

Frequently Asked Questions (FAQs) on setting up of Livelihood Business Incubation Centres (LBIs)

Q.1 What is LBI scheme?

Ans. Ministry of MSME, Government of India has launched the scheme for setting up of Livelihood Business Incubation Centres (LBI) to incubate, impart entrepreneurship, skill development training to youth, mentoring and hand-holding with facilitation for funding with a view to empower them to set up own business enterprises. The prime focus of these Incubators is to create jobs at local level and reduce unemployment by creating a favorable ecosystem for entrepreneurial development in the country.

Q.2 Who can set up LBI?

Ans. LBI could be set up by NSIC, KVIC or Coir Board or any other institutions / agency of Government of India / State Government on its own or by any of the agencies / organization of the Ministry of MSME. LBI can also be set up under PPP mode with above institutions.

Q.3 Is funding available for setting up of LBI?

Ans. Yes, the following funding is available:

- a. In respect of Centres set up by NSIC, KVIC or Coir Board or any other institutions / agency of Government of India / State Government on its own or by any of the agencies / organization of the Ministry of MSME, one time grant of 100% of cost of plant & machinery other than the land & infrastructure or amount upto INR 100 lakh, whichever is less, to be provided.
- b. In case of Incubation Centres to be set up under PPP mode with NSIC, KVIC or Coir Board or any other institutions / agency of Government of India / State Government, one time grant of 50% cost of plant & machinery other than the land & infrastructure or INR 50 lakh, whichever is less, to be provided.

Q.4 Can the grant be utilized for other fixed asset and meeting out the revenue expenditure?

Ans. The capital grant under ASPIRE can only be utilized towards procurement of plant & machinery. The recipient organization has to arrange land & infrastructure from its own sources. The revenue expenditure could be met out of the fee collected from the trainees or sponsorship or any other scheme of Government of India.

Q.5 From where I can get details of the scheme?

Ans. The scheme for Promotion of Innovation, Entrepreneurship & Agro Industry (ASPIRE) is available on website of NSIC i.e. www.nsic.co.in as well as Ministry of MSME i.e. www.msme.gov.in. Livelihood Business Incubation programme is part of ASPIRE scheme.

Q.6 How to apply for funding under ASPIRE?

Ans. The proposal in prescribed proforma may be sent to the Member Convener, Scheme Steering Committee, ASPIRE, Office of the Joint Secretary (ARI Division), Ministry of MSME, Room no. 171, Udyog Bhawan, New Delhi – 110011.

Q.7 How appraisal and selection of the proposal is carried out?

Ans. The proposals are appraised based on the merit of the Incubator in promoting Livelihood based enterprises taking into account the local available resources and local needs. The appraisal and selection is done by the Advisory Committee constituted by Ministry of MSME. The proposals with the recommendation of the Advisory Committee are placed for approval before Scheme Steering Committee.
