

SCHEME OF FUND FOR REGENERATION OF TRADITIONAL INDUSTRIES (SFURTI)

SFURTI is an innovative cluster Development Programme of the Ministry of MSME, Govt. of India which is entrusted upon Indo German Tool Room, Aurangabad (IGTR) for developing clusters.

Objective of the scheme:

- i. To organize the traditional industries and artisans into clusters to make them competitive and provide support for their long term sustainability and economy of scale;
- ii. To provide sustained employment for traditional industry artisans and rural entrepreneurs;
- iii. To enhance marketability of products of such clusters by providing support for new products, design intervention and improved packaging and also the improvement of marketing infrastructure;
- iv. To equip traditional artisans of the associated clusters with the improved skills and capabilities through training and exposure visits;
- v. To make provision for common facilities and improved tools and equipment for artisans to promote optimum utilization of infrastructure facilities;
- vi. To strengthen the cluster governance systems with the active participation of the stakeholders, so that they are able to gauge the emerging challenges and opportunities and respond to them in a coherent manner;
- vii. To build up innovated and traditional skills, improved technologies, advanced processes, market intelligence and new models of public private partnerships, so as to gradually replicate similar models of cluster based regenerated traditional industries;
- viii. To look for setting up of multi-product cluster with integrated value chain and a strong market driven approach for viability and long term sustainability of the cluster;
- ix. To ensure convergence from the design stage with each activity of the cluster formation and operations thereof;
- x. To identify and understand cluster's target customers, understand their needs and aspirations and develop and present product lines to meet the requirement. Substantial focus should be on the buyer segment that places a premium on natural, eco-friendly, ethically sourced and the uniqueness of the Khadi and VI products.
- xi. To develop specific product lines out of the currently offered

- diversified basket of heterogeneous products based on the understanding of the target consumer segment. A brand unification exercise also needs to be done to maximize the value.
- xii. To make a paradigm shift from a supply driven selling model to a market driven model with the right branding, focus product mix and correct positioning and right pricing to make the offering holistic and optimal for each of the focus categories.
 - xiii. To tap the E-Commerce as a major marketing channel given the outreach and the growing market penetration of E-Commerce, there is a need to devise a quick strategy to make its presence felt in the E-Retail space.
 - xiv. To make substantial investment in the area of product design and quality improvement. There is a need to standardize the quality of inputs and processes so that the products meet the quality benchmarks. Research need to be done to develop new textures and finishes to cater to the prevailing market trends.

Technical Agencies (TAs):

Established national-level institutions, with proven expertise in artisanal and small enterprise cluster development shall be engaged as Technical Agencies (TAs) to provide close handholding and implementation support to the SFURTI clusters. The TAs shall provide technical support to the NAs and the IAs. The responsibilities of the TAs will include preparation and validation of Cluster Action Plans, conducting training of the Cluster Development Executives (CDEs) and other officials of the IAs and NAs, regular monitoring of the cluster on monthly/ quarterly basis and submit report on quarterly basis, to the respective field office of Nodal Agencies.

General role and responsibilities of the Technical Agency (TA) are

- i. Sensitization and awareness generation in the clusters about the scheme;
- ii. Identification of potential IAs;
- iii. To identify focus products and product mix for the Cluster for domestic and export markets. That may also include multi products in the cluster and creating linkages with other available network of cluster in the adjoining Primary Cluster within the given budgetary allocation and as per approval of DPR;

- iv. Preparation of comprehensive DPRs for final approval of the SSC/PSC containing the following details, namely, business model for self-sustenance, skills up gradation of Artisan, acquiring of new skills setting up of physical and financially outcome targets for the project, proposed percentage products segmentation, promotion and advertising through regular publicity modes and participation in fair and exhibition exploring possible export avenues with clear targets etc.
- v. Assisting the identifying I.A. in establishment in structuring the project specific SPV.
- vi. Assist the NAs / SSC in examining the proposals for approval.
- vii. TA will assist the I.A. in formulating plans, getting approvals, obtaining clearness from statutory institutions, identifying suitable technology/ equipment for value addition of the products and will assist the I.A. in setting of CFCs after identification of land by the I.A. More than one CFC is also permitted provided demand each justified for bringing higher productivity in the cluster. T.A. will assist I. As in selection of Agencies / Expert for various services and in developing suitable operational frame work for various intervention and would also assist in periodic monitoring of the progress of the project and disbursement of funds and finally the would formulated sustainability roadmap for the cluster detailing the exit strategy for the I.A. and plan for the business operation of the cluster beyond the project duration.
- viii. TA to put in place a suitable business plan detailing the revenue model based on appropriate user fee, mechanism to collect it to enable the SPV to achieve the projected outcomes in terms of productivity, sales, employment, wages enhancement, overall income of the Cluster as projected in the DPR
- ix. T.A should assist the IA/ SPV in engagement of a Design House / Designer with appropriate terms of reference and detailed scope of work for extending appropriate input of design, product processing, product development and proper packaging in consultation with NA, IA and other stake holders;
- x. To assist the IA/ SPV in engagement of Business Development Services (BDS) providers, out sourcing/improving tools and equipment, developing strategies & best practices for credit linkage as far as possible;
- xi. T.A. would advise IA/CDE for making plans for procurement of raw materials along with various micro and macro level tools and machineries and other processes as identified and mentioned under

DPR. Tools/Kits and Charkhas/implements may also be distributed among artisans as a part of Cluster Level Intervention as per DPR. TA should assist the IA in establishing a proper, appropriate and transparent system duly examined and vetted by the Cluster Level Committee for distribution of tolls/ kits/ charkhas/ implements among artisans;

- xii. TA will draw up a marketing strategy and detailed plan in consultation with NA and IA in regard to the following:
 - a. Product development
 - b. Packaging
 - c. Product pricing
 - d. Product positioning and promotion
 - e. Product mix/ diversification
 - f. Dealer/Distributor Network under offline marketing mode
 - g. Tapping e-commerce for online marketing.
 - h. Determining supply chain and logistics
 - i. Ensuring quality of product and standardization
 - j. Tapping the export potential through appropriate interventions
- xiii. Miscellaneous activities that need to be ensured by I.A. shall require close supervision by T.A.
 - a. Awareness and exposure visit of artisans.
 - b. Mandatory opening of Bank Account by Artisans under Jan Dhan Yojana.
 - c. Health insurance of all the artisans under the cluster as applicable under IGTR rules (Iana Shree Bima Yojana & Rashtriya Swasthya Bima Yojana wherever applicable).
 - d. Enrolling under Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) which will offer a renewable one-year life cover of Rs.2 lakh to all savings bank account holders in the age group of 18-50 years, covering death due to any reason, for a premium of Rs. 330 per annum.
 - e. Enrolling under the Pradhan Mantri Suraksha Bima Yojana (PMSBY) which will offer a renewable one-year accidental death-cum-disability cover of Rs.2 lakh for partial/permanent disability to all savings bank account holders in the age group of 18-70 years for a premium of Rs.12 per annum per subscriber.
 - f. Issue of Aadhaar based Identity card to artisans mentioning the benefits, privileges, rights as well as their specific responsibilities along with necessary undertakings in regard to the implementation of the programme.

- g. The Atal Pension Yojana (APY) will focus on the unorganized sector and provide subscribers a fixed minimum pension of Rs.1,000, Rs.2,000, Rs.3,000, Rs.4,000 or Rs. 5,000 per month, starting at the age of 60 years, depending on the contribution option exercised on entering at an age between 18 and 40 years. Pension and similar other financial benefits as applicable to be provided adhaar linked.
- h. Periodic training of Artisans.
- i. SHGs members may also be extended to these general and miscellaneous supports as extended to the artisans under Cluster Programme.
- xiv. TA shall assist IA/SPV in organizing and planning Business Development Strategies, buyer-seller meet and implementation of thematic intervention focusing on branding, e-marketing, new media marketing, innovation, research and development etc. for smooth running of Clusters.
- xv. Assisting the SPV in mobilizing additional funds for the project. This would involve preparation of proposals under relevant schemes of the Government apart from tying up loans from the banks.
- xvi. TA shall facilitate linkages between the SPV and various other stakeholders, particularly the Government organizations, buyers and financial institutions.
- xvii. T.A. will facilitate in the identification of suitable Technical Consultants in designing appropriate technologies for the cluster within the allocation ceiling for the respective type of cluster.
- xviii. T.A. will plan out in consultation with NA to frame the training requirement of artisans and stake holders and grouping their requirements as per the need of the clusters. Accordingly, the TA will assist in the identification of training institutions will be done in defining the courses duration, fees and other necessary requirement as per the cluster.
- xix. Assist the NA for seeking and obtaining approval from the State Governments/UTs before submission of DPR to the SSC for final approval;
- xx. TA shall create appropriate system for online reporting of progress reports to Nodal Agency and to the Ministry of MSPI E on monthly and quarterly basis.
- xxi. Any other work assigned from time to time by the NA, Ministry of MSME, for timely completion of project, any changes in nature of intervention, any sorts of addition/alternation in the implementation

programme, etc. that may come at any point of time during the project period should very well be considered by TA for execution without any additional cost.

- xxii. At the end of the Project, TA shall prepare proper documentation covering the entire activities, preparation of case studies and photo documentation along with an end-project report articulating the outcomes in terms of productivity and sales. Listing out the outcomes achieved against the targets fixed at the beginning of the project will also be done.
- xxiii. Formulate an exit strategy for the IA and prepare a sustainability roadmap for the Cluster with a business plan for the next five years beyond the project duration.
- xxiv. Empanelled TAs are permitted/ to identify suitable IA.
- xxv. TA shall have to act diligently to ensure compliance to all Rules and Regulations, as required for the proposals at the DPR stage in order to obtain final approval from the SSC.

Eligibility criteria of T.A.

1. TA should be a recognized and professionally managed National/State level institution of repute with affiliation to state/central Govt. like IITs, NIRD, NABARD, SIDBI, BIRD, IGTR etc., or Private/public body having required capacity and competency to act as Technical Agency for Cluster Development Programme.
2. Such Private or Public organizations executing similar kind of work at State level coverage and other states (if any) have experience in Cluster Development Programme/ Rural Development Programme besides fulfilling the following:
 - i. TA should have at least 3 years minimum experience of cluster development programme or similar activities concerning Khadi/Village Industries/Rural/Small Scale/ Cottage Industries (certificate/copies of work assignment, may be attached).
 - ii. TA should indicate available regular manpower who have technical expertise and competence to get associated in Cluster Development Programme (Details of such manpower working in the organization in regular basis should be furnished).
 - iii. In addition to the above, TA should indicate the available manpower, infrastructure for conducting trainings, awareness programme for stake holders of the clusters, and have its capacities in executing all the above functions on annual basis (Details of

infrastructure in terms of office, training infrastructure, etc. should be provided).

iv. TA should have expertise in preparation of DSR and DPR.

v. TA should have thorough knowledge of establishment and structuring of SPVs during initial period of commencement of cluster programme (A brief outline not exceeding 300 words proposing plan of action in organizing and managing SPVs, may be furnished in case, the implementation of SFURTI Cluster Programme is assigned).

SUPPORTING DOCUMENTS TO BE SUBMITTED:

Following supporting documents should be enclosed along with the application.

1. Attested copies of work order executed previously for the Cluster Programme or similar assignments completed for the years 2015- 16 to 2019-20 (5 years).

2. Attested copies of Registration / Recognition/ Affiliation / Accreditation/ of the organization under societies Registration Act/ Indian Company Act/ Co-operative Act.

3. Attested copies of Registration certificate under Niti Ayog.

4. Attested copies of Services Tax & Income Tax Certificates for the year 2019-20.

5. All other copies / certificate called for, under “Eligibility criterion”, under point No. 2 (i to v)

6. Organizations fulfilling the above criterion shall submit their application in a single sealed cover as per the prescribed format and with supporting documents addressed to “Managing Director, Indo German Tool Room, Aurangabad” P- 31 MIDC Chikalthana, Aurangabad- 431006 along with application fees in a separate envelop inside the cover. The last date for submission of complete application form is 01-12-2020 by 03: 00 p.m.

Selection process

1. Initial scrutiny will be done based on eligibility criteria for short listing.
2. Empanelment will be done based on information provided, past experience, infrastructure, technical manpower, technical expertise & competencies, Presentation and on the basis of obtaining minimum marks out of total mark prescribed.

- ❖ The assignment should be completed within the time stipulated in the agreement.
- ❖ The IGTR shall not consider any additional amount arising out of escalation in the cost or due to certain additions /changes in the given scope of work.
- ❖ The draft/final report and the contents thereof would be the intellectual property of the IGTR and would not be published or used by the agency concerned without prior approval of the IGTR. Any violation may force IGTR to claim damages from the Agency as deems appropriate by IGTR.
- ❖ The raw data/processed data/findings should not be disclosed by the agency to any third party without prior approval of the IGTR. Any violation of the same shall result in breach of contract.
- ❖ If the performance of the agency/firm during the assignment is not found to be satisfactory, the agreement can be terminated and the amount already paid to the Institution will be recovered.
- ❖ During the period of the assignment, IGTR may modify the ToR and other terms and conditions of the assignment, if necessary, in order to strengthen/ deepen its scope/ coverage. Such modification/ changes shall not cause any revision of fees or payment of additional fees to the Agency.
- ❖ The professional charges for each cluster will be paid as per the scheme guidelines.
- ❖ IGTR reserved the right to reject any or all of the applications without assigning any reason.
- ❖ The successful bidder fulfilling all conditions shall enter into an agreement with IGTR and the conditions stipulated by IGTR are binding on him.

Dispute of Resolution

If a dispute arises out of or in connection with this agreement, or in respect of any defined legal relationship associated herewith or derived there from, the parties agree either to seek an amicable settlement of that dispute by conciliation under the ICADR Conciliation Rules, 1996 or to submit that dispute to Arbitration under the ICADR Arbitration Rules, 1996.

The authority to appoint Conciliator /Arbitrator shall be the International Centre for Alternative Dispute Resolution. The place of conciliation /arbitration proceedings shall be in Aurangabad.