

**COMPERHENSIVE HANDICRAFTS  
CLUSTER DEVELOPMENT SCHEME  
(CHCDS) GUIDELINES.**



# **Guidelines for implementation of projects under Comprehensive Handicrafts Cluster Development Scheme (CHCDS)**

## **Introduction:**

Integrated projects under CHCDS are intended to scale up the infrastructural and production chain at Handicrafts clusters which have remained unorganized and have not kept pace with the modernization and development that have been taking place so far. Consequently, there has not been any addition of fresh impetus of development and optimum realization of output in the handicrafts sector, which is not only the backbone of long traditional heritage and cultural linkages.

The prospect of this sector lies in infrastructural improvement, modernization of the tools, machinery, process, product development & diversification and creating strong brands. Innovative designs as well as technical know-how, furthered by brand building of the native products hold the key to creating a niche market for the products manufactured by the clusters. The proposed programme is expected to support the Up gradation/creation of infrastructural facilities coupled with market linkages and product development & diversification.

Handicrafts clusters are located in clearly identifiable geographical locations (clusters) that specialize in specific products, with close linkages and inter dependence amongst the key players in the cluster.

Further, during implementation of the projects it has been observed that in certain cases interventions are required to be implemented at “various places throughout the country in a particular craft” or “in scattered clusters practicing various crafts in a state/geographical region” for generating employment through skill up-gradation and also for increasing the market base of the craft within the country as well as in the International market. In such cases the CHCD Scheme would be flexible to reach all corners of the country wherever the selected craft exists. The activities may vary from soft to hard interventions. In short, projects under CHCDS can be implemented in a fixed geographical area as well as different places throughout the country in a particular craft or in a state where crafts are identified on block/cluster level.

The integrated projects will be taken up for development through Central/State Handicrafts Corporations/autonomous body-council-institute/registered co-operatives/producer company of artisans/registered SPV, having good experience in handicrafts sector as per requirement and as per the DPR prepared for the purpose.

## **1. OBJECTIVES AND STRATEGY**

The objective is to develop these clusters with world-class infrastructure. The guiding principle behind the design of clusters would be to create world-class infrastructure that caters to the business needs of the local artisans & SMEs to boost production and export. In brief, the main objective of setting up these clusters is to assist the artisans & entrepreneurs to set up world-class units with modern infrastructure, latest technology, and adequate training and human resource development inputs, coupled with market linkages and production diversification. SPV is designed in such a way, which will have Standard Models of units of SSI and SME with infrastructure that is customized to give a competitive edge and these centres have greater potential to become globally competitive.



The broad objectives of the proposed program are as follows:

- i. To enhance the competitiveness of selected clusters in terms of increased market share and ensuring increased productivity by higher unit value realization of the products.
- ii. To ensure effective integration of scattered artisans, building their grass roots enterprises and linking them to SMEs in the sector to build critical mass for customized interventions and ensure economies of scale in operations. This will build a supply system that is geared to responding to large-scale orders, adhering to quality and product standardization, which are pre-requisites of global markets.
- iii. To generate additional livelihood opportunities to the people through specific intervention in segmental sub sector industry and increase the incomes to the artisans/craftsmen already engaged in this sector.
- iv. To provide requisite support/ linkages in terms of adequate infrastructure, technology, product diversification, design development, raw material banks, marketing & promotion, social security and other components that are vital for sustainability of artisans/craftsmen engaged in the Handicrafts sector.
- v. The core elements of the strategy for the proposed program are given below:
- vi. Proactive and strong technical and program management assistance for capacity building, designing of the interventions and their implementation, through a competent professional agency.

## **2. Funding pattern**

Funds to the tune of 2% (max.) of project cost upto a maximum of Rs. 5.00 Lakhs (whichever is less) per project shall be earmarked for establishing baseline data / DPR against which performance can be compared at the end of the project. The total fund requirement will be as per the Detailed project Report (DPR). 3% of Total project cost shall be provided for setting up of Project Monitoring Unit (PMU).

50% of the approved project cost will be released as advance/1<sup>st</sup> instalment. 2<sup>nd</sup> instalment @ 40% of the approved project cost will be released on utilization of 70% of 1<sup>st</sup> instalment. The last 10% amount will be released as reimbursement on completion of project and submission of utilization report etc.

## **3. Implementation Methodology & Framework**

A project of this nature, which is need based, multi stakeholder driven, holistic and outcome oriented, would require institutional structure and processes that are capable and conducive to achieving the objectives of the program.

The following will be the methodology and process through which the project would be implemented: -

- i. Field survey/ viability study should be undertaken to identify the craft pocket/artisans of a particular location.



- ii. Undertaking a detailed diagnostic study of the cluster in order to identify the needs, gaps and also developing base line reference data. The number of beneficiary artisans for the project shall be more than 10000 or as per the availability of artisans in a craft concentrated area.
- iii. Preparation of a Detailed Project Report (DPR) covering technical, financial, institutional and implementation aspects, based on the diagnostic study. This DPR would clearly establish the expected outcomes of each of the interventions, which are measurable i.e. increase in income/wages, number of full-time artisans, production and exports etc.
- iv. Validation of the findings of the diagnostic study and the DPR by the key stakeholders of the cluster including representative associations, federations of the artisans, support institutions, service providers, State Government and Central Government agencies.
- v. Financial parameters of the projects shall be in consonance with the National Handicrafts Development Programme (NHDP) **as amended from time to time** and as per the approved DPR by PAMC.
- vi. The maximum duration of the project shall be 3 years, which can be extended upto next 1 year subject to the approval of PAMC.
- vii. Approval of the DPR by PAMC under Ministry of Textiles. All the activities of the DPR should be sanctioned in one stroke. There shall be only one implementing agency for one project. There shall be only one Cluster Management and Technical Agency (CMTA) for all projects under CHCDS.
- viii. Ownership of land wherever needed for any of the interventions of the DPR, prior to the sanction of project by the SPV. The land should be free from all litigations and should have all the necessary clearances.
- ix. Implementation of the interventions as per the phasing mentioned in the DPR. However, with the approval of PAMC, flexibility in the guidelines may be adopted to ensure successful implementation of the project.
- x. Special focus should be given to branding and marketing of handicrafts products under the project to enhance their sales in national and international market.
- xi. Disbursement of funds shall be done through Aadhar Enabled Payment System (AEPS) to ensure Aadhar authentication. Cashless and electronic transaction shall be adopted.
- xii. Regular monitoring and evaluation of the implementation of the interventions against the outcomes defined in the DPR at the level of field offices/Regional offices/Headquarters.
- xiii. Monitoring of infrastructure components like Common Facility Centre, Community Production Centre, Raw Material Bank, Resource Centre, Design Centre, Trade Facilitation Centre up to 10 years after the completion of the project at the level of field offices/Regional offices/Headquarters.



- xiv. Submission of monthly progress report (MPR) by Implementing Agency (IA)/SPV/Field Offices of DC(Handicrafts). IA/SPV to upload photographs/video of the event/interventions on their website under intimation to this office.
- xv. Engagement of designer will be provided for projects for a period not more than 3 years. Designer fee would be Rs. 55,000 per month including TA. Designer should be linked to outcome-based parameters in terms of number of new designs introduced and sales achieved for new designs. The NID and NIFT graduates will be given preference during selections of designers and the engagement should be through a transparent system.
- xvi. The Implementing Agencies of projects will be eligible for 3% administrative cost for setting up of project monitoring unit.
- xvii. All projects to be started/sanctioned in the first 3 years and they will remain in operation for the total scheme period.
- xviii. Convergence with the schemes of Ministry of social justice and empowerment for hand holding support to SC/ST/OBC artisans, with the schemes of Ministry of Tribal Affairs for financial assistance, bank linkages and sale & export of handicrafts of ST artisans and with the schemes of Ministry of Minority Affairs for various training and marketing events for minority artisans, may also be explored.

#### 4. Project Approval and Monitoring Committee (PAMC)

The Detailed Project Report (DPR) shall be considered and approved by the Project Approval and Monitoring Committee (PAMC). The PAMC shall accord further approvals only after the comprehensive DPRs are in place. The implementation of the various projects should also be reviewed periodically by the PAMC.

The composition of the PAMC would be:

Secretary (Textiles)	Chairman
Development Commissioner (Handicrafts)	Member
Secretary/Director(Industries) of the Dept. dealing with Handicrafts in the state	Member
AS&FA/Representative of IFW	Member
District magistrate of the concerned District	Member
<b>Representative of SFURTI, Ministry of MSME</b>	<b>Member</b>
Additional Development Commissioner/Director (Handicrafts)	Member/Convenor



## **5. Deliverables/Advantages of the proposed Clusters**

### **Social:**

- i. Employment Generation;
- ii. Better living standards for the existing artisans.

### **Economic:**

- i. Foreign Exchange earnings by export;
- ii. Substantial Increase in quality and value added Production;
- iii. Increase in the business of small entrepreneurs;
- iv. Savings in cost by manufacturers in the cluster due to better infrastructure and Government induced benefits;
- v. Revenue generation to local bodies and State & Central Governments;
- vi. Growth of industry in an organized form.

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सत्यमेव जयते

**NATIONAL HANDICRAFTS DEVELOPMENT PROGRAMME  
(NHDP)**

**AND**

**COMPREHENSIVE HANDICRAFTS CLUSTER DEVELOPMENT  
SCHEME (CHCDS)**

**(2022-23 to 2025-26)**



**DEVELOPMENT COMMISSIONER (HANDICRAFTS)**

Ministry of Textiles, Government of India

**WEST BLOCK NO. VII, R. K. PURAM,**

**NEW DELHI-110066**

**Website: [handicrafts.nic.in](http://handicrafts.nic.in)**

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## **BACKGROUND**

Handicrafts constitute an important segment of the unorganized sector of our economy. It is mainly a rural based sector and has its presence in backward and in-accessible areas also. Originally, handicraft started as a part time activity in the rural areas, however it has now transformed into a flourishing economic activity due to significant domestic and global market demand over the years. Handicraft sector has huge growth potential to provide sustenance to existing lakhs of artisans as well as to a large number of new entrants in the crafts activity. Handicraft sector contributes significantly towards employment generation and export. However, this sector has suffered due to its unorganized nature along with additional constraints like lack of education, capital, and poor exposure to new technology, absence of market intelligence and poor institutional framework.

In order to overcome these constraints, National Handicrafts Development Programme (NHDP) scheme and Comprehensive Handicrafts Cluster Development Scheme (CHCDS) have been launched wherein the main thrust is on a projected, need based approach for integrated development of handicrafts with participation of the crafts person at all stages of implementation of the scheme with the ultimate objective of their empowerment and sustainability. The NHDP and CHCDS scheme have the following components;

### **A. National Handicrafts Development Programme;**

1. Marketing Support & Services
2. Skill Development in Handicraft Sector
3. Ambedkar Hastshilp Vikas Yojana
4. Direct Benefit to Artisans [Welfare]
5. Infrastructure and Technology Support
6. Research & Development

### **B. Comprehensive Handicrafts Cluster Development Scheme (CHCDS)**

#### **National Handicrafts Development Programme**

The NHDP scheme envisages a package of support to the handicraft clusters and artisans which inter-alia include basic inputs and infrastructure support in addition to capacity enhancement to cater to target market.

The components of NHDP scheme have been designed in such a way that the scheme will provide end to end support to millions of handicraft artisans employed in the sector, create conducive environment and provide a level playing field to them against the machine-made products.

The main focus area of the schemes is to bring every handicraft artisan into a mainstream while preserving & ensuring continuation of prestigious crafts of the country by providing



marketing platforms for handicraft products, resilient infrastructure support, and skilling new entrants through numerous kinds of design and skill training programmes and thus focus on capacity building for the sector. In addition to strengthening of handicrafts sector and empowering artisans, the schemes also provide an umbrella of safety to millions of artisans by bringing them under various social security coverage by schemes like Aam Admi Jeevan Joyti Yojana, Pradhan Mantri Jeevan Joyti Yojana etc. and providing pension to old aged artisans.

In essence, NHDP scheme will adopt following three-pronged approach to put the sector on high growth trajectory as well as preserving existing cultural heritage: -

- Promoting premium handicraft products for the niche market.
- Expansion of production base for utility-based, life style and mass production handicrafts products.
- Empowerment and sustainability of artisans along with preservation and protection of heritage/languishing crafts.



## 1. MARKETING SUPPORT & SERVICES (MSS)

### 1.1 INTRODUCTION

Marketing plays a vital role in development of handicrafts sector in India. Effort is made to provide varied marketing platforms giving ample opportunities for business development and income generation to artisans across the country. India is a vast country and domestic market itself is a highly potential market for handicrafts items. India is the world's largest developing economy however has a very low percentage of contribution in world's export figure. Focus on Marketing Events shall bring this gap to the minimum and to enhance sales and export. Both domestic and international market play significant role in shaping India's handicrafts sector. Exploring these avenues through various exhibitions and fairs, thematic exhibitions, live demonstrations, buyer seller meets, brand promotion events, seminars, gift fairs, niche market creation will be the prime objective. Efforts shall also be made to sensitize artisans and exporters on international quality standards through symposiums and workshops. Fashion show/standalone show shall also be performed to analyze and understand the international market and fashion trends so that the artisans can fully reap the benefits of the platforms offered to them.

### 1.2 DOMESTIC MARKETING EVENTS

India being a vast country has immense market potential for Handicrafts Products. Marketing events held across the country will provide direct marketing platform to the handicraft's artisans/SHGs/entrepreneurs from various parts of the country. Such marketing platforms shall assist the artisans to sell their products directly to the buyers and also enable them to establish market linkages for long term business. Domestic Marketing events will have following sub components: -

- 1) Gandhi Shilp Bazaar (GSB)
- 2) Hiring of built up space in events organized by other organizations
- 3) Craft Demonstration cum Awareness Programme
- 4) Fashion Show

#### Penalty for low performance in GSB

S. No.	Level of variation between required number of participants and actual participation in the event	Amount to be deducted out of total/ final eligible amount
1.	Deviation between 0-20%	NIL
2.	Deviation between 21-50%	Pro-rata cut in same ratio
3.	Any deviation above 50%	The event will be considered as cancelled. Any advance amount already released for the event will be recovered.



### 1.2.1 GANDHI SHILP BAZAAR

Gandhi Shilp Bazaars will be organized based on annual calendar to be prepared considering important fairs/festivals/prominent cities/ historical places/ places of tourist interest etc. This will ensure regular income among artisans and will enable people of the area to source their requirement through these events.

**Duration and Participation:** Duration of 7-15 days and shall accommodate 50-300 stalls.

#### Financial Assistance:

S. No.	Expense head	Maximum permissible assistance (INR)	
		Class A	Class B
1.	Space rental & Infrastructure including services per day per stall	1500	1200
2.	Publicity per day per stall	300	300
3.	TA including per participant	4000	4000
4.	Freight Charges per participant	2000	2000
5.	DA per day-per artisan	800	500
6.	Insurance per day per stall	50	30
7.	Misc. Expenses	5% of total of above sub-heads (S.No. 1-2)	5% of total of above sub-heads (S.No. 1-2)
7.	Administrative charges	3% of total of above sub-heads (S.No. 1-6)	3% of total of above sub-heads (S.No. 1-6)

### 1.2.2 HIRING OF STALLS IN EVENTS ORGANIZED BY OTHER ORGANIZATIONS

To enable the artisans to display and sell their products in established fair organized by Department of Tourism or State and Central Governments and other organizations, an enabling provision is made for acquiring stalls in fairs for allotment to the artisans.

**Duration and Participation:** The participation in an event will be for a period of 1 - 15 days. (Duration of hiring of stalls can be extended up to the period of the event.)The number of stalls hired will not exceed 25% of the total stalls erected in the fair subject to maximum of 100 stalls.



## Financial Assistance

The admissible limits for participation are as follows:

S. No.	Expense head	Maximum permissible assistance (INR)
1.	Rent of Hiring of stalls per stall per day	2500
2.	TA including Freight Charges per participant	6000
3.	DA per day per artisan	800 for Class A and 500 for Class B
4.	Misc. Expenses including publicity etc.	5% of sub-heads No 1.

In case the space is being hired from Government Agency, actual expenditure may be considered based on number of days, number of stalls and other justified administrative expenses.

### 1.2.3 CRAFT DEMONSTRATION CUM AWARENESS PROGRAMME

Craft Demonstration cum Awareness Programme comprises interaction and knowledge sharing session with craftpersons, entrepreneurs, students, academicians, scholars etc. The programme aims to spread awareness about Indian handicrafts, and the heritage, culture and tradition associated with it. It also comprises live demonstration / making of artifacts to promote handicrafts among general public/students of colleges/universities. It will help general public to understand complex skill, hardship and creativity involved in making artifacts.

**Duration and Participation:** Programme duration will be minimum 3 days with participation of 20 artisans & Performance groups for cultural events for demonstration cum sale of the artifacts and maximum 3 resource persons.

**Programme Component:** Deliberations on handicrafts by experts, interaction among participants, display of artifacts, slide show, distribution of publicity materials, Craft related Booklet/Information Pamphlet, live demonstration cum sale.

**Financial Assistance:** The funding shall be provided to the extent of INR 5.00 lakh for Class A which includes expenditure towards space rent, infrastructure and services (water, electricity etc.), Boarding and Lodging, TA and DA including Freight Charges for artisans as per GSB (for class A & B cities)artisans and payment of TA and honorarium to the resource persons, Insurance, cultural activities, refreshment, attractive gate & banners, material for demonstration, Craft related Booklet/Information Pamphlet, videography, civic amenities & miscellaneous etc. For the event to be conducted in virtual mode, the maximum permissible limit is Rs. 2.00 Lakh for an event of maximum 3 days.



#### 1.2.4 FASHION SHOW

Fashion Show is an effective platform for product promotion and establishing buyer-seller linkages. It gives exposure to various trends and styles of clothing. Fashion Show helps in creating demand for new arrivals. Handicrafts in India is having huge range of clothing and accessories associated with it. Apart from clothing, handicraft products like Jewellery, Bags & Purses, Shoes, Belts, Wallets and others associated with lifestyle could be aggressively promoted by organizing Fashion Show. The products of awardee and cluster artisans of handicrafts only to be used in the Fashion Show.

**Duration:** Fashion Show will be organized for one day.

**Financial Assistance:** The break-up of financial assistance is as follows:

S. N	Expense Head	Max permissible assistance
1	Space rental and Infrastructure	10,00,000
2	Publicity Cost	5,00,000
3	Honorarium for Models/Choreographer max for 20 models including TA/DA	2,00,000
4	Product to be sourced from handicrafts awardee artisans only.	2,50,000
5	Boarding and Lodging	3,00,000
6	Misc. Expenses (5% of total of above sub-head S.No. 1-5)	1,12,500
7	Administrative Expense (3% of total of above sub-heads S.No. 1-6)	70,875
	<b>Total</b>	<b>24,33,375</b>

**Note:**

- Class A-Cities and Class B - Cities as per Govt of India classification
- Any Marketing Event mentioned above can also be organized departmentally.
- The calendar of mandatory events in Urban Haats to be prepared and in all other events also preference to be given to urban haats
- Infrastructure in all marketing events shall be as per prescribed norms and will have water-proof stalls of size 8ft X 10ft, Office Space, Food stalls, Demonstration platform and basic amenities like toilets etc There shall be sufficient movement space for public, firefighting and safety measures.
- There should be dedicated space for cultural events and craft demonstration in Gandhi Shilp Bazaar.
- Implementing agency will obtain permission/NOC from all concerned state departments prior to organizing the events.
- Implementing Agency will ensure wide publicity of the event through print and electronic media with at least three insertions in Newspapers and radio jingles.
- Implementing agencies will make all the payments through PFMS/ DBT only.



- Artisans from same city or participated against dropout will be paid fixed @ Rs. 2000/-, from the head TA including Freight Charges.
- Artisan having Pahchan Card only are eligible.
- Insurance of the marketing event is mandatory.

### **1.3 INTERNATIONAL MARKETING EVENTS IN INDIA & ABROAD**

#### **1.3.1 INTERNATIONAL MARKETING EVENT**

With a view to promote exports of handicrafts and carpets the financial assistance is provided to eligible organizations for organizing/participation in international fairs and thematic exhibition/ Craft Festival of India/ Stand Alone Shows/ Road Shows/ Awareness Campaign abroad. International Fairs may be organized in India also. In case, International Fairs/Thematic Exhibitions etc. organized in India, either buyer or seller should be from abroad.

**Eligibility for International marketing event:** Grand-in-aid can be given to following: Export Promotion Councils, State/Central Government agencies etc.

**Duration and participation:** Participation will be for the duration of the event. The participants include artisans (Padam awardees/ Shilp Guru/ National Awardees) and exporters of handicrafts. The no. and list of participants shall be as approved by Secretary (Textiles).

#### **Financial assistance:**

- ✚ The financial capping for participation/organizing International marketing event is INR 75 lakh in case of event abroad & INR 60 lakh in case of event in India.
- ✚ The eligible agency shall receive assistance towards TA, DA, hotel accommodation, freight charges, for eligible maximum 10 artisans as per rules. In case of Exporters only space rent will be provided for maximum of 10 participants.
- ✚ One officer from Office of DC Handicrafts not below the rank of Assistant Director will be deputed as per his entitlements for TA/DA, administrative expenditure and other related miscellaneous expenses for coordination and impact assessment of the program.

#### **1.3.2 INTERNATIONAL CRAFT EXPOSURE PROGRAMME**

Under this component, long and short-term trainings cum exposure programs of Artisans/ Designers abroad on subject of designs, product innovations, techniques, technology, processing, finishing for creating awareness on design and product requirements of international market, and for dissemination of information on latest production techniques, tools, equipment and technology being adopted by different countries are conducted. Further, artisans (Padam Shree/Shilp Guru/National awardees) are deputed under a Cultural Exchange Programme for live demonstrations of the craft. The participation in Cultural Exchange Programme is arranged as per agreed terms &



Conditions between Govt. of India and other countries. To monitor the impact assessment of such participations, one Officer of the Office of DC (Handicrafts) may also be deputed to the programme.

**Duration and Participation:**

The participation will be for entire duration of the event.

**Financial Assistance:**

The eligible agencies shall receive 100% grant-in-aid from O/o DC (H) subject to maximum permissible limit of INR 50 Lakh. Financial assistance is permissible towards Craftpersons /designers from abroad to visit India & Vice-a-Versa, TA/DA as per norms, local hospitality, boarding and lodging, freight charges, space rent, related infrastructure and services, development of prototype, documentation charges, raw material compensation and Misc, etc. as per need on actual basis.

**1.3.4 BUYER SELLER MEET & REVERSE BUYER SELLER MEET**

The objective of this event is to provide linkages to local artisans to showcase their products to the major buyers of India/abroad ensuring integrated and inclusive development of the Indian handicrafts.

**Duration and participation**

The event will be organized for 3-5 days. In case of Buyer Seller Meet in India, maximum 50 buyers and 50 artisans are allowed for participation. In case of Buyer Seller Meet abroad and Reverse Buyer Seller Meet in India, there is no such limit for number of participants. However, in case of reverse buyer Seller Meet in India, the buyers should be international buyers.

**Financial assistance**

In case of **Buyer Seller Meet in India**, the financial break -up are as under

S. No.	Expense Head (for 5 days with participation from 50 buyers and 50 artisans)	Maximum Permissible Assistance (INR)
1	Space rental and Infrastructure including services like water, electricity, etc.	5,00,000
2	TA @ 10,000 per buyer (subject to actual)	5,00,000
3	Stay for buyers (@ 3000 per day per buyer)	7,50,000
4	TA including Freight Charges (@ Rs. 6000 per Artisan)*	3,00,000
5	DA (@ Rs.800 per day per Artisan)	2,00,000
6	Publicity	1,20,000
7	Insurance	50,000



8	Misc Expenses (5% of total of above sub-heads S.No. 1-7)	1,21,000
9	Administrative charges (3% of total of above sub-heads S.No. 1-8)	72,600/-
	<b>TOTAL</b>	<b>26,13,600</b>
*In case of lesser participation or lesser no. of days the amount would apply pro rata		

### Buyer seller meet abroad and Reverse buyer seller meet in India

The funding for Buyer seller meet abroad and Reverse buyer seller meet in India is on actual subject to a maximum INR 60.00 Lakh. The financial assistance to the extent of 100% of the approved cost (subject to a ceiling specified above) will be considered. The financial assistance is permissible towards space rent, interiors, TA, Publicity, Boarding and Lodging, Documentation and miscellaneous. To monitor the impact assessment of such participations, one Officer of the Office of DC (Handicrafts) can also be deputed to the programme.

### 1.3.5 FAIRS/ EXHIBITIONS/ EVENTS ON VIRTUAL PLATFORM

The fair/ exhibition/ special events/ BSM/ RBSM shall be organized/participated in India & abroad to create & promote the products and to create a brand image for Indian handicrafts in Indian markets through virtual mode.

**Financial Assistance:** The financial parameters are as follows for a minimum period of 14 days. The funding is on actual basis subject to number of participants per event. The admissible limits for participation are as follows:

Sl. No	Expense head	Maximum permissible Assistance (INR)	
		No. of Participants	Assistance
1	Development of Virtual platform, Hiring of Virtual Space, Licence Fee, Participation Fee etc.	200-300	15,00,000
		301-400	18,00,000
		401-500	20,00,000
		501 & above	22,00,000
2	Publicity (Print/ Electronic/ Digital/Social Media)	Maximum of 20% of expenditure at Sr. No.1	
3	Misc. Expenses such as Inaugural & Webinar Sessions, Translation & Interpretation, Exhibitors on boarding/ Training	Maximum of 20% of expenditure at Sr. No.1	
4	Administrative Expenses	Maximum of 3% of Expenditure at Sr. No 1-3	



**1.3.6 Need Based Marketing Events:** These can be organized at any time as per requirement, with the approval of competent authority along with financials.

#### **1.4 PUBLICITY AND BRAND PROMOTION**

##### **1.4.1 PUBLICITY & BRAND PROMOTION VIA PRINT, ELECTRONIC & SOCIAL MEDIA**

Publicity and Brand promotion through all mediums like print, electronic, digital social media, fashion shows & other promotional events etc. shall be used to help highlight Indian handicraft products as quality products and thus boost sales in India and abroad.

**Financial assistance:**

DC (HC) will decide and approve the financial assistance on the merit of the proposal subject to maximum INR 1.00 crore per event.



## 2. DESIGN & SKILL DEVELOPMENT IN HANDICRAFT SECTOR

### 2.1 INTRODUCTION

Handicrafts are known for their aesthetics, associated traditional values, uniqueness, quality and craftsmanship. The traditional knowledge and craft practices are commonly passed down from one generation to another through natural learning. However, with the advent of new tools & technology, the process of craft learning has changed dramatically. Standardized production processes, skilled manpower, design database for handicraft products, quick & efficient prototyping, communication skills and other soft skills have become indispensable requirements for the ever-changing handicraft sector. The sub-scheme “Skill Development in Handicraft Sector” has been conceptualized to fulfil these requirements and has the following two major sub heads:

#### A) DESIGN

- 1) Design and Technology Development Workshop
- 2) Toolkit Distribution Program

#### B) TRAINING

- 3) Guru Shishya Hastshilp Prashikshan Program
- 4) Comprehensive Skill Upgradation Program

#### A. DESIGN:

### 2.2 DESIGN AND TECHNOLOGY DEVELOPMENT WORKSHOP (DDW)

This component is focused on fulfilling the current design needs of the market and aims to develop new designs/prototypes as per present requirements of the handicraft sector using existing skills of artisans.

#### 2.2.1 Duration and Participation:

Each workshop will have a batch of 20-30 artisans and will be for a minimum duration of 25 days (@ 5 hours per day) to a maximum duration of 65 days. The workshop will include market survey and intelligence gathering & submission of survey report to field office.

#### 2.2.3 Financial Assistance

The head-wise maximum permissible norms are as under:

S.No.	Expenditure Head	Maximum Permissible Assistance
a)	One Empanelled designer expenses	@ Rs. 55,000/- per month of workshop (25 day)
b)	One empanelled Master Craftsperson expenses	@ Rs. 30,000 per month and an additional amount of Rs. 4000/- as TA for outstation MCP at a time.
c)	Market survey and intelligence gathering (1 month duration)	Rs. 35,000/-

d)	Compensation for the cost of raw materials for development of prototypes (1 set of 10 prototypes)	@Rs. 3000 per prototype per month
e)	Cost of documentation report, biometric machine, videography etc.	Rs. 20,000/-
f)	Wage compensation to the artisans	@Rs. 300 per day per artisan
g)	Miscellaneous expenditure (stationery, telephone, refreshments, publicity, repair of machinery etc.)	@5% of (a to f)
h)	Administrative charges	@3% of project cost (a to g)

\* Here outstation may refer as the place outside the district where programme will be conducted.

#### **2.2.4. Development of Prototypes:**

The prototypes will be developed as per suggestions made in market survey & intelligence report and designs/sketches developed by the appointed designer. The designer will have to provide all technical specifications, sketches, original soft data of prototypes in same software file format which is used for creating the design of prototypes (if used) & a designer report giving details of innovations done by them. All intellectual property rights for the prototypes/designs/sketches etc. developed under the Design Development Workshop will lie with Government of India.

#### **2.3 TOOLKIT DISTRIBUTION PROGRAM (TDP)**

Tools and skilled hands are the two jewels of handicraft sector that are critical for productivity enhancement. They assist the handicraft artisans in production of uniform quality products at larger scale. Scale-up of production and uniformity of quality are key ingredients for survival in the highly competitive international handicrafts market. The provision of toolkit distribution, has been introduced to fulfill above requirements. Maximum financial assistance per toolkit Rs.10,000/- and furnaces/looms is Rs. 20,000/- or actuals whichever is less.

#### **B. TRAINING:**

#### **2.4 GURU SHISHYA HASTSHILP PRASHIKSHAN PROGRAM (GSHP)**

The scheme objective is to transfer the traditional craft knowledge from the master craftsperson (Guru) to the new generation artisan (Shishya) in order to bridge skill gap & fulfil market demand. This shall be achieved through imparting technical and soft skill training and shall create a trained workforce in the Handicrafts sector.



#### 2.4.1 Duration and Participation

- The duration of training program will be according to hours mentioned in the list of National Skill Qualification Framework aligned courses approved by National Skill Development Corporation, Ministry of Skill Development and Entrepreneurship and or Samarth training courses.
- The batch size of training program shall be 20-30 artisans depending upon the need. Any artisan having PAHCHAN identity card in relevant craft is eligible for participating in the training program.

#### 2.4.2 Financial Assistance

The expenditure heads for sanctioning the grant in aid are as under:

S. No.	Expense Head	Maximum Permissible Assistance
a)	Space rent and Training related tools and equipment	Rs. 70,000 per programme for tools and equipment 7,500 per month space rent]
b)	Wage compensation to artisans	Rs.300/- per day per trainee
c)	Expense of one empanelled Master Craftsperson	Rs. 30,000 per month and an additional amount of Rs. 4000/- as TA for outstation MCP at a time.
e)	Compensation for wastage of raw material	Rs. 60/-per day per trainee
f)	Rental for carpet looms (if applicable)	Rs. 1000/- per loom per month for max 5 looms
g)	Miscellaneous expenditure	5% of total (a) to (f)
h)	Administrative charges	3% of the total project cost from (a) to (g)

\* Here outstation may refer as the place outside the district where programme will be conducted.

#### 2.5 COMPREHENSIVE SKILL UPGRADATION PROGRAM (CSUP)

The scheme objective is to supplement the efforts of the industry for bridging skill gap, reviving the age-old practice of traditional crafts in Handicraft sector and providing a demand driven & self-employment-oriented training based on National Skills Qualifications Framework (NSQF). The objective shall be achieved through certificate training courses in convergence with Ministry of Skill Development and their approved institutions. The program aims at comprehensive development in skill up gradation, design innovation and soft skills of artisans.

### 2.5.1 Duration and Participation:

The duration of training program will be maximum 5 months (5 days per week, 6 hours per day). The training programs will have three components- i) Two-month technical training, ii) Two-month design development training and iii) One-month soft skill training along with craft exposure visit. The batch size of training program will be 30 artisans. Any artisan having PAHCHAN card in relevant craft is eligible to participate in the training program.

### 2.5.2 Financial assistance:

The expenditure heads for sanctioning the grant in aid are as under:

S. No.	Expense Head	Maximum Permissible Assistance
a)	Expenses of One empanelled Master Craftsperson/Designer for technical and design and one Resource person for soft skill	Rs. 30,000/- per month (Max. 1 MasterCraftsperson/Designer/ Resource person at a time) and additional amount of Rs. 4000/- as TA for outstation* MCP/ Designer/ RP.
b)	Wage compensation to artisans	Rs.300/- per day per trainee
c)	Compensation for raw material / expenses for study tour	Rs.60/- per day per trainee
d)	Study materials	Rs. 1000 per trainee
e)	Miscellaneous expenditure	5% of [total (a) to (d)]
f)	Administrative charges including institutional charges	3% [of the total project cost (a) to (e)]

\* Here outstation may refer as the place outside the district where programme will be conducted.



### **3. AMBEDKAR HASTSHILP VIKAS YOJANA (AHVY)**

#### **3.1 BACKGROUND:**

Ambedkar Hastshilp Vikas Yojana (AHVY) is a small cluster specific scheme and is the basic unit for targeting the end to end interventions to the artisans. It covers a small geographical area. It is also the mechanism to give structure to the sector as needed be it in the form of artisan producer companies (APOs) and /or registered Self Help Groups , Cooperatives or any other formal method. The scheme envisages need based cluster specific approach for sustainable development of the craft and artisans in the geographical area. The identified cluster/PC will be extended support in terms of financial, technological and any needed interventions for a period of maximum three years. The scheme will ensure employment generation, technological upgradation, competitiveness through design inputs, marketing supports programmes, Brand Promotion, resource mobilization and other need-based activities.

#### **a) ARTISAN PRODUCER COMPANIES**

To ensure income growth of the clusters artisans, and increase entrepreneurial spirit and give a push to formalization to the sector, formation of artisan producer to be done. The Scheme aims to promote Indian handicrafts by developing artisan clusters into professionally managed and self-reliant community enterprise on the principles of effective member participation and cooperation. The Producer Companies thus formed will run on commercial lines with marketing intelligence and will be run by a professional management team. The main objective of the producer company is to formalize and bring entrepreneurial spirit among handicraft artisans.

#### **b) HANDICRAFT CLUSTER UNDER AHVY**

Handicraft Cluster implies a group of artisans concentrated within an identifiable and contiguous geographical area and are engaged in manufacturing handicrafts items. Artisans are scattered all over the country in small pockets, and it is really tough to earmark geographical area for handicrafts cluster, however, for the purpose of the scheme cluster area should be confined within a maximum radius of 20-30 km. Small Craft Clusters with minimum 20 artisans in case of endangered crafts only and minimum 50 artisans for other crafts. Maximum artisans in a cluster under AHVY covers 1000 artisans.

Export oriented clusters and clusters from Aspirational districts across the country will be taken up for baseline surveys only and if viable surveys found, they will become eligible for being taken up for overall development of artisans in the form of artisan producer companies or any other formal structure only. Handicrafts Cluster in Aspirational Districts, Tribal Areas, Women Dominated Craft clusters, GI Registered Craft Clusters, craft clusters linking with tourism/heritage spots, Toy Clusters will be preferred for being taken up in the form of producer companies.

AHVV will have all the components of NHDP. The assistance for new proposals shall be provided to eligible organizations fulfilling the prescribed guidelines.

- (1) Baseline Survey of craft cluster and mobilization of artisans into a cluster group by fields office.
- (2) Processing PEHCHAAN CARDS for the identified cluster artisans.
- (3) Formation of Producer Company of clusters found viable in baseline survey

**End to End soft and hard intervention support to PCs covering all components of NHDP:**

- (1) Craft Awareness Program
- (2) Seminar cum Workshop
- (3) Entrepreneurship Development Programme
- (4) Design Mentorship Programme
- (5) Project Implementation and Management
- (6) Design Development Workshops.
- (7) Study cum Exposure Tour
- (8) Toolkit Distribution
- (9) Guru Shisya Hastashilp Program
- (10) Samarth Training
- (11) Craft Demonstration Program
- (12) Exhibitions
- (13) Publicity and Brand promotion

\* PCs will become eligible for hard interventions of Infrastructure component of NHDP as per the norms of the component and only after minimum performance review of the company.

### **3.2 BASELINE SURVEY and REPORT OF IDENTIFIED CRAFT CLUSTER AND MOBILIZATION OF ARTISANS**

Detailed survey shall be conducted by the Implementing Agency in consultation with field offices. The IAs shall also mobilize artisans into SHGs, create awareness among artisans on various aspects of forming and running the community business enterprise. The IAs will freeze the entire craft cluster areas in terms of identification of artisans, empanelled Matercraftsperson, empanelled designer, and categorization in respect of Gender, SC/ST/Gen, Tourism, Export, Aspirational, Endangered etc and issuance of PAHCHAN Cards.

#### **Financial assistance:**

Need based financial Assistance will be provided subject to a maximum of Rs. 2.00 lakhs per cluster for the baseline survey. 50% advance will be given for the baseline survey



### 3.3 PRODUCER COMPANIES

#### 3.3.1 FORMATION OF PRODUCER COMPANY:

Producer companies shall be formed in crafts clusters taken up under or in any other craft concentration areas. Formation of producer companies aims to ensure active participation and contribution of member artisans to develop long term sustainable business module through an organized setup. The member artisans being the shareholders of the producer companies will actively participate and contribute in all functional areas for successful business entity. Formation of Producer Companies will not only provide competitive edge to the member artisans but also enhance their capacities for large scale production, quality compliance and timely supplies.

The Producer Company being artisans based legal entity registered under the company act will have liberty to derive its own business model, setup target, resource mobilization and profit sharing among member artisans. The purpose of formation of PC with the artisans as members is to make the artisans self-reliant, ATMA NIRBHAR.

#### Objectives of Formation of Producer Companies:

- Formalization of a sector that is largely unorganised leading to better participation and empowerment of the artisans
- Enhanced productivity & marketing capabilities which shall lead to increased income of the artisans through collective efforts, pooling of resources, support from Central and State Governments, public and private bodies and collaborations.
- Create business friendly environment among artisans by providing adequate institutional support and guiding and monitoring business propositions of the producer companies.
- Better accountability of govt funds and convergence of schemes in development of the craft sector.

O/o DC (Handicrafts) shall extend handholding supports to the producer companies initially for the period of three years. The initial first year handholding support will be in the form of end to end interventions as per the NHDP guideline so as to make the producer company aware and self-sustainable and to have a basis for performance review for the second year onwards.

The Producer Company will be a company by virtue of provisions of section 8 of the Companies Act, 2013 (18 of 2013) and rule 18 of the Companies (Incorporation) Rules, 2014]. It is a separate legal entity which means the company's existence is different from its members. The company has a perpetual existence along with greater flexibility and before registration the following have to be proved to the satisfaction of the Central Government that:

- It is incorporated for the promotion of handicrafts.
- It intends to apply all its profits, income, or other earnings, in promoting these objects

## Selection of Board of Directors of producer Company

Future of any Company rests completely on the constitution of Board of Directors. It is therefore, necessary that the members of Board of Directors must be enterprising and educationally qualified. However, Handicrafts sector being unorganized selection of 100% enterprising and educationally qualified artisans is challenging. It is therefore envisaged that at least 2 members on the Board (out of minimum 5 Board members) should be enterprising and experts in the business field. 50% directors will be mandatorily from artisan community of the craft cluster and minimum 51% shares will be held by the artisans.

- Member artisans shall be initially from the identified craft cluster/pocket.
- Member artisan must have artisans PEHCHAN Card
- Member artisans on the board should have understanding and communication skills so as to avoid dummy artisans on the board
- Empanelled designers from o/ o DC HC can also be coopted in the board with the consent of the 50 percent artisan board members.

### 3.3.1.1 Process of formation of Producer Companies:

**A. Pre-Registration Activities:** In this phase, the initiator/facilitating agency has to select suitable craft clusters with good market potential. This is basically done after interaction with artisans, understanding the demand-supply aspect of the craft produce and assessing the overall risk factor involved in the entire venture. Producer companies must be formed in a specific craft /allied craft.

1.	Organizing Chaupals with artisans and other stakeholders of craft clusters with good market potential, to prepare a Plan of Action.
2.	Identification of willing artisans to be part of Producer companies and be willing to run the same.
3.	Identification of Implementing Agencies to facilitate the registration process only.
4.	Identification of young and promising artisans as members of Producer companies who can play an active role in the Producer Company.
5.	Designers empanelled with o/o of DC HC irrespective of region, who have knowledge of crafts have to be associated with the producer company.

**B. Minimum requirement for Registration of Artisan producer company sponsored by the Office of Development Commissioner (HC), the following have been stipulated:**

- At the time of registration, or more members should be present of which 75% members should be artisans holding valid artisan PAHCHAN cards. At all times minimum 51% shares to be held by artisan members
- Pre-registration requirement: Minimum 5 directors must be identified from the 20 identified members.



- Number of artisan members to be accommodated: Maximum 1000 artisans with valid PAHCHAN cards. At the time of registration depending on the craft minimum 10 (if endangered craft) and minimum 20 for others
- At least 50% of Directors in the Board must be from artisan community at all times
- Minimum 51% shares to be held amongst the identified artisan members at all times.

### **3.3.1.2 Financial assistance**

One-time financial assistance upto Rs. 1.00 lakh as 100% reimbursement will be provided for formation/registration of Producer Company.

### **3.3.2 WORKING CAPITAL SUPPORT TO THE PRODUCER COMPANY.**

In order to ensure regular procurement of raw material, adequate inventory and timely execution of supply orders, producer company will be provided financial assistance in the form of Working capital for procurement of Raw Material, Tools etc.

**Release Pattern:** Working capital support to the Producer Company will be to the tune of Rs. 1,000/- per member artisan of the Producer Company after the impact assessment by the Project Monitoring Unit only for a Maximum of 500 artisans or actuals whichever is less through DBT mode only as per the feedback of stakeholders. The amount will be paid as 100% as advance. This will be a one-time support only.

### **3.3.3 WORKSHOP CUM SEMINAR:**

Organising of periodical workshops-cum-seminars to sensitize the cluster artisans and entrepreneurs as per R&D norms.

### **3.3.4 ENTREPRENEURSHIP DEVELOPMENT PROGRAMME (EDP)**

EDP Programme aims to impart entrepreneurial skills among target group artisans from the cluster in conceiving, planning and venture upon an enterprise successfully. The main objective of the project is to enhance the knowledge and skill of artisans, through structured training programs for better involvement. The program will improve entrepreneurial skill among artisans desiring to establish and successfully run an enterprise.

EDP Program will be for duration of 6 days and will normally cover following topics;

- a) General Introduction to Entrepreneurship, Role of Entrepreneurs, types of enterprises, Documents required, Procedure and facilities available for establishing enterprise, risk factors and Entrepreneurial behavior
- b) Fundamental knowledge on Marketing, Exports, Packaging and Promotion, Communication Skill, Design, Quality compliances, Merchandising, Pricing, Customer Behavior, Retail stores.

- c) Fundamental knowledge on financial aspects such as Accounts, Insurance, Banking facilities, GST, Documents required and procedure for availing credit.
- d) Awareness on waste management, Disaster Management.
- e) Any other topic related to the entrepreneurship development.
- f) Experts/ officials from Ministry of MSME will be involved in the above trainings.

The Implementing Agency will engage professional resource person in concerned fields for imparting knowledge among the artisans.

**Duration and participation:**

- The program shall be for a period of 6 days.
- Batch size of 20 participants.

**Financial assistance**

The financial grant for the component shall be INR 5.00 Lakhs per Project

S. No.	Heads	Amount
1	Rent of venue for 6 days and equipment set up	Rs 5,00,000
2	Honorarium for minimum 6 resource person (minimum 2 designers) @ Rs 4000/- per person	
3	<ul style="list-style-type: none"> <li>• Boarding and Lodging for Resource Person/Artisans</li> <li>• Stationery and study material</li> <li>• Refreshment for participating artisans, resource person and other dignitaries @ Rs 300 per day per person</li> <li>• Documentation, videography and other miscellaneous expenses</li> </ul>	
4	TA to artisans @300/- per artisan or subject to actual expenditure.	

**3.3.5 DESIGN MENTORSHIP PROGRAMME:**

Design is a crucial element in Handicrafts Sector. Empanelled and experienced Designers shall be engaged to cater to different aspects and elements of the project.

**Master Craftsperson and designers:**

At least one empanelled master craftsperson shall be engaged in the project who will attend each and every artisan in person during the whole process and ensure that each artisan learns every aspect of the craft.

**Entrepreneurs and Exporters:** Experienced and reputed Entrepreneurs and exporters of craft sector shall be involved in the project. The designers shall discuss with them to understand the present craft trends in terms of diversification, specifications and consumer demands etc. from time to time to make the product line of quality standard.



The designer shall seek help from them in introduction of new techniques and required machines, tools etc. in this respect.

Although the designers and master craftsperson shall be assigned different time framed responsibilities they however shall work in unison. Further the engaged designers and or experts in the project shall continue follow up actions with the artisans for a period of not less than 3 months after the project is over with volunteer spirit so that the objectives of the project are consolidated and the production pocket becomes sustainable. However, arranging the follow up actions shall be the sole responsibility of the implementing agency.

**The component has the following objectives:**

- ❖ To provide new designs, technology & product development to the handicraft sector
- ❖ To promote of dedicated cadre of designers and merchandisers for the handicraft sector
- ❖ To provide regular design inputs to handicrafts cluster artisans and exporting community
- ❖ To update the sector about the changing global scenario with reference to innovative designs
- ❖ To support product development and upgrade quality
- ❖ Development & supply of market driven New / Innovative Design / Product lines
- ❖ Transforming designs into products with the help of reputed Designers / Merchandisers
- ❖ Development of Samples and Prototypes
- ❖ To establish specific integrated design development approach
- ❖ To fill up the gap in the areas of Design & Product Development - the biggest constraint in present handicraft sector
- ❖ Adoption of new design, pattern and product development on the principle of Focused Products and Focused Markets

The Implementing Agency shall engage professionals, designers, mastercraftspersons, exporters, entrepreneurs and other experts or Institutions having expertise in concerned fields.

S. No.	Expense Head	Maximum Permissible Assistance
a)	Designer Fee: 2 designer including Travel and logistics	Rs. 75,000/- per designer per month
b)	Space rent, electricity, water charges and infrastructure including services	Rs. 15,000/- per month
c)	Fee for two professionals / mastercraftspersons / exporters / entrepreneurs including Travel and logistics	Rs.50,000/- per persons per month,

d)	Equipment and Tool-Kits to Trainees	Rs.2,50,000/-
f)	TA & DA to artisans	Rs. 4000 /- per artisan per month
g)	Documentation, Photography & videography etc.	Rs.1,00,000/-
h)	Raw material for Development & supply of market driven New / Innovative Design / Product lines and Development of Samples and Prototypes	Rs.10,000/- per participant
j)	Miscellaneous expenditure (stationery, telephone, refreshments, publicity, audit fee, etc.)	Rs 50000/-

**Financial Assistance:**

The financial grant for the component shall be maximum INR 15.00 Lakhs for benefiting producer company’s artisans per programme.

**Duration:** 2.5 Months and minimum 15 and maximum 20 artisans per programme.

**3.3.6 PROJECT IMPLEMENTATION AND MANAGEMENT:**

The Technological marketing, skill improvement, infrastructure and any other requirement of the Clusters shall be met through the various interventions mentioned in the National Handicraft Development Programme. Producer company can apply for availing the Project Implementation and Management Cost for engaging cluster Executive, Data Entry operators and also availing the Services of financial management consultant for the smooth and efficient function of the PC.

Cluster Manager, Project Assistant/Consultant/ Accountant/Administrative Staff and Data Entry Operato can be engaged subject to the conditions of experience in cluster development and minimum educational qualification of graduation for handholding support to cluster artisans and monitor the cluster activities including technical guidance for implementation of the project on a regular basis and provide necessary feedback to stakeholders etc.

**Financial Assistance:**

Rs. 5.00 lakhs per PC per annum as project implementation and management cost will be provided as per need for engaging professional as Cluster Executives and others.

Manager	@Rs. 15000/month
Consultant / Professional	@Rs. 10000/month
Accountant	@R. 7500/month
Data Entry Operator	@Rs. 5000/month
TA to staff for field visits	@Rs. 1500/month
Miscellaneous Expenses including Printing stationery, computer consumables etc.	Rs. 32,000/-



### **3.3.7 STUDY CUM EXPOSURE TOUR:**

The cluster artisans of PC shall also be nominated for undertaking the study cum exposure tour to provide exposure to the best practices prevailing, through field visit in India and abroad. Artisans will be able to learn and adopt best practices, methodologies, process and upgrade themselves giving them competitive advantage.

#### **Study cum exposure tour will enable artisans to:**

- Study and understand the existing market practices.
- Understand the present market trend and consumer behaviour.
- Upgrade their production capacity observing quality compliances.
- Understand and adopt latest technology that will assist them in scaling up their production.
- Collect specimen sample of the products of the visited areas.

#### **Financial Assistance:**

Rs. 5 lakhs per PC on case to case basis and based on the merit. 75% advance as 1st installment on total sanctioned amount and 25% as 2nd instalment would be released as reimbursement after completion of the project and receipt of all required documents along with performance cum achievement report subject to actual expenditure. The financial assistance will cover TA/DA for upto 4 artisans, their boarding / lodging, desk research/collection of samples in India & Abroad, procurement of product catalogue, tools and implements, documentation/report writing etc., subject to a ceiling of Rs.5.00 Lakhs per programme.

**Duration and number of artisans:** 3-5 days excluding journey period and 4 cluster artisans including one coordinator per programme.

#### **Deliverables:**

- Exposure to best practices of other clusters/craft pockets and enhanced knowledge towards production, design, diversification, marketing and business of artifacts and need for networking with business houses.
- The cluster artisans as well as voluntary organizations will understand the exact market & consumer trend and the present lacuna etc. and will help to mitigate the same through appropriate inputs.
- The tour shall leave the artisans as well as voluntary organizations with zeal to explore the domestic and foreign market to sell the products and achieve economic self-reliance as their counterparts in other places of the country.

**Note:** - All the interventions like marketing, design, research and development, infrastructure, Design, Training etc., can be implemented both in a PC/ structured clusters and in a standalone manner.

### **3.4 IMPLEMENTATION METHODOLOGY:**

Proposal for formation of producer company from eligible agencies will be invited through advertisement published in national and local newspapers and mandatorily on website of o/o DC handicrafts. The proposals will have to be jointly recommended by respective HSC Assistant Directors and State govt department dealing with Handicrafts/Textiles. The received proposals will be scrutinized and recommended by a committee consisting of at least 2 Regional Directors, two Deputy Director/Assistant Directors of Hq. keeping all parameters and norms of NHDP. The beneficiaries will be the cluster artisans having PAHCHAN CARDS. Producer Companies will be formed in selected craft clusters. Initially end to end soft Interventions will be sanctioned to the Producer Companies. The Beneficiaries will be the shareholder artisans of the Producer Company.

**(In any craft cluster where Producer Company has been formed, the interventions will be sanctioned to Producer Company Only)**

### **3.5 MONITORING OF ACTIVITIES:**

The impact assessment report of the PMU will be mandatory for assessing the performance of the PC and providing any further financial support to PCs after the first-year interventions.

## **4. DIRECT BENEFIT TO ARTISANS**

### **4.1 SUPPORTS TO ARTISANS IN INDIGENT CIRCUMSTANCES**

This scheme is proposed to support the artisans during their old age. The scheme is designed to give a boost to the handicraft sector in India.

#### **Eligibility**

- Master craftspersons who are the recipient of Shilp Guru Awards, National Awards or Merit Certificates or State Awards or any other bigger award than above will be eligible for being considered for financial assistance.
- The annual income of the artisan should not exceed Rs.1,00,000/- (Rs. One lakh only) in the preceding financial year.
- The applicant should not be a recipient of similar financial assistance from any other source.
- Every financial year, the master craftsperson has to submit an income certificate and an affidavit in prescribed format duly countersigned by 1st Class Magistrate for seeking the financial support. After death of the master craftsperson, the financial support would be stopped.
- The artisan should not be less than 60 years of age on the date of application. Age may be relaxed in case of artisans with disabilities.
- The age relaxation is applicable in the case of artisans with disabilities subject to submission of the Certificate issued by the appropriate authority.
- If there is any gap in extending the financial support due to non-submission of income certificate / enhancement of income criteria, the applicant has to apply as a fresh application for according the financial support.

#### **Nature of Assistance:**

Assistance from the government may be either in the form of monthly allowance or lump sum grant or both. In no case however shall the assistance exceed Rs. 8,000/- (Rs. Eight thousand only) per month.

#### **Fund Disbursement**

The financial assistance shall be disbursed through the In-charge in the respective field formation of the Office of the Development Commissioner (Handicrafts) through PFMS/DBT only. Funds are placed with the respective field offices on yearly basis and are disbursed on monthly basis to the eligible applicants.

#### **Selection Criteria**

The applications from the eligible master craftsperson would be invited every year by making wide publicity through advertisement. On the recommendation of Regional Director, the Core Committee under the Chairmanship of Development Commissioner (Handicrafts) would finalize the selection of the master craftsperson for financial



assistance. The financial support would be considered from the date of selection of fresh applicants.

#### **4.2 INTEREST SUBVENTION**

This component is for facilitating credit access for handicraft artisans by providing interest subvention of 6% subject to actuals for artisans availing MUDRA loan from scheduled commercial banks. Maximum benefits of Rs. 1.00 lakhs for the period of 3 years is admissible. The subsidy amount will be reimbursed to lending bank on lodging the claim on the portal of nodal bank.

**Eligibility:** Handicraft artisan registered with the office of DC (H) having valid photo identity card and such other conditions as deemed fit. The artisans should submit the application form duly filled in all respect to the nearest Handicrafts Service Centre for recommendation of loan or directly to the bank for availing MUDRA loan.

#### **4.3 MARGIN MONEY**

This component was introduced during the financial year 2018-19. This component is linked to the continuation of the scheme of sanctioning of MUDRA loan. The artisans availing the MUDRA loan would be considered for providing margin money to ensure the availability of concessional credit to artisans. 20% subsidy of the sanctioned amount under MUDRA loan will be provided to the handicrafts artisan as one time grant to their loan account not exceeding Rs.25,000/-. The assistance should be provided in two parts i.e. 50% at the first disbursement of loan amount and balance after half of total loan amount sanctioned is disbursed; in case participating bank disburses the loan amount in parts. The margin money would be transferred by the Nodal bank to their accounts.

**Eligibility:**

All handicrafts artisans having valid identity card under PAHCHAN would be eligible to avail the benefit of margin money for the sanctioned MUDRA loan from the scheduled bank/financial institutions. The lending bank would lodge the claim of margin money for disbursement of the amount and to credit to the artisan's loan account on the portal of the Nodal bank.

#### **4.4 ISSUE/RENEWAL OF PHOTO IDENTITY CARDS AND CREATION OF DATA-BASE**

The identified artisans are given Photo Identity Card like PEHCHAAN. Aadhar linked data-base of artisans being developed to enable better targeting and monitoring. This is with the view that the Handicrafts artisans can avail the benefits of all the schemes being implemented by Office of DC (HC).

#### **Financial assistance**

- ✚ Maximum Assistance to the tune of Rs. 30/- maximum per card for this work will be provided by this office including creation of data base etc.
- ✚ In case of loss of photo identity card by the artisan, he/she has to register an FIR and apply in the prescribed application format along with FIR to the concerned Handicrafts Service Centre by depositing a penalty of Rs.50.00 per card for issuance of duplicate ID card. Penalty once paid is not refundable even if the card is retrieved later on.

#### 4.5 BIMA YOJANA TO HANDICRAFTS ARTISANS

The objective of the Pradhan Mantri Jeevan Jyoti Bima Yojana, Pradhan Mantri Surkasha Bima Yojana and Converged Aam Admi Bima Yojana is to provide life insurance cover to the handicraft's artisans. The craftsperson will be eligible for availing benefit of the schemes subject to the conditions laid down from time to time.

##### 4.5.1 PRADHAN MANTRI JEEVAN JYOTI BIMA YOJANA (PMJJBY)

**Eligibility:** All Handicrafts Artisans having valid Artisan Card in the age group of 18-50 years. The artisan is to enroll themselves every year under the scheme by depositing their share.

**Benefits:** Rs. 2 Lakh is payable on beneficiary's death due to any cause during policy term. The period of Policy would be one year and will be renewable.

**Premium Pattern:** Sharing pattern of premium is as under

Government of India DC(HC) share	Rs.198/-
StateGovt/Beneficiary	Rs.238/-
<b>Total Premium</b>	<b>Rs.436/-</b>

##### 4.5.2 PRADHAN MANTRI SURKASHA BIMA YOJANA (PMSBY)

**Eligibility:** All Handicrafts Artisans having valid artisans' card in the age group of 18-50 years. The artisan is to enroll themselves every year under the scheme by depositing their share.

**Benefits:** Risk coverage available will be Rs. 2 Lakh for accidental death and permanent total disability and Rs. 1.00 Lakh for partial disability during policy term. The period of Policy would be one year and will be renewable

**Premium Pattern:** The annual premium of Rs.20/- will be borne entirely by the Government of India.

##### 4.5.3 CONVERGED MODIFIED AAM ADMI BIMA YOJANA:

The Converged Modified Aam Admi Bima Yojana (CAABY) is an insurance Scheme offering life insurance cover and accidental insurance cover for death or disability for a closed

group of handicrafts artisans in the age group of 51-59 years who were already enrolled under the Aam Admi Bima Yojana as on 31.05.2017. The number of beneficiaries under CAABY will get reduced gradually every year and will vanish after 9 years.

#### **Eligibility:**

Handicrafts Artisans bearing valid Artisan Card in the age group of 51-59 years who had already enrolled under Aam Admi Bima Yojana. No new enrolment of artisans in the 51-59 years age groups shall be considered. The artisan is to enroll themselves every year under the scheme by depositing their share.

#### **Benefits:**

Natural Death	Rs.60,000/-
Partial disability	Rs.75,000/-
Total disability	Rs.1,50,000/-
Accidental Death	Rs.1,50,000/-

#### **Premium Pattern:**

Government of India DC(HC) share	Rs.290/-
Social Security Fund of GOI	Rs.100/-
Artisans/Workers share	Rs. 80/-
<b>Total Premium</b>	<b>Rs.470/-</b>

#### **4.6 AWARENESS CAMP/ CHAUPAL/ SHIVIR.**

The objective of this component is to sensitize artisans about the handicraft sector, familiarize and spread awareness about the schemes being implemented by Office of the DC (HC) including the various initiatives under Direct Benefit to Artisans (covering enrolment of handicraft artisans under PAHCHAN, Interest subvention, Margin Money, Insurance and financial support to artisans in indigent circumstances, registration of artisans on GeM portal etc.). These activities shall be organized in coordination with Handicrafts Service Centre (HSC) across the country.

**Financial Parameters:** Financial ceiling for each such programme is upto a maximum of Rs.2.00 lakhs benefitting 200 to 250 beneficiaries per programme.

#### **4.8 HANDICRAFT AWARDS:**

Under this scheme, the Office of Development Commissioner (Handicrafts) confers Handicraft Awards, the highest in the Handicraft Sector, to outstanding master craftspersons in recognition of their contribution towards the growth & development of handicraft sector. The award, conferred once in a lifetime, encourages them to preserve

our old craft-traditions and excellence in craftsmanship. The scheme thus provides direct benefit transfer to the artisans. The awards are granted in the following two categories:

1. Shilp Guru Award: Maximum 05 awards.
2. National Award: Maximum 20 awards (15 NA, 2 Women NA , 2 Endangered Craft NA and 1 Design Innovation NA).

#### **4.8.1 SHILP GURU AWARD:**

The award is given to a master craftsperson for an exceptional piece of craftwork to promote the handicraft and to impart their skills to the next generation of artisans. This is the highest honor awarded in the handicraft sector in India.

Any master craftsperson who is either a National Awardee or a State Awardee of exceptional repute or possesses extraordinary skills having made an immense contribution to the handicrafts sector is eligible for this Award. The applicant must be a citizen of India residing in the country, not below 50 years of age & possessing at least 20 years of experience in the craft. Each Award consists of a cash prize of Rs. 3.50 lakhs, a gold coin (20g and 22 carat), shawl, certificate and tamrapatra.

#### **4.8.2 NATIONAL AWARD:**

The National Award is conferred to a maximum of 33 craftspersons in recognition of their outstanding contribution to the development of handicrafts and to promote & encourage their craftsmanship. Any craftsperson who is a citizen of India residing in the country, above 30 years of age & has at least 10 years' experience in their craft can apply for the National Award. Each Award consists of a cash prize of Rs.2.00 lakh, a shawl, a certificate and a tamrapatra.

##### **4.8.2.1 National Award for Design Innovation:**

National Award for Design Innovations a subcategory of National Awards and is given to a group of designers & artisans on a co-creation basis. A group of designers and registered crafts persons (citizens & residents of India) not below 30 years of age is eligible to submit their entries. The Design Innovation Award consists of cash prizes of Rs.03.00 lakhs, to be shared equally between the concerned designer and the artisan, a shawl, a certificate and tamrapatra for both designer and artisan

#### **Mode of Application:**

Advertisements will be published in the major national newspapers and mandatorily on the website of o/o DC Handicrafts. The artisan will submit award entries along with supporting documents and story of the product. Accordingly, the artisans/designers may apply on the online portal available on the website of the Office of The Development Commissioner (Handicrafts) i.e. [www.handicrafts.nic.in](http://www.handicrafts.nic.in). and/or offline mode



## **Selection Procedure:**

The selection procedure consists of a 3 tier Committee system at three different levels.

**Level-1:** Central Level Selection Committee chaired by Secretary and members as DC Handicrafts, DC (Handlooms), Addl. D.C. (Handicrafts) as member convener, Representative from NIFT, Representative from NID, one Senior Designer and 5 non-official members of the handicrafts sector out of which atleast one will be a Handicrafts Awardee.

**Level 2:** Headquarters Level Selection Committee chaired by DC Handicrafts, and members as Addl. D.C. (Handicrafts), Representative from NIFT, Representative from NID, one Senior Designer and 5 non-official members of the handicrafts sector out of which atleast one will be a Handicrafts Awardee.

**Level 3** The Regional level committee consisting of RD, one State Govt representative of Handlooms/ Handicrafts, one mastercraftsperson, one empaneled designer, two Trade/ Exporter representative.

## **5. INFRASTRUCTURE AND TECHNOLOGY SUPPORT**

### **5.1 INTRODUCTION**

The sub-scheme “Infrastructure and Technology Support” aims to develop world-class infrastructure in the country to support handicraft production, enhance product quality and reduce costs to enable it to compete in the global market. For the development of handicrafts sector and benefit of handicrafts artisans, various components like Urban Haat, Emporia, Marketing and Sourcing Hub, Handicraft Museum, Craft Based Resource Centre, Common Facility Centre, Raw Material Depot, Crafts Village etc. under Infrastructure and Technology Support - National Handicraft Development Programme are being implemented on need basis on receipt of feasible and viable proposals from the eligible agencies as per the scheme guidelines throughout the country. Under this sub-scheme, concerted efforts are being made to enhance production, productivity, efficiency and to increase the income and socio-economic status of artisans.

### **5.2 URBAN HAAT**

The objective of this component is to setup a permanent marketing infrastructure in towns/ metropolitan cities to provide direct marketing facilities to the handicrafts artisans/handloom weavers. This will enable them to sell their products round the year to a wider target audience (or customer segment). Another important feature of the Haat is that there will be adequate number of stalls selling authentic Indian cuisine of various regions in the country by rotation. The Food & Craft Bazaar will provide leisure & recreational facilities for domestic as well as international tourists on the lines of Dilli Haat, which has already attained a prominent status amongst important domestic & international buyers/ tourists. The Haat shall be constructed in an area of not less than 8,000 sq. m. and will have a display gallery, food court etc. The stalls are allotted to artisans on rotational basis on a nominal rent. In addition, weavers can also participate in this scheme. The implementing agencies will be encouraged to form SPVs with active participation of the various agencies dealing with promotion of Tourism, Culture, Food, Processing Industry, etc., involving the tour operators, hotel operators in addition to those dealing with handloom and handicrafts for broad basing and ensure utilisation of facilities for long duration for management and day-to-day running of the same. The implementing agency will be required to sign Memorandum of understanding specifying quantified deliverables. This is a joint programme of DC (Handicrafts) & DC (Handlooms). Only State Govts directly or through their recommended state corporations/agencies will be eligible for building Urban Haats

#### **Eligibility:**

- Eligible Local statutory bodies, Apex cooperative Societies and National level Apex Societies (registered under society act/ trust act, etc.)
- Producer Company supported by O/O DC Handicrafts

- Only implementing agencies with a minimum audited annual turnover of Rs. 1.5 Cr in the last three consecutive years will be eligible for implementation of infrastructure projects. However, this provision shall not be applied in the case of Central/State Govt. agencies as an Implementing Agency (IA)

**Deliverables:**

- Erection of Stalls: - 50 - 80 Nos.(10X8 Sqft)
- Toilets: - 2 each for Ladies and Gents
- Dormitory for Craftspersons:- Provisions for minimum 100 people
- Food Court
- Pavilion /Stage for Cultural Programme
- Store Room
- Meeting/Conference Room
- Souvenir Shop

**Financial assistance and funding pattern:**

- The financial ceiling for urban haat is maximum INR 800 lakh for each unit for 80 stalls
- 40% of the admissible amount shall be borne by the O/o the DC(H) and DC(HL) each and 20% will be contributed by the state implementing agency.
- Land will be provided by state govt and will be over and above the 20 % contribution by the implementing agency.
- In case of NER, Jammu & Kashmir, Ladakh - 45 % of the admissible amount will be borne by the O/o the DC (HC) and DC (HL) each and 10% shall be contributed by the implementing agency.
- Assistance will also be given for strengthening/renovation of existing Urban Haats subject to a maximum financial limit of INR 250 lakhs (90% assistance will be borne by the Office of the DC (Handicrafts) & DC(HL)and 10% by state

**Note-** The financial assistance will be based on the number of stalls, land area & other deliverables in proportionate manner. The PAMC shall comprise DC (HC), ADC (HC), ADC(HL), representative of IFW and representative of State Implementing agency.

**5.3 EMPORIA**

Under this component, assistance would be provided for the setting up of emporia. These would be setup in commercially viable locations in the implementing agencies' own/rented building. The basic objective of the component is to provide marketing platform to the Local Handicrafts Artisans in their respective area through the outlet and emporia.

The building should already be available for setting up of emporia. The minimum area should not be less than 1000 sq.ft. The eligible cost components for emporia are interior

decoration like pop, painting, shelving and related electrical and security and utility installations This component is not for construction and publicity and IT.

### Eligibility

- Central/ State Handloom and Handicrafts Development Corporations and any other eligible Govt. Corporations/ govt agencies recommended by State Government or local govt. Bodies etc.
- Eligible Registered SHGs, cooperatives, local statutory bodies
- Producer companies formed by o/O DC Handicrafts.
- Only implementing agencies with a minimum audited annual turnover of Rs. 1.5 Cr in the last three consecutive years will be eligible for implementation of infrastructure projects. However, this provision shall not be applied in the case of Central/State Govt. agencies as an Implementing Agency (IA)

### Financial assistance and funding pattern:

- The financial ceiling for emporia will be as mentioned in the table below:

Component	Per unit cost (INR lakh)
New emporia (Rented/Own building)	60
Strengthening / Renovation of existing emporia	15

- 80% of the admissible amount shall be borne by the O/o the DC (H) and 20% will be contributed by the implementing agency subject to the ceiling specified in above table.
- In case of NER, Jammu & Kashmir, Ladakh - 90% of the admissible amount will be borne by the O/o the DC (H) and 10% shall be contributed by the implementing agency.
- 100% assistance will be borne by the Office of the DC (Handicrafts) for Strengthening / Renovation of existing Emporia.
- Rental amount will be borne by the IA.

### 5.4 MARKETING AND SOURCING HUBS

It is proposed to setup Marketing Complex (Hubs) for Handicrafts in commercially viable Cities/Towns etc. on the concept of “One Stop Shopping”. It will provide a marketing platform to the wholesaler/retailers/ consumers and foreign buyers to reach the potential target segment by showcasing the entire range of handicrafts products. Office of DC (H) will provide support towards cost of construction and interior work for the proposed Marketing Hub. The Minimum area should not less than 1000 sq. meter.



**Eligibility:**

- Central/ State Handloom and Handicrafts Development Corporations and any other eligible Govt. Corporations/ agencies promoted by State Government or local govt. Bodies etc.

**Financial assistance and funding pattern**

- The financial ceiling for setting up a marketing hub facility is INR 1000 lakh
- 75% of the admissible amount shall be borne by the O/o the DC (H) and 25% will be contributed by the implementing agency subject to the ceiling specified.
- Land will be provided by implementing agencies and will be over and above the 25 % contribution by the implementing agency.

**5.5 CRAFT BASED RESOURCE CENTRE**

The objective of Craft Based Resource Center [the minimum area should not be less than 3000 sq. ft.] is to create an institutional mechanism to provide a single window solution in an identified craft for comprehensive handholding in the following aspects:

- To achieve all round development in the field of Handicrafts and to revive the languishing/endangered crafts with the help of training and to provide maximum employment opportunities to the traditional and non-traditional craftsmen for the constant progress of the handicrafts.
- This project shall also provide details of availability of raw material, technology required, skilled human resource and cluster from where these innovative products can be sourced/ produced.
- Technical & Technological support to the artisans & entrepreneurs.
- Marketing Intelligence.
- Enterprise Development.
- Micro Finance Activity.
- Reporting/ Monitoring evaluation/ Experience share.
- Product Information.
- Raw material information.
- Cluster/ producer information.
- Dissemination of knowledge in different spheres including technology directly as well as virtually.
- Publicity and brand promotion/social media campaign.
- Digitize documentation and database of artisans.

**Financial assistance and funding pattern:**

- The ceiling for the total amount to be sanctioned for each resource centre is INR 200 lakh.
- The assistance will be in the form of 80% assistance from Office of DC (H) subject to

the ceiling mentioned above and 20% will be contributed by the implementing agency.

- In case of NER, Jammu & Kashmir, Ladakh - 90% of the admissible amount will be borne by the O/o the DC (H) and 10% shall be contributed by the implementing agency.

## 5.6 COMMON FACILITY CENTER

The objective of the Common Facility Centre is to ensure economy of scale, price competitiveness, quality control, application of Design and Technology input on continuous basis, scope of product diversification and higher unit value realization and compliance with WTO compatible standards. Such a common facility will lead to significant reductions in the cost of production, production of a diversified range of high value products, sample development, reduction in the response times in order execution and ensure high quality of final products.

### Deliverables:

CFCs must include adequate space for Training area, Sales counter, Dyeing Unit (if required), Store Room, Tools Machinery and Equipment related to production and testing including computer installations, packaging, proper provisions of electrification for machineries and civic amenities etc. Under National Handicraft Development Programme, Common Facility Centers in cluster would be implemented as per the salient features of Scheme of Fund for Regeneration of Traditional Industries (SFURTI) in the PC mode. The minimum area should not be less than 3000 sq.ft

The CFCs would only be in identified AHVY clusters of last 5 years/PC areas and no two CFCs shall be given in the same cluster under this scheme or SFURTI scheme. The PAMC will consist of DC(HC) as Chairman, ADC(HC) , representative from Ministry of MSME, and representative from IFW as members.

### Funding pattern:

- The financial ceiling for setting up a common facility center is INR 300 lakh.
- The financial assistance by the Office of DC (H) shall be 80% subject to the ceiling specified above.
- In case of NER, J & K, Ladakh - 90% of the admissible amount will be borne by the O/o the DC (H) and 10% shall be contributed by the implementing agency.
- Assistance will also be available for upgradation/ strengthening of existing CFCs with a maximum of Rs 200 lakhs as 90% GOI share.
- Rental amount will be borne by the IA.

S. No.	Expenditure Item	Funds Permissible (INR Lakhs)
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1	a) Own Building (Interior work/construction) b) Rented building (IA Must have agreement of at least 15 years for running the CFC) (Interior work/construction)	50.00
2	Tools Machinery and Equipment related to production and testing including installations, packaging etc.	225.00
3	Fixed Assets	4.50
4	Expenditure towards training of machine operators	5.00
5	Contingency	3.00
6	Erection and Commissioning	12.50
	<b>TOTAL</b>	<b>300.00</b>

Note: - Soft interventions can be implemented in CFC with a view to functional and revival of CFC as per NHDP guidelines in standalone manner.

## 5.7 RAW MATERIAL DEPOT

Aim of this component is to make easy availability of quality, certified and graded raw material to the artisans/entrepreneur at a reasonable rate. The minimum area should not be less than 3000 sq.ft

### Financial assistance and funding pattern:

- The financial ceiling for a raw material depot is INR 200 lakh, and out of this INR 50 lakh will be earmarked for setting up of godown.
- In respect of State/Central Corporations and any government bodies, funding will be and other cases the funding will be on the pattern of 80% by GOI and 20% by implementing agency.
- In case of NER, Jammu & Kashmir, Ladakh and Andaman & Nicobar Islands, Lakshadweep - 90% of the admissible amount will be borne by the O/o the DC (H) and 10% shall be contributed by the implementing agency.
- The GOI assistance shall be provided to the eligible body in staggered manner for capital rotation.
- An MOU will be signed between the grantee and Office of the Development Commissioner (Handicrafts) incorporating different aspects related to functioning of Raw Material Depot. Accordingly, the yearly targets to be achieved in terms of physical & financial parameters will be fixed and in case of non - achievement, the Govt. will forfeit the raw material to the extent of grants released.
- Further for a period of three years, yearly quantitative increase in corpus/stock of raw material in may be fixed depending on the raw material which will be indicative of functionality of Raw Material Depot.

## 5.8 TECHNOLOGY UPGRADATION ASSISTANCE TO EXPORTERS/ ENTREPRENEURS

The objective is to extend the technological up gradation facility to exporters/entrepreneurs. The facility center should be an infrastructure with modern machinery including packaging machinery to support product, productivity, quality, etc. so that it encourages expansion of business activities, enhance employment opportunities, production base and improve quality of products through Technology up gradation in the organized sector of Handicrafts.

### Financial Assistance:

- The financial ceiling is Rs. 150 lakhs for each unit as reimbursement only. The financial pattern would be based on 60:40 sharing between the Government of India through the Office of the DC (HC) and Exporters and Entrepreneurs/ Exporter Associations, Producer Companies etc.
- Installation charges will be restricted to 10% of the cost of the machines with a max. ceiling of Rs.15 Lakhs. Second hand machines will not be allowed for the scheme.
- The financial assistance to Exporters/ Entrepreneurs for Technology Upgradation would be released as reimbursement. MOU between Exporters and Entrepreneurs/ Exporter Associations, Producer Companies etc. and Government of India (GOI) will be signed.
- An enterprise is eligible for above assistance only once in 10 years for one unit anywhere in India.

### Submission of Application:

- Application shall be submitted in the prescribed proforma through the concerned Assistant Director (HSC).
- Application shall include following documents:
  - a. List of machines with description, specification, quantity, approx. price, etc. to be procured, and an assessment report from a Chartered Engineer along with a certificate that the proposed machines are only for the purpose of assistance for making handicrafts products and not for machine made products.
  - b. Auditors report for last 3 years in support of annual sales/turnover.
  - c. Land documents in the name of the owner/company or 15 years registered lease deed.
  - d. Copies of registration certification of GST, IEC, PAN.
  - e. Technical and Financial Feasibility duly certified by a scheduled commercial bank.
  - f. Undertaking that balance of the total cost to be borne by the implementing agency, along with escalated cost, if any.
  - g. List of Artisans already engaged with their Artisan Pehchan ID Card number.



### **Disbursement of the financial assistance as re-imburement-**

On completion of expansion / up gradation of proposed activity, the Organization shall submit a request letter in their letter head signed by the authorized person of the organization with the following documents.

- a) Inspection report from the concerned Asst. Director / Regional Director in the proforma, in confirmation of procurement, installation and functioning of the new facility.
- b) List of machines procured & installed indicating Machine description, specification, purpose of the machine, Quantity, Invoice number, Amount / cost of machine, Date of purchase, supplier address etc.
- c) A certificate from a chartered Engineer that, the machines have been procured, installed & working.
- d) Auditors report indicating that the detailed expenditure in line with the subheads of the sanction order.
- e) No. of beneficiaries.
- f) All above documents shall be signed by the Authorized signatory of the Organization.
- g) Any other document as per extent scheme guidelines/ Gol Instructions.

### **5.9 TESTING LABORATORIES**

Testing Laboratory shall be made in the sufficient and adequate spaces with the provision of Machinery & Equipments, Support Fixture & Furniture, Raw-Material Processing Section, Inspecting Section, Packaging & Warehousing Section, Maintenance Section including Master Room for knowledge sharing and future reference etc. The minimum area should not be less than 1500 sq.ft.

In order to standardize / certify raw materials/ products, it is proposed to

- Set up new labs,
- Strengthen existing labs

The objective is to offer total Testing and Quality Assurance support for Handicrafts

#### **Financial assistance and funding pattern:**

- The financial assistance would be in the form of Grant-in-aid with a ceiling of INR 100 lakh for each testing laboratory.
- 90% of the admissible amount shall be borne by the O/o the DC (H) and 10% will be contributed by the eligible institute/ organization.

### **5.10 CRAFT VILLAGE**

Craft village is a modern-day concept wherein craft promotion and tourism are being taken up at single location. Artisans live and work at the same place and are also provided with

the opportunity to sell their products thereby ensuring livelihood. Craft items are exhibited as well as sold here.

The O/o DC (H) would provide assistance both towards improving infrastructure in existing villages where a substantial number of craftsmen practicing similar crafts are residing and also setting up of new villages where craftspeople can be rehabilitated. The aim would be to select villages that can be connected with some tourist circuit to ensure sale of products.

Under this component office of DCH will fund improvements/creation of infrastructure which would include roads, **houses of artisans and their worksheds areas** sewerage, water, street lights, footpaths, housing cum workshed, shops and display areas. These will be undertaken by the implementing agency and the craftsmen will be rehabilitated with new worksheds and display areas. The display areas will be in form of stalls where the artisans can sell their product. Each project will be approved by a committee headed by the Secretary.

#### **Financial assistance and funding pattern:**

- The financial ceiling for the total amount sanctioned per unit will be INR 1000 lakh.
- The funding pattern will be 80% by GOI and 20% by implementing agency
- In case of NER, J & K, Ladakh - 90% of the admissible amount will be borne by the O/o the DC (H) and 10% shall be contributed by the implementing agency.
- Land will be provided by implementing agency and it will be over and above its 20% contribution, attributed in the funding pattern.

#### **5.11 CONSTRUCTION OF NEED BASED PROJECTS**

Need based projects would be devised through RFP for each activity with approval of Secretary (Textiles).

#### **5.12 PROJECT APPRAISAL, APPROVAL AND MONITORING IN RESPECT OF**

- i) Each project will be approved on the basis of DPR by the agency. The amount for each project, the funding pattern, the components of funding etc. will be decided by the PAMC on case to case basis subject to ceiling of the component.
- ii) For projects involving outlay of Rs. 10.00 crores or above, the Project Approval & Monitoring Committee [PAMC] under the Chairpersonship of Secretary [Textiles].
- iii) For projects below Rs. 10.00 crores, the PAMC will be chaired by DC [HC].
- iv) GOI funding shall not be used for financing procurement of land.

#### **5.13 DOCUMENTS REQUIRED FROM IMPLEMENTATION AGENCY:**

The proposals would be invited through advertisement on the official website of O/o the DC (HC). Only one proposal from one IA would be accepted against the advertisement

published for this purpose. The implementing agency should submit their proposal along with following mandatory documents;

1. Recommendation from field office/ regional office of O/o the DC (HC).
2. Detailed Project Report (DPR) mentioning need, justification and feasibility of the project.
3. Construction/Interior decoration plan and cost estimate should be duly authenticated by registered Architect/ Chartered Engineer (civil), wherever if applicable.
4. List of equipment/ machineries/tools proposed to be acquired with justification and cost including computer and CAD etc. with supporting documents providing description / specification of machines/equipment etc. with their unit price etc. along with third party assessment report from a registered Chartered Engineer/Technical valuer for equipment/machines to be installed, wherever if applicable.
5. Feasibility report of the project to be certified by Head of the organization in case of Govt. agencies and by a scheduled commercial bank in case of private agencies.
6. Undertaking that balance of the total cost to be borne by the implementing agency, along with escalated cost, if any.
7. Land ownership/lease document (minimum 15 years if building to be constructed & 10 year if building is already available) in favour of the agency.
8. In case of Craft Village, the tourist inflow data in the proposed location and nearby major tourist destination/circuit as per data of tourism department.
9. List of artisans to be benefitted with their Pehchan id card number, wherever if applicable.
10. Any other document as desired by Competent Authority at the time of notice inviting proposals.

#### **5.14 FUND RELEASE PATTERN FOR INFRASTRUCTURE PROJECTS**

- Funds will be released in 3 installments for all components under infrastructure support except Raw Material Depot & Technology Upgradation assistance to Exporters / Entrepreneurs on following terms as below:
  - 1<sup>st</sup> Installment 50% of the sanctioned amount as advance
  - 2<sup>nd</sup> Installment 40% will be released after submission of utilisation of 80% 1<sup>st</sup> instalment in GFR -12A.
  - 3<sup>rd</sup> Installment 10% will be released as reimbursement after receipt of requisite audited statement of expenditure, UC in GFR-12A format, performance cum achievement report, and other relevant documents etc. subject to actual.
- In all Infrastructural project minimum 10% contribution will be borne by the Implementing Agencies or as per the component whichever is more. However, the Govt. share will be released in three installments i.e. 50:40:10 as per existing provisions. All infrastructural projects will be conducted in a single mode i.e. above

provision for contribution by IAs for infrastructure projects shall apply to all other sub-schemes under NHDP.

- Only implementing agencies with a minimum audited annual turnover of Rs. 1.5 Cr in the last three consecutive years will be eligible for implementation of infrastructure projects. However, this provision shall not be applied in the case of Central/State Govt. agencies as an Implementing Agency (IA)

**Note:** Mode of release of payment can be modified on approval of PAMC as per necessity/need of the project.

**Note: Renovation of existing Infrastructure Components**

Assistance will also be given for strengthening/renovation of existing Infrastructure Components (which was earlier sanctioned with the aid of O/o the DC (HC)) subject to a ceiling of 60% of maximum financial limit of that component excluding CFC and emporia projects which have their own financial ceiling. However, there should be a minimum gap of 10 yrs after the initial sanction for being eligible for uogradation.

## 6 RESEARCH & DEVELOPMENT SCHEME

### 6.1 INTRODUCTION:

The Research & Development Scheme is introduced to generate feedback on economic, social, aesthetic and promotional aspects of various crafts and artisans in handicraft sector. Under this scheme, the surveys and studies are sponsored /conducted to generate suitable inputs for planning purposes. Following interventions will be carried out under this scheme

- i) Surveys/ Studies for development of craft sector.
- ii) Registration of GI crafts (including registration of authorized users), preparation of legal para, standards, audits and other documentation leading to labelling/certification etc.
- iii) Protection of endangered crafts.
- iv) Census of Handicraft artisans of the country.
- v) Assisting handicrafts exporters in adoption of global standards or quality standards
- vi) Workshops/Seminars on developmental issues of handicrafts.
- vii) Evaluation / Impact Assessment Studies etc. for Handicrafts schemes.
- viii) Data collection and report preparation on crafts by field offices of Handicrafts.
- ix) Empanelment of Designers and Mastercraftspersons by the field offices and their database.
- x) Any special need-based project for handicraft sector.

### 6.2 FINANCIAL PARAMETERS

The expenditure heads for sanctioning the grant in aid are as under:

#### 6.2.1 Studies/Surveys

S.No.	Head	Maximum permissible amount
(i)	Project Head	@ Rs. 50,000/- p.m.
(ii)	Experts (Max. 4)	@ Rs. 35,000/-p.m.
(iv)	Investigator cum Data Entry Operator (Max. 3)	@ Rs. 18,000/- p.m.
(vi)	Documentation & Videography, IT (soft and hard infrastructure) etc.	Rs. 1,00,000/- for Documentation & Videography and Rs.25,000/- for publicity
(vii)	T.A./D.A.	@Rs. 30,000/- p.m. (for all)
(viii)	Miscellaneous	@ 5% of the total cost i.e., from(i) to (vii)
(ix)	Administrative charges	3% of total project cost (i) to (viii)



### 6.2.2 One day Seminar/Workshop [for 50-100 artisans]

S.No	Head	Maximum permissible amount
(i)	Halls & Infrastructure	Rs.75,000/- per day
(ii)	Boarding & Lodging for Resource Persons (Max-4)	@Rs. 9,000/- per head per day
(iii)	T.A. to Resource Persons	@Rs. 20,000/- per person or actuals based on train/air ticket whichever is less.
	For International Experts (Maximum-1)	@Rs. 1, 00,000/- per person or actuals based on train/air ticket whichever is less.
(iv)	Honorarium to Resource Persons	@Rs. 9,000/- per person per day
(v)	T.A. to artisans including journey period	@Rs. 4000/- per artisan or actual fare whichever is less.
(vi)	DA to the artisans	@Rs. 500/- per artisan per day.
(vii)	Documentation & Videography	Rs. 75,000/-
(viii)	Hiring of Conveyance	Rs. 50,000/- for one day
(ix)	Refreshments & Tea, Lunch etc.	@Rs. 500/- per artisan
(x)	Publicity including banners, backdrops, pamphlet, booklet, etc.	Rs. 1,00,000/-
(xi)	Miscellaneous	@ 5% of the total cost, i.e., from (i) to (x).
(xii)	Administrative cost	@3% of total project cost, i.e., from (i) to (xi).

- The project duration of Survey/Study can vary from 1 month to 12 months and the duration of Seminar/Workshop is one day.
- In special cases the number of days for seminar/ workshop or studies and pro rata financial limit can be increased with special approval of the Competent Authority.

### 6.2.3 Implementation of Geographical Indications (GI) of Goods (Registration & Protection) Act 1999

The Government of India provides financial assistance to register handicraft and Textiles based products under the GI Act 1999. The Act provides legal protection to the GI of goods etc. and prevents unauthorized use of these by others.

**Implementing agency:** To be done by any eligible organizations/ individuals.

**Financial**

**Assistance:**

- Rs.1.50 lakh to impart training to personnel of IA for increasing the reach of registered users of GIs.
- Rs. 1.50 lakhs for effective enforcement of G.I. registration and/ or actuals or approved by DC (HC) in legal cases for protection of GIs.
- Other Need based assistance for for promotion and increase of GI

**6.2.4 Assistance for International Standard compliances:** For assistance in attaining standardization, legal fee for contesting cases and to take safeguards against issues affecting the handicraft sector of the country.

**Financial Assistance:** Financial assistance would be as per actual and/or as approved by DC (HC).

### **6.3 GUIDELINES FOR EMPLANELMENT OF DESIGNER UNDER DC(HC)**

Office of Development Commissioner (Handicrafts) empanels designers for making their expertise available to implementing agencies including Handicrafts Service Centers (HSCs) who conduct various projects sponsored by the office for upliftment of the handicraft artisans.

#### **6.3.1. Essential qualification:**

Any candidate possessing Bachelor Degree / Master Degree from recognized university/ Institute in the field of craft/ designs/ fine arts

Or

Minimum 2-year Diploma from recognized university/ Institute in the field of craft/ designs/ fine arts with at least 5 years experience in the field related to handicrafts sector.

**6.3.2. Method of Empanelment:** Inviting Application through advertisement published in the national newspaper/ website of the office as per existing provision of the guidelines.

### **6.4 GUIDELINES FOR EMPLANELMENT OF MASTERCRAFTPERSON UNDER VARIOUS COMPONENTS OF NHDP**

Office of Development Commissioner (Handicrafts) engages **Mastercraftpersons** as trainer to conduct various training programs sponsored by the office for upliftment of the handicrafts sector.

**Eligibility Criteria:** Shilp Gurus, National Awardees, State Awardees, National Merit Certificate holders will be treated as deemed empanelled master craft persons by virtue of the recognitionn.

**Selection Procedure:** The empanelment process for Non- Awardee artisan will be as per process given below:

- Inviting Application through advertisement published in the national newspaper/ website of the office as per existing provision of the guidelines.
- HSC wise quota for Empanelment of Master crafts will be decide based on the no of Pahchan card issued and craft concentration in the concerned HSC.
- The minimum criteria for application and recommendation will be at least 10 yrs experience in the craft and recognition in the craft community
- A committee consisting of 3-member will scrutinize and finalise the list of empaneled master crafts person.
  - 1) Assistant Director of concerned HSC
  - 2) Member from concerned department of state government
  - 3) Representative from Hq office
- The final list of Empaneled master crafts person will be uploaded on the website.

#### Selection Committee:

S.No	Committee Member	
1.	ADC (H)	Chairperson
2.	Regional Director	Member
3.	Representative from NIFT/ NID	Member
4.	Shilp Guru	Member
5.	Eminent Exporter	Member

3 regions each with ADC and Director as Chairperson

#### Assessment Parameters:

S. No	Assessment Parameters	Weightage
1.	Product's Design/ crafts creativity	30%
2.	Communication Skills [ability to effectively coordinate with participating artisans]	20%
3.	Knowledge of related crafts	20%
4.	Understanding of handicrafts sector [marketing, demand supply, trend forecast etc.]	30%

Minutes of Meeting (MoM) of the Selection Committee along with Recommended List of selected designers will be sent to Headquarters office by the concerned Regional Office. Certificates will be issued after approval of recommended list of designers by DC(Handicrafts). The approved list of empaneled designers will be uploaded on official website of DC(HC).

#### Note:

- The empanelment certificate will be valid for the period of five year form the date of issuance of certificate.

- The emplaned designers are open to be engaged in all craft categories and all regions across the country.
- Any plagiarism/ infringement of Intellectual property Rights (IPR)/ Copy Rights/ Trade Mark rules etc., in the designs/ documentation will lead to blacklisting of designer for the period of 5 years.
- Preference will be given to designers who have expertise in concerned crafts.

## **GENERAL NORMS FOR NHDP**

### **ELIGIBLE AGENCIES:**

- Central/ State Handloom and Handicrafts Development Corporations, Central / State Government Bodies/ Departments.
- Non-Government Voluntary Organizations empaneled with O/o DC(Handicrafts), Registered SHGs, registered cooperative Societies and National level Apex Societies
- Producer Companies registered under section 8 of the Companies Act, 2013 (18 of 2013) and rule 18 of the Companies (Incorporation) Rules, 2014] and supported in formation by O/o DC Handicrafts.

**Note:** NCM&HA can organize domestic marketing events from their own budget as per NHDP norms.

### **IMPLEMENTATION METHODOLOGY:**

- 1. Submission of project proposal:** Eligible agencies should submit the proposals after recommendation of concerned AD of field office against advertisement only. The advertisement for the proposals under different sub-schemes shall be mandatory published on official website of O/o DC(HC). However, need based projects can be conducted by HQ based on stakeholder/ feedback from field offices.
- 2. Selection of artisans:** artisans having valid Pahchan card are eligible beneficiaries for NHDP interventions. Beneficiaries should be selected in a fair & transparent manner, through well-defined objective parameters/criteria, giving equal opportunity to all artisans, under the supervision of the concerned AD(H). the field office to ensure that same artisans are not repeated frequently in the interventions.
- 3. Selection of Mastercraftperson and Designers:** For any programme of NHDP the field office/ implementing agency shall involve the empanelled mastercraftperson and Designer of DC(HC) only. The field office will ensure that same mastercraftsperson and designer shall not be repeated frequently.
- 4. Inspection and monitoring:** The field office/AD should ensure successful execution of event and compliance of guidelines. The requisite monitoring by the field office along with inspection documents (Report, Photographs, List of beneficiaries), Utilization Certificates (GFR documents, audited income/ expenditure report and Performance cum achievement report).
- 5. Mode of payment to beneficiaries:** The payments to all beneficiaries/concerned should be made using PFMS/ DBT only.



## **FUNDING PATTERN**

For all NHDP components (except infrastructure and specific components of AHVY) 100% funds in the form of grant-in-aid shall be sanctioned to the eligible organizations. Funds will be released in two installments out of which 75% of the sanctioned amount shall be released as 1<sup>st</sup> installment and balance amount shall be released as 2<sup>nd</sup> and final installment in the shape of reimbursement after receipt of requisite audited statement of expenditure, UC in GFR-12A format, performance cum outcome report, inspection report of field office signed by Assistant Director and other required documents etc. In case of departmental activities, 100% payment will be done as reimbursement only. The fund release pattern shall follow the Department of Expenditure, Ministry of Finance guidelines released from time to time.