissible amount of interest subvention will be credited in one go.

3.2B. Creation of New MSMEs in Focus & Sunrise Sectors

The programme aims to boost enterprises in specific sectors based on the contextual strengths & needs with the aim of:

- Leveraging inherent strengths of Jammu & Kashmir and supporting local entrepreneurs & empower indigenous community businesses (**Focus Sector**)
- Promoting enterprises in potential sectors growth and expansion (**Sunrise Sector**)

This approach of enterprise creation in 'focus sectors' and 'sunrise sectors' will foster inclusive growth, empowering communities and ensuring that economic benefits reach all segments of society. This

approach not only promotes sustainable development but also enhances the region's long-term prosperity and stability. The following industries have been proposed as key focus areas for the programme implementation⁶:

	Focus Sectors	Sunrise Sectors
	<i>Leveraging inherent strengths and supporting local entrepreneurs</i>	<i>Promoting enterprises in potential sectors for growth and expansion</i>
Agriculture	<ul style="list-style-type: none"> • Horticulture (Apple / Walnuts / Almonds etc) • Agriculture (Saffron / Basmati / Rajmash etc) • Dairy Production • Livestock 	<ul style="list-style-type: none"> • Medicinal & Aromatic Plants • Aquaculture • Floriculture • Beekeeping • High-tech Vegetable Cultivation
Industries	<ul style="list-style-type: none"> • Agro-processing • Handicrafts • Handloom • Textile • Sports Equipment Manufacturing 	<ul style="list-style-type: none"> • Hydropower • Pharmaceutical • Metal & Mining • Paper & Paper Products • Knowledge-based Enterprises
Services	<ul style="list-style-type: none"> • Cultural Tourism • Religious Tourism • Trade • Logistics & Transportation • Healthcare • Real Estate & Housing 	<ul style="list-style-type: none"> • Adventure Tourism • Eco Tourism • IT / ITeS

Currently, PMEGP, Industrial Policy, New Central Sector Scheme and HADP are among the few programmes providing capital infusion through capital investment subsidies to MSMEs.

Objective of the Intervention

To promote establishment of new enterprises in focus & sunrise sectors and improve the coverage of capital investment subsidies through interest subvention in convergence with existing subsidies.

Projected Enterprise Creation	Total : 7500 Micro : 6000 Small : 1400 Medium : 100
Projected Employment Generation	1,07,500
Total Govt. Budget (Cr.)	222

⁶ The list to be detailed down further based on baseline surveys conducted in the preparatory phase of the programme.

Components of the Intervention:

- Interest Subvention for Capital Investment Loans for specific projects under focus & sunrise sectors of **6% for 5 years with a maximum upper limit of -**

Category	Investment Amount (based on MSME definition)	Assumed Average Loan Amount	Upper Limit on Interest Subvention
Micro	Up to 1 crores	10 lakhs	5 lakhs
Small	1 - 10 Crores	75 lakhs	30 lakhs
Medium	10 – 20 Crores	2 Crores	75 lakhs

- In case of early repayment of the loan, the actual interest amount or the upper limit - whichever is lower, will be given as interest subvention.
- Credit Guarantee Coverage for new enterprises under unified fund for credit guarantee

3.2C. Business Acceleration of Existing Enterprises

There are over 2.07 lakhs MSMEs⁷ in Jammu & Kashmir, with over 97% of them operating as micro enterprises. Micro enterprises often struggle to **secure funding from traditional financial institutions due to lack of collateral, limited credit history, and perceived high risk.**

Objective of the Intervention:

Provide targeted financial support through interest subvention to micro enterprises in Jammu & Kashmir, enabling them to scale operations, enhance productivity

Projected Existing Enterprises for Expansion	4000
Projected Employment Generation	60000
Total Govt. Budget (Cr.) *	48

Components of the Intervention:

- **Interest Subvention @ 6% p.a.** upto a period of 5 years with an upper limit of ₹10 lakhs.
- In case of early repayment of the loan, the actual interest amount or ₹10 lakhs, whichever is lower will be given as interest subvention
- Credit Guarantee Coverage for new enterprises under unified fund for credit guarantee

3.2D Creation of Neo-Innovative & Knowledge-Based Enterprises

Jammu and Kashmir (J&K) has a thriving startup ecosystem with over 782 DIPP recognized startups. Few home-grown businesses from J&K like Namhya Foods, Fast Beetle etc. have gone to national challenges like Shark Tank and earned initial funding due to their successful business models. However,

⁷ Digest of Statistics 2023-24

the region still faces a **significant gap in structured support for budding entrepreneurs, including access to capital, mentorship, and a nurturing investment ecosystem** which are essential for scaling innovative ideas and driving economic growth.

On the other hand, higher unemployment rates in the workforce with higher education, indicating the need to create high-paying, knowledge based job opportunities in the UT.

Objective of the Intervention:

Provide tailored financial support and investment opportunities to empower startups & knowledge based enterprises in Jammu & Kashmir

Project Enterprise Creation	500
Projected Employment Generation	7,500
Total Govt. Budget (Cr.)	100

Government Support:

- Create a fund mechanism for consolidated micro-equity VC funds
 - **Structure:** ₹250 crore micro equity fund
 - **Government Contribution:** 40% (₹100 crores)
 - **Private Sector Contribution:** 60% (₹150 crores)

Average investment per enterprise will be ₹ 50 lakhs per enterprise.
- The fund will focus on:
 - **Early-stage startups (400)** across sectors with an **investment ceiling of ₹75 lakhs per enterprise** selected through the Innovation & Sustainability challenge
 - **IT industry and knowledge-based enterprises (100)** with an **investment ceiling of ₹75 lakhs per enterprise**
- The Innovation Hub & Incubators will support these neo and innovative enterprises with the support of industry experts, successful entrepreneurs, PE/VC firms and representatives from government and academia.

3.3 Credit Enablement

3.3.1. Warehouse Receipt Financing

Access to credit remains a barrier, particularly for small and marginal farmers often lacking the collateral required by traditional lending institutions.

Objective of Warehouse Receipt Financing

Warehouse receipt financing (WRF) can address these challenges by allowing farmers and traders to **use their stored produce as collateral**, thus securing loans to improve their liquidity and invest back into their farms, thus improving the cash flow.

Total Govt. Budget (Cr.)	1.5
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Existing Government Initiatives:

- **J&K Bank and Staragri Partnership** provide Collateral Management Services, and post-harvest credit facilities (warehouse receipt financing) through a network of warehouses (scientific storage), enhancing credit access and fair price discovery for farmers and agri-traders leveraging the bank's rural and semi-rural branches.
- **Policy Support:** Includes initiatives under the **Warehousing Development and Regulatory Authority (WDRA)** promoting electronic negotiable warehouse receipts (e-NWR) for better transparency and ease of transactions.

Activities:

- **Identification of Suitable Warehouses** meeting safe storage standards to ensure secure and reliable storage for agricultural produce.
- **Certification of Warehouses** with Warehousing Development and Regulatory Authority (WDRA)
- **Dedicated loan products** and services for warehouse receipt financing by Engagement with Banks & UTLBC
- **Workshops and Seminars:** To spread awareness on how to utilize WRF effectively.

3.3.2. J&K Credit Guarantee Fund for Collateral-free Loan

Non-availability of timely and adequate credit at a reasonable interest rate is one of the major challenges for MSMEs. There are schemes available providing credit guarantees to the aspiring entrepreneurs as under:

- **Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)** provides collateral-free credit to Micro and Small Enterprises (MSEs) by:
 - Up to 85% for micro enterprises for credit up to 5 lakh.
 - Up to 75% for loans between 5 lakh and 5 crore.
 - 80% for MSEs in the North East Region, including Jammu & Kashmir, for credit facilities up to 50 lakh
 - 85% for women entrepreneurs, SC/ST entrepreneurs, and other special categories

- **Credit Guarantee Scheme for Subordinate Debt (CGSSD)** extended by J&K Bank to provide personal loan to the promoters of stressed MSMEs for infusion as equity / quasi equity in the business eligible for restructuring, as per RBI guidelines.
- **Credit Guarantee Scheme for Farmers Producer Organizations Financing (CGSFPO)** has a dedicated Credit Guarantee Fund of. 1000.00 cr established with NABSanrakshan Trustee Pvt. Ltd. for FPOs' access to credit.
- **Credit Guarantee Scheme for Startups (CGSS)** was launched by the Ministry of Commerce and Industry to provide much needed collateral free debt funding to eligible Startups.

Objective of J&K Credit Guarantee Fund for Collateral-free Loan

Create a **unified fund to offer complete credit guarantees** for loans to MSMEs and collateral-free loans to Self-Help Groups through dynamic risk assessment models.

Total Govt. Budget (Cr.)	120
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Activities:

- **Provide complete credit guarantee coverage to MSME registered under the scheme**
 - CGSS: Provides 75-85% guarantee
 - Addition under this scheme: Covers the remaining 25-15%.
- Monitor utilization of the credit guarantee fund by all financial institutions under UTLBC
- The fund may to provide the CGTMSE processing fee for enterprises

3.3.3. Fintech Partnerships for Digital Micro-Loans

Despite the growing entrepreneurial spirit among enterprises and collectives in Jammu & Kashmir, significant barriers such as limited access to formal credit, inadequate financial literacy, and lack of tailored financial products hinder their business growth and economic participation. **The traditional banking system's stringent requirements and the absence of digital lending infrastructure** further exacerbate these challenges, limiting the potential for financial inclusion and economic empowerment of women and micro-entrepreneurs.

Objective:

Establish a robust digital financial ecosystem in Jammu & Kashmir, enabling easy access to credit for nano and micro enterprises and collectives.

Total Govt. Budget (Cr.)	2.15
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Activities:

- Establish a **formal partnership (MoU)** between the J&K Bank and selected fintech firms with a strong track record in digital lending and financial inclusion outlining the objectives, roles, and responsibilities of both the partners.
- Form a **steering committee** comprising representatives from the J&K government, Banks, fintech firms, and key stakeholders from nano and micro enterprises, FPOs, SHGs, and cooperatives to develop tailored financial products, such as microloans with flexible repayment terms, digital loans, etc.

- Development of **technology infrastructure** to support fintech services, such as secure internet services and mobile technology in rural and underserved areas.
- Lay down a regulatory framework to facilitate fintech operations in the union territory
- Ensure loans are disbursed directly to the beneficiaries' bank accounts

Beneficiaries	Loan Amount	Eligibility Criteria
Nano and Micro enterprises and Collectives (SHGs, Cooperatives and FPOs)	₹ 50,000 to ₹ 5,00,000	Identification Proof: Aadhaar card and PAN card for individual identification. Business registration documents Bank Account: Active bank account linked with Aadhaar for direct loan disbursement. Age: Applicants above 18 years of age Financial statements of last 2 years

- Launch **awareness campaigns** through various channels (radio, TV, social media, community meetings) to inform FPOs, SHGs, cooperatives, and women entrepreneurs about the available digital loan services.
- Conduct **training sessions** on financial literacy, digital skills, and the use of the digital lending platform for collective members and micro-entrepreneurs on digital literacy, financial management, and the use of fintech services.

3.4 Capacity Building

The programme aims to empower new & existing entrepreneurs with **essential skills and knowledge** for establishing enterprises through comprehensive capacity-building programs. Four distinct courses will be developed to enhance the capacity of the programs, each designed to complement the others. Together, these courses will provide a holistic approach to entrepreneurship development.

3.4.1 Entrepreneurship and Business Management Program

Objective: To equip aspiring entrepreneurs with the fundamental knowledge and skills required to start, manage, and grow successful businesses.

Total Govt. Budget (Cr.)	40.95
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The modules of the course are stated as follows:

Modules	Module Name	Details
Module 1	Introduction to Entrepreneurship	Concept of entrepreneurship
		Case Studies of Successful Entrepreneurs
		Identification and evaluation of business opportunities
Module 2	Business Planning and Strategy	Formulating Business Plans
		Market Research techniques
		Strategic planning and goal setting
		SWOT Analysis and Business Model Development
Module 3	Business Development and Implementation	Launching new ventures
		Scaling and Growth strategies
		Innovation in Business expansion
		Evaluation and Continuous Improvement

Module 4	Supply Chain and Inventory Management	Logistics and Procurement
		Inventory Control
		Supplier Relationship Management
		Efficiency Improvement
Module 5	Entrepreneurial Leadership and Team Building	Leadership Skills for Entrepreneurs
		Networking and Partnerships
		Conflict resolution and negotiation
		Human resource management
Module 6	Legal and Regulatory Framework	Industry Standards and Registrations procedure
		Legal and Regulatory Compliance
		Intellectual property rights and protection
		Ethical and responsible business practices
Module 7	Budgeting and Financial Management	Accounting Fundamentals
		General Banking System
		Budgeting and Financial Planning
		Financial Analysis and Decision-Making
		Cost Management and Control
		Performance Evaluation and Continuous Improvement
Module 8	Compliance and Quality Assurance	Compliance Management:
		Quality Management and Standards
		Quality Control Techniques

		Developing Quality Management Systems
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Course Design & Delivery: The course content will be developed by the Jammu and Kashmir Entrepreneurship Development Institute (JKEDI).

The delivery of this program will be managed by Small Business Development Units (SBDUs) at the district level, ensuring that entrepreneurs across the region have access to high-quality training and support tailored to their specific needs and contexts.

3.4.2 Sector-Specific Capacity Building Programs

Objective: To provide entrepreneurs with sector-specific skills tailored to the economic and industrial landscape of Jammu & Kashmir, enhancing operational efficiency and innovation.

Total Govt. Budget (Cr.)	37.5
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Course Design & Delivery: The relevant departments will be responsible for developing the content of the sector-specific capacity building courses. Small Business Development Units (SBDUs) will connect entrepreneurs seeking training with these departments to ensure that the entrepreneurs receive the necessary skills and knowledge to establish and manage their enterprises successfully after course completion.

This collaborative approach will ensure that the skills imparted are highly relevant, up-to-date, and aligned with the latest industry standards, fostering a well-equipped and competitive entrepreneurial workforce in Jammu & Kashmir.

3.4.3. Technology for Entrepreneurs

Objective: To equip entrepreneurs with the knowledge and skills to leverage technology and drive innovation in their businesses.

Total Govt. Budget (Cr.)	13.65
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The modules of the course are stated as follows:

Modules	Module Name	Details
Module 1	Digital Literacy and Basic Technology Skills	Basic computer skills (typing) and online business tools (microsoft suite)
		Internet, email, and digital communication tools
		Importance of technology in modern enterprises

Module 2	Technology Integration in Business	Selecting and implementing business software and tools
		Using technology for business automation and efficiency
		Basics of cybersecurity and data protection
Module 3	Technology Trends and Future Opportunities	Emerging technologies and their impact on business
		Keeping up with technological advancements
		Exploring future opportunities for business growth
Module 4	Marketing Strategies for Entrepreneurs	Developing a marketing strategy
		Branding and positioning
		E-Commerce
		Digital Marketing and Social Media
		Customer relationship management (CRM)
Module 5	Financial Literacy for Entrepreneurs	Basic financial concepts and terminology
		Managing personal and business finances
		Budgeting and financial planning
		Access to financial resources and credit
		Digital financial tools and platforms
		Online banking and digital payment systems

Course Design & Delivery: The course content will be developed by the Business Acceleration Hubs and would be delivered by the relevant experts at the Small Business Development Units (SBDUs), providing entrepreneurs with practical and cutting-edge knowledge to enhance innovation in their business operations and growth.

3.4.4. Innovation and Design Thinking

Objective: To equip entrepreneurs with the knowledge and skills to leverage innovation and design thinking for problem-solving, product development, and business growth.

Total Govt. Budget (Cr.)	0.15
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The modules of the course are stated as follows:

Modules	Module Name	Details
Module 1	Introduction to Innovation and Design Thinking	Concept of Innovation
		Principles of Design Thinking
		Importance of Innovation in Business
		Case Studies of Successful Innovations
Module 2	Innovation Management	Understanding the innovation process
		Techniques to foster creativity and innovation
		Measuring and Evaluating Innovation Performance
Module 3	Product Development and Prototyping	Importance of Prototyping in Innovation
		Prototyping and testing new products
		Scaling innovative solutions
		Gathering User Feedback

Course Design & Delivery: The course content for the Innovation and Design thinking will be developed by the Innovation Hub. The Innovation Hubs will create and deliver the course, ensuring participants receive expert instruction and insights directly from the program's designers.

3.5 Market Linkages

3.5.1 One-Stop E-commerce Marketplace platform

J&K is renowned for its local crafts and products ranging from Pashmina shawls, handicrafts, Saffron, Basohli paintings, etc., but the **traditional market reach for these niche products is limited**.

Objective

The establishment of a common E-commerce marketplace would **empower local businesses by expanding their market reach**, and enhancing accessibility both nationally & internationally.

Total Govt. Budget (Cr.)	3
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Activities:

- **Onboarding partner** to develop and operationalize a **user-friendly interface** accommodating diverse users, available in multiple languages, including local dialects
- **Establishing a one-stop E-commerce platform** with farm and non-farm products listed from SHGs and FPOs and integrating payment gateways and logistics partners
- **Executing a comprehensive marketing strategy**, conducting a soft launch followed by a full launch, and establishing a robust customer support system for continuous improvement.
- Leverage SBDUs and Business Help Desks as local touchpoints to facilitate the adoption and use of the e-commerce platform, resolve issues and gather user feedback.

3.5.2. Business Conclave and Trade Fairs

There is an opportunity to build upon the successful inaugural Jammu Trade Fair organized by JKTPD to encourage market infrastructure development and achieve high-level strategic objectives.

Objective

J&K Business Conclave aims to promote trade, commerce, and cultural exchange in the region through attracting foreign investments, enabling business networking, and promoting partnerships.

Total Govt. Budget (Cr.)	12.50
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Activities:

- Rebranding the event's identity from a 'trade fair' to 'J&K business Conclave', at division levels, emphasizing its status as a premier **business and networking event**.
- Conduct **Regional trade fairs at the cluster level** to showcase a diverse range of local products including handicrafts, agriculture, horticulture, textiles, dry fruits, etc. providing local artisans and businesses with greater exposure and opportunities leading up to the main event.
- **Integrating policy development sessions** with key government officials to discuss strategies position J&K as a superior location through roundtable discussions and workshops for industries looking to establish operations. The **direct interaction** with policymakers will attract industries by providing **clear insights** into the **benefits of establishing operations** in J&K.

- J&K's vibrant cultural heritage should be depicted not just through cultural performances but by **integrating themed pavilions, cultural showcases, and interactive experiences** into the event's narrative. This would enhance the overall attractiveness of the event, making it a cultural as well as a business highlight, thereby drawing in a wider audience.
- Offering companies the opportunity to **submit bids** and facilitating **local buyer-seller meetings** through a **structured networking program** to connect buyers and sellers. This intends the creation of direct business opportunities, fostering trade and investment, and ensuring immediate economic benefits for participants.
- Incorporating an **entrepreneurial summit** with industry leaders, venture capitalists, and angel investors, through keynote speeches, panel discussions, and pitch sessions for startups. This would provide a platform for budding entrepreneurs to gain insights, secure funding, and network with industry veterans, boosting the startup ecosystem in J&K.

3.5.3. Job Matching Platform

J&K has an unemployment rate of 8.1% in the workforce with education up to Class 12 and an unemployment rate of **13.2% in the workforce with graduation**. This outlines the lack of efficient matching of jobs with an educated workforce. Centre for Monitoring Indian Economy (CMIE) data suggests that an efficient job-matching platform can lead to an increase of 25% in job placements and a reduction of 10% in unemployment rates in situations similar to the current J&K ecosystem.

Objective

Create a central portal for employers & employees for job-matching with relevant skill set of individuals

Total Govt. Budget (Cr.)	3
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Activities:

- **Developing a user-friendly job matching platform** tailored to the needs of J&K, facilitating seamless connections between job seekers and businesses.
- App would feature comprehensive job posting, CV generator, interview assistance, application forms, and seamless integration with existing job platforms.
- **Onboarding government and private sector employers** on the platform, initially, through incentives for employers on recruiting through the platform.

(Detailed guidelines for each intervention shall be as per operational guidelines to be prepared separately).

Chapter 4 | Programme Implementation Roadmap

Special Purpose Vehicle

A Special Purpose Vehicle (SPV) will be established to implement this program, which will be housed within the Labour & Employment Department. The SPV will plan, appraise, implement, manage, and operate the program. This SPV will be led by a dedicated Chief Executive Officer (CEO) who will have overarching authority and responsibility for heading the programme and ensuring its successful implementation. The CEO will be supported by five key task force managers, each responsible for one of the five strategic pillars of the program. These officers will lead their respective teams, ensuring seamless coordination and targeted action across the program's focus areas.

Various departments (Industries and Commerce, Handicrafts and Handlooms, Agriculture, Labour and Employment, Jammu and Kashmir Rural Livelihood Mission, and JKTPD) will support in specific interventions to ensure the successful implementation of the entire program.

Need of Special Purpose Vehicle (SPV)

Creating a Special Purpose Vehicle (SPV) implementation of this programme is essential to ensure the effective and targeted achievement of the programme's objectives. The SPV provides the necessary operational independence and flexibility to make swift decisions and adapt strategies as needed to address the unique challenges of fostering entrepreneurship and employment in the region. Due to autonomous operations, the SPV can focus exclusively on the mission's goals, ensuring that resources are efficiently allocated and interventions are implemented without the delays that might occur in more traditional and bureaucratic structures. This autonomy also allows the SPV to innovate, respond to local needs, and collaborate effectively with various stakeholders, including private sector partners and community organizations. By concentrating expertise and decision-making power within a single entity, the SPV is better equipped to drive the mission forward, ensuring that the initiatives are both impactful and sustainable in creating employment opportunities.

Composition of Special Purpose Vehicle (SPV)

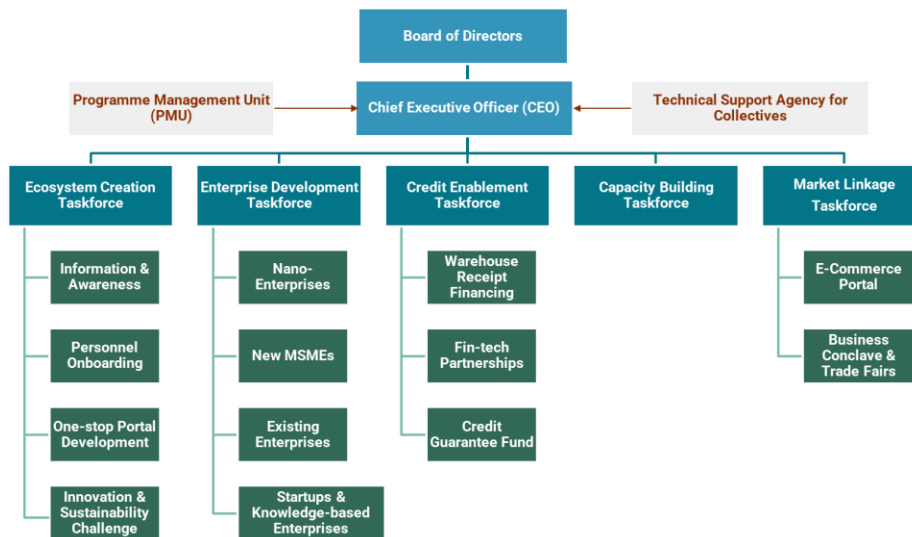
The composition of the Special Purpose Vehicle (SPV) for Mission YUVA/PEHEL is structured to ensure robust governance and efficient implementation. The SPV is organised as follows:

1. **Board of Directors:** The Board of Directors will consist of at least five expert members, representing a diverse array of expertise to ensure comprehensive governance and strategic direction, besides representatives of all concerned departments not below the rank of HoD/Special Secretary. The Board is structured as follows:
 - a. **Chairperson (Administrative Secretary, Labour and Employment Department)**
 - b. Private Sector Representative (VC investors or Private Company leaders)
 - c. Academic Institution Representative
 - d. Financial Institution Representative
 - e. Independent Expert (Retired Government official/ statutory body representative): An individual with specialised knowledge in entrepreneurship or public-private partnerships, bringing a unique perspective to the board.
 - f. Representatives from Department Agriculture, Higher Education Department, Finance, Industry & Commerce, Housing and Urban Development Department, IT, Tourism,

Skill Development, Rural Development Department, Planning Department and Cooperatives) Agriculture, Higher Education Department, Finance, Industry & Commerce, Housing and Urban Development Department, IT, Tourism, Skill Development, Rural Development Department, Planning Department and Cooperatives)

2. **Chief Executive Officer (CEO):** The Chief Executive Officer of the SPV is responsible for the overall management and operational execution of the programme. The CEO reports directly to the Board of Directors and ensures that the strategic objectives set by the board are effectively implemented.
3. **Taskforce Managers:** The SPV is divided into 5 key taskforce teams, each led by a Taskforce Manager. These managers oversee specific pillars of the programme such as Ecosystem Creation, Enterprise Development, Credit Enablement, Capacity Building, and Market Linkages. They are responsible for planning, coordinating, and executing the interventions within their respective domains. Taskforce managers report regularly to the CEO on the status, challenges, or opportunities arising for their respective pillars.
4. **Taskforce Teams:** Taskforce Teams consist of specialised personnel working under the direction of the Taskforce Managers.

Additionally, the SPV shall be supported by two external agencies: the Programme Management Unit (PMU) and the Technical Support Agency (TSA) for Collectives, to provide specialised technical and operational assistance.



Responsibilities of the Special Purpose Vehicle

- **Approve and sanction** the interventions including their technical appraisal

- **Execute** the programme with **complete operational freedom** by regularly **coordinating** with the relevant departments
- **Mobilize resources** within **timelines** and take measures necessary for the mobilization of resources
- **Develop** and **continuously refine** the overall strategy to implement the milestones.
- **Conduct** regular **project reviews** to evaluate progress, address issues, measure outcomes, and make necessary adjustments to the Mission including budget, implementation of interventions, coordination with existing schemes of various ministries, etc.
- **Approve** and **act upon** the reports of a third-party Review and Monitoring Agency
- **Form a task force** within the SPV for the effective implementation of all interventions
- **Ensure timely execution** of interventions according to set timelines
- **Incorporate joint ventures** and **subsidiaries** and enter into **Public Private Partnerships** as may be required for the implementation of the programme
- **Enter into contracts, partnerships, and service delivery arrangements** as may be required for the implementation of the Mission

Responsibilities of the Chief Executive Officer (CEO)

- Directly **oversee and manage the general conduct** of the day-to-day operations of the SPV for the program's implementation
- **Enter into contracts or arrangements** for and on behalf of the SPV in all matters within the ordinary course of the SPV's business
- **Formulate** and **submit** to the Board of Directors for **approval of a Human Resource Policy** that will lay down procedures for the creation of staff positions, qualifications of staff, recruitment procedures, compensation, and termination procedures.
- **Creation of new positions** in accordance with the SPV's approved budget and the **recruitment or increase of employees** in accordance with the Human Resource Policy laid down by the Board.
- **Supervise the work of all employees** and **task force managers** of the Company and the determination of their duties, responsibilities, and authority
- **Convene meetings** and **report** to the Apex Committee regularly
- **Provide strategic direction** and ensure alignment with the programme's goals
- **Engage with key stakeholders**, including government officials, private sector partners and financial institutions to drive the program forward.
- **Make strategic decisions** related to program implementation, resource allocation, and partnerships.
- **Identify potential risks** to the program's success and implement strategies to mitigate these risks.
- **Monitor the performance** of the individual Taskforce teams, ensuring that objectives are met on time and within budget.

Programme Management Unit (PMU)

An agency shall be hired for the role of 'Programme Management Unit (PMU) for effective implementation of the overall programme, through a transparent procurement process. The PMU shall work with the Department of Labour & Employment to drive the execution of the overall programme in coordination with other departments.

Eligibility Criteria for the Agency:

- Average turnover of 5 crore in last 3 financial year (2020-21, 2021-22 and 2022-23)
- Registered for atleast 5 years
- Working experience of atleast 5 statewide/national projects in partnership with state Govt or central Govt
- Working experience of atleast 1 statewide/national projects in partnership in the space of livelihood / employment
- Working experience of atleast 1 government engagement in J&K

Roles & Responsibilities of PMU

Communication & Awareness	<ul style="list-style-type: none"> • Design and Execute Campaigns: Implement mass awareness campaigns at UT, division, district, and regional levels • Media Collaboration: Work with local media (TV, newspapers) for wide dissemination of program information • Disseminate Success Stories: Develop a strategy to share success stories of entrepreneurs
Planning & Execution	<ul style="list-style-type: none"> • Oversee the planning, execution, and oversight of program activities by Technical (TWGs) • Strategic Support: Provide strategic support to TWGs as needed • Onboard Departments: Train ground officials from different departments • Identify and Mitigate Risks: Recognize potential roadblocks and risks, and develop strategies to mitigate them
Coordination Among Stakeholders	<ul style="list-style-type: none"> • Develop R&Rs and SOPs: Create roles, responsibilities, and standard operating procedures for stakeholders. • Align Activities: Ensure cohesive implementation by aligning activities across various departments. • Seamless Coordination: Facilitate coordination among different departments involved in the program. • Build Partnerships: Establish partnerships with private sector partners, NGOs, and community groups
Monitoring and Evaluation (M&E)	<ul style="list-style-type: none"> • Define Monitoring Framework: Develop the Programme Monitoring Framework with key KPIs and milestones • Track Progress: Monitor progress against defined key performance indicators (KPIs) and milestones. • Progress Reports: Create reports to aid decision-making & review meetings

Programme Implementation Plan

Successful grounding of the programme in the governance structure of the UT is essential for effective programme implementation. The project will be implemented over a period of 5 years in two major phases - Preparatory Phase & Implementation Phase.

1. **Preparatory Phase (Year 1):** The first year of the project will be exclusively dedicated towards critical preparatory activities like creating the implementation structure, hiring of people, training and orientation of project functionaries, preparation of guidelines and implementation protocols, on-boarding of technical agencies etc. Apart from these, various interventions related to spreading awareness on the project among the public will also be taken up during the first year.

Baseline Survey

A detailed baseline survey has been proposed under the programme during the preparatory phase with the objective of:

- **Assess the Current Landscape:** Understand the distribution, size, and types of enterprises operating in J&K
- **Develop District-wise Targets:** Finalization programme implementation targets for different sectors & geographies
- **Set Benchmarks:** Establish baseline metrics to measure the progress and impact of the programme over time

2. **Implementation Phase (Year 2 -5):** Actual ground level implementation of project activities will be initiated from Year 2 and will continue through Year 5. This includes disbursement of direct capital support, skilling & hanholding of enterprises and overall programme monitoring and evaluation.

Year 1	Year 2	Year 3	Year 4	Year 5
Preparatory Phase	Implementation Phase			
<ul style="list-style-type: none"> • Baseline survey of enterprises & employment • Establishment of Special Purpose Vehicle (SPV) • Onboarding of Programme Management Unit • Onboarding of PMU • Creation of Detailed Project Reports (DPRs) and implementation guidelines by Implementing Departments • Establishment of governance structures: Apex Committee, Technical , District-Level Committees • Launch awareness Campaigns including website, social media, local media • Creation of Business Support Structures: Onboarding of Motivators, Technical Experts and establishment of Small Business Development Units (20) & Business Help Desks (80) 	<ul style="list-style-type: none"> • Disbursement of direct benefits • Skilling & Handholding of entrepreneurs • Achievement of Intervention-Specific Targets • Programme Monitoring 			

[Detailed Implementation Plan for Year 1 of the Programme](#) is attached in the Annexure.

(Detailed guidelines for implementation of roadmap shall be as per operational guidelines to be prepared separately).

Chapter 5 | Programme Monitoring & Governance

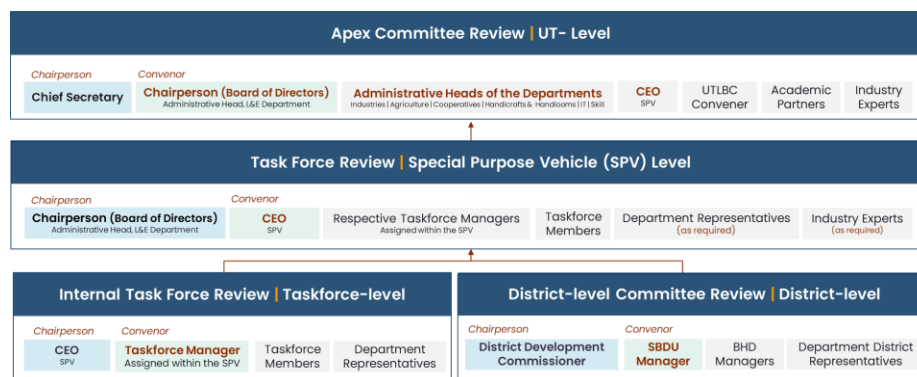
The process of monitoring & evaluation will be a continuous activity throughout the project cycle to generate feedback on performance of the project processes and activities and support project managers to take timely corrective measures to address any shortcomings and deviations. An monitoring and evaluation system would be needed for the programme evaluation to provide realistic, real-time, and easily understandable information on various aspects of project implementation. The M&E component would monitor progress, processes and results of various project initiatives and support the dissemination of information to various levels of management for better planning and implementation.

Governance Structure

A three-layered monitoring structure is proposed for programme governance. The proposed three-layer governance structure would ensure comprehensive and effective monitoring and implementation in J&K by facilitating **strategic, project-specific, and grassroots-level monitoring**. This structure enhances coordination among stakeholders and addresses challenges at all levels promptly.

- **Apex committee** would provide strategic oversight, ensure alignment with policy objectives, and facilitate coordination among various stakeholders at the highest level.
- **Task Force Committee** would ensure focused attention on monitoring and managing the implementation of the programme's specific interventions. It ensures inter-departmental coordination, addresses project-specific challenges, and ensures that the SPV's activities are in line with the goals set by the Apex Committee..
- **District-level committee** would ensure grassroots-level monitoring and implementation, address local issues promptly, and facilitate direct interaction with beneficiaries and stakeholders at the district level.

The Internal Task Force and the District-Level Committee constitute the third level of review within the governance structure, focusing on detailed operational oversight and grassroots-level implementation.



1. Apex Committee - UT Level

The Apex Committee is the highest body responsible for tracking the overall progress of the programme and making policy-level decisions to ensure the achievement of desired outcomes.

Composition:

- **Chairperson: Chief Secretary, J&K.**
- **Administrative Secretaries of the Departments:** Agriculture, Higher Education Department, Finance, Industry & Commerce, Housing and Urban Development Department, IT, Tourism, Skill Development, Rural Development Department, Planning Department and Cooperatives.
- **Convener:** Administrative Secretary, Labour and Employment Department.
- Chief Executive Officer, SPV (Member Secretary).
- MD, J&K Bank.
- Industry Experts.

Special Invitees from academic institutions like IIM, IIT, Universities & Financial Institutions like NABARD, SIDBI & other domain experts as required

Functions:

- **Develop policies** to guide the programme's implementation
- **Monitor overall progress** and **provide strategic direction**
- **Allocate or re-allocate** the budget components as per the progress of the programme
- **Facilitate coordination** among different departments to ensure seamless implementation
- **Conduct quarterly reviews** of the programme's performance against set targets
- Serve as the **final authority for resolving conflicts or disputes** that arise during the program's implementation, ensuring smooth operations
- **Recruitment and removal** of senior management within the Special Purpose Vehicle
- **Authority to constitute, reconstitute, or change** the **composition** of the Board of Directors and the Special Purpose Vehicle itself, ensuring flexibility and alignment with the program's evolving needs
- **Lead the formation** of the SPV, **define** its guidelines, and **establish reporting mechanisms** to ensure accountability
- **Monitor the program's adherence** to all relevant regulations and laws, ensuring compliance at every stage of implementation
- **Guide the integration** of sustainability principles into the program, ensuring long-term viability

2. Task Force Committee

The Task Force Committee is proposed to review the overall performance of Special Purpose Vehicle (SPV) to oversee the monthly progress of the entity across the 5 key pillars and effective implementation of the overall programme.

Composition:

- **Chairperson:** Administrative Secretary, Labour and Employment Department.
- DG Budget, Finance Department.
- DG Planning, PDMD
- **HoDs/Special/Additional Secretaries of the Departments:** Agriculture, Higher Education Department, Finance, Industry & Commerce, Housing and Urban Development Department, IT, Tourism, Skill Development, Rural Development Department, Planning Department and Cooperatives.
- **Convenor:** Chief Executive Officer, SPV
- General Manager, MSME, J&K Bank

- Respective Taskforce Managers assigned within the SPV
- Taskforce members
- Industry and Academic Experts (as required)

Functions:

- **Approve** and **sanction** the interventions including their technical appraisal
- **Execute** the programme with **complete operational freedom** by regularly **coordinating** with the relevant departments
- **Mobilize resources** within **timelines** and take measures necessary for the mobilization of resources
- **Onboard relevant experts** and **establish** business acceleration hubs at different levels
- **Recruit** relevant **personnel** for Small Business Development Units (SBDUs) and Business Help Desks
- **Create strategies** to assist various businesses through SBDUs and Business Help Desks
- **Oversee** the **overall operations** of SBDUs and Business Help Desks
- **Develop** and **continuously refine** the overall strategy to implement the milestones.
- **Identify challenges** and **develop** resolution strategies
- **Conduct** regular **project reviews** to evaluate progress, address issues, measure outcomes, and make necessary adjustments to the Mission including budget, implementation of interventions, coordination with existing schemes of various ministries, etc.
- **Approve** and **act upon** the reports of a third-party Review and Monitoring Agency
- **Overview Capacity Building** activities
- **Form a task force** within the SPV for the effective implementation of all interventions
- **Ensure timely execution** of interventions according to set timelines
- **Incorporate joint ventures** and **subsidiaries** and enter into **Public Private Partnerships** as may be required for the implementation of the programme
- **Enter into contracts, partnerships, and service delivery arrangements** as may be required for the implementation of the Mission

Internal Task Force Review -

The Internal Task Force Review will be led by the CEO of the SPV to govern the effective working of each of the individual taskforce & the Technnial Support Agency (TSA) for collectives.

Composition:

- **Chairperson:** Chief Executive Officer, SPV
- **Convenor:** Respective Taskforce Managers assigned within the SPV
- Taskforce members
- Department Representatives (Agriculture, Higher Education Department, Finance, Industry & Commerce, Housing and Urban Development Department, IT, Tourism, Skill Development, Rural Development Department, Planning Department and Cooperatives).

Functions:

- **Develop** and **implement detailed operational plans** for each of the five pillars, ensuring alignment with the overall program objectives

- **Track** and **report the progress** of each pillar's interventions to the CEO, highlighting achievements and addressing challenges
- **Engage** with **relevant stakeholders** specific to each pillar to gather feedback, foster collaboration, and ensure successful implementation
- **Oversee** the collection and analysis of data related to each pillar's performance, providing **actionable insights** for continuous improvement
- Facilitate the **integration of efforts** across the different pillars, ensuring that initiatives in one pillar complement and enhance the work of others
- **Identify** and **implement best practices** to streamline operations within each pillar, reducing redundancies and improving efficiency
- **Provide** the Apex Committee and the CEO (SPV) with **data-driven insights** and **recommendations** to support informed decision-making

3. District Level Committee

The District-Level Committee monitors the implementation of the programme at the ground level and addresses any operational bottlenecks.

Composition:

- **Chairperson:** District Development Commissioner
- **Convener:** Manager of Small Business Development Unit (SBDU)
- Business Help Desk Managers
- District Heads of Departments (Agriculture, Higher Education Department, Finance, Industry & Commerce, Housing and Urban Development Department, IT, Tourism, Skill Development, Rural Development Department, Planning Department and Cooperatives)
- Lead Bank Manager).

Functions:

- Ensure on-ground implementation of the programme's initiatives
- Engage with local stakeholders, including community leaders and businesses, to garner support and feedback
- Identify and resolve operational bottlenecks that impede progress
- Conduct regular field inspections to monitor the implementation of activities
- Establish a feedback mechanism to collect inputs from beneficiaries and address grievances
- Ensure accurate and timely collection of data on program activities, outcomes, and beneficiary impact on a district level, to be reported to the SPV and Apex Committee


Accountability Processes

Multiple rounds of impact evaluations will be conducted under the programme including:

Baseline, Midterm and End-line Surveys

This will be conducted to measure the pre-post project conditions of the target population prior to and after the project's intervention. Effectively, it will allow the project to measure targeted families "before" and "after" the project. A hypothesis document will be prepared to identify key hypotheses regarding demand for different types of project interventions by specific groups as well as the impact of such interventions and the methodology will be used to measure them.

Concurrent Progress Monitoring



This component will assess progress in project implementation (physical outputs compared to implementation targets and financial expenditures against budgeted resources). This will be conducted by an external M&E agency. The external M&E agency will use a diverse range of methods to capture the data on the project including through the project MIS to generate monthly reports for project reporting.

Participatory Monitoring

This is a powerful tool to know the ground reality and the project progress, from intended beneficiaries and stakeholder's perspective. It provides testimony as to whether project activities and investments are seen as being truly beneficial for the beneficiaries and enables the self-assessment of institutional capabilities. It engages participants at all levels to jointly account for success or failures and more importantly, generates authenticated testimony and ongoing lessons for improved implementation. The internal M&E team (with oversight provided by the external M&E agency) will facilitate community based concurrent monitoring, social audit and community evaluation of all the activities by the community, which will ensure that the activities have been implemented as per the agreed processes and without any deviations. Community evaluation will ensure that the intervention gets evaluated from the point of view of the community and inform decisions regarding course corrections in implementation.

Thematic studies and Case Studies

This would supplement and complement other monitoring components through validation of information on indicators of the results framework, as well as provide analytical inputs, which go beyond routine monitoring functions. The need for thematic studies would emerge as the project progresses and will be triggered by the findings of the concurrent M&E system. Such studies and documentation of case studies will be entrusted to Technical Agencies on-boarded by the project. They will conduct these under the supervision of the external M&E agency. The studies would be in-depth and capture the good practices as well as endemic problems in project implementation. In addition to these thematic studies, the project would proactively undertake documentation of processes, case studies, best practices and lessons learnt from project experience. Such studies will also cover the process of changing social relations and empowerment among the beneficiaries. Documentation would also be conducted for internal learning as well as for disseminating project experiences to other stakeholders and would be a continuous process throughout the project duration, with participation from all the project personnel.

Programme Outcome Measurement

Outcome Measurement will be performed by the external M&E agency to assess the project outcomes, compared to the baseline survey conducted before the commencement of project interventions. The agreed performance indicators in the Results Framework would be central to the assessments and guide development of methods, tools and analysis protocols. Attribution of benefits to project interventions is possible with selection of control or comparison groups to provide the counterfactual. Impact assessment would involve comparing qualitative and quantitative outcomes "before and after" and "with and without" the project intervention. The Outcome Measurement will assess the sustainability of interventions and institutions supported by the project, and resultant changes in social, economic and political empowerment and wellbeing of the targeted households and communities.

(Detailed guidelines for monitoring, implementation of roadmap shall be as per operational guidelines to be prepared separately).

Chapter 6 | Partnerships & Community Engagement

It is essential to harness the power of decentralized community action and strategic partnerships to accelerate employment through entrepreneurship. This section outlines the importance of engaging local communities, fostering grassroots leadership, and integrating professional expertise to create a robust innovation, skill enhancement, and sustainable economic growth ecosystem. By facilitating collaboration among government bodies, private sector entities, academic institutions, and the community, this approach aims to ensure holistic and inclusive development, thereby empowering individuals and communities to achieve economic prosperity.

Role of Local Government Bodies

Local governments, particularly Gram Panchayats, play a critical role in the grassroots implementation of the program. Their responsibilities ensure that the program reaches and benefits the local communities effectively. It includes:

- Support in the identification of eligible beneficiaries within the community for various program interventions
- Conducting local outreach to raise awareness about the program
- Provide logistical support for program activities and initiatives, ensuring smooth operations
- Collection and maintenance of data on local program activities and outcomes, along with progress reports
- Working closely with Small Business Development Units (SBDUs), Business Help Desks, and other implementing agencies to ensure synchronized efforts.

Role of the Private Sector

- 1. Investors / Venture Capitalists:** Venture capitalists (VCs) would provide necessary funding and strategic support to startups and innovative enterprises through:
 - Investment in high-potential startups, and micro and innovative enterprises for early-stage and growth capital to help businesses scale rapidly.
 - Offering strategic advice and mentorship to startups to help them navigate challenges, optimize growth strategies, refine business models, go-to-market strategies, scale operations, strategic partnerships, technology upgradation, and operational efficiency.
 - Conducting thorough due diligence and risk assessments to ensure sound investment decisions.
 - Leveraging networks and industry connections to facilitate market access for startups.
 - Ensuring portfolio companies adhere to regulatory requirements and good corporate governance.
 - Facilitating mergers, acquisitions, and public offerings for mature startups.
- 2. Industry Experts and Mentors:** Industry experts and mentors would provide guidance, knowledge, and support to entrepreneurs and startups by:
 - Providing specialized knowledge and expertise to entrepreneurs at Innovation Hubs and incubators in areas such as business strategy, operations, marketing, and finance to help them navigate industry-specific challenges and opportunities.

- Offering one-on-one mentorship to entrepreneurs, helping them develop their business ideas and plans.
- Conducting workshops, and training sessions, to enhance the skills and capabilities of program participants through best practices and industry trends.
- Facilitating introductions to potential partners, investors, customers, and other key stakeholders.
- Providing feedback and advice on business models, market entry strategies, and growth plans.

Role of Financial Institutions

Banks & Micro-finance institutions will primarily focus on credit facilitation and financial support to ensure the successful implementation of various interventions. It includes:

- Providing accessible and affordable credit to beneficiaries.
- Allocation and management of financial resources efficiently to support program activities and ensure optimal utilization of funds.
- Conducting financial literacy programs to educate entrepreneurs on effective financial management, budgeting, savings, and investment strategies.
- Conducting thorough risk assessments to ensure the viability of loans and manage potential financial risks.
- Collaborating with Small Business Development Units (SBDUs) and Business Help Desks to streamline credit delivery and provide continuous support to entrepreneurs.
- Participation in awareness drives and campaigns to inform potential beneficiaries about available financial support and services.
- Supporting the development of a single platform for scheme & credit convergence
- Regular reporting of credit-related information to enable smooth review & monitoring of the programme

Role of Academic Institutions

Innovation Hubs (IIM Jammu) and Incubators (Universities) would foster entrepreneurship and innovation within the program for innovative businesses. Their responsibilities focus on providing resources, mentorship, and a conducive environment for startups and entrepreneurs to thrive.

- Innovation Hubs (IIM Jammu-Jammu and Srinagar):** They provide comprehensive support to startups and Incubators.
 - Providing Infrastructure and Resources (private offices, shared workspaces, specialized labs, advanced technological tools, and equipment) for research, development, and business operations of **startups**.
 - Offering tailored mentorship and networking programs to **Startups**, facilitating regular interactions with industry experts, successful entrepreneurs, and academic professionals, and connecting startups with venture capitalists, angel investors, and other funding sources.
 - Monitoring the progress of each **incubated startup** through regular reviews and feedback sessions to ensure they meet their milestones and achieve growth.
 - Creation of detailed guidelines to assist **academic institutions** in establishing state-of-the-art incubation facilities and connecting incubators with relevant mentors tailored to the startups supported.
 - Developing a comprehensive framework for monitoring the progress of all incubators in the UT.

- 
- b. Incubators (atleast 20 Academic Institutions):** District-level incubators in Jammu & Kashmir provide essential infrastructure, resources, and support to startups to foster innovation and growth.
 - Providing infrastructure and facilities (office space, meeting rooms, high-speed internet, specialized laboratories) for startups.
 - Offering access to experienced mentors for guidance on business strategy, market research, financial planning, and other critical areas.
 - Organizing networking events, conferences, and workshops to connect startups with potential partners, investors, and customers.

Role of Community

The program aims to establish leverage decentralized community action by prioritizing the involvement of key personnel from local communities to foster a robust entrepreneurial ecosystem. By leveraging local talent, the program aims to create a sustainable and inclusive support system that resonates with the community's needs and strengths. The following components highlight the community-focused approach.

a. Small Business Development Units (SBDUs) and Business Help Desks:

- Prioritizing the recruitment of experts and coordinators from the local community/district to staff SBDUs and Business Help Desks. This ensures that the support structures are deeply rooted in the local context, enhancing relatability and trust.
- Ensuring that staff members are proficient in the local language to facilitate effective communication and support for local entrepreneurs, ensuring that services are accessible and understandable to all community members.
- Leveraging the intrinsic understanding of local market dynamics, cultural nuances, and community needs of the local personnel. This deep-seated knowledge will enable the SBDUs and Business Help Desks to offer more relevant and impactful support, driving better outcomes for local entrepreneurs.

b. Motivators:

- Engaging motivators from the community who possess a strong presence and influence within the local community. Their established connections and credibility will facilitate deeper engagement and trust among community members.
- Selection of motivators who can effectively connect with local entrepreneurs on both cultural and linguistic levels. This alignment fosters a sense of trust and cooperation, ensuring that support is both relevant and relatable.
- Leveraging community motivators to generate enthusiasm and momentum for the program. Their active involvement will encourage widespread participation and support, driving the overall success of the program initiatives.

Establishing a cohesive support ecosystem where SBDUs, Business Help Desks, and motivators collaborate seamlessly will provide comprehensive assistance to entrepreneurs, ***for the community led by the community members themselves.***

Chapter 7 | Proposed Budget

A total budget of **₹1830 Crores will be required over a period of nine years** for implementation of the programme. Out of this, ₹1613 Crores will be required during the period of programme implementation from Year 1 to Year 5 to execute all planned activities. An **additional budget of ₹216 crores will be required for year 6-9** for complete provision of interest subvention for enterprises established under the programme.

Proposed Budget from Year 1 - Year 5

Sr. No.	Budget Item	Year 1 (₹ Cr.)	Year 2 (₹ Cr.)	Year 3 (₹ Cr.)	Year 4 (₹ Cr.)	Year 5 (₹ Cr.)	Total (₹ Cr.)
3.1	Ecosystem Creation	20.85	30.57	28.40	26.86	26.78	133.46
3.1.1	Information, Awareness and Education	6.46	3.69	1.54	0.75	0.72	13.15
3.1.2	Interactive Portal for Application, Schemes & Credit Convergence Platform	3.00	1.50	1.50	0.75	0.75	7.50
3.1.3	Institutional Business Support Mechanisms	7.78	18.14	18.12	18.12	18.06	80.21
3.1.4	Counseling by 'Motivators'	0.60	4.25	4.25	4.25	4.25	17.60
3.1.5	Dedicated Technical Support Agency (TSA) for New & Existing Collectives	2.00	2.00	2.00	2.00	2.00	10.00
3.1.6	Innovation & Sustainability Challenge Event	1.00	1.00	1.00	1.00	1.00	5.00
3.2	Enterprise Development	0.00	235.31	278.56	311.00	332.63	1157.50
3.2A.	Creation of Nano Entrepreneurs and Collectives	-	176.56	192.81	205.00	213.13	787.50
3.2B.	Creation of New MSMEs in Focus & Sunrise Sectors	-	27.75	49.95	66.60	77.70	222.00
3.2C.	Business Acceleration of Existing Enterprises	-	6.00	10.80	14.40	16.80	48.00

3.2D.	Creation of Neo-Innovative & Knowledge-Based Enterprises	-	25.00	25.00	25.00	25.00	100.00
3.3	Credit Enablement	0.73	30.73	30.73	30.73	30.73	123.65
3.3.1.	Warehouse Receipt Financing	0.30	0.30	0.30	0.30	0.30	1.50
3.3.2.	Credit Guarantee Fund for Collateral-free Loan	0.00	30.00	30.00	30.00	30.00	120.00
3.3.3	Fintech Partnerships for Digital Micro-Loans	0.43	0.43	0.43	0.43	0.43	2.15
3.4	Capacity Building	0.00	23.06	23.06	23.06	23.06	92.25
3.4.1.	Entrepreneurship and Business Management Program	-	10.24	10.24	10.24	10.24	40.95
3.4.2.	Sector-Specific Skilling Programs	-	9.38	9.38	9.38	9.38	37.50
3.4.3.	Technology for Entrepreneurs	-	3.41	3.41	3.41	3.41	13.65
3.4.4.	Innovation and Design Thinking	-	0.04	0.04	0.04	0.04	0.15
3.5	Market Linkage	2.10	5.10	4.10	3.60	3.60	18.50
3.5.1.	One-Stop E-commerce Marketplace platform	1.00	1.00	0.50	0.25	0.25	3.00
3.5.2.	Business Conclave and Trade Fairs	0.10	3.10	3.10	3.10	3.10	12.50
3.5.3.	Job Matching Platform	1.00	1.00	0.50	0.25	0.25	3.00
	Programme Management Unit	10.00	10.00	10.00	10.00	10.00	50.00
	Administrative Cost (3% of the programme)	7.63	7.63	7.63	7.63	7.63	38.13
	Total	41 Cr.	342 Cr.	382 Cr.	413 Cr.	434 Cr.	1613 Cr.

Additional Budget Requirement For Interest Subvention From Year 6 - Year 9

For the completion of the programme, additional budget allocation needs to be made for ongoing interest subvention for units established under the programme.

Sr. No.	Budget Item	Details	Unit	Year 6		Year 7		Year 8		Year 9		Total (Y6-Y9)	
				Phy.	Fin.	Phy.	Fin.	Phy.	Fin.	Phy.	Fin.	Phy.	Fin.
3.2A	Creation of Nano Entrepreneurs and Collectives												
3.2.A2	Interest Subvention for Nano Enterprises	The average loan requirement of Nano enterprises is Rs 1.3 Lakhs (65%) with interest subvention of 6% for 5 years Detailed Estimate - Interest Subvention	No. of Enterprises	125000	40.625	93750	24.375	62500	12.1875	31250	4.0625	125000	81.25
3.2B	Creation of New MSMEs in Focus & Sunrise Sectors												
3.2B.1	Interest Subvention for Capital Investment in MSMEs	The average loan size of Micro enterprises is Rs 10 Lakhs, Small enterprises is Rs 75 Lakhs and Medium enterprises is Rs 2 Crore Detailed Estimate - Interest Subvention	No. of Enterprises	7,500	56	5,625	33	3,750	17	1,875	6	7,500	111
3.2C	Business Acceleration of Existing Enterprises												
3.2B.1	Interest subvention for existing micro enterprises	The average loan size of Micro enterprises is Rs 10 Lakhs Detailed Estimate - Interest Subvention	No. of Enterprises	4,000.0	12	3,000	7	2,000	4	1,000	1	4,000	24
	Total				108 Cr.		65 Cr.		32 Cr.		11 Cr.		216 Cr.

Additional Budget Requirement For Business Support Structure Per Year

Post the completion of the programme, an additional budget of **₹ 80.21 crores** will be required on ongoing basis to per year to maintain the business support structures of SBDU & Business Help Desks established under the programme.



Annexures

1 | Projection of Enterprises & Employment

S.No.	Category	Type of Enterprise	Enterprise Targets	Average Employment / Enterprise	Projected Employment	Overall Employment
3.2A	Creation of Nano Entrepreneurs & Collectives	Nano	125,000	2	250,000	250,000
3.2B	Creation of New MSMEs in Focus & Sunrise Sectors	Micro	6,000	10	60,000	107,500
		Small	1,400	25	35,000	
		Medium	100	125	12,500	
3.2C	Business Acceleration of Existing Enterprises	Micro	4,000	15	60000	60,000
3.2D	Creation of Neo-Innovative & Knowledge-Based Enterprises	Neo-Innovative Enterprise	400	15	6000	7,500
		Knowledge based Enterprise	100	15	1500	
	Total		137,000			425,000

2 | List of Activities for Initial Investment Support ⁸

Sector	Business Activities
Manufacturing	Tailoring (men's and ladies' wear), Flour Milling, Handicraft Production, Food Product Manufacturing, Metal Fabrication, Furniture and Carpenter Work, Accessory and Cosmetics Manufacturing (bangles, jewelry), Plastics Products Manufacturing, Automobile Spare Parts Manufacturing, Agricultural Products Manufacturing, Construction Products Manufacturing
Trade	General Store, Textile Shop, Fruit and Vegetable Store, Electronic Items Shop, Grocery Retail, Food and Beverage Retail (restaurants, street food), Garment and Footwear Retail, Medical Needs, Cosmetics Shop, Footwear Shop, Fancy Item Shop
Service	Beauty Parlour, Laundry Service, Photocopy Services, Hotels/Restaurant/Tea Shop, Hair Salon & Beauty Parlour, Electronics Repair Shop, Computer/E-Service/Internet Centre, Transport Service, General Service Store, Mobile Service Store, Tent House, Logistic Service, Printing Shop
Farm-Based Enterprise	Horticulture, Vegetable Cultivation, Animal Husbandry, Dairy Units

⁸ To be detailed down based on baseline survey & consultation with the department

3 | Detailed Work Plan for Year 1 of Programme Implementation

No.	Milestone	Responsibility	Year 1											
			M4	M5	M6	M7	M8	M9	M10	M11	M12			
1	Baseline Survey of Enterprises & Employees	Labour & Employment												
2	Onboarding of Programme Management Unit	Labour & Employment												
3	Formation of Apex Committee & Special Purpose Vehicle	Office of Chief Secretary												
4	Finalization of Detailed Project Reports (DPRs) & Guidelines	Implementing Departments												
5	Finalization of District-wise Targets	Implementing Departments												
6	Onboarding of Banks	Implementing Departments												
7	Training of Department Officials from all Implementing Departments	Implementing Departments												
8	Finalization of Programme Monitoring Framework	PMU												
9	Launch of the Programme	Labour & Employment												
10	Start Mass Media Campaign & Panchayat-level Awareness Events	Labour & Employment												
11	Finalization & Onboarding of Business Motivators	Labour & Employment												
12	Development of Success Stories & Other Information Collaterals	Labour & Employment												
13	Establishment of SBDU & Enterprise Help Desk	Labour & Employment												
14	Identification of Project-wise Potential Beneficiaries	Implementing Department												
15	Support of Potential Beneficiaries by Motivators, SBDU & Business Help Desk	PMU												

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4 | Recruitment Criteria for Members of Small Business Development Unit (SBDU) and Business Help Desk (BHD)

1. Selection Criteria for -

- (a) **SBDU Project Manager** (Highest Score)
- (b) **BHD Manager** (2nd Highest Score)
- (c) **SBDU Coordinator** (3rd Highest Score)
- (d) **BHD Coordinator** (4th Highest Score)

S. No.	Description	Points	Max Points
1	Domicile of the District	10	10
2	Proficiency in Local Language	10	10
3c	Educational Qualification Graduation		20
	BBA, Business Management, BBS, Bachelors in Commerce/ Economics or any other relevant Management course	20	
	General Graduation	15	
	Diploma in Business Management/ Entrepreneurship	10	
4	Educational Qualification Post Graduation		20
	MBA, Masters in Entrepreneurship/ Management/ Economics/ Commerce	20	
	Other post-graduation	10	
5	5-7 years of work experience in business management/project management/start-up 5 marks for every year of experience up to 7 years with an extra 2 marks for every additional year of experience	35	35
6	Relevant Certifications: IT, Marketing, Business Management	5	5
	Total		

2. Selection Criteria for SBDU - Financial Expert

S. No.	Description	Points	Max Points
1	Domicile of the District	10	10
2	Proficiency in Local language	10	10
3	Educational Qualification- Graduation		25

	Bachelors in Commerce/ Finance/ Accounting/ Banking/ BBA Finance	25	
	General graduation	15	
	Diploma in Banking/ Finance/ Accounting/ Investment	15	
4	Educational Qualification- Post Graduation		10
	Masters in Commerce/ Fintech/ Finance/ MBA in Finance/ Accounting or related fields	10	
	Other post-graduation	5	
5	5 years of work experience in financial management and accounting 5 marks for every year of experience up to 5 years with an extra 2 marks for every additional year of experience	25	25
6	Previous experience in the Banking Sector	5	5
7	Certification: CA/ CPA/ CFA	15	15
	Total		

3. Selection Process for Criteria - Marketing Expert

S. No.	Description	Points	Max Points
1	Domicile of the District	10	10
2	Proficiency in Local language	10	10
3	Educational Qualification- Graduation		25
	BBA or Bachelors in Communications/ Marketing/ Sales or any other related field	25	
	General graduation	15	
	Diploma in Marketing, Content Creation, Sales	15	
4	Educational Qualification- Post Graduation		10
	MBA, Masters in Communications, Marketing	10	
	Other post-graduation	5	
5	5 years work experience in marketing, preferably with small businesses or startups 5 marks for every year of experience up to 5	30	30

	years with an extra 2 marks for every additional year of experience		
7	Certification: Digital marketing, SEO, E-commerce	15	15
Total			

4. Selection Criteria for SBDU - Legal and Regulatory Expert

S. No.	Description	Points	Max Points
1	Domicile of the District	10	10
2	Proficiency in Local language	10	10
3	Educational Qualification- Graduation		25
	LLB (of any type)	25	
	General graduation	15	
	Diploma in Business/Corporate/Taxation Law	15	
4	Educational Qualification- Post Graduation		10
	LLM, Masters in Legal Studies/ Jurisprudence/ Business Law	10	
	Other post-graduation	5	
5	5 years of work experience in marketing, preferably with small businesses or startups 5 marks for every year of experience up to 5 years with an extra 2 marks for every additional year of experience	30	30
7	Certification: Business Law and Compliance Regulations	15	15
Total			

5 | Analysis of Existing Policies for Enterprises in J&K

Jammu and Kashmir Industrial Policy 2021–2030

Department of Industries & Commerce

The Jammu and Kashmir Industrial Policy 2021-2030 aims to revitalize the industrial sector of the Union Territory post-reorganization in 2019. This ambitious policy targets sustainable and balanced industrial growth, aiming to transform the region into an industrial powerhouse. The policy aims to position Jammu & Kashmir as an Aspiring Investment Destination in India in the next ten years.

In 2021, Jammu and Kashmir reported over **730 startups and 18K+ MSMEs**, highlighting a vibrant entrepreneurial ecosystem poised for expansion. Despite these promising numbers, the industrial sector's contribution to the regional GDP has room for growth, reflecting both a challenge and an opportunity for comprehensive policy-driven development. The policy underlines the importance of leveraging the region's unique geographic and cultural resources, aiming to attract significant investments that promise socio-economic development.

Components of the Industrial Policy

- **Public & Private Infrastructure:**
 - Creation of Industrial Estates, Parks & Clusters and encouraging private industrial estates parks Focus on industrial investments in the UT to spur the manufacturing momentum and create new employment opportunities.
 - Creation & Development of Special Economic Zone
 - Creation of Critical Infrastructure Fund
- **Capital Subsidies**
 - Subsidy on installation / expansion of DG sets
 - Subsidy on procurement of Quality Certificate
 - Subsidy on Automation
 - Subsidy on Pollution Control Devices
- **Financial Incentive**
 - Turnover Incentive to MSMEs
 - SGST Incentive for 10 year
 - Exemption from Stamp Duty
- **Ease of Doing Business**
 - Single Window Portal for all clearances
 - Invest J&K Web Portal to attract global investments & Investment Facilitation Cell
 - Information hubs by District Industries Centers
 - Industrial Grievances Forums for speedy grievances redressal
- **Market Linkage**
 - Roadshows and Expos for creating Backward and Forward Linkages
 - Buyer-seller meets, trade fairs, exhibitions etc.
- **Skill Development**
 - Entrepreneur & Skill Development Fund from premium charged from industrial corporation

Current Status

	Iron & Steel	Pharma	Metal & Mining	Textile & Garments	Paper & Pulp Products
Exports & Economic Contribution	Almost negligible export. 450-MSME	389.5 Cr	350 Cr Limestone 3000 Cr FY-2022	516 Cr	Minimal Export
Resource Availability	Insignificant Deposit	Imported 2 small API	Limestone Gypsum bauxite, 5.9 MT Lithium	178 MT Silk Producer Pashmina wool Mulberry silk etc	Abundance of Raw Material Wood Pulp Straw of Rice Plant
Existing Ecosystem	5 Major Units & 450 MSME Steel Fabrication	40+ Units Packaging-100 Units	380+ Mineral auctioned	30+ Units Silk Textiles ancient 3.8 lakh artisans and 571 weavers	50+ Units
Traditional Strength/ Skill	Negligible	Contract Manufacturing	1.5% of total workforce	10501+ People engage	Minimal Traditional Footprints
Employment Skilled Manpower	IITJ, NIT Srinagar GCET	8010+ IITJ, IIMJ AIIMS etc	IITJ, IIMJ NITJ and GCET	10561+ NIFD	1000+ People IITJ, IIMJ, GCET
Supporting Infra.	No R&D	CSIR IIIM J	Geology and Mining and JK Minerals	42 Training Institute and CFC in Kathua and NIFD	No dedicate Infra. Developed
Sustainable Scalability	Negligible opportunities to scale up	Many Packaging 100+ High available of Medicinal plant	Not Fully Explored	Abundance of raw material	Packaging Handicraft & Fruit

Logistics Cost	Punjab has Steel hubs, Steel billet Ingots Logistics cost is high	Delhi Punjab Chandigarh need improvement of logistics.	Logistic has need to be improved	Logistics cost is High for exports	PFT & ICD Recommended Logistic Cost High
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SWOT Analysis of the Industrial Policy

STRENGTHS <ul style="list-style-type: none"> ● Industrialization at the very grassroots level using the local resources, skills, and talent available domestically ● Robust Financial Commitment of ₹28,400 crore for industrial development over 15 years ● Comprehensive Incentive Structure which complemented by New Central Sector Scheme ● 1st UT to launch & implement single window system ● Environment friendly policy with incentives for green industries ● Traditional sectors like handicrafts, represented by over 60,000 handloom and handicraft establishments, provide a solid foundation for industrial growth 	WEAKNESSES <ul style="list-style-type: none"> ● Underdeveloped existing infrastructure, including roads, power supply, and communication networks ● The efficiency level of the firms in J&K averages between 28 and 33%, pointing to high industrial inefficiency and under-utilization of resources ● Industrial base has not been very diversified - primarily concentrated in traditional sectors with limited presence in high-tech industries ● Lack of focused incentives for sunrise sectors for J&K like renewable energy, pharmaceutical etc. ● No provision to enable research and development expenditure in the secondary sector
OPPORTUNITIES <ul style="list-style-type: none"> ● 74% increase in no. of startups since 2023 - indicating future potential for growth of startups ● Employment generation opportunities across sectors through business creation & expansion ● Potential targeting in high-opportunity sectors such as renewable energy, IT/ITeS, and health services ● Developing industrial estates and clusters 	THREATS <ul style="list-style-type: none"> ● Unplanned & improper land use practices hindering the development of infrastructure & industrial areas ● Geopolitical sensitivities may impact investment climate ● Fragile ecology, prone to natural disasters like floods and landslides, poses a threat to sustained industrial activity ● Regional economic disparities

Best Practices Across States

1. Gujarat's Incorporation of Renewable Energy

Gujarat's industrial policy includes a separate section on the 'use of rooftop solar power by MSMEs' which will reduce the electricity cost for MSMEs. Gujarat has included a special Solar policy under which MSME are eligible to set-up rooftop solar power and provision is made to purchase surplus power from them.

While Jammu and Kashmir has an extensive section on environmental conservation and protection, such unique initiatives such as harnessing solar or wind energy to reduce the overall electricity cost and promote sustainability is missing.

2. Maharashtra's Targeted Support

Maharashtra has a unique feature of 'Targeted Support for Naxalism Affected and Aspirational Districts' as part of its industrial policy. Here, Maharashtra provides enhanced incentives to industries in these regions to stimulate development and mitigate the challenges posed by lesser industrial activity and socio-economic barriers. This includes a higher ceiling for fiscal incentives like exemptions from stamp duty, investment subsidies, and special considerations under their Package Scheme of Incentives.

Jammu and Kashmir does not currently have a clause on this type of targeted support. Integrating a similar targeted approach in Jammu and Kashmir could help address regional disparities by encouraging industrial development in conflict-affected or economically backward areas, thus promoting balanced regional growth and socio-economic development.

3. Tamil Nadu's Corridor-Based Development

Tamil Nadu is pursuing corridor and node-based development, a model that spatially converges investment growth and infrastructure development. Jammu and Kashmir does have provision for infrastructure development such as the creation of industrial estates and parks, but has not incorporated something as specific as corridor development in its industrial policy. Tamil Nadu has the Chennai-Bengaluru Industrial Corridor, Chennai-Kanyakumari Industrial Corridor, Tamil Nadu Defence Industrial Corridor.

Such an initiative in Jammu and Kashmir can enhance connectivity, facilitate concentrated investment, and support long-term economic transformation. Additionally, establishing corridors dedicated to strategic industries like defense can attract significant public and private investments, thereby promoting balanced regional development and enhancing the overall industrial ecosystem in Jammu and Kashmir.

4. Karnataka's Skill Development Programs

In Karnataka, various skill development initiatives have been undertaken in consultation with the industry, for imparting training to students, unemployed as well as up-skilling/cross skilling for employed youth in various sectors such as ICT, BPO, Telecom, ESDM, Manufacturing, Services, Health, and Automation etc. The State boasts of 1,777 public and private ITIs providing skill training to 106,000 youth, around 290 polytechnics with seating capacity of 75,000 and under the Modular Employability Scheme 500 courses under 68 sectors is being implemented through 800 vocational training providers.

While Jammu and Kashmir does have an entrepreneur and skill development fund under the industrial policy, the skill development initiatives under the industrial policy are not as extensive or specialized. Karnataka's comprehensive skill development programs that align with industry needs can be adapted in Jammu and Kashmir to ensure a skilled workforce ready to meet the demands of new and expanding industries.

Recommendations

1. **Strengthen Infrastructure** Accelerate the development of industrial estates and improve connectivity to enhance the industrial ecosystem.
2. **Improve Ease of Doing Business Rankings:** Streamline regulatory processes and enhance transparency, to improve EODB rankings. Simplifying procedures through digital platforms and reducing bureaucratic red tape will help create a more business-friendly environment, attracting greater investment.
3. **Enhance Skill Development:** Focus on aligning local education and training programs with industry needs to ensure a skilled workforce ready for modern industrial challenges.
4. **Promote Sector-Specific Clusters:** Enhance industrial appeal by developing sector-specific clusters, such as pharmaceuticals, IT/ITeS, and handicrafts, tailored to leverage regional strengths to concentrate resources, foster innovation, and improve supply chain efficiencies, making the region more attractive for specific types of investments.

Jammu and Kashmir Tourism Policy – 2020

Department of Tourism

The Jammu & Kashmir Tourism Policy of 2020 aims to leverage the region's unique geographical and cultural attributes to develop it into a leading all-season tourism destination. This policy is structured to drive significant economic growth through the tourism sector, which is a crucial part of the local and national economy.

In 2018, the tourism sector contributed approximately 6.98% to the region's Gross State Domestic Product (GSDP), reflecting its vital role in the economic fabric of Jammu & Kashmir. The policy aims to achieve a CAGR of 8% in domestic and 5% in foreign tourist arrivals in the next five years, and 10% domestic and 7% foreign CAGR by 2035. It also targets to **generate employment for 50,000 individuals per year and train approximately 4,000 tourism service providers over the next decade.**

Tourism is globally acknowledged as a key driver of socio-economic progress, with significant contributions to employment and national GDP. For instance, the global tourism industry contributed 10.4% to the worldwide GDP and accounted for 319 million jobs in 2018. India, where Jammu & Kashmir plays an integral part, has seen tourism emerge as the third largest foreign exchange earner, with the sector's direct contribution projected to grow robustly.

Key Components of the Tourism Policy

1. Capital

- Capital Investment Incentives: Offered to units in B & C category areas under the Jammu & Kashmir Industrial Promotion Policy 2020.
- SGST Concessions: Available for units achieving sustainability certifications.
- Energy Audit Subsidies: Assistance for energy audits in commercial buildings, with subsidies based on the BEE Star Rating.
- Eco-Tourism Project Training Subsidies: Financial support for training related to ecotourism projects.
- Procurement and Content Creation Support: Financial aid for equipment procurement and content creation for tourism purposes.

2. Research and Development

- ICT Development Support: Funding for research in tourism and hospitality, with specific grants for ICT development.

3. Market Linkage

- Event Funding: Financial assistance for organizing tourism-related events.

4. Skill Development

- Training and Employment Incentives: Incentives for units committing to long-term employment of trained workers.

Current Status

Category	Description
Exports & Economic Contribution	Tourism Sector – ₹ 8,000 cr Economy share – 10% 1.88 Crore tourists 20,000 were international tourists
Resource Availability	100+ Tourist destinations New 75+ offbeat locations identified Road, rail and air connectivity being improved
Existing Ecosystem	At major tourist destinations – 4200+ Hotels & Guest Houses With 160+ Category A hotels ~70% occupancy rate
Traditional Strength/Skill	J&K has traditionally been a strong tourist destination It is one of the sought-after destinations in India
Employment Skilled Manpower	Tourism generates ~70,000 Direct & Indirect employment Large part of the local population has been involved in tourism, managing boathouses, working as guides, taxi drivers, etc.
Supporting Infra.	At major tourist destinations – 4200+ Hotels & Guest Houses Presence of tourism institutes - SHTM Jammu; Food Craft Institute, IHM Srinagar, etc.
Sustainable Scalability	The hospitality and tourism sector has a very high employment potential especially with the rise of ecotourism. J&K is aiming for 15-20% YoY growth in tourist footfall & developing 75 new tourist destinations
Logistics Cost	2 commercial Airports operating 100+ flights daily 4-Lane connectivity for major cities and towns & 24+ trains cross through UT making it easily accessible

SWOT Analysis

STRENGTHS <ul style="list-style-type: none"> • Scenic landscapes including the Himalayan ranges, lush valleys, and pristine lakes • Year-round tourism destination • Emphasis on the rich cultural heritage, including handicrafts, traditional music, and dance in a clause on cultural tourism • 75 offbeat tourist destinations identified • 2023 recorded over 2.11 crore tourist visits • Achievements such as the 3rd G20 tourism and the 75th miss world meet held in J&K 	WEAKNESSES <ul style="list-style-type: none"> • Limited and expensive connectivity to mountainous regions • No mechanisms to foster innovation and entrepreneurship within tourism • No emphasis on improving digital infrastructure (such as digital transactions) for ease of doing business in the tourism sector • Vague clause around rural development, not enough elaboration • Lack of well-detailed out program on skilling or training of unemployment youth to bring them into tourism • No robust system for quality certifications for accommodations and services
OPPORTUNITIES <ul style="list-style-type: none"> • 2000 homestays registered in sustainable tourism indicating a potential movement towards sustainability • Promotion of border tourism including Uri, Keran, and Teetwal • Promotion of religious tourism for various communities • Potential to develop adventure tourism activities like trekking, skiing, and water sports • Emphasis on categories B & C which are less commercialized tourist areas • Gender inclusivity in tourism sector-employment 	THREATS <ul style="list-style-type: none"> • Competitive pressure from other states with aggressive tourism marketing strategies • Environmental risks linked with increasing tourist footfall • Concerns regarding safety within the region • Complicated renewal and registration processes regarding trade rules • Geopolitical climate around which the sensitivity may deter investors as well as tourists

Best Practices Across States

1. Kerala's Responsible Tourism (RT) Mission

Kerala's approach to tourism centers on sustainability and inclusivity, engaging local communities to benefit economically while conserving the environment. This model has positioned Kerala as a leader in responsible tourism globally.

Jammu & Kashmir could adopt similar community-centric tourism models that emphasize local culture, heritage, and natural conservation, aligning with sustainable development goals and enhancing tourist experiences sustainably.

2. Gujarat's Proactive IT and Digital Infrastructure in Tourism

Gujarat has effectively integrated digital technology to enhance tourist experiences through ease of business practices like digital payments and smart city developments. This includes the creation of **comprehensive digital platforms that serve both tourists and businesses**, making tourism more accessible and efficient.

Jammu & Kashmir could similarly leverage its existing digital infrastructure to develop integrated tourism management platforms, enhancing tourist engagement and operational efficiencies.

3. Rajasthan's Focus on Rural Tourism

Rajasthan has successfully developed its rural tourism sector by promoting traditional arts, crafts, and rural experiences, driving economic growth in less developed areas. The state has set up **specific funds and incentives to develop tourism infrastructure in rural areas**, encouraging private investment.

Jammu & Kashmir could implement similar strategies to promote its less commercialized areas, enhancing rural tourism through infrastructural and promotional support.

4. Maharashtra's Integrated Approach to Tourism

Maharashtra's tourism policy includes comprehensive strategies for infrastructure development, marketing, and private-sector engagement. It focuses on **diverse tourism types including coastal, adventure, spiritual, and cultural tourism**.

Adopting an integrated approach catering to a different set of audiences could help Jammu & Kashmir diversify its tourism offerings and implement robust marketing strategies to attract a wider range of tourists.

5. Karnataka's Cultural Tourism Initiatives

Karnataka enhances its tourism appeal through a robust focus on cultural tourism, promoting its rich history and diverse arts. The state **capitalizes on its cultural heritage by mapping significant cultural assets and organizing vibrant festivals and events**, which not only preserve but actively promote its cultural richness.

By adopting similar cultural asset mapping and promotional strategies, Jammu & Kashmir can better showcase its unique cultural heritage and attract more heritage tourists.

Recommendations

- **Creating the J&K Tourism Brand:** Develop targeted marketing campaigns and improve access to information to promote J&K's unique tourism opportunities nationally and internationally.
- **Promote Integrated Tourism Approach including Religious, Adventure, Cultural, Rural & Border Tourism:** Develop tourism circuits across J&K with strategic promotion of specific locations with to promote opportunities across regions
- **Implement Sustainable Practices:** Develop strategies around strategically boosting tourism across key circuits of J&K to boost and ensure balanced regional development
- **Enhance Security Measures & Connectivity:** Liaisoning with government departments to ensure the safety of tourists and improve low-cost transportation to key tourist destinations

Jammu and Kashmir's IT/ITES Policy 2020
Department of Information Technology

The Jammu & Kashmir IT/ITES Policy underscores the transformative role of information technology in the region's socio-economic landscape. Aimed at fostering rapid, inclusive, and sustainable growth, the policy serves as a strategic blueprint to leverage IT for enhancing productivity, governance, and quality of life across diverse sectors including education, health, and commerce.

Since its inception, the policy has spurred significant advancements in digital infrastructure, supporting the expansion of e-governance and digital literacy. The government's efforts to bridge the digital divide are evident in initiatives aimed at making at least one female in every household e-literate, and enhancing

IT education and employability through partnerships with key educational institutions. The IT/ITES policy also aims to strengthen the local economy by improving the competitiveness of small and medium IT enterprises and boosting foreign exchange earnings through IT exports.

Key Components

1. Capital

- Lease rental reimbursement
- Provision of up to 50% reimbursement on technology acquisition costs
- Reimbursement for patent filings and up to 30% of costs for obtaining quality certifications, encouraging innovation and standards compliance.
- FAR relaxation in designated IT parks and up to 25% in other areas, facilitating physical expansion and infrastructure development.

2. Ease of Doing Business

- ICT Development Support: Funding for research in tourism and hospitality, with specific grants for ICT development.
- A subsidy covering 25% of internet bandwidth usage costs, up to ₹2 lakh per year, to support digital operations.
- Exemption from Inspections: IT industry units are exempt from certain inspections in their first year, simplifying the startup phase.
- IT units can file self-certifications under specific regulatory frameworks, reducing bureaucratic hurdles.

3. Infrastructure

- Reserves 15% of plug-and-play premises in IT parks specifically for women entrepreneurs, promoting gender inclusivity.

4. Human Capital

- Establishment of Premier Institutes & Faculty Upgradation
- Changing Course Curriculum with specialized programme for IT entrepreneurship
- Mandatory Apprenticeship Programme

Current Status

Category	IT Policy
Exports & Economic Contribution	Tourism Sector – ₹ 25 cr IT sector from FY 2010 - FY 2021 – 135 MN.
Resource Availability	IIT, IIM, AIIMS, 12 universities and 30+ engineering colleges. 2 CIITs are established in partnership with TATA technologies.
Existing Ecosystem	50+ IT and BPOs - Comptech, ilocos, Aegis, Myasa IT, Unosis IT solutions, Enser Communications Pvt. Ltd. MSME IT units Myasa, RVS IT, Opportunity Services and Solutions, AirMESH Communications
Traditional Strength/Skill	Educated young population & >10 Mn Mobile users

Employment Skilled Manpower	IT & BPO sector – 20,000+ people employed 10 Registered Incubators & 2 Registered accelerators.
Supporting Infra.	2 IT towers proposed in Jammu and Kashmir
Sustainable Scalability	J&K has young and educated youth which is a prerequisite for the IT industry. IT industry can be promoted in the UT, which will provide high skilled jobs to the youth
Logistics Cost	

SWOT Analysis

STRENGTHS <ul style="list-style-type: none"> Geographically favorably positioned to cater to domestic as well as international markets - Bhutan, Bangladesh, Myanmar, Thailand, Vietnam, Cambodia Institutes of higher learning imparting relevant IT skills Pro-business approach of Government (EoDB) through digital format Attractive incentives including tax exemptions and capital subsidies making the UT attractive for IT investments Provision for training and reimbursements per IT/ITES employee promoting scale 	WEAKNESSES <ul style="list-style-type: none"> Infrastructure deficits, particularly in reliable power supply and high-speed internet IT infrastructure such as data centers or advanced IT parks part of the policy but no development Underdeveloped venture capital ecosystem IT sector in J&K is not as diversified - lack of firms engaged in AI, big data, and cloud computing Local market's small size limits immediate business opportunities
OPPORTUNITIES <ul style="list-style-type: none"> Enabling tech startups through innovation hubs and incubation centers Building partnerships with national and international IT firms Positioning Jammu & Kashmir as an outsourcing hub More provisions for women entrepreneurs in IT/ITES, can add more interventions to promote inclusivity and gender diversity 	THREATS <ul style="list-style-type: none"> Region's geopolitical context might deter investors or delay projects due to security concerns Competition from other states (such as Karnataka, Telangana and Maharashtra) which have well-established IT ecosystems

Best Practices Across States

1. Gujarat's Comprehensive Financial Support

Gujarat's IT/ITeS policy includes extensive CAPEX and OPEX support, **offering significant financial backing for large-scale IT projects**. The state provides extensive capital expenditure (CAPEX) support up to INR 200 crore for mega projects and operational expenditure (OPEX) support up to INR 40 crore per year for major initiatives.

Jammu & Kashmir could implement similar comprehensive financial incentives for CAPEX & OPEX to attract major IT investments and foster sector growth.

2. Maharashtra's IT Infrastructure Development

Maharashtra promotes integrated IT townships and private IT parks with self-sufficient infrastructure. There are **special initiatives for IT parks and IT townships such as provision of additional FSI and electricity tariffs**. The policy delineates a separate subsection on Integrated IT Townships (IIT). Further, according to the Maharashtra IT policy, the state government and the planning authorities shall create a **'Critical Infrastructure Fund for IT/ITES Industries'**.

While Jammu and Kashmir does have its own clause on IT parks with provisions for basic amenities such as electricity, water, and sewage and creating IT parks close to the airports, national highways etc., these are not as detailed out and this has not been focused upon as much as it has been in Maharashtra. Adopting an approach similar to Maharashtra could help Jammu & Kashmir decentralize IT development and encourage urban planning that supports IT growth.

3. Madhya Pradesh's Subsidies for Emerging Technologies

Madhya Pradesh offers specific subsidies for **investments in emerging technologies, like semiconductor fabrication**.

Jammu & Kashmir could introduce targeted subsidies to spur advancements in high-tech industries within the state.

4. Kerala's Support for Entrepreneurship in IT

Similar to the section in Jammu & Kashmir's clause on 'human capital', Kerala's IT policy has a section on academic interventions. Some of Kerala's unique interventions include **mandatory final year projects with a nodal incubator creating an online portal with details of all the original ideas to avoid duplication, establishing a leadership academy, distribution of 'startup boxes' to students, international startup culture and exchange program, setting up of innovation zones**, introducing a startup bootcamp that provides comprehensive support to nurture early-stage IT businesses etc.

Jammu & Kashmir could establish similar interventions to create a conducive environment for entrepreneurial spirit in the IT sector within the UT.

5. Delhi's Digital Literacy and E-Governance Initiatives

Delhi focuses on enhancing digital literacy and integrating IT tools in government processes to improve public service efficiency.

Jammu & Kashmir could expand digital literacy programs and integrate more e-governance solutions to enhance service delivery and citizen engagement.

Recommendations

1. **Develop Infrastructure:** Prioritize reliable power and high-speed internet, especially in rural areas & invest in advanced IT infrastructure to attract big IT companies and startups, which could include specialized IT parks with modern amenities and connectivity.

2. **Enhance R&D and Innovation Support:** Consider introducing more aggressive incentives for R&D and innovation within the IT sector, potentially through partnerships with academia and industry. Detail down the roadmap for enabling entrepreneurship in IT like Kerala.
3. **Skill Development:** Collaborate with educational institutions for specialized IT courses. Implement mandatory apprenticeships and continuous faculty upgradation.

Jammu and Kashmir Start-up Policy 2024-2027

Department of Industries & Commerce

The Jammu and Kashmir Startup Policy 2024 is designed to establish the region as a leading hub for innovation and entrepreneurship by 2027. It aims to foster a dynamic startup ecosystem by enhancing support infrastructure such as incubation centers and tinkering labs, and by empowering a network of mentors, investors, and entrepreneurs. This initiative aligns with the government's broader economic strategies to stimulate growth and leverage the region's human capital to achieve substantial economic development.

Startups in Jammu and Kashmir are becoming a significant part of the economic landscape, contributing to the diversification and modernization of the regional economy. The policy outlines strategic measures to integrate these startups into the global and national markets, aiming to create thousands of new enterprises in the coming years, thereby boosting employment and innovation.

Key Components

1. Capital

- Venture Capital Fund: Establishment of a ₹250 crore fund to scale startup businesses within the policy period.
- Seed Funding: Provision of one-time assistance up to ₹20 lakhs to support startups in developing prototypes or introducing innovative products/services.
- Loan Guarantee Program: Enhances credit availability by guaranteeing loans for startups, reducing financial risk for lenders.
- Incubators and Accelerators: Offers financial support for setting up or scaling incubator infrastructure, covering up to 50% of the eligible amount to a maximum of ₹50 lakh.
- Patent Support: Offers guidance and financial support for patent filing to protect intellectual property.

2. Ease of Doing Business

- Facilitation for DPIIT Benefits: Assists startups in availing benefits under the Department for Promotion of Industry and Internal Trade.
- Co-Working Spaces: Supports startups with co-working spaces to reduce operational costs.
- Self-Certification: Allows startups to self-certify compliance under various laws to ease the regulatory burden.
- Start-up Awards: Recognizes and rewards innovative startups annually to encourage entrepreneurship.

3. Skill Development

- Assistance for Mentorship: Allocates ₹10 lakhs annually to the nodal agency for providing mentorship services to startups.
- Syllabus Update and Exposure Visits: Encourages educational reforms and practical learning experiences to stay current with industry demands.

4. Market Linkage

- Marketing Support: Provides assistance for early market access, including relaxation in norms for startups aiming for public procurement.
- Startup Events: Organizes networking events, workshops, and seminars to facilitate interaction between startups, investors, and market leaders

5. Technology

- Incubation Centre/Tinkering Labs: Establishes centers equipped with modern technology to foster innovation and experimentation.
- Technical Tie-ups: Promotes partnerships with institutions like T-Hub to facilitate technical support and innovation.

SWOT Analysis

STRENGTHS <ul style="list-style-type: none">● Policy provides additional support to female entrepreneurs, entrepreneurs with disabilities, and entrepreneurs belonging to third gender● Innovative ideas such as an annual startup competition with awards● In 2024, J&K has 730+ startups (a big jump from 419 startups in 2023)● Institutions like IIT have shown faith in J&K's startups by funding Genetico Research & Diagnostics Pvt. Ltd● 12 incubators already exist to help nurture ideas	WEAKNESSES <ul style="list-style-type: none">● Low level of diversification - major sectors among startups are construction and engineering● Inadequate physical and technological infrastructure for high-tech and internet based startups● Currently, there is a gap in advanced technical skills among the workforce, particularly in cutting edge fields like AI, biotechnology and robotics
OPPORTUNITIES <ul style="list-style-type: none">● J&K's local startups like Qul Fruit have received substantial foreign institutional investment - with this policy, J&K may be able to secure even more foreign institutional investments● Startups from like Namhya Foods and Fastbeetle featured on shark tank and secured funding - innovative ideas exist but may require a local platform to begin with● Prior to 2024, the average growth rate of number of startups was approximately 18% and the growth from 2023 to 2024 has been approximately 74%● Currently, 32% of the startups are women-led	THREATS <ul style="list-style-type: none">● Changes in local and national regulations can pose a risk to startup operations, especially those involved in sectors like healthcare and finance that are heavily regulated● Competition from other states whose startup policies have already been well-established and functioning such as Karnataka, Maharashtra, and Telangana - J&K might face challenges in attracting and retaining talent as the established hubs may be preferred

Best Practices Across States

1. Telangana's Robust Incubation Programs

Telangana has expanded **the number and capacity of incubators, potentially specializing them by sectors and groups to provide tailored support and resources for startups**. For example, Telangana is home to 'We Hub' which is India's first State led incubator for women entrepreneurs. There is another specific incubator - Telangana Incubation Centre for Tribal Entrepreneurs.

Adopting a similar approach of targeted incubation programmes could help Jammu & Kashmir cater to the needs of specific groups or support startups in high-growth or niche sectors.

Recommendations

1. Focus on Niche Sectors: Develop niche sector focus that leverages local strengths such as horticulture, handicrafts, and tourism technology. This will differentiate Jammu and Kashmir's startup ecosystem and attract specific investments and expertise.

2. Strengthen Connectivity and Infrastructure: Improve digital and physical infrastructure to ensure that startups have the necessary facilities and connectivity. This is crucial for tech startups that depend on reliable internet and logistics.

3. Improve Regulatory Environment: Simplify the regulatory framework to make it easier for startups to operate. Streamlining procedures for registrations, tax, and compliance can significantly lower the entry barriers for new ventures.

4. Develop a Strong Marketing and Branding Strategy: Promote the Jammu and Kashmir startup ecosystem nationally and internationally to attract investors and talented entrepreneurs.

Jammu and Kashmir Wool Processing, Handloom, Handicrafts Policy 2020

Department of Handicrafts & Handloom

Overview

The Jammu & Kashmir Wool Processing, Handloom, and Handicrafts Policy of 2020 is designed to revitalize the traditional crafts of the region, while adapting to modern market demands. This policy aims to enhance the skills of local artisans, introduce innovative design interventions, and ensure sustainable growth through significant economic contributions from the handicrafts and handloom sectors. The sector experienced a remarkable 200% increase in exports from Rs. 563.31 crores in FY 2021-22 to Rs. 1116.37 crores in FY 2022-23, demonstrating its substantial impact on the regional and national economy.

Key Components

1. Capital

- Capital Investment Incentives: Fiscal incentives and subsidies for new and existing wool processing units and handloom weavers.
- Marketing and Sales Support: Marketing support including e-platform registration subsidies and export subsidies for promoting local products on national and international levels.
- Training and Design Development: Restructuring of existing training centers into Craft Training & Design Centres to foster new-age designs and skills.

- Credit Enhancement: Increased micro-credit loan limits and interest subvention to reduce the financial burden on artisans.
- Stipend Provision: Stipends for trainees at training centers to support learning and development.

2. Infrastructure

- Infrastructure Development: Establishment of a Jammu Haat to showcase and sell handicrafts and handlooms throughout the year.
- Institutional Support: Involvement of financial institutions like J&K Bank and SIDBI for credit lending to support sector growth.

SWOT Analysis

STRENGTHS <ul style="list-style-type: none"> • Rich cultural heritage with globally recognized crafts such as Kashmiri shawls and carpets. • Strong traditional skills base among local artisans. • Enhanced global market reach with significant export growth. • Robust resource base including Pashmina Wool, mulberry silk, and merino wool supporting sustainable development. 	WEAKNESSES <ul style="list-style-type: none"> • Limited exposure to modern designs and marketing techniques. • Inadequate training infrastructure to meet contemporary market demands. • Dependence on traditional markets with low adaptation to e-commerce.
OPPORTUNITIES <ul style="list-style-type: none"> • Growing global demand for sustainable and ethically made products. • Potential for public-private partnerships to modernize design and production. • Expansion into new markets through e-commerce platforms. 	THREATS <ul style="list-style-type: none"> • Competition from machine-made products which mimic traditional designs. • Declining interest among younger generations to pursue crafts as a career. • Vulnerabilities to economic downturns affecting luxury goods like handicrafts.

Best Practices Across States

1. Odisha's Craft Cluster Development Program Odisha's Craft Cluster Development Program focuses on enhancing the skills of artisans through cluster-based interventions, providing infrastructure support, and creating marketing linkages to boost the local crafts sector.

Jammu & Kashmir could implement a similar cluster-based approach to strengthen its handicrafts and handloom sectors, providing targeted support and infrastructure to clusters of artisans, thereby improving productivity and market reach.

2. Gujarat's Garvi-Gurjari E-Marketing Initiative Gujarat's Garvi-Gurjari initiative uses an online platform to market and sell traditional handicrafts, expanding the reach of local artisans to global markets.

Jammu & Kashmir could develop a similar e-marketing platform to promote its wool, handloom, and handicraft products, enabling local artisans to access national and international markets more effectively.

3. Assam's Purbashree Emporium Assam's Purbashree Emporium offers a dedicated space in major cities to showcase and sell north eastern handicrafts, ensuring sustained visibility and market access for local artisans.

Jammu & Kashmir could establish similar emporiums in key cities across India, providing a consistent retail platform for artisans to display and sell their products, thereby enhancing market accessibility and brand recognition.

4. Rajasthan's Rural Non-Farm Development Agency (RUDA) RUDA in Rajasthan focuses on enhancing rural livelihoods through the promotion of non-farm activities, including crafts and handlooms, by providing training, design support, and market access.

Jammu & Kashmir can adopt a similar agency to focus on the development of rural handicrafts and handlooms, providing necessary training, design innovation, and marketing support to uplift rural artisans and boost the local economy.

5. Andhra Pradesh's Aadharana Scheme Andhra Pradesh's Aadharana Scheme provides financial assistance and modern tools to traditional artisans to improve productivity and product quality.

Jammu & Kashmir could implement a similar scheme to provide local artisans with financial support and modern equipment, helping them enhance the quality of their handicrafts and increase production efficiency.

Recommendations

- **Enhance Design and Marketing Skills:** Implement comprehensive design and marketing training for artisans to align with modern consumer preferences and digital marketplaces.
- **Develop Infrastructure:** Modernize training centers into state-of-the-art Craft Training & Design Centres to nurture creativity and innovation.
- **Promote Brand J&K:** Create a strong brand around Jammu & Kashmir handicrafts that emphasizes quality, tradition, and uniqueness to capture national and international markets.
- **Implement Sustainable Practices:** Encourage the use of sustainable materials and practices to appeal to the global trend towards environmentally friendly products.

6 | Success Stories of Proposed Interventions under the Programme

Intervention	Success Story
Initial Investment Support for Nano Businesses	<i>The success rate of micro-loans in enabling nano-entrepreneurs in India is visible through the PM SVA-Nidhi programme which provides loans from ₹10000 - 50000 to urban street vendors.</i>
Interest Subvention for Capital Investment in MSMEs	<i>The Gujarat Government's interest subsidy scheme provides MSMEs in manufacturing and service sectors with a 7% interest subsidy on term loans, capped at Rs. 35 lakhs per annum for up to 7 years.</i> <i>UP's New Industrial Policy is providing interest subvention in cluster mode.</i>
Micro Equity VC Fund	<i>Tamil Nadu created a 100 crore co-creation fund to support the creation and working of select VC funds with special focus on those investing in regional start-ups and sectors like rural impact, women-led, and climate action.</i>
Innovation & Sustainability Challenge	<i>'Elevate Program' by Karnataka Biotechnology and Information Technology Services (KBITS) - a similar initiative supporting startups through funding, mentorship, and resources.</i>
Fintech Partnerships for Digital Micro-Loans	<i>Bank of Maharashtra has a tie-up arrangement with a fintech company (Atyati Technologies) to facilitate low-cost loans of up to INR 25 lakhs to MSME beneficiaries through multi-channel strategies.</i>
Credit Guarantee Fund for Collateral-free Loan	<i>Under the Assam Credit Guarantee Scheme, 75-85 per cent of the guarantee coverage or credit facilities will be provided by CGTMSE and the balance 25-15 per cent coverage shall be provided by the government of Assam taking the overall guarantee coverage to 100 percent.</i>
Warehouse Receipt Financing	<i>Farmers in Bihar opened their repository accounts on the National e-Repository Ltd (NERL) platform and availed loans by pledging their electronic negotiable warehouse receipts.</i>
One-Stop E-commerce Marketplace Platform	<i>eSARAS is an e-commerce mobile app facilitating the market linkage of the products made by SHGs. It has been conceptualized by DAY-NRLM towards marketing of the best authentic handicrafts & hand-looms.</i>
Business Conclave and Trade Fairs	<i>Gujarat has attracted USD 55 billion in the last 2 decades of organizing 'Vibrant Gujarat'. The 2024 edition featured presence from 135 countries and over 2000 exhibitors.</i>

7 | District-wise Cooperatives in J&K

District		Agriculture & Allied	Agro Processing	Dairy	Livestock & Poultry	Handicraft	Handloom & Textile	PACS
1	Bandipora	12	10	74	8	535	155	13
2	Baramulla	19	0	97	24	383	49	35
3	Kupwara	29	0	25	16	15	194	22
4	Ganderbal	7	2	58	14	259	48	29
5	Budgam	65	0	98	39	539	71	63
6	Srinagar	17	7	12	1	1249	286	18
7	Anantnag	90	0	100	22	304	42	21
8	Kulgam	91	0	90	24	2	170	20
9	Shopian	38	0	94	5	153	9	16
10	Pulwama	47	5	157	33	144	40	29
11	Jammu	36	0	166	13	78	38	116
12	Kathua	24	4	99	9	33	30	55
13	Samba	16	6	68	6	31	0	24
14	Reasi	12	0	10	6	15	7	22
15	Udhampur	32	2	27	4	17	28	39
16	Poonch	45	1	32	13	23	6	21
17	Rajouri	14	0	44	12	20	13	49
18	Doda	30	4	36	6	36	19	28
19	Kishtwar	17	0	8	4	35	15	11
20	Ramban	34	1	13	5	33	1	13

8 | District-wise Self-Help Groups in J&K

District		Agriculture Activities	Livestock rearing	Fishery activities	Non-timber Forest Products Collection	Manufacturing	Trading	Services ⁹	Other Livelihood Activity
1	Anantnag	22711	919	53	34	283	111	862	272
2	Bandipora	8500	339	16	10	821	43	62	96
3	Baramulla	27630	1407	118	90	1443	416	446	261
4	Budgam	20810	954	44	18	982	122	170	175
5	Doda	12774	426	23	14	79	55	49	134
6	Ganderbal	8974	1540	66	68	908	96	121	251
7	Jammu	20944	1832	43	35	235	676	743	391
8	Kathua	18899	520	22	19	118	273	1968	599
9	Kishtwar	6832	457	17	10	66	22	37	46
10	Kulgam	11109	306	27	29	128	36	54	38
11	Kupwara	26702	727	36	25	170	119	151	210
12	Poonch	15320	668	46	33	73	36	39	15
13	Pulwama	7763	706	15	16	129	326	117	57
14	Rajouri	22814	968	98	91	316	84	136	59
15	Ramban	7194	206	10	15	106	11	16	27
16	Reasi	8478	251	19	16	281	21	37	194
17	Samba	11040	730	33	7	378	437	525	230
18	Shopian	4527	16	4	4	24	6	8	10
19	Srinagar	1247	198	59	2	547	125	129	10
20	Udhampur	12849	1965	36	24	137	217	271	209

⁹ Services comprise of Salary and Professional services, Daily wage labor and services

9 | Identified Sub-sectors by Clusters

S.No	Cluster	Districts	Agriculture	Industry	Services
1	Northern Kashmir	Bandipora	<ul style="list-style-type: none"> • Horticulture • Livestock • Fisheries • Beekeeping 	<ul style="list-style-type: none"> • Agro-Processing • Handicrafts • Sports Equipment • Textile (Wool) 	<ul style="list-style-type: none"> • Tourism (<i>Adventure</i>) • Trade • Logistics • Transportation • Healthcare
		Baramulla			
		Kupwara			
2	Central Kashmir	Ganderbal	<ul style="list-style-type: none"> • Fisheries • Dairy Production • Commercial • Vegetables • Floriculture 	<ul style="list-style-type: none"> • Handicraft • Handloom • Agro-processing 	<ul style="list-style-type: none"> • Tourism • IT / ITeS • Trade • Logistics • Transportation
		Budgam			
		Srinagar			
3	Southern Kashmir	Anantnag	<ul style="list-style-type: none"> • Horticulture • Agriculture (<i>Saffron, Oilseeds</i>) • Dairy Production • Medicinal & Aromatic Plants 	<ul style="list-style-type: none"> • Sports Equipment • Pharmaceutical • Agro-Processing • Handloom (<i>Silk & Wool</i>) 	<ul style="list-style-type: none"> • Tourism (<i>Eco</i>) • Trade • Logistics • Transportation • Healthcare
		Kulgam			
		Shopian			
		Pulwama			
4	Central Jammu	Jammu	<ul style="list-style-type: none"> • Agriculture • Livestock • Commercial • Floriculture • Vegetable Cultivation 	<ul style="list-style-type: none"> • Sports Equipment • Pharmaceuticals • Textiles • Agro-processing • IT & Electronics 	<ul style="list-style-type: none"> • IT / ITeS • Tourism (<i>Religious</i>) • Trade • Logistics • Transportation
		Kathua			
		Samba			
		Reasi			
		Udhampur			
5	Pir Panjal Region	Poonch	<ul style="list-style-type: none"> • Agriculture (<i>Rajmash</i>) • Livestock • Dairy Production 	<ul style="list-style-type: none"> • Wood-Processing • Agro-Processing • Paper & Paper Products • Metal & Mining 	<ul style="list-style-type: none"> • Tourism (<i>Cultural</i>) • Trade • Logistics • Transportation • Healthcare
		Rajouri			
6	Chenab Region	Doda	<ul style="list-style-type: none"> • Agriculture • Horticulture • Medicinal & Aromatic Plants 	<ul style="list-style-type: none"> • Pharmaceutical • Hydropower • Agro-processing • Metal & Mining 	<ul style="list-style-type: none"> • Tourism (<i>Eco & Adventure</i>) • Trade • Logistics • Transportation • Healthcare
		Kishtwar			
		Ramban			

10 | Detailed Budget for All Interventions

3.1 Ecosystem Creation Proposed Budget

(In Lakhs)

Sr. No.	Budget Item	Details	Unit	Rate (₹)	Year 1		Year 2		Year 3		Year 4		Year 5		Total	
					Phy.	Fin.	Phy.	Fin.	Phy.	Fin.	Phy.	Fin.	Phy.	Fin.	Phy.	Fin.
3.1.1	Information, Awareness and Education					646.25		368.75		153.88		74.63		71.60		1,315.10
	TV and social media advertisements	5 commercials each of 60 seconds; @ Rs 600 per second airtime charges	Seconds	600	27000	162	18000	108	13500	81	3600	21.6	3600	21.6	65700	394.2
	Large Billboard/Hording displays in major locations	Design and rental @ Rs 5500 per day	No. of days	5500	250	13.75	250	13.75	75	4.125	75	4.125	20	1.1	670	36.85
	Jingles in FM channels	5 commercials each of 15 seconds; @ Rs 600 per second airtime charges	Seconds	600	6750	40.5	4500	27	3375	20.25	900	5.4	900	5.4	16425	98.55
	Awareness Events	1 yearly Mass Media Campaign @1 Rs. 10,000 per location including cost of banners posters etc. as follows: Year 1 - 4000 Panchayats Year 2 - 2000 Panchayats (1 for each panchayat) Year 3 onwards - 285 blocks	No. of Events	10000	4000	400	2000	200	285	28.5	285	28.5	285	28.5	6855	685.5
	Motivational Lectures	Rs. 5000 per year per success story lecture for 200 lectures (10 per district)	No. of Lectures	5000	200	10	200	10	200	10	200	10	200	10	1000	50

	Other Miscellaneous Expenses	-	-	-	20	-	10.00	-	10.00	-	5.00	-	5.00	-	50.00	
3.1.2	Interactive Portal for Application, Schemes & Credit Convergence Platform				300		150		150		75		75		750	
	Portal & App Development	Portal Development & hosting in Y1& Y2: Maintainence, debugging & upgradation for 5 years Development of features in a phase-wise in first 2 years			- 300	-	150	-	150	-	75	-	75	-	750	
3.1.3	Institutional Business Support Mechanisms				778		1813.5		1812		1812		1806		8021	
	Innovation Hubs	IIM Jammu at both Jammu and Srinagar Detailed Budget - Innovation Hubs	No.		2 59	-	58	-	56	-	56	-	50	2	278	
	Incubators*	20 incubators at district level with Rs 5 Lakhs as operational expenses per year per incubator	No.	500000		20	100	20	100	20	100	20	100	20	400	
	Business Acceleration Hub	Included under the budget allocation for Programme Management Unit (PMU)	No.		2	-	-	-	-	-	-	-	-	0	0	
	Small Business Development Unit	One unit per District Detailed Budget - SBDU	No.		20	235	-	540	-	540	-	540	-	540	20	2395
	Business Help Desk	One Unit for every 3-4 blocks Detailed Budget Here	No.		80	424	-	1056	-	1056	-	1056	-	1056	80	4648
	Business Helpline	Call center @ Rs 6,00,000 per seat per year	No of seat	600000	10	60	10	60	10	60	10	60	10	60	10	300
3.1.4	Counseling by 'Motivators'				60		425		425		425		425		1760	

	Monthly Remuneration Motivators	to	Remuneration of Rs 2000 per month for 3 months in the first year and for the entire year respectively from Y2 to Y5	No. of Motivators	2000	1000	60	1000	240	1000	240	1000	240	1000	240	1000	1020
	Incentive Successful Application	on	Incentive of Rs 1000, with 50% government contribution Rs 500 and remaining by J&K Bank on one successful application of loan sanctioned for the nano enterprise	No.	500	0	0	31250	156.25	31250	156.25	31250	156.25	31250	156.25	125000	625
			Incentive of Rs 2000, with 50% government contribution Rs 1000 and remaining by J&K Bank on one successful application of loan sanctioned for the MSMEs and existing micro enterprises	No.	1000	0	0	2875	28.75	2875	28.75	2875	28.75	2875	28.75	11500	115
3.1.5	Dedicated Technical Support Agency (TSA) for New & Existing Collectives						200		200		200		200		200		1000
	Management Fees to TSA		Fees @ Rs 10,00,000 per district per year (inclusive of training of trainers & resource persons, training of SHG Leaders, branding and marketing cost) for all the 20 districts	No. of Districts	1000000	20	200	20	200	20	200	20	200	20	200	20	1000
3.1.6	Innovation & Sustainability Challenge Event						100		100		100		100		100		500
	Event Organization and Marketing and Outreach		Expenses for event management (logistics, venue, equipment, and staff), and promotion through targeted marketing and outreach of Rs 1,20,00,000 per year				100		100		100		100		100		500

	Total					2085		3057		2840		2686		2678		13346
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3.2 Enterprise Development Proposed Budget

(In Lakhs)

No.	Budget Item	Details	Unit	Rate (₹)	Year 1		Year 2		Year 3		Year 4		Year 5		Total	
					Phy.	Fin.	Phy.	Fin.	Phy.	Fin.	Phy.	Fin.	Phy.	Fin.	Phy.	Fin.
3.2A.	Creation of Nano Entrepreneurs and Collectives				-	-	31250	17656.25	31250	19281.25	31250	20500	31250	21312.5	125000	78750
3.2A.1	Initial Investment Support for Nano Businesses	Creation of 37,500 nano enterprises per year with an average investment support of Rs 50,000 (25%) per enterprise	No. of Enterprises	50,000	0	0	31250	15625	31250	15625	31250	15625	31250	15625	125000	62500
3.2A.2	Interest Subvention for Nano Enterprises	The average loan requirement of Nano enterprises is Rs 1.3 Lakhs (65%) with interest subvention of 5% for 5 years Detailed Estimate - Interest Subvention	No. of Enterprises		0	0	31250	2031.25	62500	3656.25	93750	4875	125000	5687.5	125000	16250
3.2B.	Creation of New MSMEs in Focus & Sunrise Sectors				-	-	1875	2775	3750	4995	5625	6660	7500	7770	7500	22200
3.2B.1	Interest Subvention for Capital Investment in MSMEs	The average loan size of Micro enterprises is Rs 10 Lakhs, Small enterprises is Rs 75 Lakhs and Medium enterprises is Rs 2 Crore Detailed Estimate - Interest Subvention	No. of Enterprises		0	0	1875	2775	3750	4995	5625	6660	7500	7770	7500	22200
3.2C.	Business Acceleration of Existing Enterprises				0	0		600		1080		1440		1680	4000	4800

3.2C.1	Interest subvention for existing micro enterprises	The average loan size of Micro enterprises is Rs 10 Lakhs for 3000 enterprises Detailed Estimate - Interest Subvention	No. of Enterprises	4500	0	0	1000	600	2000	1080	3000	1440	4000	1680	4000	4800
3.2D.	Creation of Neo-Innovative & Knowledge-Based Enterprises				0	0	125	2500	125	2500	125	2500	125	2500	500	10000
3.2D.1	Micro-equity VC Fund for Early age Startups	Average investment = Rs 15 Lakhs with government contribution being Rs 6 lakhs (40%) to 800 startups satisfying the criteria	No. of Startups	2000000	0	0	100	2000	100	2000	100	2000	100	2000	400	8000
3.2D.2	Micro-equity VC Fund for IT and knowledge-based enterprises	Average investment = Rs 15 Lakhs with government contribution being Rs 6 lakhs (40%) to 200 knowledge-based enterprises satisfying the criteria	No. of Knowledge based enterprises	2000000	0	0	25	500	25	500	25	500	25	500	100	2000
	Total					-		23531		27856		31100		33263		115750

3.3 Credit Enablement Proposed Budget

(In Lakhs)

Sr. No.	Budget Item	Details	Unit	Rate (₹)	Year 1		Year 2		Year 3		Year 4		Year 5		Total	
					Phy.	Fin.	Phy.	Fin.	Phy.	Fin.	Phy.	Fin.	Phy.	Fin.	Phy.	Fin.
3.3.1.	Warehouse Receipt Financing					30		30		30		30		30		150
	Training and Education of farmers	Training registration system along with training sessions for farmers	Per Year Cost	3,000,000	-	30	-	30	-	30	-	30	-	30	-	150
3.3.2.	Credit Guarantee Fund for Collateral-free Loan							3000		3000		3000		3000		12000
	Additional credit guarantee coverage to MSMEs	Provide additional 10-20% of the credit gurantee coverage to MSMEs registered under the CGTMSE scheme						3000		3000		3000		3000		12000
3.3.3	Fintech Partnerships for Digital Micro-Loans					43		43		43		43		43		215
	Formation of a steering committee Laying down a regulatory framework Awareness campaigns and Training sessions	Legal and Administrative Costs Stakeholder Consultations Training Materials and Resources Trainer Fees and Program Logistics	Per Year Cost	43,00,000	-	43	-	43	-	43	-	43	-	43	-	215
	Total					73		3073		3073		3073		3073		12365

3.4 Capacity Building Proposed Budget

(In Lakhs)

Sr. No.	Budget Item	Details	Unit	Rate (₹)	Year 1		Year 2		Year 3		Year 4		Year 5		Total	
					Phy.	Fin.	Phy.	Fin.	Phy.	Fin.	Phy.	Fin.	Phy.	Fin.	Phy.	Fin.
3.4.1.	Entrepreneurship and Business Management Program				0	0	34125	1023.75	34125	1023.75	34125	1023.75	34125	1023.75	136500	4095
	Capacity building program for all nano enterprises and MSMEs	Training expenses of Rs 3000 per enterprise (3-day Training)	No. of enterprises	3000	0	0	34125	1024	34125	1024	34125	1024	34125	1024	136500	4095
3.4.2.	Sector-Specific Skilling Programs				0	0	31250	937.5	31250	937.5	31250	937.5	31250	937.5	125000	3750
	Capacity building program for all the Nano enterprises	Training expenses of Rs 3000 per nano enterprise (3-day Training)	No. of nano enterprises	3000	0	0	31250	938	31250	938	31250	938	31250	938	125000	3750
3.4.3.	Technology for Entrepreneurs				0	0	34125	341.25	34125	341.25	34125	341.25	34125	341.25	136500	1365
	Capacity building program for all nano enterprises and MSMEs	Training expenses of Rs 1500 per enterprise (1-day Training)	No. of enterprises	1000	0	0	34125	341	34125	341	34125	341	34125	341	136500	1365
3.4.4.	Innovation and Design Thinking				0	0	125	3.75	125	3.75	125	3.75	125	3.75	500	15
	Capacity building program for all startups and knowledge based enterprises	Training expenses of Rs 3000 per enterprise	No. of startups and knowledge based enterprises	3000	0	0	125	4	125	4	125	4	125	4	500	15
	Total				0	0		2306		2306		2306		2306		9225

3.5 Market Linkage Proposed Budget

(In Lakhs)

Sr. No.	Budget Item	Details	Unit	Rate (₹)	Year 1		Year 2		Year 3		Year 4		Year 5		Total	
					Phy.	Fin.	Phy.	Fin.	Phy.	Fin.	Phy.	Fin.	Phy.	Fin.	Phy.	Fin.
3.5.1.	One-Stop E-commerce Marketplace platform					100		100		50		25		25		300
	Portal & App Development	Portal Development & hosting in Y1 & Y2 Maintainence, debugging & upgradation for 3 years			-	100	-	100	-	50	-	25	-	25		300
3.5.2.	Business Conclave and Trade Fairs					10		310		310		310		310		1250
	Business Conclave at UT level	2 events per year @ Rs. 50,00,000 per event	2	5000000	0	0	2	100	2	100	2	100	2	100	8	400
	Regional Trade Fairs	1 event per district per year @ 10,00,000 per event	20	1000000	0	0	20	200	20	200	20	200	20	200	80	800
	Marketing & Awareness					10		10		10		10		10		50
3.5.3.	Job Matching Platform					100		100		50		25		25		300
	Portal & App Development	Portal Development & hosting in Y1 & Y2 Maintainence, debugging & upgradation for 3 years			-	100	-	100	-	50	-	25	-	25		300
	Total					420		1020		820		720		720		1850

3.6 Additional Budget Required from Y6-Y9 for Interest Subvention

(In Lakhs)

Sr. No.	Budget Item	Details	Unit	Year 6		Year 7		Year 8		Year 9		Total (Y6-Y9)	
				Phy.	Fin.	Phy.	Fin.	Phy.	Fin.	Phy.	Fin.	Phy.	Fin.
3.2A	Creation of Nano Entrepreneurs and Collectives												
3.2.A2	Interest Subvention for Nano Enterprises	The average loan requirement of Nano enterprises is Rs 1.3 Lakhs (65%) with interest subvention of 6% for 5 years Detailed Estimate - Interest Subvention	No. of Enterprises	125000	40.625	93750	24.375	62500	12.1875	31250	4.0625	125000	81.25
3.2B	Creation of New MSMEs in Focus & Sunrise Sectors												
3.2B.1	Interest Subvention for Capital Investment in MSMEs	The average loan size of Micro enterprises is Rs 10 Lakhs, Small enterprises is Rs 75 Lakhs and Medium enterprises is Rs 2 Crore Detailed Estimate - Interest Subvention	No. of Enterprises	7,500	56	5,625	33	3,750	17	1,875	6	7,500	111
3.2C	Business Acceleration of Existing Enterprises												
3.2B.1	Interest subvention for existing micro enterprises	The average loan size of Micro enterprises is Rs 10 Lakhs Detailed Estimate - Interest Subvention	No. of Enterprises	4,000.0	12	3,000	7	2,000	4	1,000	1	4,000	24
	Total				108 Cr.		65 Cr.		32 Cr.		11 Cr.		216 Cr.



सत्यमेव जयते

Directorate of Employment
Department of Labour & Employment