

**F. No. 11/31/2008-E&MDA**  
GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE & INDUSTRY  
DEPARTMENT OF COMMERCE

New Delhi, the    October, 2008

**Sub:-    “Challenge Fund” for the Indian Missions Abroad.**

**1. Challenge Fund**

Market Access Initiative (MAI) Scheme of the Department of Commerce is an export promotion scheme envisaged to act as a catalyst to promote India's export on a sustained basis. Indian Missions abroad are also eligible for assistance under the Scheme. To further facilitate our Missions in their export promotion activities, it has been decided to set up a 'Challenge Fund' under the MAI. The fund shall be a special window for the Indian Missions abroad to access the MAI Scheme of the Department of Commerce. Its role shall be catalytic/supplementary to the export promotion the activities of EPCs/Chambers of commerce. The objective and other modalities are as under:-

**2. Objective**

The objective of the scheme is to involve the Indian Missions abroad in the export promotion activities under the MAI scheme of the Ministry of Commerce. Missions would 'bid' for funding by submitting innovative project proposals.

**3. Salient Features**

Salient features of the Fund are as under:-

- (i) Focus market - focus product export promotion activities.
- (ii) Innovative market promotion projects to showcase the Indian export capabilities.
- (iii) Projects relating only to substantive market promotion activities shall be considered. No market study or infrastructure related (furniture, equipment, etc) projects shall be taken up.
- (iv) Priority shall be given for export promotion of new items in India's export baskets for specific country or area by way of market development and market penetration activity.
- (v) Priority shall also be accorded for export promotion initiatives for Micro, Small and Medium Enterprises (MSME) with a stress on regions and countries where India has a small bilateral trade profile e.g. Africa and Latin American region.
- (vi) No duplication of projects already being implemented under the MAI/MDA Scheme of the Ministry of Commerce.

#### **4. Financial Limit**

Each financial year, upto 50 projects shall be approved and implemented within an expenditure ceiling of Rs. 10.00 lakhs per project.

#### **5. Submission of the project**

- (i) The outline of the project shall be prepared by the commercial wing of the Mission under the guidance of High Commissioner/Ambassador.
- (ii) The project may have a local partner (Chamber of Commerce, Industry Association, Business School, etc.) in the country of implementation and one or more stakeholders (EPC, Export Promotion Agency) in India.
- (iii) The application for the assistance shall be made by the sponsor Mission in the format given in the **Annexure I** of the MAI Guidelines.

#### **6. Approval Procedure**

Selection of project proposal shall be made by a peer group of Joint Secretaries including JS, ITP, MEA. The project shall be approved by the Empowered Committee of the MAI Scheme.

#### **7. Implementation**

The project shall be implemented by the Embassy in collaboration with the local partner and the stakeholders. Progress Report and utilization certificate shall be submitted to JS, Department of Commerce by the concerned Mission.

#### **8. Impact Assessment**

Impact assessment of the scheme shall be done by the concerned FT Division of the Ministry of Commerce after six months of the implementation of the project.

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