

IMPLEMENTATION GUIDELINE FOR SUSTAINABILITY OF HANDLOOM CLUSTERS AND GROUPS (OUTSIDE CLUSTER)

Handloom is a traditional cottage industry of Odisha. The State has 43652 handlooms and most of the looms function in rural areas in concentrations. For holistic development of the handloom clusters, Cluster Development Programmes are under implementation in the State from 2006-07. As per the diagnostic study report of 35 nos of clusters, the major issues of the cluster were identified and basing on that, the annual action plan for a particular project period was approved. Though many activities have been initiated during the course of implementation to make the cluster sustainable yet lot of efforts are required to be put up for self management of the cluster through local stake holders so that shortcomings and issues in the coming years can be addressed effectively. Besides there are also left out handloom pockets where weavers are in scattered form and 91 nos of groups sanctioned during 11th Plan period. It is necessary to make the group sustainable. It is therefore necessary to continue the activities like formation of SHGs, capacity building of existing SHG, continuous intervention on design development, marketing support, and convergence from various on-going schemes of other departments etc.

Objective:

- i) To empower handloom weavers and build their capacity to meet the challenges of the market and global competition in a sustainable and self reliant manner;
- ii) To facilitate collectivization of handloom weavers and service providers for procurement, production, marketing and other support activities to promote sustainable growth and diversification.
- iii) To establish an environment of empowered and participative decision making
- iv) To encourage convergence of schematic assistance and support services from various schemes and programmes of other departments and agencies in the cluster to optimize resource utilization for betterment of the livelihood and quality of life of handloom weavers.

Eligibility:

- i) All Handloom clusters where Cluster Development Programmes already implemented or are under implementation.
- ii) New clusters to be sanctioned in future
- iii) Scattered weavers available in Groups (preferably 10 to 15) but not covered under any cluster.

Period of Implementation: Three years (For Cluster Development).

One year (For group Activities)

Financial Implication: Maximum assistance of Rs 33.00 lakh @ Rs 11.00 lakh per year will be provided to each cluster during a period of 3 years and Rs 1.10 lakh to each Group in One year.

A. Items eligible for financial assistance for sustainability of Handloom clusters

1. Formation & Strengthening of SHGs/Consortia and its capacity building:

a) **Formation & Strengthening of SHGs/Consortia:** The following activities will be undertaken under this component. Assistance up to Rs 20,000/- per cluster will be provided as one time assistance for the purpose.

- Formation of new SHGs and strengthening of existing SHGs
- Formation and Registration of Consortia/SHG federation
- Women SHG will be empowered to address their local issues

b) Capacity Building of SHGs/Consortium/SHG Federations;

i) Managerial Training Programme may be organized preferably for group of 3-5 SHGs for which assistance will be provided @ Rs 10,000/- per programme per SHG. Two such programme per annum may be organized for training of 10 SHGs. Similarly following activities will be taken-up for capacity building of Consortium /SHGs Federation. Similarly

- Consortium/ SHGs Federation will be strengthened which shall act as a driving force of the cluster
- Consortium/ SHGs Federation will work for providing provide forward/backward linkage
- Training to consortium executives/office bearers of SHGs federation and other stake holders who will carry forward the process.
- Create an action plan of the consortium/SHGs federation for sustainability

A total assistance of Rs 1,20,000/- has been provisioned for the purpose.

c) **Organisation of Awareness Camp, and Seminar:** The component will have the following subcomponent for which an assistance of Rs 50,000/- will be provided. At least one awareness camp and one workshop/seminar may be organized in a year with a maximum expenditure of Rs 25,000/- per camp/seminar/workshop.

- Awareness camps shall be organized at village level in each cluster
- Seminar / workshop shall be held on various aspects of handlooms

d) Exposure Visit: Group of 15 weavers accompanying a technical staff will be sent on exposure visit to potential clusters within and outside of the State for acquiring knowledge on latest developments in technology, market trend, new market linkages, design development etc. This will help the weavers to adopt new technology and improve productivity, quality and design of the products. Each Group will be provided up to Rs 25,000/- for visit to a cluster within the State and up to Rs 50,000/- for outside of the State. Assistance up to Rs 2.00 lakh per year will be provided for the purposes.

e) Design development and product diversification :

i) Assistance of Rs. 2.40 lakh per annum (Rs 8000/ per design) will be provided towards engagement of a designer. To take up the following activities:

- Product development and its diversification
- Introduction of new designs - 30 designs
- Production of value addition fabrics with the existing designs
- Incentive for introduction of new design –
- New markets will be explored by designer with sustainable market linkages
- Promotion of appropriate technology.

Besides, incentive may be given to weavers @ 10 % of the conversion charges (subject to a maximum of Rs 400/- per design for production of first two samples @ Rs 200/- per sample by two weavers) for weaving fabrics with a new design. National Awardees/State Awardees and Graduates from NIFT/NID with minimum one year experience in design development of Odisha handloom cloths may be engaged for the purpose. Total financial implication will be up to Rs 24,000.00 per annum only

ii) Assistance up to Rs 16,000/- per year will be provided for maintaining a Design Library including purchase of designs and samples of other clusters.

Total financial implication on the above head will be Rs 2.80 lakh.

f) Skill Upgradation Training: This programme will be undertaken from the SEP training. Common activities such as centralized training programme /workshop / seminar etc shall be met out of the respective component of POHI.

1. Marketing & Publicity :

- **Participation in various exhibitions & Buyer Seller Meet:** Stake holders of the Cluster i.e, PWCS, SHGs and other stake holders will be allowed to participate in the exhibition-cum-sale within and outside of the State for sale of their product, Exploration of new market linkages and creation of sustainable market linkages.

- **Buyer-Seller Meet:** Attend Buyer-Seller Meet or jointly organize such programmes for market feedback, acquiring orders for supply of cluster handloom product and establish marketing linkage.
- **Product Catalogue:** Cluster product catalogue with detail specification of the products, names of the producing agencies, production capacity and other details will be published for publicity purposes and to boost marketing activities.
- **Creation/maintenance of Web-Site:** Each cluster will have own web-site for publicity and facilitating e-marketing. The web-site may be up-dated and maintained regularly through service provider for which assistance will be provided.
- **Publicity:** Awareness and information dissemination on cluster programme through display in hoarding/flex etc.

An amount up to Rs 1.50 lakh will be provided to each cluster per annum for the above activities.

2. **Project formulation and submission of proposal :**

- Cluster wise need based draft proposal with action plan may be submitted by the concerned Zonal Officers of the clusters to the Directorate of Textiles for approval and sanction of funds.
- After obtaining approval the final proposal may be submitted in shape of a Project Report with a latest base line survey and diagnostic study report which will clearly indicate the name of the cluster, area of operation, number of weavers to be benefitted and components /activities to be implemented with component wise requirement of funds along with other details of a diagnostic study report. Up to Rs 20,000/- will be provided for the purpose.
- The deliverables (outcomes, e.g., likely increase in turnover, looms, employment etc) along with strategy for the cluster need to be clearly spelled out in the project proposal.

3. **Implementing Agency:** Concerned Zonal Officer will act as the Implementing Agency for implementation of this programme.

4. **Project Management Cost:** Financial Assistance up to Rs. 2.80 lakh per annum per cluster per year will be provided to the Implementing Agency to meet the Project

Management Cost. The Project Management Cost may be utilized for the following purposes;

- Salary – Rs 12000 (CDE) + Rs 8000/-(CDA) - monthly
- Telephonic expenses/TA/DA- Rs 20,000.00 annum.
- Other Contingencies : Rs 20,000/- annum

Each Implementing agency shall engage a Cluster Development Executive (CDE) exclusively for each cluster who will be located in the cluster and responsible for implementation of the scheme in the assigned cluster. The CDE will facilitate implementation of the project activities within the time frame as per the cluster action plan, formation of Self Help Groups of weavers and linking these with banks/financial institutions, building the local governance framework, ensuring availability of quality yarn, dyes & chemicals in requisite quantity etc, product diversification and establishing marketing linkage etc. With the objective of involving the cluster level stakeholders in the process of cluster development, supporting and monitoring the activities of the CDE, a Cluster Development Coordination Group (CDCG), headed by the Divisional Officer will be formed at the cluster level comprising of the representatives of the weavers, Self Help Groups, Primary Weavers' Cooperative Societies, Handloom enterprises, Export Units and support service Institutions, National Bank for Agriculture and Rural Development (NABARD), Banks, State Government Agencies. The CDE should be a MBA/Graduate in Rural Management/Diploma in handloom/Textile Technology with at least one year experience in relevant field.

The CDA (Cluster Development Assistant) will be a support staff of CDE and mainly look after computerization work including operation of CATD system and design diversification. Person with +2 qualification and certificate course in Computer application may be engaged as CDA.

5. Innovative ideas, Monitoring , Evaluation & Technical Support :

- CDCG meeting shall be held on quarterly basis
- Review meeting of performance of clusters Development Programme to be held bimonthly.
- Documentation of component wise implementation
- Documentation of the success stories on yearly basis
- Evaluation on progress of implementation and its outcome will be conducted annually through internal/external agencies.

Up to 6 % of the Project Cost will be made available for the above purpose out of which up to 2 % will be spent towards evaluation purpose and up to 2 % for the rest items. For addressing any need based activities which have not been accommodated in

the guideline and to implement any activities with innovative ideas, an amount up to 2 % of the Project cost will be provided.

(Activity wise Financial Allocation for Cluster Activities)

Sl. No	Activity	Maximum Assistance in Lakh Rs projected for 3 years	Expected outcome
1	a) Formation/Strengthening of SHGs /Consortia/SHGs federation	0.20 (One time assistance)	a) Formation and of new SHGs /Consortia b) Strengthening of existing SHGs /Consortia c) Formation of Cluster level SHG federation d) Registration of the Federation/Consortium to have legal entity e) Women SHG will be empowered to address their local issues
	b) Capacity Building of SHGs/Consortium/SHG Federation	3.60@ Rs 1.20 lakh per year	a) Capacity Building of SHGs through Managerial training b) Capacity Building of Consortium /SHGs federation to act as a driving force of the cluster c) to facilitate sampling and development of new designs in time d) ensure Sustainable market linkages e) exploration of new market linkages f) ensure delivering bulk order in time g) promote other Group activities
2	Exposure Visits (Group of 15) 0.50 per group for outside State and Rs 0.25 lakh for inside State	6.00@ Rs 2.00 lakh per year	a) Weavers shall acquire knowledge on latest developments in technology, market trend, new market linkages, design development. b) Mindset of the weavers will get changed to adopt new technology c) Quality and productivity will be improved
	Organisation of Awareness Camp, Seminar	1.50@ Rs 0.50 lakh per year	a) Awareness camps shall be organized in each cluster village b) Seminar / workshop shall be held on various aspects of handlooms
	Engagement of Designer /Development of New Designs and incentive for new designs	8.40@ Rs 2.80 lakh per year	a) Product development and its diversification will be continued b) Value addition of the existing designs c) 30 new design samples will be developed d) New markets will be explored with sustainable market linkages e) Incentive may be given to weaver for introduction of new designs for first two samples (10 % of the conversion charges)

4	Marketing & Publicity	4.50@ Rs 1.50 lakh per year	<p>a) SHG / Consortium / PWCS shall sell their products in various exhibitions in and outside the State</p> <p>b) Acquire knowledge on various markets</p> <p>c) Product quality shall be improved</p> <p>d) New buyers shall be linked for sustainable market linkages</p> <p>e) Market led designs shall be developed</p> <p>f) Product quality shall be improved</p> <p>a) Product catalogue of the new designs shall be developed</p> <p>g) New buyers shall be explored for sustainable market linkages</p>
5	Project Formulation and Submission of Proposal	0.20(One time)	<p>a) Base Line survey & Preparation of Diagnostic Report to</p> <ul style="list-style-type: none"> • Collect statistical datas of the cluster and arrive at present status • Identify existing issues • Interventions required and strategy for implementation • Formulation of action plan.
6	Project Management Cost	8.40 @ Rs 2.80 lakh per year	<p>a) Remuneration to CDE/CDA</p> <p>b) Contingencies and other logistic support</p>
Total project Cost over a period of 3 years		32.80	
7	Monitoring & Evaluation Documentation /Sample library /purchase of samples from other cluster /For new innovation in various handloom activities.	1.95	<p>a) CDCG meeting shall be held on quarterly basis</p> <p>b) Bi-Monthly review of Cluster Development Programme at State level.</p> <p>c) Documentation of implemented activities as well as the success stories shall be done on yearly basis</p> <p>d) Purchase of samples for sample library.</p> <p>e) Ant activity not included in the Guide line but required during implementation.</p> <p>f) Innovative proposal.</p>
Total		34.75	

* Total assistance projected at Rs 34.75 lakh.

* Maximum Assistance to be provided is Rs 33.00 lakh per cluster

* For 10 Clusters, the total assistance will be Rs 330.00 lakh

B. Items eligible for financial assistance for Groups (Outside Cluster)

1. Formation & Strengthening of SHGs :

a) Formation & Strengthening of SHGs: The following activities will be undertaken under this component. Assistance up to Rs 5,000/- will be provided as one time assistance for the purpose.

- Formation of new SHGs and strengthening of existing SHGs
- Credit linkage from Financing Banks
- Women SHG will be empowered to address their local issues
- Linking the SHG with nearby PWCS for marketing support.

b) Capacity Building of SHGs :

Managerial Training Programme/Awareness Camp may be organized preferably for groups for which assistance will be provided @ Rs 10,000/- per programme per Group (maximum two programmes in a year).

c) Exposure Visit: Group of 15 weavers accompanying a technical staff will be sent on exposure visit to potential clusters within and outside of the State for acquiring knowledge on latest developments in technology, market trend, new market linkages, design development etc. This will help the weavers to adopt new technology and improve productivity, quality and design of the products. Each Group will be provided Rs 25,000/- for visit to a cluster within the State and Rs 50,000/- for outside of the State.

2. Participation in various exhibitions: Groups will be allowed to participate in the exhibition-cum-sale within the State for sale of their product, Exploration of new market linkages and creation of sustainable market linkages. Assistance up to Rs 5000/- per group shall be provided during a year towards participation (to meet expenditure towards stall rent and transportation).

3. Skill upgradation training / Design development and product diversification :

i) Skill Upgradation Training: This programme will be undertaken from the SEP training.

ii) Incentive may be given to weavers @ 10 % of the conversion charges (subject to a maximum of Rs 400/- per design for production of first two samples @ Rs 200/- per sample) for weaving fabrics with a new design. Paper designs may be facilitated by the Zonal officers from Design Cell of the Directorate / WSC/Sambalpur Bastralaya/Boyanika/PWCS etc.

4. Submission of proposal :

- Group wise need based proposal with action plan may be submitted by the concerned Zonal Officers to the Directorate of Textiles for approval and sanction of funds.
- The deliverables (outcomes, e.g., likely increase in turnover, looms, employment etc) along with strategy for the Group need to be clearly spelled out in the project proposal.
- An amount up to Rs 2000/- shall be provided for documentation of the activities undertaken.

5. **Implementing Agency:** Concerned Zonal Officer will act as the Implementing Agency for implementation of this programme.

(Activity wise Financial Allocation For Group Activities)

Sl. No.	Activity	Maximum Assistance	Expected outcome
1	a)Formation/Strengthening of SHGs	0.05 lakh	a) Formation and of new SHGs b) Credit linkage from Financing banks c) Linkage with nearby PWCS for marketing support.
	b)Capacity Building of SHGs	Rs 0.20 lakh @ Rs 0.10 lakh per Group	a) Capacity Building of SHGs through Managerial training/Awareness camp
2	Exposure Visits (Group of 15) 0.50 per group for outside State and Rs 0.25 lakh for inside State	Rs 0.75 lakh per Group	a) Weavers shall acquire knowledge on latest developments in technology, market trend, new market linkages, design development. b) Mindset of the weavers will get changed to adopt new technology c) Quality and productivity will be improved
	Incentive for new designs	Rs 0.08 lakh (Rs 400/- per design)	a) Value addition of the existing designs b) Incentive may be given to weaver for introduction of new designs for first two samples (10 % of the conversion charges)
3	Documentation	Rs 0.02 lakh	a) Documentation of annual activities
Total Cost for a period of 1 year		Rs 1.10 lakh	

- 150 Groups to be taken during 4 years in the proportion of 30:40:50:30 Groups during each year of implementation from 1st to 4th year.
- Total Assistance to be provided during the 12th Plan Period – Rs 165.00 lakh

FORMAT FOR SFC/EFC MEMORANDUM

1. PROJECT IDENTIFICATION: “Sustainability of Handloom Clusters and Groups outside Clusters” is a new component under the scheme “Promotion of Handloom Industries”. The sponsoring agency of the scheme is Handlooms, Textiles & Handicraft Department, and Odisha. The proposed duration of the project is 3(three) years. Total cost of the project over the project duration will be Rs 4.95 crore (Rs 3.30 Crore for Sustainability of Handloom Clusters and Groups outside Clusters).

2. Project Status: “Sustainability of Handloom Clusters and Groups outside Clusters” is a new component included in the ongoing scheme of “Promotion of Handloom Industries” during the current plan period as per the announcement of Special Package by Hon’ble Chief Minister, Odisha.

3. Justification of the Project: For holistic development of the handloom clusters, Cluster Development Programmes are under implementation in the State from 2006-07. Till end of 11th Five Year Plan, 38 such programmes have been taken up in 3 major clusters and 35 mini clusters. Though many activities have been initiated during the course of implementation to make the cluster sustainable yet lot of efforts are required to be put up for self management of the cluster through local stake holders so that shortcomings and issues in the coming years can be addressed effectively. Besides there are also left out handloom pockets where steps need to be taken for its sustainability. It is therefore necessary to introduce this component for making the handloom clusters self sustainable. Similarly for development of socio-economic condition of the weavers residing outside of the cluster in scattered manner activities through Groups will be initiated.

4. Project objective & targets: The main objective of the programme is :

- To empower handloom weavers and build their capacity to meet the challenges of the market and global competition in a sustainable and self reliant manner;

- To facilitate collectivization of handloom weavers and service providers for procurement, production, marketing and other support activities to promote sustainable growth and diversification.
- To establish an environment of empowered and participative decision making
- To encourage convergence of schematic assistance and support services from various schemes and programmes of other departments and agencies in the cluster to optimize resource utilization for betterment of the livelihood and quality of life of handloom weavers.

It has been programmed to cover 10 handlooms clusters and 150 Groups during the next 4(years) i.e, by the end of 12th Plan period (March-2017).

5 Project Design: Under the project “Sustainability of Handloom Clusters and Groups outside Clusters” under the scheme of “Promotion of Handloom Industries” assistance will be provided for formation and strengthening of institutions to take up group activities and address the need of the cluster. The project for implementation of Cluster Development Programme will start with a Baseline survey and Diagnostic study to assess the current status, major issues to be addressed, intervention required, formation of action plan and monitoring, evaluation etc. Basing on the project report and action plan, funds will be released under various components. The Group activities will be taken up in areas beyond cluster coverage taking scattered weavers in Group forms.

6. Project/Scheme Cost: The activities under Sustainability of Handloom Clusters, in a cluster will normally be implemented over a period of 3(Three) years. The maximum assistance under various components aggregate at Rs 34.85 lakh and maximum assistance to be provided has been kept at Rs 33.00 lakh. Similarly the activities under Groups outside Clusters will be implemented over a period of one year with a financial implication of Rs 1.10 lakh per Group. The total project will continue till the end of 12th five year plan.

7. Project Human Resources: The Project shall be implemented by the Zonal Officer concerned. To look after the day to day activities provision has been made for engagement of a “Cluster Development Executive” (CDE) and a Cluster Development

Assistant (CDA). Beside there is provision to engage a designer for design intervention and product diversification. No additional man power will be engaged for implementation of the activities under Group outside the handloom clusters and will be looked after by the staffs of the Zonal Officer.

8. Project Financing : The financing of the programme shall be met out of the provision made in the existing Plan Scheme “Promotion of Handloom Industries”. There is a provision of Rs 1951.89 lakh in the scheme during current financial year 2013-14 of which Rs 110.00 lakh shall be made available for implementation of the “Sustainability of Handloom Clusters” component in 10 handloom clusters and Rs 33.00 lakh will made available for implementation of Group activities in 30 Groups.

9. Project viability: Actual financial return can not be quantified as the Project shall be implemented to bring development in the socio-economic status of the weavers. However on completion of the project, it is expected that, the average increase in earning of weavers will be around 20-25%. The project will help the Handloom Clusters and Groups to become self sustainable so that the clusters/groups in long run will be viable.

10. Project Implementation, monitoring and evaluation: The Project shall be implemented by the Zonal Officer in the areas coming under their jurisdiction and monitored by the Directorate of Textiles Odisha. With the objective of involving the cluster level stakeholders in the process of cluster development, supporting and monitoring the activities of the CDE, a “Cluster Development Coordination Group” under the Chairmanship of concerned Divisional Deputy Director will function and review the activities at least once on quarterly basis.

11. Project Period: The programme shall be implemented during the balance four years of the current plan period from the year 2013-14 and expected to be completed by end of March-2017.
