

# **GUIDELINES FOR NATIONAL HANDICRAFTS DEVELOPMENT PROGRAMME (NHDP)**

**Guidelines  
(2021-22 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); email: [dchejs@gov.in](mailto:dchejs@gov.in)

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### List of Abbreviations

|                    |  |
|--------------------|--|
| <b>AICTE</b>       | All India Council for Technical Education            |
| <b>BCDI</b>        | Bamboo & Cane Development Institute                  |
| <b>CDI</b>         | Craft Development Institutes                         |
| <b>CEPC</b>        | Carpet Export Promotion Council                      |
| <b>COHANDS</b>     | Council of Handicrafts Development Corporations      |
| <b>CSIR</b>        | Council of Scientific and Industrial Research        |
| <b>DA</b>          | Dearness Allowance                                   |
| <b>EPCH</b>        | Export Promotion Council for Handicrafts             |
| <b>O/o DC(H)</b>   | Office of the Development Commissioner (Handicrafts) |
| <b>HSC</b>         | Handicrafts Service Centre                           |
| <b>GSB</b>         | Gandhi Shilp Bazar                                   |
| <b>HRD</b>         | Human Resource Development                           |
| <b>IICD</b>        | Indian Institute of Crafts and Design                |
| <b>IICT</b>        | Indian Institute of Carpet Technology                |
| <b>INR</b>         | Indian National Rupee                                |
| <b>ITI</b>         | Industrial training Institutes                       |
| <b>MHSC</b>        | Metal Handicraft Service Centre                      |
| <b>MoU</b>         | Memorandum of Understanding                          |
| <b>NDC</b>         | National Design Centre                               |
| <b>TFC</b>         | Trade Facilitation Centre                            |
| <b>NCM&amp;HKA</b> | National Crafts Museum & Hastkala Academy            |
| <b>NER</b>         | North Eastern Region                                 |
| <b>NGO</b>         | Non-governmental organization                        |
| <b>NID</b>         | National Institute of Design                         |
| <b>NIFT</b>        | National Institute of Fashion Technology             |
| <b>TPO</b>         | Trade Promotion organizations                        |
| <b>TA</b>          | Travel Allowance                                     |
| <b>UC</b>          | Utilization Certificate                              |
| <b>UGC</b>         | University Grants Commission                         |
| <b>HMCM</b>        | Handicrafts Mega Cluster Mission                     |
| <b>NLAS</b>        | National Level Apex Society                          |

## **BACKGROUND**

Handicrafts constitute an important segment of the de-centralized/unorganized sector of our economy. It is mainly a rural based sector which has its reach in backward and in-accessible areas. 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 market demand over the years. Handicrafts have big potential as they hold the key for sustaining not only the existing set of millions of artisans, but also for increasingly large number of new entrants in the crafts activity. Presently, handicraft sector is contributing substantially towards employment generation and exports but this sector has suffered due to its unorganized nature along with additional constraints like lack of education, capital, and poor exposure to new technologies, absence of market intelligence and poor institutional framework.

Exquisite master-piece handicraft items with substantially high artistic content should command a higher price in the market. Such high-premium medium- volume handicraft products should be positioned in the niche market through strong promotional and advertisement efforts with development of "Handcrafted in India" mark which will create the willingness in customers to pay a much higher price. The artisans in the segment will also be supported through direct assistance for tool-kits, education, social security etc.

Utility-based home décor and furnishing handicraft products will need introduction of substantial technology and mechanization of parts of the manufacturing process thereby enabling mass production quality-enhancement and cost-reduction to face the challenges of global competition. These issues will be addressed by empowering the artisan communities through organizing them into community groups:

- i) Through adoption of existing Potential Clusters.
- ii) Adoption of Clusters having Export Potential.
- iii) Through Formation of Producer Companies.

The scheme envisages that through the above modes of intervention sufficient synergies would be built into the potential of these clusters by giving them need based interventions both Soft and Hard (Infrastructural). Smooth provisioning of other inputs alongwith artisans' welfare and marketing support will also be ensured. Moreover, there is a lack of adequate and authentic data on craftspersons, including their socio-economic status, livelihood conditions and details of their families which have become a major bottleneck adversely affecting planning and policy making for this sector. Hence, comprehensive surveys and studies will be undertaken for building comprehensive data-base which will help in devising suitable interventions in the cluster.

Promotion of handloom and handicraft will be linked with tourism keeping in view the potential for foreign as well as domestic tourists, whose number has been increasing steadily, due to higher disposable incomes and increase in the size of the middle class in the country.

The National Handicraft Development Programme for development and promotion of Handicrafts Sector will have the following components:

**A. National Handicrafts Development Programme:**

- i. Marketing Support & Services
- ii. Skill Development in Handicraft Sector
- iii. Ambedkar Hastshilp Vikas Yojana [AHVY]
- iv. Direct Benefit to Artisans (Welfare)
- v. Infrastructure and Technology Support
- vi. Research & Development

The following three pronged approach will be adopted to put the sector on high growth trajectory as well as preserving existing cultural heritage:-

- Promoting premium handicrafts products for the niche market.
- Expansion of production base for utility-based, life style and mass production handicrafts products.
- Preservation and protection of heritage/languishing crafts.





# **(I) MARKETING SUPPORT & SERVICES**

## **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 of MSS Program shall bring this gap to the minimum and to enhance sales and export figures.

Both domestic and international market play significant role in shaping India's handicrafts sector. Exploring these avenues through various exhibitions and fairs will be the prime objective, along with focus on thematic exhibitions, live demonstrations, buyer seller meets, brand promotion events, seminars, gift fairs, niche market creation etc. Efforts shall also be made to sensitize artisans and exporters on international quality standards and packaging, ethical and environmental assurances etc., 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.

Keeping in view the threats imposed by COVID 19 pandemic and adhering to social distancing norms emphasis should be laid on virtual marketing events so as to ensure bulk orders from exporters and traders. Artisans should be sensitized about latest market needs to counter corona outbreak like cloth masks, cloth cap, gloves, sanitizer carry bags etc.

Educational videos on different handicrafts of the country should be made and uploaded on different social media websites like Youtube etc. so as to make the general public aware about the diverse handicrafts of the country.

As the most imperative form of marketing, stress shall be given to exploring digital and e-marketing platforms like online shopping websites with integrated payment gateways, social media platforms like Facebook, Instagram etc., search engine optimization, mobile apps, etc. Focus shall also be given in attracting youth of the country to buy and use handcrafted products by engendering ethical, environmental and social causes.

**MSS Program is structured amongst the following three components:**

- I. Domestic Marketing
- II. Marketing Events in India and Abroad
- III. Publicity and Brand promotion

## **(I) 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 will assist artisans to sell their products directly to the buyers and will also enable them to establish market linkages for long term business.

Domestic Marketing events will have following sub components: -

- i) Gandhi Shilp Bazar (GSB) /Craft Bazar (CB)
- ii) Exhibitions (including Thematic Exhibition)
- iii) National Handicrafts Fair
- iv) Hiring of built up space in events organized by other organizations
- v) Craft Awareness Programme
- vi) Craft Demonstration Programme

### **Eligibility for Domestic Marketing Events**

The eligible organization includes Central/ State Handloom and Handicrafts Development Corporations and any other eligible Govt. Corporations/ agencies promoted by State Government or local govt. bodies. Non-Government Organizations empanelled with O/o DC(Handicrafts), Registered SHGs, local statutory bodies, Apex cooperative Societies and National level Apex Societies (registered under society act/ trust act, etc.) and organization like IICT, MHSC, HMCM, National Crafts Museum & Hastkala Academy, New Delhi, Trade Facilitation Centre & Crafts Museum, Varanasi, NIFT, and Export Promotion Councils, National Design Centre, Producer companies registered under Section 8 of Companies Act. and working for the promotion and development of Handicrafts & Handlooms.

**Note: Any marketing event mentioned above could be organized as a departmental activity.**

#### **i) Gandhi Shilp Bazaar/ Craft Bazars**

Gandhi Shilp Bazaars will be organized based on annual roster to be prepared considering important fairs/festivals/prominent cities/ historical places/ places of tourist interest etc. These bazaars will be organized at-least once a year on the same location at a fixed time. This will ensure regular income among artisans and will enable people of the area to source their requirement through these events.

Financial assistance will be provided to eligible organizations to organize Gandhi Shilp Bazars /Craft Bazars in metropolitan cities/state capitals / places of tourist or commercial interest/ Trade Facilitation Centres / National Crafts Museum & Hastkala Academy, New Delhi/Exhibition Centres / Dilli Haat. Gandhi

Shilp bazaars/Craft Bazars will also be organized at other locations, which will be occasion specific/ theme specific, even if not featuring in the roaster, if a situation so arises like in case of major National/international events or other events which are important but not held annually.

### **Duration and participation:**

✚ Duration of 7-10 days and shall accommodate 51-100 stalls.

### **Financial assistance**

✚ The financial ceiling for GSB and Craft Bazaars is as follow:

| Expense head <i>(for an event of 100 stalls for period of 10 days )</i>   | Maximum permissible assistance (INR) |                  |                  |
|---|--------------------------------------|------------------|------------------|
|   | Class I                              | Class II         | class III        |
| Space rental & Infrastructure including services  | 12,25,000                            | 10,65,000        | 8,85,000         |
| Publicity   | 3,00,000                             | 3,00,000         | 3,00,000         |
| TA (@ Rs. 4000 per participant) *   | 4,00,000                             | 4,00,000         | 4,00,000         |
| DA @ Rs. 500/per day-per artisan  | 5,00,000                             | 5,00,000         | 5,00,000         |
| Insurance   | 25,000                               | 25,000           | 25,000           |
| Freight (@ 2000/- per person)   | 2,00,000                             | 2,00,000         | 2,00,000         |
| Misc. Expenses (5% of total of above sub-heads)   | 1,32,500                             | 1,24,500         | 1,15,500         |
| Administrative charges (3% of total of above sub-heads)   | 83,475                               | 78,435           | 72,765           |
| <b>TOTAL</b>  | <b>28,65,975</b>                     | <b>26,92,935</b> | <b>24,98,265</b> |
| * <b>Artisans from NER, J &amp; K, Ladakh, Andaman &amp; Nicobar and Lakshadweep participating in any marketing events held across the country will be entitled TA @ Rs. 5,500/- per Artisan per event subject to actual.</b> |                                      |                  |                  |

### **ii) Exhibitions (including Thematic exhibition)**

Keeping in view of the space limitations in organizing large events, exhibitions with participation of 20-50 artisans will be organized. Such events will be organized in Urban Haats, Exhibition Centers, Industrial Townships, urban and Suburban residential areas, Market places , Malls , Institutions , Places of tourist importance, National Crafts Museum & Hastkala Academy, New Delhi, Trade Facilitation Centre & Crafts Museum, Varanasi etc. . This will enable continuous availability of marketing platform to the artisans/ entrepreneurs/ SHGs without the limitation of logistics and increase the penetration of the crafts to all parts of the country.

## Duration and participation

- The exhibitions shall be organized for a period of 7-10 days with participation from 20 - 50 artisans

## Financial assistance

- The financial ceiling for exhibitions will be as follows:

| <b>Expense head</b> ( <i>50 stalls for a period of 10 days</i> )  | <b>Maximum permissible assistance (INR)</b> |                  |                  |
|---|---|------------------|------------------|
|   | <b>Class I</b>                              | <b>Class II</b>  | <b>Class III</b> |
| Space rental & Infrastructure including services  | 5,25,000                                    | 4,40,000         | 3,65,000         |
| Publicity   | 2,00,000                                    | 2,00,000         | 2,00,000         |
| TA (@ Rs. 4000 per participant) *   | 2,00,000                                    | 2,00,000         | 2,00,000         |
| DA @ Rs. 500/-/ per day-per artisan   | 2,50,000                                    | 2,50,000         | 2,50,000         |
| Insurance   | 10,000                                      | 10,000           | 10,000           |
| Freight (@ 2,000/- per person)  | 1,00,000                                    | 1,00,000         | 1,00,000         |
| Misc Expenses (5% of total of above sub-heads)  | 64,250                                      | 60,000           | 56,250           |
| Administrative charges (3% of total of above sub-heads)   | 40,478                                      | 37,800           | 35,438           |
| <b>TOTAL</b>  | <b>13,89,728</b>                            | <b>12,97,800</b> | <b>12,16,688</b> |
| <b>* Artisans from NER, J &amp; K, Ladakh, Andaman &amp; Nicobar and Lakshadweep participating in any marketing events held across the country will be entitled TA @ Rs. 5,500/- per Artisan per event subject to actual.</b> |   |                  |                  |

### iii) National Handicrafts Fair (NHF)

The event will showcase the best of the Indian handicrafts in quality, design and versatility from across the country. The objective of National Handicrafts Fair is to organize an exclusive fair for handicraft products in India at a grand scale to increase visibility of the products among domestic and foreign buyers. The fair will increase the popularity of Indian Handicraft Brands and also integrate various marketing channels /stakeholders for growth of Handicrafts sector as a whole.

## Duration and participation

- 100-300 number of artisans/ exporters/ merchandiser/manufacturers will participate in the event for the period of 10-15 days.

## Financial assistance

✚ The break-up of financial assistance is as follows:

| <b>Expense head</b> <i>(for 300 participants for 15 Days)</i>   | <b>Maximum permissible assistance (INR)</b> |
|---|---|
| Space rental and Infrastructure including services like water, electricity, etc   | 50,50,000                                   |
| Publicity and event management  | 15,00,000                                   |
| TA (@ Rs. 4000 per participant) *   | 20,00,000                                   |
| DA @ Rs. 500/ per day-per artisan   | 37,50,000                                   |
| Freight (@ 2000/- per person)   | 10,00,000                                   |
| Insurance   | 2,00,000                                    |
| Misc Expenses (5% of total of above sub-heads)  | 6,75,000                                    |
| Administrative Expense (3% of total of above sub-heads)   | 4,25,250                                    |
| <b>Total</b>  | <b>1,46,00,250</b>                          |
| <b>* Artisans from NER, J &amp; K, Ladakh, Andaman &amp; Nicobar and Lakshadweep participating in any marketing events held across the country will be entitled TA @ Rs. 5,500/- per Artisan per event subject to actual.</b> |   |

### (iv) 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, handicrafts Products like Jewelry, Bags and Purses, Shoes, Belts, wallets and others associated with lifestyle could be aggressively promoted by organizing Fashion Shows. The products to be used in the Fashion show of awardee and cluster artisans of handicrafts only.

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

## Financial assistance

✚ The break-up of financial assistance is as follows:

| Expense head   | Maximum permissible assistance (INR) |
|--|--------------------------------------|
| Space rental and Infrastructure including services like water, electricity, etc                        | 10,00,000                            |
| Publicity & Event Management Cost  | 5,00,000                             |
| Honorarium for Models/Choreographer @10000 per Models/Choreographer for max. 20 models including TA/DA | 3,00,000                             |
| Product to be sourced from handicrafts awardee artisans only.  | 2,50,000                             |
| Boarding and Lodging   | 3,00,000                             |
| Misc. Expenses (5% of total of above sub-heads)  | 1,37,500                             |
| Administrative Expense (3% of total of above sub-heads)  | 86,625                               |
| <b>Total</b>   | <b>25,74,125</b>                     |

### Fund Sharing Pattern:

- ✚ For GSB, Thematic Exhibition, National Handicrafts Fair and Fashion Show, 100% funds in the form of grant-in-aid shall be sanctioned to the eligible organizations.
- ✚ For Craft Bazars and Exhibitions, 75% of the approved cost (subject to maximum ceiling specified in table above) shall be sanctioned and balance 25% will have to be borne by the eligible organization. The same will apply to Craft Bazaars being organized in North-East.
- ✚ In case of Craft Bazars and Exhibitions being organized outside NER, 90% of approved cost shall be provided as assistance and 10% shall be contributed by the organization subject to condition of 100% participation of artisans of NER with a provision of relaxation upto 20% in deserving cases by DC (H) only if sufficient number of artisans from the North-East are not available.
- ✚ Craft Bazars and Exhibitions with less than 50% participants or if organized for less than 7 days will not be admissible for reimbursement.
- ✚ Product sourcing money shall be disbursed in DBT mode only.

### Fund Release Pattern:

- ✚ Funds will be released in two installments.
- ✚ 75% of the sanctioned amount will be released as 1<sup>st</sup> installment and balance amount will 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 and other required documents etc.

- ✚ In case of departmental activities, 100% payment will be drawn as advance.
- ✚ Artisans from same municipality area will also be eligible for TA (minimum INR 1000 - maximum INR 1500) & Freight Charges on actual basis subjected to maximum limit.

### **Other Conditions for Organizing Gandhi Shilp Bazars /Craft Bazars /Exhibitions /National Handicrafts Fair**

1. Any Marketing Event mentioned above can also be organized Departmentally.
2. Preference should be Urban Haats in the state as venues.
3. For Gandhi Shilp Bazar, National Handicrafts Fair and events held departmentally, artisans shall be nominated by Field offices of O/o DC(Handicrafts).
4. In case of Gandhi Shilp Bazar and Craft Bazars, 20 stalls shall be reserved for SHGs/Handicraft Producer Companies/GI Authorised Users.
5. Infrastructure in all marketing events shall be as per prescribed norms of O/o DC(Handicrafts) and will have stalls of size 8ft X 10ft, Office Space, Food court, Demonstration platform (GSB/CB/NHF) including basic amenities. There shall be sufficient movement space for public, Firefighting and safety measures.
6. There should be dedicated space for Cultural events and craft demonstration in Gandhi Shilp Bazar and Craft Bazars.
7. Implementing agency will obtain permission/NOC from all concerned department prior to organizing the events.
8. Entire event including infrastructure and the Stock therein must have insurance cover.
9. Implementing Agency will ensure wide publicity of the event through print and electronic media with at least three insertions in Local Newspapers.
10. National Crafts Museum & Hastkala Academy, New Delhi, Trade Facilitation Centre & Crafts Museum, Varanasi to organize exhibitions from their budget head.

### **(iv) Hiring of built up space in events organized by other organizations (Will be organized departmentally)**

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 2 - 15 days.



- ✚ 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:

| <b>Expense head</b> <i>(for 100 stalls for 15days)</i>  | <b>Maximum permissible assistance (INR)</b> |
|---|---|
| Rent of Hiring of stalls (Maximum @ 5,000 per stall per day)  | 75,00,000                                   |
| TA (@ Rs. 4000 per participant) *   | 4,00,000                                    |
| DA @ Rs. 500/- per day-per artisan  | 7,50,000                                    |
| Freight (@ 2000/- per person)   | 2,00,000                                    |
| Misc. Expenses including publicity etc. (5% of total of above sub-heads)  | 4,42,500                                    |
| <b>TOTAL</b>  | <b>92,92,500</b>                            |
| * <b>Artisans from NER, J &amp; K, Ladakh, Andaman &amp; Nicobar and Lakshadweep participating in any marketing events held across the country will be entitled TA @ Rs. 5,500/- per Artisan per event subject to actual.</b> |   |

**Note: In case the space is being hired from Government organizations, actual expenditure may be considered.**

### **Funding Pattern**

- ✚ 100% payment will be drawn as advance.
- ✚ Artisans from same municipality area will also be eligible for TA (minimum INR 1000 - maximum INR 1500) & Freight Charges on actual basis subjected to maximum limit.
- ✚ The space rent will be paid by the field office directly to the organizer of the event and TA, DA & Freight Charges will be paid by the field office directly to artisans.

### **(v) Craft Awareness Programme**

Craft 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. To ensure consistent demand of handicrafts in market it is important to make general public and potential buyers aware about the benefits of buying handicrafts, its eco-friendly nature, hardship in making artifacts etc. Craft Awareness Programs shall be taken up at Educational Institutions, Museums, Trade Facilitation Centres, or other places where reach to wider audience can be ensured.

**Duration and participation**

Program duration will be minimum 2 days with participation of 10 Artisans besides resource persons.

**Program Component :**

Deliberations on handicrafts by Experts , Interaction among participants , Display of artifacts , Slide show , distribution of publicity materials.

**Financial assistance**

The funding shall be provided to the extent of INR 3.00 lakh (Rupees three lakhs) which includes expenditure towards space rent, infrastructure and services (water, electricity etc.), Boarding and Lodging, TA/DA for artisans and resource persons, Freight, Insurance, and miscellaneous etc.

National Crafts Museum & Hastkala Academy, New Delhi, Trade Facilitation Centre & Crafts Museum, Varanasi to organize from their Non-scheme budget head.

**(vi) Craft Demonstration programme**

The objective is to organize live demonstration / making of artifacts to promote handicrafts among general public. Demonstration program will help general public to understand complex skill, hardship and creativity involved in making artifacts. This will induce buying urge for handicrafts items among public and simultaneously artisans can build up their business relations.

**Duration and participation**

The event will be organized for minimum 2 days with minimum 10 participating artisans/ Awardees (Shilp Guru/ National Awardee/ NMC) as per requirement.

**Financial assistance and funding pattern:**

- ✚ The funding for the component may be availed in isolation or in combination with another promotional activity.
- ✚ The funding shall be provided to the extent of INR 5.00 lakh which includes expenditure towards space rent, infrastructure and services (space rent, infrastructure and services, water, electricity etc), slide show/short film on handicraft subject, Boarding and Lodging, TA & Freight charges as per NHDP guidelines, Insurance and miscellaneous etc.
- ✚ National Crafts Museum & Hastkala Academy, New Delhi, Trade Facilitation Centre & Crafts Museum, Varanasi to organize from their Non-scheme budget head.

## **(II). Assistance for organizing/participation in marketing events in India & abroad:**

### **Participation in international fairs and exhibition/ Folk Craft Festival of India/ Stand Alone Shows/ Road Shows/ Awareness Campaign Abroad/ India**

With a view to promote exports of handicrafts and carpets the financial assistance will be provided to eligible organizations for participation in international fairs and thematic exhibition/ Craft Festival of India/ Stand Alone Shows/ Road Shows/ Awareness Campaign abroad.

#### **Eligibility for International Events**

- ✚ The eligible organization includes Central/ State Handloom and Handicrafts Development Corporations and any other eligible Govt. Corporations/ agencies promoted by State Government or local govt. bodies. Eligible Non-Governmental Organizations, Registered SHGs, local statutory bodies, Apex cooperative Societies and National level Apex Societies (registered under society act/ trust act, etc.) and organization like IICT, MHSC, HMCM, National Crafts Museum & Hastkala Academy, New Delhi, NIFT, and Export Promotion Councils. Producer companies registered under Section 8 of Companies Act. and working for the promotion and development of Handicrafts & Handlooms. The activity may also be organized departmentally.

#### **Duration and participation**

- ✚ Participation will be for the duration of the event. The participants include artisans (Shilp Guru/ National Awardees/NMC), SHG, entrepreneurs and exporters.

#### **Financial assistance**

- ✚ The financial capping for the component shall be INR 75 lakh in case of Event Abroad & INR 60 lakh in case of Event in India.
- ✚ The eligible agency shall receive assistance towards Space rent, infrastructure, publicity/ directory entry/interpreters, TA/DA and expenditure on boarding and lodging for one coordinating officer, administrative expenditure and other related miscellaneous expenses.
- ✚ TA, DA, Hotel accommodation, Freight Charges, to & fro air fare for eligible artisans as per rules.
- ✚ TA, DA, boarding and lodging, to & fro air fare & Misc. expenses of one officer as per Rules.

#### **The admissible components vary for different eligible participants as follows**

- ✚ Shilp Guru/National Awardees/NMC – TA, DA, Hotel accommodation, space rent, to & fro air fare & Freight Charges for participation of maximum 10 artisans per event (excluding SHGs Federation/ Entrepreneur/ Exporters).

- ✚ In case of SHGs Federation/Entrepreneur/ Exporters only space rent will be provided for maximum of 20 participants only.
- ✚ To monitor the impact assessment of such participations, one officer of office of DC (H) can also be deputed to the program.

### **Funding Pattern**

- ✚ The funding will be in the form of 100% grant-in-aid from O/o DC(H).
- ✚ Funds will be released in two installments.
- ✚ 75% of the sanctioned amount will be released as 1<sup>st</sup> installment and balance amount will 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 and other required documents etc.
- ✚ Artisans from same municipality area will also be eligible for TA (minimum INR 1000 - maximum INR 1500) & Freight Charges on actual basis subjected to maximum limit.

### **3.International craft exposure programme/ Cultural exchange programme:**

This component has two sub-components, with details as follows:

- ✚ Long and short term trainings cum exposure programs of Artisans/ Designers/ Technologists 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, equipments and technology being adopted by different countries.
- ✚ Under this activity, master craftsperson will be deputed under a Cultural Exchange Programme for live demonstrations of the craft he/she practices. The participation in Cultural Exchange Programme is arranged as per agreed terms & conditions between Govt. of India and other countries. In addition, participation of master craftsperson is also arranged for programmes being organized by Indian Embassies or in any festival of significance abroad to promote Indian handicrafts. Shilp Gurus and National Awardees, NMC etc.
- ✚ To monitor the impact assessment of such participations, one Officer of the Office of DC (Handicrafts) can also be deputed to the programme.

### **Duration and participation**

Maximum 10 participants for the duration of the event.

## **Financial Assistance:**

- ✚ The eligible agencies shall receive 100% grant-in-aid from O/o DC(H) subject to a maximum of INR 40 Lakh.
- ✚ Financial assistance will be permissible towards Craftpersons/designers/technologist from abroad to visit India & Vice-a-Versa, airfare in economy class, DA as per Rules, local hospitality, boarding and lodging, local conveyance, freight charges, space rent, related infrastructure and services, institutional/consultant fee, development of prototype, documentation charges, TA, raw material compensation and Misc, etc as per need on actual basis.
- ✚ TA/DA/ boarding and lodging, to & fro air fare & Misc. expenses of one officer as per Rules.

## **Funding Pattern**

- ✚ Funds will be released in two installments.
- ✚ 75% of the sanctioned amount will be released as 1<sup>st</sup> installment and balance amount will 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 and other required documents etc.
- ✚ In case of departmental activities, 100% payment may be drawn as advance.

## **4. Compliance, social and other welfare measures**

This sub component covers assistance for

- ✚ Compilation of product specific common compliance code for use in International market and assist them in attaining standardized certification
- ✚ To create awareness about compliance among exporters/artisans/Manufacturers and assist them to meet the compliance request
- ✚ Legal fees for contesting cases and to take safeguards against issues like countervailing duties, which will also include hiring of lobbyist, journey of officials of Export Promotion Councils.
- ✚ Any initiatives including labeling initiative to counter problems arising out of national and international laws and regulations and standard in the areas of environmental and social factors in exports including hiring of experts and consultants
- ✚ Any other measures including welfare measures as well as deputing delegations of members and officers to resolve labour related or other social problems being faced in export of Handicrafts.

## **Financial assistance**

- ✚ Maximum provision of Rs. 1.00 cr. per organization/per activity.



- ✚ Assistance is based on actual need and requirement and is considered on merit of the proposal.

## **Funding Pattern**

- ✚ Grant-in-Aid will be 100% in case of Export Promotion Councils. In case of individuals, the expenditure will be shared between GOI and individuals in the ratio of 70:30.
- ✚ Funds will be released in two installments.
- ✚ 75% of the sanctioned amount will be released as 1<sup>st</sup> installment and balance amount will 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 and other required documents etc.
- ✚ In case of departmental activities, 100% payment will be drawn as advance.

## **5. Buyer seller meet & Reverse buyer Seller Meet in India and abroad:**

The objective of this event is to provide linkages to local artisans to showcase their products to the major buyers of India ensuring integrated and inclusive development of the Indian handicrafts. Besides, small exporting units cannot afford to participate in International Fairs organized in India & abroad on their own, it is proposed to fund the umbrella organizations mentioned in the eligibility clause for organizing International Handicrafts Trade Fair/buyers sellers-meets in India and abroad.

### **Duration and participation:**

- ✚ The event will be organized for 3-5 days. In case of Buyer Seller Meet in India maximum number of participants will be 50 buyers and 50 artisans. There is no such limit of number of participants in case of Buyer seller meet abroad and Reverse buyer seller meet in India.

### **Financial assistance**

- ✚ The financial break-up is as follows:

#### **In case of Buyer Seller Meet in India -**

| <b>Expense Head</b> (for 5 days with participation from 50 buyers and 50 artisans) | <b>Cost (INR)</b> |
|--|-------------------|
| Space rental and Infrastructure including services like water, electricity, etc.   | 2,50,000          |
| TA @ 10,000 per buyer (subject to actual)  | 5,00,000          |
| Stay for buyers (@ 3000 per day per buyer)   | 7,50,000          |
| TA (@ Rs. 4000 per Artisan) *  | 2,00,000          |
| DA(@ Rs.500 per day per Artisan)   | 1,25,000          |
| Freight for artisan (@ 2000 per artisan )  | 1,00,000          |
| Publicity  | 1,20,000          |

|   |                  |
|---|------------------|
| Insurance   | 20,000           |
| Misc Expenses (5% of total of above sub-heads)  | 1,03,250         |
| <b>TOTAL</b>  | <b>21,68,250</b> |
| <b>* Artisans from NER, J &amp; K, Ladakh, Andaman &amp; Nicobar and Lakshadweep participating in any marketing events held across the country will be entitled TA @ Rs. 5,500/- per Artisan per event subject to actual.</b> |                  |

- ✚ The financial assistance to the extent of 80% of the approved cost (subject to a ceiling specified in table above) will be contributed by O/o DC(H) and balance 20% will be borne by the eligible organizations.
- ✚ In case of NER, 90% of approved cost shall be provided as assistance and 10% shall be contributed by the organization.
- ✚ In case of SHGs Federation/Entrepreneur/ Exporters only space rent will be provided for maximum of 50 participants only.
- ✚ Artisans from same municipality area will also be eligible for TA (minimum INR 1000 - maximum INR 1500) & Freight Charges on actual basis subjected to maximum limit.

#### **In case of Buyer seller meet abroad and Reverse buyer seller meet in India**

- ✚ The funding shall 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 will be 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.
- ✚ TA/DA/ boarding and lodging, to & fro air fare & Misc. expenses of one officer as per Rules.

#### **Funding Pattern**

- ✚ Funds will be released in two installments
- ✚ 75% of the sanctioned amount will be released as 1<sup>st</sup> installment and balance amount will 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 and other required documents etc.

#### **6. Marketing workshops/Seminars/Symposiums in India and abroad**

The event will be organized to discuss various problems faced in handicrafts sector with artisans and experts in relevant fields like design, technologist, exporters, buyers and financial institution etc. and to create Awareness among foreign designers/technologists, buyers, media persons, opinion makers as well

as general public Interaction with Govt. officials, trade representatives and buyers for topics like improvements in the products, policies and designs.

### **Duration and participation**

- The event will be held departmentally for a minimum of 2 days within India. In case of event organized abroad, participation will be for the duration of event.

### **Financial assistance and funding pattern for departmental workshop-**

- The financial parameters for such workshop will be as under:

| <b>Event</b>          | <b>Minimum Number. of participants</b> | <b>maximum permissible assistance (INR)</b> |
|-----------------------|--|---|
| National level        | 200                                    | 20,00,000                                   |
| Regional Level        | 100                                    | 8,00,000                                    |
| State level marketing | 80                                     | 5,00,000                                    |
| Local level marketing | 40                                     | 2,00,000                                    |

### **For the event organized abroad Financial assistance -**

- The financial assistance will be on actual basis subject to max of INR 50 lakhs.
- The financial assistance will be permissible for resource person fee, to and fro Air-fare/DA for one coordinator, Venue charges, Local conveyance TA/DA for local resource person , publicity, invitation, sound system, refreshment, lunch, to and fro freighting and packing/unpacking of goods, tools, insurance, Misc. Expenses etc.

### **Funding Pattern**

- The financial assistance to the extent of 100% of the approved cost (subject to a ceiling specified above) will be considered.
- In case of departmental activities, 100% payment will be drawn as advance.
- Funds will be released in two installments
- In case of event organized by other eligible agencies, 75% of the sanctioned amount will be released as 1<sup>st</sup> installment and balance amount will 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 and other required documents etc.

## **III . Publicity and Brand Promotion:**

### **7.(a) Publicity & Brand Promotion via Print, Electronic & Social media**

Publicity and Brand promotion through all mediums 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**

- ✚ The financial assistance of maximum INR **2.00** crore per activity. In case office of DC(H) undertake the activity departmentally there will be no limit on the expenditure.

## **Funding Pattern**

- ✚ The financial assistance to the extent of 100% of the approved cost (subject to a ceiling specified above) will be considered.
- ✚ Funds will be released in two installments
- ✚ 75% of the sanctioned amount will be released as 1<sup>st</sup> installment and balance amount will 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 and other required documents etc.
- ✚ In case of departmental activities, 100% payment may be drawn as advance.

## **7 (b) Web-marketing**

The objective of the sub-component is to support Artisans and Handicrafts through E-Commerce activities such as electronic funds transfer, supply chain management, Internet marketing, online transaction processing, electronic data interchange (EDI), inventory management systems, and automated data collection systems of products.

## **Financial assistance**

The funding for the component may be availed in isolation or in combination with another promotional activity with a maximum ceiling of INR 2.0 Cr. In case of implementation of activities through Government organization, the funding will be on actual basis.

## **Funding Pattern**

- ✚ The financial assistance to the extent of 100% of the approved cost (subject to a ceiling specified above) will be considered.
- ✚ Funds will be released in two installments
- ✚ 75% of the sanctioned amount will be released as 1<sup>st</sup> installment and balance amount will 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 and other required documents etc.

## **8. 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.

## **Duration and participation**

- ✚ Participation will be for duration of the event. The participants include artisans (Shilp Guru/ National Awardees/ NMC), SHG, entrepreneurs and exporters.

## Financial assistance

- The funding shall be 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 |            |

## Funding Pattern

- The financial assistance to the extent of 100% of the approved cost (subject to a ceiling specified above) will be considered.
- Funds will be released in two installments
- 75% of the sanctioned amount will be released as 1<sup>st</sup> installment and balance amount will 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 and other required documents etc.

## Notes on Marketing Support

- The maximum admissible financial assistance has been provided under each scheme component. However, the sanction shall be based on the duration and participants indicated in the proposal submitted. Accordingly the budget will be reduced on pro-rata basis if the event is held for lesser number of days or if there is lesser participation.
- The word 'Artisans' will also include carpet weavers.

## [ix] Integrated Sale cum exhibition

It is proposed to participate in the Expos/event organized jointly incorporating the products of Jute, Handloom, Wool with participation of Central Silk Board, Indian Silk Export Promotion Council. The proposal would be moved as decided by Ministry of Textiles time to time. **Financial assistance will be need based and flexible.**

## **(II) SKILL DEVELOPMENT IN HANDICRAFT SECTOR**

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 four components:

- Design and Technology Development Workshop
- Guru Shishya Hastshilp Prashikshan Program
- Comprehensive Skill Upgradation Program
- Improved Toolkit Distribution Program

### **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.

**Eligibility:** Grant-in-aid can be given to a public body or an institution having a distinct legal entity viz. Institutions or Organizations set up as Autonomous Organisations, under a specific statute or as a society registered under the Societies Registration Act, 1860 or Indian Trusts Act, 1882, Producer companies and Section-8 companies (Company Act-2013), Non-Government Organizations, Educational and other institutions, Urban and Rural Local Self-Government institutions, Export Promotion Councils, State/Central government agencies etc. The relevant rules under GFR will be the guiding principle for selection of agencies.

### **Duration and Participation:**

Each workshop will have a batch of 20-40 artisans and will be for a minimum duration of 25 days (@ 5 hours per day) to a maximum duration of 75 days (375 hours) as per table given below (duration may vary from the table subject to approval of Competent Authority). The workshop will begin only after completion of market survey and intelligence gathering & submission of survey report to field office.

## Indicative Project Duration for Different Craft Categories

| <b>S.No</b> | <b>1Month/25Days/<br/>125 Hours</b> | <b>S.No</b> | <b>2Months/50Days/25<br/>0 Hours</b> | <b>S.<br/>No.</b> | <b>3Months/75Days/3<br/>75 Hours</b> |
|-------------|-------------------------------------|-------------|--------------------------------------|-------------------|--------------------------------------|
|             | <b>Craft Category-1</b>             |             | <b>Craft Category-2</b>              |                   | <b>Craft Category-3</b>              |
| 1           | Paddy/ Straw Work                   | 1           | Pot work                             | 1                 | Wood (carving)                       |
| 2           | Kathputli                           | 2           | Pottery and clay objects             | 2                 | Wood (turning and lacquer ware)      |
| 3           | Coir twisting                       | 3           | Glass                                | 3                 | Wood wares                           |
| 4           | Conch-Shell                         | 4           | Embroidered & Crocheted goods        | 4                 | Furniture                            |
| 5           | Crewel                              | 5           | Ceramic work                         | 5                 | Rugs & durries                       |
| 6           | Dry Flower                          | 6           | Applique                             | 6                 | Metal images(classical)              |
| 7           | Folk painting                       | 7           | Hand Block Printed Textiles          | 7                 | Metal images(folk)                   |
| 8           | Fabric Painting                     | 8           | Leather (other articles)             | 8                 | Carpet & other floor coverings       |
| 9           | Candle                              | 9           | Leather(footwear)                    | 9                 | Art metal ware                       |
| 10          | Grass, leaf, reed & fiber           | 10          | Rogan Arts                           | 10                | Bidri                                |
| 11          | Beads craft                         | 11          | Sujani                               | 11                | Filigree & silverware                |
| 12          | Incense sticks                      | 12          | Tanjore Painting                     | 12                | Gold Smith                           |
| 13          | Jute Craft                          | 13          | Terracotta                           | 13                | Poly stone                           |
| 14          | Kauna                               | 14          | Textile (hand embroidery)            | 14                | Meenakari                            |
| 15          | Kite making                         | 15          | Textile (handloom)                   | 15                | Shawls as artware                    |
| 16          | Lac bangles                         | 16          | Thewa                                | 16                | Stone (carving)                      |
| 17          | Mithila Painting                    | 17          | Tie & Dye                            | 17                | Stone (inlay)                        |
| 18          | Mala Baddhi                         | 18          | Wall Hanging                         | 18                | Plastic inlay                        |
| 19          | Painting                            | 19          | Zari & Zari goods                    |                   |                                      |
| 20          | Paper machie                        | 20          | Cane & Bamboo                        |                   |                                      |
| 21          | Sanjhi Art                          | 21          | Horn & bone                          |                   |                                      |
| 22          | Screw pine                          | 22          | Lace                                 |                   |                                      |
| 23          | Sital Patti                         | 23          | Musical instrument                   |                   |                                      |
| 24          | Miscellaneous                       |             |                                      |                   |                                      |
| 25          | Fusion Craft                        |             |                                      |                   |                                      |
| 26          | Tuli & Sirka                        |             |                                      |                   |                                      |
| 27          | Doll & toys                         |             |                                      |                   |                                      |
| 28          | Glass Beads                         |             |                                      |                   |                                      |
| 29          | Theatre, Costume & Puppet           |             |                                      |                   |                                      |
| 30          | Imitation Jewellery                 |             |                                      |                   |                                      |
| 31          | Jewellery                           |             |                                      |                   |                                      |

## Financial Assistance and Funding Pattern

The financial assistance shall be extended to eligible organization as 100% grants in aid. The disbursement of the assistance will be in two instalments. The first instalment will be released as an advance payment (80% for Govt. agencies and 50% for Non-government Organizations) and the remaining admissible amount as 2nd instalment in the form of reimbursement after adjusting first instalment. The head-wise maximum permissible amount for grant-in-aid is as under:

| S.No. | Expenditure Head   | Maximum Permissible Assistance                           |
|-------|--|--|
| a)    | Expenses for hiring the services of empanelled designer  | @ Rs. 55,000/- per month of workshop (25 days/125 hours) |
| b)    | Expenses for hiring services of Master Craftsperson  | @ Rs. 30,000/- per month of workshop (25 days/125 hours) |
| c)    | Market survey and intelligence gathering   | 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)                             |

## Guidelines for Implementation

**Submission of Project Proposal:** All eligible agencies should submit the proposal for conducting Design and Technology Development Workshop (DDW) for craft categories approved by Office of Development Commissioner (Handicrafts) through online mode only. The proposal should be submitted along with data showing availability of suitable number of artisans after a need assessment study has been conducted. The name of craft should be as per standard list of crafts published by Office of DC(H); however, if needed, local name of craft may be mentioned along with standard craft name.

**Selection of Artisans:** Only the artisans having a valid PAHCHAN identity card in relevant craft are eligible for participation in DDW. All the beneficiaries should be selected in a fair & transparent manner through well-defined, objective parameters/criteria, giving equal opportunity to all artisans under supervision of concerned AD(H). However, preference may be given to the artisans of age group

18-35 years, marginalized social groups i.e. SC/ST/Women/Differently abled persons. Further, multiple beneficiaries from same family may be avoided to cover more artisan families. The concerned Assistant Director will ensure fairness & transparency and upload artisan data to MIS portal of O/o DC(H).

**Selection of Designer:** Only designers empanelled with Office of Development Commissioner (Handicrafts), having expertise in concerned craft domain, are eligible for participation in DDW program. Any candidate possessing four-year Bachelor's Degree from any recognized university/institute in field of Design or Fine Arts (Fashion/Textile/Apparel Production/Pottery Ceramics/Sculpture etc. as per relevance to handicraft categories) will be eligible for empanelment. The empanelment certificate will be valid for a period of 5 years from date of issue. The designers should be selected for DDW in a fair & transparent manner by inviting applications through email from amongst the available pool of empanelled designers listed at official website of Development Commissioner (Handicrafts). The Designer should not be engaged in more than one project simultaneously.

**Selection of Master Craftsperson:** Shilp Guru, National Awardee, State Awardee & National Merit Certificate holders may be treated as master craftspersons by virtue of these recognitions and can be engaged in DDW according to their availability. Any artisan having minimum 10 years of experience in their craft may be empanelled as a master craftsperson by regional offices on recommendation of field offices. A craft category-wise list of empanelled master craft persons will be maintained and updated by regional offices. The master craft persons should be selected in a fair & transparent manner and one master crafts person should not be engaged in more than one project simultaneously.

**Market Survey and Intelligence Gathering:** Market survey and Intelligence Gathering is essential for studying existing design trends, current tastes & preferences of consumers and for suggesting necessary changes in design to suit the market. The workshop should start only after completing the Market survey and Intelligence Gathering activity and emailing the survey report to field & HQ office. The IA will intimate tentative date (in consultation with field office) of design workshop for proper monitoring/inspection.

**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.

**Documentation, Biometric Attendance and Videography:** A crisp and concise document should be prepared giving details of targeted objectives as per sanction, achievements, inspection report, beneficiary details in DBT format, biometric

attendance of all participants, audit documents (GFR-12A, Audited statement of accounts, Head-wise expenditure statement), market survey and intelligence report, prototype technical details and photographs of physical prototypes developed during workshop. Implementing agency should certify that wage compensation, designer fee and master crafts person fee payments have been made by them. Time-lapse video of 30 minutes, capturing different stages of prototype development and other critical events should be submitted along with documents.

All the participants viz. designer, master crafts person and artisans should mark their biometric attendance twice a day (at beginning and end of each work day) and more than 80% attendance should be ensured.

**Inspection and Monitoring:** The objective of inspection/monitoring by field office is to ensure successful execution of the workshop and compliance to relevant guidelines. The field officers should visit the workshop at least two times during the entire process (preferably at beginning and end of project by two different officials), interact with the designer & artisans and submit their report along with 5 photographs directly to HQ office through email within 3 days (copied to IA and Regional Office). The inspection should be conducted by an officer not below HPO/CTO level. The I/A should ensure at least two inspections by field office.

**Mode of Payment to Beneficiaries:** The payments to all beneficiaries/concerned should be made using PFMS only. Further, the artisans should be registered as beneficiaries and those providing services may be registered as vendors or any appropriate category.

**Indicative Project Timeline:** The execution of the workshop should be planned in such way that the entire programme is completed within minimum possible time. It is suggested that Market survey and Intelligence gathering should be completed within 3 months from date of receipt of funds and workshop within next 3 months. The reimbursement proposal along with necessary documents should be sent to concerned office within a month of completing the training for timely processing of reimbursement.

### **Guru Shishya Hastshilp Prashikshan Program (GSHPP)**

The scheme objective is to transfer the traditional craft knowledge from the master crafts person (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.

**Eligibility:** Grant-in-aid can be given to a public body or an institution having a distinct legal entity viz. Institutions or Organizations set up as Autonomous Organisations, under a specific statute or as a society registered under the Societies Registration Act, 1860 or Indian Trusts Act, 1882, Producer companies and Section-8 companies (Company Act-2013), Non-Government Organizations, Educational and other institutions, Urban and Rural Local Self-Government institutions, Export

Promotion Councils, State/Central government agencies etc. The relevant rules under GFR will be the guiding principle for selection of agencies.

## **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. The craft-wise course duration is available on the website of O/o DC (Handicrafts) i.e. [www.handicrafts.nic.in](http://www.handicrafts.nic.in)
- The batch size of training program shall be 20-40 artisans. Any artisan having PAHCHAN identity card in relevant craft is eligible for participating in the training program. Preference shall be given to the artisans of age group 18-35 years.

## **Financial Assistance and Funding Pattern**

The financial assistance shall be extended to eligible organization as 100% Grant in Aid. The disbursement of the assistance will be in two instalments. The 1st instalment will be released as an advance (80% for Govt. agencies and 50% for Non-government Organizations) and remaining admissible amount as 2nd installment in the form of reimbursement. The expenditure heads for sanctioning the grant in aid are as under:

| S. No. | Expense Head  | Maximum Permissible Assistance                |
|--------|---|---|
| a)     | Space rent  | Rs.7,500/- per month                          |
| b)     | Wage compensation/ stipend for trainees             | Rs.300/- per day per trainee                  |
| c)     | Fee for 2 Master trainers/resource person           | 1200/- per day per trainer                    |
| d)     | Equipment / tools and other training infrastructure | Up to Rs. 75,000/- per training               |
| 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 6 looms |
| g)     | Miscellaneous expenditure                           | 5% of total (a) to (f)                        |
| h)     | Administrative charges                              | 3% of the total project cost from (a) to (g)  |

## **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 formal certificate training courses with the help of established institutions at their premises. The program aims at comprehensive development in skill up gradation, design innovation and soft skills of artisans.

### **Duration and Participation:**

The duration of training program will be 6 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) Two-month soft skill training along with craft exposure visit.

The batch size of training program will be 20-40 artisans. Any artisan having PAHCHAN card in relevant craft is eligible to participate in the training program. Preference shall be given to the artisans of age group 18-35 years.

**Eligibility:** Grants-in-aid can be given to any institution having a distinct legal entity viz. Institutions or Organizations set up as Autonomous Organisations, under a specific statute or as a society registered under the Societies Registration Act, 1860 or Indian Trusts Act, 1882, Educational and other institutions. The relevant rules under the GFR will be the guiding principle for selection of agencies.

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

The financial assistance shall be extended to eligible organization as 100% grants in aid. The disbursement of assistance will be in two instalments. The 1st instalment will be released as an advance (80% for Govt. agencies and 50% for Non-government Organizations) and remaining admissible amount as 2nd instalment in the form of reimbursement. The expenditure heads for sanctioning the grant in aid are as under:

| <b>S. No.</b> | <b>Expense Head</b>                                      | <b>Maximum Permissible Assistance</b>               |
|---------------|--|---|
| a)            | Fee for 2 trainers (Mastercraft person/Designer/Trainer) | Rs.1200/-per day per trainer (2 trainers at a time) |
| b)            | Wage compensation/ stipend to trainees                   | Rs.300/- per day per trainee                        |
| c)            | Compensation for raw material / 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)]           |

## **Financial Assistance for creation of capital assets for conducting the Comprehensive Skill Upgradation Program**

The implementing agencies will be eligible for grants in aid amounting to a maximum of Rs. 5,00,000/- for creating training infrastructure for conducting two training programs for a minimum of 50 artisans in a year.

### **Guidelines for implementation of Guru Shishya Hastshilp Prashikshan Program and Comprehensive Skill Upgradation Program:**

**Submission of Project Proposal:** Eligible agencies should submit the proposal for conducting Comprehensive Skill Upgradation Programme through Established Institutions in NSQF aligned craft courses as per prescribed proforma through online mode only. The details of NSQF aligned craft courses is available at official website of O/o DC (Handicrafts) ([www.handicrafts.nic.in](http://www.handicrafts.nic.in))

**Selection of Artisans:** Only the artisans having a valid PAHCHAN identity card in relevant craft are eligible for participation and all the beneficiaries should be selected in a fair & transparent manner, through well-defined objective parameters/criteria, giving equal opportunity to all artisans. However, preference may be given to the artisans of age group 18-35 years & marginalized social groups i.e. SC/ST/Women/Differently enabled persons. Further, multiple beneficiaries from same family may be avoided to cover more artisan families. The concerned Assistant Director will ensure fairness & transparency and upload artisan data to MIS portal of DC(H).

### **Selection of Trainers / Mastercraft Person:**

1. **Guru Shishya Hastshilp Prashikshan Program:** Shilp Gurus, National Awardees, State Awardees, National Merit Certificate holders may be treated as master craft persons by virtue of the recognition and can be engaged in training as per their availability. Any artisan having minimum 10 years of experience may be engaged by implementing agencies on the recommendation of the concerned field offices.
2. **Comprehensive Skill Upgradation Programme:** Eligible trainers shall be engaged by the Institution as per the guidelines for Design Development Workshop for the Design Development Component, Shilpguru / National Awardee / State Awardee / National Merit Certificate holders etc. for the Technical Training Component and qualified faculty for Soft Skill Training Component. Further, the institutions may engage their own faculty/resource persons, for conducting the training programs with the prior approval of O/o Development Commissioner (Handicrafts).

**Documentation, Biometric attendance and Videography:** A crisp and concise document should be prepared giving details of targeted objectives as per sanction, achievements, inspection report, beneficiary details in DBT format, biometric attendance of all participants, audit documents (GFR-12A, Audited statement of Accounts, Head-wise Audited statement of Expenditure), market survey and

intelligence report, prototype technical details, photographs of physical prototypes developed during workshop.

All the participants viz. designer, master crafts person and artisans should mark their biometric attendance twice a day (at beginning and end of each work day) and more than 80% attendance should be ensured.

**Inspection and Monitoring:** The objective of inspection/monitoring by field office is to ensure successful execution of workshop and compliance to relevant guidelines. The field officers should visit the workshop at least two times during the entire process (preferable at beginning and end of project by two different officials), interact with the trainer, artisans etc. and submit their report along with 5 photographs directly to HQ office through email within 3 days (copied to IA and Regional Office). The inspection should be conducted by an officer not below HPO/CTO level.

**Mode of Payment to Beneficiaries:** Payments to all beneficiaries/concerned should be through PFMS only. No other mode of payment would be acceptable.

### **Improved Toolkit Distribution Program (ITDP)**

Improved toolkits and skilled hands are the two jewels of handicraft sector that are critical for productivity enhancement of artisans. While skill levels of artisans gradually increase with learning and experience, the tools are developed by expert agencies using increasingly specialized materials/techniques in conjugation with artisan feedback. The improved toolkits enhance product quality and artisan's productivity. Further, 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, improved toolkit distribution, has been introduced to fulfill above requirements.

### **Financial Assistance and Funding Pattern:**

The financial assistance shall be extended to eligible organization as 100% grants in aid for distribution improved toolkits or technology up gradation. The disbursement of the assistance shall be in two installments; first installment shall be released as advance (80% for Govt. agencies and 50% for Non-government Organizations) and remaining amount as second installment in the form of reimbursement. The grant-in-aid will be given for toolkits approved by qualified technical agency. Maximum financial assistance per toolkit Rs.10,000/- and furnaces/looms is Rs. 20,000/-. Further, the implementing agency would be eligible for administrative charges which is 3% of total project cost.

### **Guidelines for Implementation**

**Submission of Project Proposal:** All eligible agencies should submit the proposal for distribution of improved toolkits as per prescribed proforma through online mode only. The proposal should be submitted along with data showing availability of suitable number of artisans after a need assessment study has been conducted.

**Selection of Artisans:** Only the artisans having a valid PAHCHAN identity card in relevant craft and selected through fair & transparent procedure, through well-defined objective parameters, giving equal opportunity to all artisan. However, preference may be given to the artisans of age group 18-35 years, marginalized social groups i.e. SC/ST/Women/Differently enabled persons. Further, multiple beneficiaries from same family may be avoided to cover more artisan families. The concerned Assistant Director will ensure fairness & transparency in selection and upload artisan data to MIS portal of DC(H). The implementing agency will ensure that the same beneficiary is not receiving similar toolkits either from this department or from any other department.

**Documentation, Biometric Attendance and Videography:** A crisp and concise document should be prepared, giving details of targeted objectives as per sanction, achievements, inspection report, beneficiary details in DBT format, receipt of toolkit by artisans countersigned by concerned AD, biometric attendance of all participants, audit documents (GFR-12A, Audited statement of Accounts, Audited statement of Expenditure) etc.

**Inspection and Monitoring:** The objective of inspection/monitoring by field office is to ensure successful execution of workshop and compliance of relevant guidelines. The toolkits should be distributed in presence of inspecting officer (not below level of HPO/CTO) and all statutory compliances should be ensured. The inspecting office will submit their inspection report (through email) on the same day, immediately after completion of distribution program.

### **(III) AMBEDKAR HASTSHILP VIKAS YOJANA (AHVY)**

#### **BACKGROUND:**

Ambedkar Hastshilp Vikas Yojana (AHVY) is a cluster specific scheme. The scheme envisages need based cluster specific approach for sustainable development of the artisans in the defined clusters. The geographical identity of handicrafts clusters contains few villages or municipal areas within a span or diameter of three kilometers. Artisans in the crafts clusters may be manufacturing products of single crafts or of multiple craft. The identified cluster will be extended support in terms of financial, technological and social interventions for a period of five years. Presently, handicrafts sector is contributing substantially towards employment generation and export but this sector has suffered due to its unorganized nature along with additional constraints like lack of education, capital, and poor exposure to new technologies absence of market intelligence and poor institutional framework. In order to overcome these constraints, Ambedkar Hastashilp Vikas Yojana (AHVY) as a Centre Plan Scheme was launched in 2001-02 wherein the main thrust was on the adapting project wise, need based approach for integrated development of potential handicrafts clusters with participation of the craft persons at all stages of implementation of the scheme.. The scheme envisages a package of support to the cluster of handicrafts artisans, which inter-alia includes basic inputs and infrastructure support in addition to capacity enhancement to cater to target markets.

#### **OBJECTIVE:**

Objective of AHVY scheme is to develop craft clusters as centre of excellence through community empowerment and ensure sustainable development of handicrafts artisans all over the country, social upliftment. The scheme will empower cluster artisans socially and economically. The scheme will ensure employment generation, technological upgradation, competitiveness through design inputs, marketing supports programmes, Brand Promotion, resource mobilization and other need based activities. To ensure income growth of the clusters artisans, mobilization of artisans in a business entity for instance formation of producer companies has been ensured. 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.

## **Handicraft Cluster :**

Handicraft Cluster implies a group of artisans concentrated within an identifiable and contiguous geographical area and are engaged in manufacturing handicrafts items. Artisans being scattered all over the country and concentrated in certain pockets, it's really tough to earmark geographical area for handicrafts cluster, however for the purpose of the scheme cluster area should be confined within a radius of 5 Kms. Craft Clusters with minimum 50-75 artisans in case of NER, J&K, Ladakh, Lakshadweep and A&N shall also be taken up for overall development of artisans.

Further, the physically challenged artisans under a certain cluster shall also be incorporated under the schemes irrespective of the crafts they practice to ensure their recognition, equality and empowerment. A scope shall be created to motivate, mobilise and encourage other physically challenged persons who are not artisans to learn easy yet viable crafts to bring them under the ambit of the cluster. Trainings thereof shall be provided within the framework of the cluster itself.

## **ADOPTION OF POTENTIAL CLUSTERS**

Ambedkar Hastshilp Vikash Yojana (AHVY) has over the years changed the face of the thriving handicrafts industry and the status of the artisan's community in the country. Incentives and well-crafted interventions under the scheme have not only empowered the artisans socio-economically but have also taken Indian handicrafts to new heights. New approaches are to be adopted keeping in view the recent major changes in the field of digitization, cashless economy, e-marketing etc. For this there is a need for focused approach and convergence with other Central /State Government support programmes. The office of the Development Commissioner (Handicrafts) will adopt viable and export oriented clusters under Mentorship Development programme across the country, for overall development of artisans within a time period of 3 years. Handicrafts Cluster in Aspirational Districts, Tribal Areas, Women Dominated Craft clusters, GI Registered Craft Clusters, craft clusters linking with tourism spot, Toy Clusters will be preferably adopted for sustainable development.

### **(A) CLUSTERS HAVING POTENTIAL IN INTERNATIONAL MARKET :**

The office of Development Commissioner (Handicrafts) will also identify viable clusters having export potential. The export oriented clusters shall be extended all need based assistance enabling them to have competitive edge in international market. Clusters identified shall be supported with world class facilities, design inputs, international marketing platforms, latest technologies that will enable clusters to upscale their production, ensure quality compliances and specifications and cater international demand in time bound manner. The

cluster artisans shall be nominated for participation in International fairs/exhibitions for giving them exposure about international market.

**(B) CLUSTERS CATERING TO DOMESTIC MARKET:** Clusters catering to domestic market demands and clusters in remote and untapped areas shall also be taken up. Craft which are Endangered, rare and languishing will be pooled up with other crafts in such identified clusters.

#### **ELIGIBILITY:**

- Central/ State Handloom and Handicrafts Development Corporations and any other eligible Govt. Corporations/ agencies promoted by State Government or local govt. bodies.
- Non-Government Voluntary Organizations empaneled with O/o DC(Handicrafts), Registered SHGs, local statutory bodies, Apex cooperative Societies and National level Apex Societies (registered under society act/ trust act, etc.) and organization like IICT, NIFT, and Export Promotion Councils.
- Companies/Producer Companies registered under Section 8 of Companies Act. and working for the promotion and development of Handicrafts & Handlooms
- Any component can be implemented departmentally as well.

AHVV will have the components available from all other schemes of O/o DC(Handicrafts). However under certain circumstances and as per the recommendation of DPR special activities may be considered for implementation in the cluster subject to approval of PAMC.

- (1) Diagnostic Survey of identified craft cluster and mobilization of artisans into SHGs..
- (2) Preparation of DPR
- (3) (A) Formation of Producer Company  
(B) Working Capital support assistance
- (4) Workshop cum Seminar
- (5) Entrepreneurship Development Programme
- (6) Design Mentorship Programme
- (7) Project Implementation and Management
- (8) Design Assistance for overseas market.
- (9) Study cum Exposure Tour

#### **(1) (1) Diagnostic Survey of identified craft cluster and mobilization of artisans into SHGs.**

Diagnostic Survey shall include identification of artisans in the identified clusters, conducting detailed survey and study of the artisans including skills mapping, products being made, existing marketing avenues, raw material used and resources, earning of artisans, Tools and technology presently used, Social status, gap analysis, identification of critical issues etc. Detailed survey shall be

conducted by the Implementing Agency in scientific manner with due consultation of Field offices of O/o DC(Handicrafts).

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, Mastercraftsperson, awardees, and categorization in respect of Gender, Caste and education and issuance of PAHCHAN Cards .

### **Deliverables**

- ✚ Conduct survey and study of each artisan in the prescribed format.
- ✚ Identification of all crafts including GI crafts/ endangered crafts practiced within the vicinity of the identified cluster.
- ✚ Information on the existing product range & line and raw material used.
- ✚ Preparation of Detailed Survey Report (DSR).
- ✚ Mobilisation of artisans groups/SHG formation with office bearers,
- ✚ Opening of Bank accounts of SHGs.
- ✚ Issue of PAHCHAN Artisans' Identity Cards (AIC) to all cluster artisans,
- ✚ Processing of the surveyed data in MS Excel Sheet format containing artisans details such as identity card No. Photographs, Aadhar no., EPIC No./ Voter ID, bank Account No. with bank name.
- ✚ Suggestive action plan.

### **Financial assistance**

Financial Assistance will be provided to the tune of INR 500/- per artisan subject to a maximum of Rs. 5.00 lakh per cluster .

### **Timeline:**

The implementing agency will complete the survey and submit the DSR within 6 months.

## **(2) PREPARATION OF DPR**

### **Objective and methodology:**

Implementing Agency will prepare a Detailed Project Report (DPR), in consultation with the artisans, field officers of O/o Development Commissioner (Handicrafts) and other stakeholders. Preparation of DPR shall be taken up for an identified cluster under AHVY scheme or any other craft pocket as deemed fit and found to be necessary. The DPR will serve as referral document for planning, decision making and will define the approach to be adopted for overall development of identified cluster.

### **Contents of DPR**

- a) Summary
- b) Project Description



- c) Cluster profile in terms of number of artisans , Product range, tools & Equipments used, skill level , Raw material used and its sources, credit facilities, marketing avenues, infrastructure ,Social and economic status of artisans, wage earnings etc.
- d) Gap analysis (SWOT analysis)
- e) Economic and Financial Evaluation
- f) Suggestive interventions .
- g) Timeline (Execution and completion)
- h) Outcome.

### **Financial assistance**

Financial assistance will be provided upto a maximum of Rs. 2.00 lakhs per Detailed Project Report.

**Timeline:** IAs should submit the DPR within 3 months.

**Need based intervention as per DPR and as mentioned in the NHDP guidelines shall be undertaken in the identified clusters.**

### **(3) (A) FORMATION OF PRODUCER COMPANY:**

Producer companies shall be formed in crafts clusters taken up under AHVY scheme 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.**

O/o DC (Handicrafts) shall extend handholding supports to the producer companies initially for the period of three years. The handholding support will be need based and in the form of interventions as per the NHDP guidelines.

### **Financial assistance**

One time financial assistance upto Rs. 1.00 lakh as 100% advance will be provided for formation/registration of Producer Company. The expenditure shall

be incurred for mobilization of member artisans, knowledge sharing, payment to Chartered Accountant (CA) and stationary etc.

### **Timeline:**

Producer Company shall be formed within a period of 3 months.

### **Deliverables:**

- Enhanced productivity & marketing capabilities and shall ensure higher return on artisans produce 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.

### **(3) (B) 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. 2,500/- per member artisan of the Producer Company per year for a period of 3 years for a Maximum of 500 artisans per Producer Company. The amount will be paid as 100 % as advance.

### **Funding pattern :**

100% as advance for the 1<sup>st</sup> year and 2nd year financial assistance of working capital shall be released on 60% utilization of the 1<sup>st</sup> installment and receipt of all required documents along with performance cum achievement report. Similarly, the 3<sup>rd</sup> year financial assistance of working capital shall be released on utilization of 80% of the 1<sup>st</sup> & 2<sup>nd</sup> year installment taken together.

### **(4) WORKSHOP CUM SEMINAR:**

Organising of periodical workshops-cum-seminars to sensitize the cluster artisans and entrepreneurs, NGOs, Voluntary organizations associated with Handicrafts Sector at different stages on the importance of Marketing, Design and Technology Upgradation, Enhancement of Skill, GST, GEM portal, E Commerce platform participation in virtual fairs, Procedure of GI registration, Mudra Loan,

Artisan ID cards, PFMS including cashless transactions, export formalities including custom clearance and availing of duty drawback etc.

Workshop cum Seminar will be organized for max. 2 days covering topics on Business and Marketing Skills, Entrepreneurial skills, Communication, Packaging and Brand Promotion, Quality compliance , Safety measures , Waste management , Product pricing etc. The participation shall be selected from Craft Cluster .

**Duration:**

1-2 days.

**Batch Size:**

50-100 artisans.

**Financial assistance**

Financial grant for the component shall be Rs.5.00 lakhs per cluster will be provided for conducting the Workshop cum Seminar. The Grant will be utilized for hiring of space , infrastructure , TA to artisans and resource persons , Honorarium to resource persons, Boarding and Lodging , distribution of Study material and Stationeries, Display of Artifacts and Misc including videography, photography , publicity etc.

**(5) 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 ,so that they may be inspired to set up their own enterprise . The program will improve entrepreneurial skill among artisans desiring to establish and successfully run an enterprise.

EDP Program will be for a duration of 6 days and will 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.  
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

| Sl. No. | Heads   | Amount      |
|---------|---|-------------|
| 1       | Hiring of space for 6 days and institutional set up   | Rs 5,00,000 |
| 2       | Honorarium for minimum 8 resource person @ Rs 4000/- per person.  |             |
| 3       | <ul style="list-style-type: none"> <li>• Boarding and Lodging for Resource Person</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 participants @Rs 2000/- per artisan or subject to actual expenditure.   |             |

**In special cases limit can be increased with the approval of IFW.**

### **(6) DESIGN MENTORSHIP PROGRAMME:**

Design is a crucial element in Handicrafts Sector. Scheme Component aims to infuse Design inputs among the cluster artisans as and when required, for the entire project period of 5 years. Inputs could be for Product Design Development, Technological Innovations, Improvement in Tools and Equipments, Sample and Prototype Development.

The project shall be a comprehensive and concerted endeavor to focus on certain handicraft pockets with specific crafts and transform the same into high quality production and marketing hub for sustainability of the cluster Artisans and the craft as well.

Competent and experienced Designers and allied players shall be engaged to cater to different aspects and elements of the project to ensure consolidation of sustainability of the craft/artisans.

**Designers:** Two designers shall be engaged in the project having certain desired experiences in the concerned domains as described here. They will

discharge their duties jointly within the framework in two phases in consultation with the Implementing Agency and Office of the DC(Handicrafts).

**Design Development and Production:**

- Design development,
- Product diversification,
- Orientation of the artisans
- Working out with artisans to transform the designs etc. into reality.
- Working with artisans to affirm actual production base
- Developing quality control mechanism
- Augmentation of bulk production for marketing.
- Management of the product i.e. Collection of stocks, quality assessment, sorting and storing as per actual quality

**Post Production Management and Marketing:**

- Market appraisal
- Developing Packaging design and allied works for product promotion
- Publicity and brand promotion using various platforms of social media.
- Lateral entry into the existing e-commerce sites
- Designing a web portal interface
- Content writing portraying the product range with high end photographs and other details
- Assisting in launching of web portal by authorized IT personnel.

**Master Craftsperson:** One reputed master craftsperson shall be engaged in the project who will attend each and every artisans in person during the whole process and ensure that the each artisan learn every aspect to an expected level.

**Entrepreneurs, Traders, and Exporters:** Experienced and responsible Entrepreneurs, traders 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 exportable 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 and every step during the whole procedure shall be taken through mutual discussions to ensure a balance among them and in the interest of the project being fruitful in the long run. The entrepreneurs, traders and exporters shall be an integral part of the team to build up a win win environment for each stakeholder.

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 become sustainable. However arranging the follow up actions shall be the sole responsibility of the implementing agency. The implementing agency shall also report the authority the follow up actions details and the status thereof after 3 months.

**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 . Design Institutes like NIFT, NID, Exporter Association and Producer Companies already formed under the scheme shall also be eligible for grant and implementation of the component.

| <b>Sl. No.</b> | <b>Expense Head</b>  | <b>Maximum Permissible Assistance</b> |
|----------------|--|---------------------------------------|
| 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                              | Rs.50,000/- per                       |

|    |  |                                       |
|----|--|---------------------------------------|
|    | / exporters / entrepreneurs including Travel and logistics   | persons per month,                    |
| d) | Equipment and Tool-Kits to Trainees  | Rs.2,50,000/-                         |
| e) | Making of Web Portal including IT professional fee   | Rs.4,00,000/-                         |
| f) | Apprentice allowance participating artisans  | Rs.10,000/- per participant per month |
| g) | Documentation, Photography & videography etc.  | Rs.1,15,000/-                         |
| h) | Raw material for Development & supply of market driven New / Innovative Design / Product lines and Development of Samples and Prototypes                             | Rs.11,000/- per participant           |
| i) | Hand Holding support post training   | Rs.1,00,000/-                         |
| j) | Miscellaneous expenditure (stationery, telephone, refreshments, publicity through print & electronic media, repair of machinery, biometric machine, audit fee, etc.) | Rs.3,000/- per participant per month  |

### **Financial Assistance:**

The financial grant for the component shall be maximum INR 35.00 Lakhs for benefiting 25 beneficiaries cluster's artisans per programme .

### **Fund release pattern :**

75% advance as 1st installment on total sanctioned amount and 25% as 2nd installment would be released as reimbursement after completion of the project and receipt of all required documents along with performance cum achievement report of the HSC, O/o the DC(Handicrafts).

**Duration :** 4 Months and minimum 25 participants per programme.

### **(7) 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 and IAs of Adopted Clusters 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/Adopted Cluster.

Cluster Manager, Project Assistant/Consultant/ Accountant/Administrative Staff and Data Entry Operator [on Contract Basis] shall 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. Duties and responsibilities of the Cluster Manager, Project Assistant/Consultant/ Accountant and Data Entry Operator etc. be defined and fully justified with quantifiable outcomes as below:

|    |   |   |
|----|---|---|
| 1. | Cluster Manager   | The Cluster Manager is needed to monitor the cluster activities on a regular basis and provide necessary feedback to stakeholders.  |
| 2. | Consultant / Professional   | The Consultant is required for providing technical guidance for implementation of the project and also to prepare DPR etc. for seeking necessary interventions from the government.                     |
| 3. | Accountant  | In order to maintain the accounts related to the project activities and also for preparation of final statements of accounts / UC's etc.  |
| 4. | Data Entry Operator   | To record / document various data related to the cluster and the project implementation.  |
| 5. | TA to staff for field visits  | Travel Allowance is required for enabling the Cluster Manager / other deputed project monitoring staff to meet conveyance costs arising out of visits to cluster and HSC, RD's office, CA's office etc. |
| 6. | Miscellaneous Expenses including Printing stationery, computer consumables etc. | Office cost is necessary to provide the support service to the project staff to discharge their duties fruitfully through a proper work environment with basic minimum facilities.                      |

### **Financial Assistance**

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

### **(8) Assistance to cluster artisans, auxiliary welfare measures, monitoring and other initiatives:**

- i) Issuance of PAHCHAN Cards to all handicraft artisans identified during the survey.
- ii) To cover cluster artisans under Bima Yojna in accordance guideline of the existing scheme.
- iii) To provide margin money and interest subvention to the cluster artisans in accordance guideline of the existing scheme.
- iv) To facilitate extension of Credit Facilities to artisans through Banks .
- v) Initiative may be taken to ensure monitoring of the cluster operations and to take sequential curative measures of the flaws found based on the



knowledge neatly illustrated in the Coffee Table Book / Video Film published by DC (H).

- vi) Mapping of Craft Pockets with a view to create convergence among various stakeholders and to create synergy by bringing different key players in the handicrafts sector on the same platform, there is a need for creation of a comprehensive database on handicrafts practices and craftsperson's in the Country.

### **(9) Design Assistance for Overseas Market.**

Component aims to develop innovative designs catering to the requirement of overseas market. Financial Assistance will be provided to eligible agencies for conceptualization and development of innovative designs/products for a particular overseas market, by involving professional designers/ Design Institutions who will help in development a range of products in order to ensure enhanced market penetration and higher economic gain to the cluster artisans. The activities shall be undertaken in the identified clusters.

#### **Eligible Agencies/Financial Assistance.**

| Eligible Agencies   | Funding Pattern   | Fund Release Pattern                          |
|---|---|---|
| Handicrafts Exporters/Designer/Exporter Association / Entrepreneurs   | 75% of the project cost subject to max. of Rs 15.00 lakhs   | 75% advance and balance 25% as reimbursement. |
| Design Institutions and Sector specific Institutes like NIFT, IICT, Export Promotion Councils etc., Central and State Government Corporations in the field of Handicrafts Sector. | 100 % of the project cost subject to max. of Rs 15.00 lakhs | 100% advance.                                 |

**Duration :** 3 Months and 30 participants per programme.

**Note:-** 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.

### **(10) Study cum Exposure Tour:**

The cluster artisans 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 cluster 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 alongwith performance cum achievement report subject to actual expenditure. The financial assistance will cover TA/DA for upto 5 persons, their boarding / lodging, desk research/collection of sample 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** : 5 days excluding journey period and 5 cluster artisans including one mentor 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, SDHS, Welfare etc., can be implemented both in a cluster and in a standalone manner.**

## **APPROACH :**

- a) Handicraft Clusters will be empowered through stages of Interventions sanctioned to Implementing agency for a period of Five years. The beneficiaries will be the cluster artisans having PAHCHAN CARDS.
- b) Producer Companies will be formed in selected craft clusters. Interventions will be sanctioned to the Producer Companies. The Beneficiaries will be the shareholders of the Producer Company.

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

## **IMPLEMENTATION METHODOLOGY:**

Handicrafts clusters shall be identified on the basis of feedback report from field offices / Hd. Qr. Office, New Delhi. Proposal for implementation of AHVY Scheme in identified clusters will be invited through open advertisement from eligible agencies. The implementing agencies fulfilling all requisite criteria stipulated time to time will be awarded the project for cluster development.

- a) Conducting survey and preparation of DPR will be completed within 6 months. Based on DPR intervention for 1<sup>st</sup> Year of the Project Period shall be considered for implementation.
- b) Interventions for subsequent years will be considered only on full utilization of fund released in the previous years and successful performance of the Implementing Agency.
- c) Producer companies shall be formed in crafts clusters taken up under AHVY scheme or in any other craft concentration areas.
- d) Formation of producer company and preparation of DPR will be completed within a period of 6 Months.
- e) Based on DPR , Producer Company will be sanctioned Intervention for the 1<sup>st</sup> Year
- f) Interventions to the Producer Company for 2<sup>nd</sup> and 3<sup>rd</sup> year will be considered only on successful performance of the Company in terms of shareholding, Turnover, Market Linkages, Brand Building , Exports etc.
- g) Need based Infrastructure Project in the cluster may be considered to the implementing agency or Producer Company from 2<sup>nd</sup> year of project period.
- h) The DSR and DPR shall be examined by a committee of Sr. AD/ AD under the chairmanship of Regional Director. A report of the committee shall be forwarded to Headquarter office for future course of action.

## **MONITORING OF ACTIVITIES:**

- Respective AD(H) / Officials of field office will visit the cluster frequently during the implementation of programme and will send monthly update as per prescribed proforma to HQ through concerned Regional Director .
- Periodic review shall also be carried out by Regional Director / Hd. Qr. Level Officers to assess the progress of the intervention sanctioned and suggest suitable corrective action , if required.

## **MODE OF PAYMENT (except for those interventions where a mode of payment has been specifically mentioned therein):**

1. Funds will be released in 2 installments
2. 75% of the sanctioned amount will be released as first installment and balance amount will be released as second and final installment under AHVY Scheme in the shape of reimbursement after receipt of requisite audited statement of expenditure, UC in GFR-12A format, performance cum outcome report and other required documents, etc.
3. In case of departmental activity, 100% payment will be drawn as advance.
4. Enhancement of Financial Ceiling of interventions and change in Fund release pattern could be considered by PAMC as per necessity of the project.
5. The Implementing Agencies of cluster Project (AHVY IA/Producer Company/IA of Adopted & Export Oriented Cluster) will be eligible for 3% administrative cost for successful implementation of cluster activities. The Project *cost* shall be released annually after settlement UCs on sanctioned grant subject to receiving of assessment report of cluster from the respective field offices.

**Note:** Most of the Interventions shall also be implemented in the office of the DC(Handicrafts) sponsored infrastructural set-ups nearby to the Adopted and Producer Company Clusters subject to requirement of the cluster artisans.

## **(IV) DIRECT BENEFIT TO ARTISANS**

### **(i) Support 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 and artisan of exceptional craftsmanship in Handicrafts 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 1<sup>st</sup> 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.

#### **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. 5,000/- (Rs. five 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.

## **(ii) Interest Subvention**

The component has been introduced during the 12<sup>th</sup> Plan. This scheme is facilitating credit access for handicrafts artisans, through introducing interest subventions from scheduled banks. 6% interest subventions, subject to actual, shall be available for artisans availing MUDRA loan from Scheduled banks/financial institutions. Maximum benefits of Rs. 1,00,000/- for a period of 3 years is admissible. The subsidy amount will be reimbursed to lending banks, 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.

## **(iii) 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.20,000/-. 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.

## **(iv) Issue/Renewal of Photo Identity Cards and creation of data-base**

The identified artisans are given Photo Identity Card. Agencies having necessary infrastructure to undertake the work is identified by this office. Simultaneously, 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**

- ✚ Assistance to the tune of Rs. 50/- 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 apply in the prescribed application format 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.

## **(v) Bima Yojana to Handicrafts Artisans**

### **Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Pradhan Mantri Surkasha Bima Yojana (PMSBY) and Converged Modified Aam Admi Bima Yojana (CAABY)**

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.

#### **A. 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:-**

|                                  |                 |
|----------------------------------|-----------------|
| Government of India DC(HC) share | Rs.150/-        |
| Social Security Fund of GOI      | Rs.100/-        |
| Artisans/Workers share           | Rs. 80/-        |
| <b>Total Premium</b>             | <b>Rs.330/-</b> |

#### **B. 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.12/- will be borne entirely by the Government of India Share.

**C. Converged Modified Aam Admi Bima Yojana (Converged modified AABY):-**

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> |

**(vi) Awareness Camp/ Chaupal/ Shivar**

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.3.00 lakhs benefitting 200 to 250 beneficiaries per programme.



### **(vii) Workshop cum Seminar**

Organizing of periodical workshops-cum-seminars to sensitize the cluster artisans and entrepreneurs, NGOs, Voluntary organizations associated with Handicrafts Sector at different stages with a view to address the problems faced in the handicraft sector, capacity building and discussions on the importance of Marketing, Design and Technology Upgradation, Enhancement of Skill, GST, GEM portal, E Commerce platform participation in virtual fairs, Procedure of GI registration, Mudra Loan, Artisan ID cards, PFMS including cashless transactions, export formalities including custom clearance and availing of duty drawback, etc.

Financial ceiling for each such programme is upto a maximum of Rs.15.00 lakhs benefitting large number of artisans/entrepreneurs/exporters and other stakeholders.

#### **Financial Parameters**

| Expense head   | Minimum Number of Participants | Maximum permissible assistance (INR) |
|--|--------------------------------|--------------------------------------|
| 1. Halls & Infrastructure  | 50-100                         | 02.00                                |
| 2. Boarding & Lodging for Resource Persons   | 100-150                        | 05.00                                |
| 3. T.A. to Resource Persons @Rs. 12,000/- per persons or AC-I/Air fare economy class whichever is less | 150-200                        | 08.00                                |
|  | 200-300                        | 15.00                                |
| 4. Honorarium to Resource Persons @ Rs 4000/- per person   |                                |                                      |
| 5. TA to participants @Rs 2000/- per artisan per day including journey period *                        |                                |                                      |
| 6. DA to participants @ Rs 300/- per artisan per day   |                                |                                      |
| 7. Documentation & Videography   |                                |                                      |
| 8. Hire of Conveyance  |                                |                                      |
| 9. Refreshments & Tea, Lunch etc.  |                                |                                      |
| 10. Publicity including banners, backdrops, pamphlet, booklet, biometric machine, etc.                 |                                |                                      |
| 11. Miscellaneous  |                                |                                      |
| *Rs. 3000/- for participants from NER.   |                                |                                      |

In special cases limit can be increased with the approval of IFW.

#### **Eligibility:**

1. The schemes being implemented by Office of the DC (HC).
2. The activity may also be implemented through any other agency as per NHDP Guideline.

## **MODE OF PAYMENT:**

1. In case of departmental activity, 100% payment will be drawn as advance.
2. In case of other eligible agency, 75% of the sanctioned amount will be released as first installment and balance amount will be released as second 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 and other required documents, etc.

## **(viii) 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 10 awards.
2. National Award: (including National Award for Design Innovation): Maximum 33 awards.

### **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. 2.00 lakhs, a mounted gold coin, shawl, certificate and tamrapatra.

### **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.1.00 lakh, a shawl, a certificate and a tamrapatra.

## **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.05.00 lakhs, Rs.04.00 lakhs and Rs.03.00 lakhs for the 1st, 2nd and 3rd place, respectively to be shared equally between the concerned designer and the artisan.

## **Guidelines for Implementation**

**Mode of Application:** Advertisements will be published in the major national newspapers with the request to submit award entries along with supporting documents. 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).

**Selection Procedure:** The selection procedure consists of a 3-tier Committee system at three different levels.

**Level-1:** Regional Level Selection Committee.

**Level-2:** Headquarters Level Selection Committee

**Level 3:** Central Level Selection Committee

## **(V) INFRASTRUCTURE AND TECHNOLOGY SUPPORT**

### **(i) 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).

#### **Eligibility:**

The scheme will be implemented through Central/ State Handloom and Handicrafts Development Corporations, Central Cottage Industries Corporation of India Ltd. (CCIC) and any other eligible Govt. Corporations/ agencies promoted by State Government or local govt. Bodies etc.

Eligible Local statutory bodies, Apex cooperative Societies and National level Apex Societies (registered under society act/ trust act, etc.) and organization like IICT, HMCM, NIFT, MHSC and Export Promotion Councils.

Any component can be implemented by department as well.

#### **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 INR 800 lakh for each unit.
- 40% of the admissible amount shall be borne by the O/o the DC(H) and DC(HI) each and 20% will be contributed by the implementing agency.
- Land will be provided by implementing agencies and will be over and above the 20 % contribution by the implementing agency.
- In case of NER, Jammu & Kashmir, Ladakh and Andaman & Nicobar Islands, Lakshadweep – 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 (100% assistance will be borne by the Office of the DC (Handicrafts) & DC(HI).

**Note-** Assistance will also be given for Mini Urban Haats on need based and feasibility. The financial assistance will be based on the number of stalls, land area & other deliverables in proportionate manner.

The PAMC shall comprise DC(HC), DC(HL), representative of IFW and Implementing agency

**(ii) 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.

**Eligibility**

- Central/ State Handloom and Handicrafts Development Corporations and any other eligible Govt. Corporations/ agencies promoted by State Government or local govt. Bodies etc.
- Eligible Non-Governmental Organizations, Registered SHGs, local statutory bodies, exporter bodies/ associations, Apex cooperative Societies and National level Apex Societies (registered under society act/ trust act, etc.) and organization like IICT, MHSC, HMCM, NIFT, and Export Promotion Councils.
- Producer companies registered under Section 8 of Companies Act. and working for the promotion and development of Handicrafts & Handlooms
- Any component can be implemented by department as well.

**Financial assistance and funding pattern:**

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

| <b>Component</b>                  | <b>Per unit cost (INR lakh)</b> |
|-----------------------------------|---------------------------------|
| New emporia (Rented/Own building) | 60                              |
| Strengthening / Renovation        | 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 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.
- 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.

### **(iii) 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.

#### **Eligibility:**

- Central/ State Handloom and Handicrafts Development Corporations and any other eligible Govt. Corporations/ agencies promoted by State Government or local govt. Bodies etc.
- Eligible Non-Governmental Organizations, Registered SHGs, local statutory bodies, exporter bodies/ associations, Apex cooperative Societies and National level Apex Societies (registered under society act/ trust act, etc.) and organization like IICT, MHSC, HMCM, NIFT, and Export Promotion Councils.
- Producer companies registered under Section 8 of Companies Act and working for the promotion and development of Handicrafts & Handlooms.
- Any component can be implemented by department as well.

#### **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.

### **(iv) Handicrafts Museum**

The objective of the handicrafts museum is to establish a platform through which India's heritage traditional arts and craft can be popularized amongst artists, scholars, designers and Craft Lovers. The primary objective of the Museum is to

collect and preserve objects exhibiting exquisiteness in craftsmanship and conceptual innovations in design or its functional aspects. The IA shall also popularise the same through digital platform including detail conceptual and historical information of the crafts/products.

### **Eligibility**

- Central/ State Handloom and Handicrafts Development Corporations and any other eligible Govt. Corporations/ agencies promoted by State Government or local govt. bodies etc.
- Eligible Non-Governmental Organizations, Registered SHGs, local statutory bodies, exporter bodies/ associations, Apex cooperative Societies and National level Apex Societies (registered under society act/ trust act, etc.) and organization like IICT, MHSC, HMCM, National Crafts Museum & Hastkala Academy, New Delhi, NIFT, and Export Promotion Councils.
- Producer companies registered under Section 8 of Companies Act. and working for the promotion and development of Handicrafts & Handlooms
- Any component can be implemented by department as well.

### **Deliverables**

- Minimum main display area must 1000 square feet to be covered
- Crafts must be displayed in proper presentable and attracting manner with details information of the crafts.
- Products may also digitally to be displayed in a common area.
- Souvenir counter to be set up for providing information in the form of printing materials.
- Collect the unique/antique sample of crafts to display in the museum.

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

- The funding shall on actual subject to a maximum of INR 150 lakh for each museum.
- The amount shall be for setting up of new museum and also for up gradation of existing museum as per need assessment.
- The financial assistance will be 100% from GOI for Central/State corporations and institutions.
- The financial assistance will be 75% from GOI for reputed design institutions, artisans' federations and SPV of Handicraft Entrepreneurs and rest 25% will be contributed by the 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.

## **(v) Craft Based Resource Centre**

The objective of this centre 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.

### **Eligibility:**

- Central/ State Handloom and Handicrafts Development Corporations and any other eligible Govt. Corporations/ agencies promoted by State Government or local govt. bodies etc.
- Eligible Non-Governmental Organizations, Registered SHGs, local statutory bodies, Apex cooperative Societies and National level Apex Societies (registered under society act/ trust act, etc.) and organization like IICT, MHSC, HMCM, NIFT, and Export Promotion Councils.
- Producer companies registered under Section 8 of Companies Act and working for the promotion and development of Handicrafts & Handlooms.
- Any component can be implemented by department as well.

### **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 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.

## **(vi) 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.

### **Eligibility:**

- Central/ State Handloom and Handicrafts Development Corporations and any other eligible Govt. Corporations/ agencies promoted by State Government or local govt. bodies etc.
- Eligible Non-Governmental Organizations, Registered SHGs, local statutory bodies, Apex cooperative Societies and National level Apex Societies (registered under society act/ trust act, etc.) and organization like IICT, MHSC, HMCM, NIFT, and Export Promotion Councils.
- Producer companies registered under Section 8 of Companies Act. and working for the promotion and development of Handicrafts & Handlooms.
- Any component can be implemented by department as well.

### **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.

### **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 CFCs under AHVY, financial assistance will be 100%.
- In case of NER, J & K, Ladakh & Andaman and 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.
- Assistance will also be available for upgradation/ strengthening of existing CFCs with a maximum of Rs 200 lakhs as 100% GOI share.

| <b>S. No.</b> | <b>Expenditure Item</b>  | <b>Funds Permissible (INR Lakhs)</b> |
|---------------|--|--------------------------------------|
| 1             | a) Own Building (Interior work/construction)<br>b) Rented building (IA Must have agreement of at least 15 years for running the CFC)<br>(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>                        |

- Rental amount will be borne by the IA.

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

### **(vii) 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.

#### **Eligibility:**

- Central/ State Handloom and Handicrafts Development Corporations and any other eligible Govt. Corporations/ agencies promoted by State Government or local govt. bodies etc.
- Eligible Non-Governmental Organizations, Registered SHGs, local statutory bodies, SPV promoted by banks, Apex cooperative Societies and National level Apex Societies (registered under society act/ trust act, etc.) and organization like IICT, MHSC, HMCM, NIFT, and Export Promotion Councils.
- Producer companies registered under Section 8 of Companies Act. and working for the promotion and development of Handicrafts & Handlooms
- Any component can be implemented by department as well.

#### **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 100% by the GOI 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 five 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.

#### **(viii) 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.

##### **Eligibility:**

Recognized Exporters and Entrepreneurs/ Exporter Associations, Producer Companies etc.

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

- The maximum amount of funds to be sanctioned is INR 150 lakh for each facility center.
- The financial pattern would be based on 60:40 sharing between the Government of India through the Office of the D.C (H) and Exporters and Entrepreneurs/ Exporter Associations, Producer Companies etc.
- MOU between Exporters and Entrepreneurs/ Exporter Associations, Producer Companies etc. and Government of India (GOI) will be signed before release of funds.

#### **(ix) 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.**

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

### **Eligibility**

- **IICT, MHSC, NIFT, NID, Central/State recognised educational Institute/University**, Exporter's bodies, EPCH, CEPC, State Corporations etc.
- CSIR and Textiles Committee.

### **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.
- This grant would be in the form of 100% through the Office of the D.C (H) to the eligible institute/ organization.

### **(x) Crafts 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 craftsman 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.

### **Eligibility:**

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

- Eligible Local statutory bodies, SPV promoted by banks and organization like IICT, MHSC, HMCM, NIFT, and Export Promotion Councils.
- Any component can be implemented by department as well.

### **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 and in case of government agencies 100% by GOI.
- In case of NER, J & K, Ladakh & Andaman and 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.
- Land will be provided by implementing agency and it will be over and above its 20% contribution, attributed in the funding pattern.

### **(xi) Construction of office infrastructure/ institution and revitalizing/restructuring of existing infrastructure/ institution and any other infrastructure/ institution to be created at departmental level.**

This is proposed to be undertaken as a departmental activity. Need based projects would be devised for each activity i.e. either restructuring or revitalizing of the existing institutions and / or field / regional offices.

### **PROJECT APPRAISAL, APPROVAL AND MONITORING IN RESPECT OF INFRASTRUCTURE PROJECTS.**

- i) Each project will be approved on the basis of DPR by the competent authority (Secretary (T) and HMOT for projects up to Rs 100 Cr.). The amount for each project, the funding pattern, the components of funding etc. will be decided by the competent authority on case to case basis.
- ii) For projects involving outlay of Rs. 10.00 crores or above, there should be a Project Approval & Monitoring Committee [PAMC] under the Chairpersonship of Secretary [Textiles]. The PAMC will have representative from IFW and the related Ministry.
- iii) For projects below Rs. 10.00 crores, the PAMC will be chaired by DC [HC]. The PAMC should include representative from IFW.
- iv) Apart from the eligible agencies mentioned against various components of the scheme, the PAMC may also consider to include any other agency if it so deemed fit as eligible implementing agency for any intervention under the scheme.
- v) Evaluation studies to be got conducted and its findings to be submitted to PAMC from time to time.
- vi) GOI funding shall not be used for financing procurement of land.

## Monitoring of activities

- i) Respective AD(H) / Officials of field office will visit the cluster frequently during the implementation of programme and will send monthly update as per prescribed proforma to HQ through concerned Regional Director.
- ii) Periodic review shall also be carried out by Regional Director / Hd. Qr. Level Officers to assess the progress of the intervention sanctioned and suggest suitable corrective action, if required.

## Implementation strategy for Infrastructure projects.

- For each Infrastructure projects under the components under infrastructure support, DPR shall be prepared. Recurring expenditure will be borne by the implementing agencies. However, at the time of appraisal, PAMC can allow funding for recurring expenditure for a maximum of two years in deserving cases.
- The timelines shall be decided based on the DPR submitted by the implementing agency.
- The Office of the DC (Handicrafts) will make a Memorandum of understanding with the Grantee Organisation before releasing the grant by specifying quantified deliverables.
- Renovation can be granted after completion of 5 year on functional project.
- Periodic inspections shall also be carried out by Field Officer/Regional Director / Hd. Qr. Level Officer's to assess the progress of the sanctioned project and suggest suitable corrective action, if required.
- Mode of payment for all components under infrastructure support except Raw Material depot. Funds will be released in 3 installments 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. |

**Note:** Mode of payment can be changed / modified on approval of PAMC as per necessity/need of the project. In case the projects will be implemented by the department, 100% advance can be drawn as per the requirement of the projects.

### **Note: Renovation of existing Infrastructure Components**

Assistance will also be given for strengthening/renovation of existing Infrastructure Components subject to a ceiling of 60% of maximum financial limit of that component (100% assistance will be borne by the Office of the DC (Handicrafts) except CFC and emporia projects.

## **(VI) RESEARCH & DEVELOPMENT SCHEME**

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**

- a. Surveys/ Studies of specific crafts
- b. Problem relating to availability of raw material, technology, design, common facilities, etc.
- c. Socio-economic condition of artisan
- d. Market evaluation studies of specific crafts for either domestic or overseas markets.
- e. Techno-economic feasibility studies and post evaluation of the various promotional projects programmes under taken in the handicrafts sector.

(ii) Financial Assistance for registration of GI crafts (including registration of authorized users), preparation of legal para, standards, audits and other documentation leading to labelling/certification.

(iii) Financial Assistance to organizations for evolving, developing a mechanism for protecting crafts including Endangered crafts, design, heritage and traditional knowledge

(iv) Conducting Census of Handicraft artisans of the country.

(v) Assisting handicrafts exporters in adoption of global standards, including handicrafts mark, bar coding and other similar standards

(vi) Conducting of workshops/seminars on issues of specific issues relating to handicrafts sector

(vii) Evaluation / Impact Assessment Studies of Handicrafts schemes

(viii) Need based financial assistance to Government department/ministries, institutes of national importance and export promotional councils etc.

## **II. Eligibility**

Grants-in-aid can be given to a public body or an institution having a distinct legal entity viz. Institutions or Organizations set up as Autonomous Organisations, under a specific statute or as a society registered under the Societies Registration Act, 1860 or Indian Trusts Act, 1882, Producer companies and section-8 companies (company act-2013), Non-Government- Organizations, Educational and other institutions, Urban and Rural local self-government

institutions, export promotion councils, CCIC, National Crafts Museum & Hastkala Academy, New Delhi, state/central govt. agencies etc. The relevant rules under the GFR will be the guiding principle for selection of agencies

### III. Financial Parameters

The financial assistance shall be extended to eligible organization as 100% grants in aid. The disbursement of the assistance will be in two instalments. The 1st instalment of 50% of the sanctioned amount will be released as an advance and remaining admissible amount as 2nd installment in the form of reimbursement. The expenditure heads for sanctioning the grant in aid are as under:

#### a) Financial assistance for conducting studies/surveys

| S. No. | Head                        | Maximum No. of persons | Maximum permissible amount                     |
|--------|-----------------------------|------------------------|--|
| (i)    | Project Leader              | 1                      | @ Rs. 50,000/- p.m.                            |
| (ii)   | Senior Research Expert      | 2                      | @ Rs 35,000/-p.m.                              |
| (iii)  | Junior Research Fellow      | 2                      | @ Rs 25,000/- p.m.                             |
| (iv)   | Investigator [Graduate]     | 3                      | @ Rs 15,000/- p.m.                             |
| (v)    | Computer Operator           | 1                      | @Rs. 10,000/- p.m.                             |
| (vi)   | Documentation & Videography | --                     | Rs. 50,000/-                                   |
| (vii)  | T.A./D.A.                   | --                     | @Rs. 18,000/- p.m.                             |
| (viii) | Miscellaneous               | --                     | @ 5% of the total cost i.e., from (i) to (vii) |
| (ix)   | Administrative charges      | --                     | 3% of total project cost (1) to (viii)         |

#### Financial assistance for One day Seminar/Workshop

| S. No. | Head  | Maximum permissible amount   |
|--------|---|--|
| (i)    | Halls & Infrastructure                              | Rs.60,000/-  |
| (ii)   | Boarding & Lodging for Resource Persons (Maximum-4) | @Rs. 9,000/- per head  |
| (iii)  | T.A. to Resource Persons                            | @Rs. 12,000/- per person or AC-I/Air fare economy class whichever is less. |
|        | For International Experts                           | @Rs. 70,000/- per person or economy class air fare, whichever is less.     |
| (iv)   | Honorarium to Resource Persons                      | @Rs. 4,000/- per person  |
| (v)    | T.A. to participants including journey period       | @Rs. 2000/- per participant/artisan or AC-III tier fare whichever is less  |



|        |   |  |
|--------|---|--|
| (vi)   | DA to the participants  | @Rs. 300/- per participant/artisan                 |
| (vii)  | Documentation & Videography                                     | Rs. 40,000/-                                       |
| (viii) | Hiring of Conveyance  | Rs. 50,000/-                                       |
| (ix)   | Refreshments & Tea, Lunch etc.                                  | @Rs. 400/- per participant/artisan                 |
| (x)    | Publicity including banners, backdrops, pamphlet, booklet, etc. | Rs. 65,000/-                                       |
| (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 3 months to 12 months and the duration of Seminar/Workshop is one day.
- In special cases the number of days and financial limit can be increased with special approval of the Competent Authority.

#### IV. Guidelines for implementation

- 1. Submission of project proposal:** Eligible agencies should submit the proposal for conducting Study/Survey and /or Seminar/workshop, as per the prescribed proforma, through online mode only.
- 2. Selection of artisans:** Any artisans having Pahchan card may participate in the seminar/workshop. Beneficiaries should be selected in a fair & transparent manner, through well-defined objective parameters/criteria, giving equal opportunity to all artisan, under the supervision of the concerned AD(H).(However, preference may be given to the marginalized social groups i.e., SC/ST/Women/Differently enabled persons). The details of the beneficiaries shall be uploaded on the portal / MIS of the O/o DC (Handicrafts).
- 3. Selection of Project Leader / SRF/ JRF and Resource Persons:** For conducting Study/Surveys, eligible candidates shall be engaged by the Implementing agency/Institution, upon submission of their detailed profile/resume to the O/o DC (Handicrafts). For Seminar/workshops, the Implementing agency/Institution may engage eminent personalities in the respective fields or engage their own faculty/resource persons, with the prior approval of O/o Development Commissioner (Handicrafts).
- 4. Presentation, Documentation, Videography:** On completion of the study/survey, the Implementing agency /Institution shall give a power point presentation before the project committee chaired by the Development Commissioner (Handicrafts), explaining the various aspects of the study carried out; before submitting the reimbursement claims. For survey/study

and workshop/seminar comprehensive documentation report shall be submitted to the office, giving details of targeted objectives as per sanction, achievement, etc., along with the audit documents (GFR-12A, income-expenditure statement), inspection report, beneficiary details in DBT format, etc.

- 5. Inspection and monitoring:** The field office/AD should ensure successful execution of event and compliance to relevant guidelines. The inspecting officer should visit the seminar/workshop and submit their report along with 5 photographs directly to HQ office through email within 3 days (along with a copy to IA and Regional Office). For study/survey, the field office shall give their comments/report on the study conducted, certifying the claims of the implementing agency/institutions. The inspection should be conducted by an officer not below HPO/CTO level.
- 6. Mode of payment to beneficiaries:** The payments to all beneficiaries/concerned should be made using PFMS only. (Further, the artisans should be registered as beneficiaries and those providing services, may be registered as vendors or under any other category as applicable)

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

**(2021-22 to 2025-26)**

# **COMPERHENSIVE HANDICRAFTS CLUSTER DEVELOPMENT SCHEME.**

## **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) 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          |
| 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.