

**Indian Leather Development Programme**  
**Guidelines for sub-scheme Support to Artisan: (Outlay Rs. 40.00 crores)**  
**XI Plan period**

There are various leather clusters in India, which make traditional footwear, toys and other leather items, rich in embroidery and need to be promoted at various forums. These clusters are an integral part of Indian economy and have potential for generating local employment and export. The ethnic clusters and footwear producers need support for improvising their designs as per the changing trends in fashion and marketing support. This component under the ILDP scheme would provide necessary design and product development support and market linkages for the better positioning of the ethnic products to ensure better return to the artisans.

**1. Scheme Objective**

- Provide livelihood support to the artisan involved in traditional artisan activity involving leather.
- Increase the income of such artisans
- Introducing design development and product diversification to make their products more competitive qualitatively and cost-wise in the domestic and international market.
- Capacity building and training of such artisans to help them keep pace with the changing fashion trend and latest technology
- Providing Marketing support to these artisans
- Encouraging formation of Self Help Groups (SHGs)
- Creating awareness in artisan about micro-finance system, savings schemes, credit facilities from banking institutions etc.

**2. Basic Approach and Methodology**

- Following a cluster based approach to identify clusters of artisans needing support to survive the traditional art involving leather

- A base line survey of the clusters so identified for support - giving details of no. of artisans per clusters , their problems and areas that require support
- Enroll required number of NGOs and other agencies for identifying such clusters and providing support to artisans
- Select appropriate target group
- Set a clear target in both physical and financial terms that could be achieved during the Plan period with proposed intervention.
- Providing Design support to the artisans
- Capacity building and product innovation
- Helping the artisan by introducing product diversification
- Formation of self help groups
- Providing Marketing support both domestic and international
- Making available Raw material at reasonable cost
- Provide entrepreneurial guidance and support
- Providing training to maximum number of Artisans.

### **3. Pattern of Assistance**

Assistance would be provided in the form of grants-in-aid to Regd. NGOs/ Associations or institutions already working for upliftment of Artisan willing to take up projects on the above lines in different leather clusters. The project would be for a period co-terminus with the 11<sup>th</sup> Five year plan period.

### **4. Areas of Investments for Support to Artisan Funds**

- Design development
- Capacity building and training
- Infrastructure strengthening in the target clusters
- Establishing Common Facility centre
- Setting up of Raw Material Bank
- Marketing support

- Participation in domestic and international trade fairs  
(The artisans of the clusters under the project would be given exposure to domestic and international market by taking them to such fairs. Department also would nominate a representative of the Department in such fairs)
- Opening Retail outlet to market products of Artisans
- Micro-finance
- Implementation/Administrative expenses of the implementing agency @ 2.5 to 3% of the project cost.

## 5. Fund Release

The fund under the scheme would be released in four yearly installments as per the following schedule:-

1 <sup>st</sup> installment	25% of the project cost on approval of the project.
2 <sup>nd</sup> installment	25% on utilization of the previous release
3 <sup>rd</sup> installment	25% on utilization of the previous releases and after the report of the impact assessment report of the project.
4 <sup>th</sup> installment	25% on utilization of the previous releases and after satisfactory progress of the cluster/project.

## 6. Criteria for Selection

- Number of artisans beneficiary in a project
- Number of artisans beneficiary belonging to below poverty line
- Credibility of implementing agency based on past record
- Design Development capabilities of the implementing agency
- Training capability of the agency
- Strength of the Marketing strategy
- Types of technologies and skill sets planned to be upgraded
- Strength of the proposal

Amount of Local support enjoyed by the project coordinator

Quality of designers/trainers involved in the project

- Expected productivity increase, if any
- Expected income increase of the artisans
- Cost-benefit analysis.

## **7. Implementation of the Scheme**

The scheme would be widely publicized through DICs. The Department would appraise different projects received from various NGOs or Societies or Associations involved in the trade on the basis of the approved guidelines for the scheme. Thereafter the proposal upto Rs. 15 crore for a particular cluster would be decided by the Steering Committee under the chairmanship of Joint Secretary (Leather). A copy of the composition of the Steering Committee is at Annex. - A. Projects above Rs. 15 crore would be approved by the Empowered Committee under Chairmanship of Secretary (IPP) having representative of Department of Expenditure/Finance Wing of this Department and the Planning Commission. FDDI, Noida being in charge of overall implementation of the component would act as a link b/w the leather clusters, NGOs and the Department for the various projects under the scheme. This would help in marketing in r/o the products both at domestic and international level as FDDI has already developed a marketing chain both in India and abroad and new projects can make use of that.

After the appraisal of the DPR and approval of the project, fund would be released to the Implementing Agency as per the funding pattern. Department would review the progress of the projects with all the implementing agencies once in every three months in the Steering Committee headed by JS(Leather). The Department would do the impact assessment study of the project after two years before release of further funds for the projects.