



खादी ग्रामोद्योग आयोग  
KHADI AND VILLAGE  
INDUSTRIES COMMISSION

सूक्ष्म लघु और मध्यम उद्यम मंत्रालय, भारत सरकार  
Ministry of Micro, Small & Medium Enterprises, Govt. of India,  
सुधार कार्यान्वयन प्रभाग  
REFORM IMPLEMENTATION DIVISION

No. RID/KRDP/3<sup>rd</sup> Tranche conditions /2017-18/

Date: 30.10.2017

Under Secretary,  
Govt. of India,  
Ministry of MSME,  
Udyog Bhavan,  
New Delhi – 110 011.

Sub : Compliance of 3<sup>rd</sup> tranche conditions under KRDP for establishment of one Cluster each of identified Village Industry - regarding

Sir,

Kindly refer to the 3<sup>rd</sup> Tranche restructured conditions under KRDP which requires to be compiled as per the timeline of ADB.

In this regard, it is to inform that the 16<sup>th</sup> tranche condition states that "KVIC shall have ensured the establishment of one (1) cluster for each of the identified village industry" have been fulfilled by KVIC. The status is as follows :

Finalised restructured tranche condition	Evidence	Status as on 26 <sup>th</sup> Oct 2017
KVIC shall have ensured the establishment of one (1) cluster for each of the identified village industry.	Progress Report on establishment of one cluster for each Village Industry	Completed. Progress report on establishment of 7 Clusters under Village Industries

The Progress Report as evidences of compliance is enclosed.

It is, therefore, requested to kindly forward the documents to ADB for further needful action.

Yours faithfully,

  
Dy. Chief Executive Officer (RID)

Encl: As above

**Copy to :**

- 1) The JS, MSME, New Delhi.
- 2) The Senior Project Officer (Urban) ADB, New Delhi.
- 3) Shri Vivek Mathur, Senior Officer, MSME, New Delhi



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# Khadi Reform and Development Programme

## Progress Report

**KVIC shall have ensured the establishment of one cluster for each of the identified Village Industry**

October 2017



कामये दुखतमानाम्।  
प्राणिनाम् आतिनाशनम्॥

**Khadi and Village Industry Commission**

Ministry of Micro Small and Medium Enterprises,  
Government of India



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## 1. Background

Village industries (VI) have an important role in employment generation in rural areas. Currently, 2806 VI institutional functional through 5.19 lakh micro entrepreneurs providing employment to 1.32 core artisans. During 2015-16, production of goods and services amounted to INR 33,424 crore and sales were to the tune of INR 40,385 crore.

However, in majority cases, the VI activities are fragmented, involve minimal use of technology and depend on local markets for marketing their products. There has been a lack of capacity among artisans for product development, packaging and marketing. This further hinders the progress of VIs.

Undertaking VI activities in cluster development mode can help these industries gain a strong foothold as commercial enterprises, create a niche for their products in the market and benefit maximum people involved in the entire value chain. Considering the significance of VI in the sector, cluster development has been integrated in Khadi Reform and Development Programme (KRDP) supported by Asian Development Bank (ADB).

As part of the third tranche requirements, three conditions are associated with cluster development. These are summarized in the table given below.

**Table 1: Tranche 3 conditions under VI**

Sn	Tranche 3 conditions under VI
1	KVIC shall have ensured the establishment of one (1) cluster for each of the identified village industry.
2	KVIC shall have ensured the implementation of the comprehensive capacity building plan in the identified clusters.
3	KVIC shall have monitored the performance of the clusters.

The cluster development activities under KRDP were initiated in 2011. KVIC has also issued a detail guideline regarding establishment and implementation (annexure 1).

### 1.1. Objectives

The overarching goal of VI cluster development is to realize synergies between VI and Khadi Sector. The specific objectives of the module are as follows:

- To undertake activities for development of Village Industries through cluster approach
- To generate employment for rural artisans and enhance income through cluster activities

It is envisaged that one cluster will be established and implemented for each of the five village industries selected over a period of three years. During this period, the technical support would be provided by technical agencies (TA) while funds will be provided by KVIC through State Offices.

### 1.2. Selection of Village Industries

KVIC had selected five village industries based on inputs received from the respective technical agencies as part of the first tranche conditions. These are as follows:

1. Beekeeping
2. Herbal Health & Cosmetic products
3. Leather and leather products
4. Agro-based and Food Processing Industry (ABFPI)
5. Handmade Paper Industry (HMPI)

### 1.3 Technical Agencies (TAs) appointed

KVIC has appointed technical agencies associated with it to support in implementation. The role of the agencies involves:

- Advising on selection of five village industries
- Advising on identifying potential clusters for implementing cluster development activities
- Conducting Diagnostic Studies and preparation of Detail Project Reports (DPR)
- Provide technical support to the implementing partners (IP) for execution of cluster development activities.

**Table 2: Technical Agencies Appointed by KVIC**

SN	Village Industry	Technical Agency
1	Bee Keeping	Central Bee Research and Training Institute (CBRTI)
2	Herbal Health and Cosmetic products	Mahatma Gandhi Institute for Rural Industrialization (MGIRI) National Institute of MSME, Hyderabad
3	Leather and leather products	Central Leather Research Institute (CLRI)
4	Agro based and food processing	Central Food Technological Research Institute (CFTRI)
5	Handmade Paper (HMPI)	Kumarappa National Handmade Paper Institute (KNHPI)

### 1.4. Potential clusters identified

KVIC, with inputs from the TAs, identified 37 clusters across 13 states in India for development of village industries in 2011. The following are the broad criteria that were applied by the IP for identifying the 37 clusters:

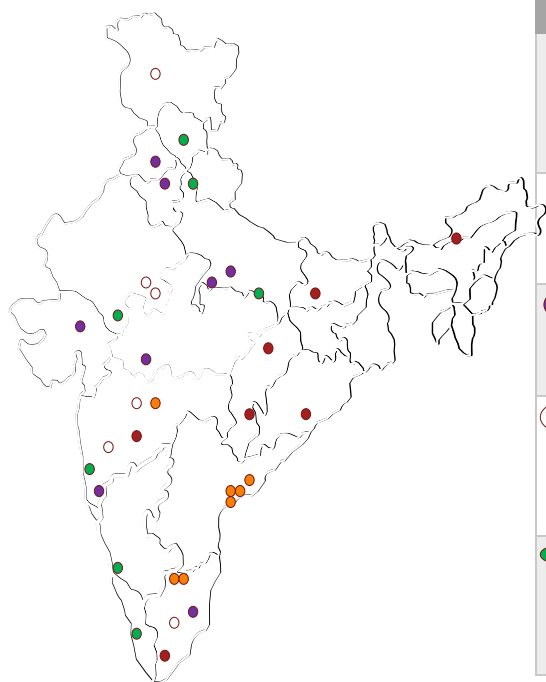
- Potential to develop and grow
- Market demand for products
- Scope for marketing

- Availability of adequate artisans engaged in the industry

The process of selection of clusters within each of the village industry, implementation, monitoring, etc. are further elaborated. The few KPIs that were assessed includes

- Number of artisans practicing the tradition - The main purpose of the KVI sector is for the upliftment of poor Artisans who are engaged in traditional activities for their livelihood in rural areas. Therefore, the number of artisans to be covered under the cluster was kept as one of the criteria.
- Current status of activities of the cluster - To assess the engagement of the manpower in proposed cluster related activities.
- Availability of natural resources as required - Availability of raw-material at source or near the cluster and for the major part of the year was one of the criteria, to bring down the cost of raw-material.
- Availability of market for the products - Availability of market for the finished product developed under cluster was assessed before shortlisting the cluster as potential cluster
- Geographical spread of the clusters - Number of villages and proximity to the central location as well as accessibility were also assessed.

**Figure 1: Geographical distribution of clusters**



**Table 3: Shortlisted VI and Clusters**

VI	Cluster	
● Food processing	<ul style="list-style-type: none"> <li>• Krishnagiri Dharampuri (Palm gur, tamrind)</li> <li>• Jalna (oil)</li> <li>• East &amp; West Godavari dist.</li> </ul>	<ul style="list-style-type: none"> <li>(pickles, mango jelly, Puthrakelu)</li> <li>• Udaipur (papad)</li> </ul>
● Beekeeping	<ul style="list-style-type: none"> <li>• Balasore</li> <li>• Mahabaleshwar</li> <li>• Muzafarpur</li> <li>• Lohardaga</li> </ul>	<ul style="list-style-type: none"> <li>• Jashpur</li> <li>• Marthandam</li> <li>• Passighat</li> </ul>
● Leather	<ul style="list-style-type: none"> <li>• Agra</li> <li>• Nadiad</li> <li>• Kolhapur</li> <li>• Tanjavur</li> </ul>	<ul style="list-style-type: none"> <li>• Jalandhar</li> <li>• Indore</li> <li>• Kanpur</li> <li>• Kaithal</li> </ul>
○ Handmade Paper	<ul style="list-style-type: none"> <li>• Khultabad</li> <li>• Junnar</li> <li>• Karur</li> <li>• Srinagar</li> </ul>	<ul style="list-style-type: none"> <li>• Sawai madhopur</li> <li>• Kalpi</li> <li>• Kota</li> </ul>
● Herbal	<ul style="list-style-type: none"> <li>• Chitrakoot</li> <li>• Udaipur</li> <li>• Thrissur</li> <li>• Jogindarnagar</li> </ul>	<ul style="list-style-type: none"> <li>• Padubidri</li> <li>• Ratnagiri</li> <li>Rishikesh / Haridwar</li> </ul>

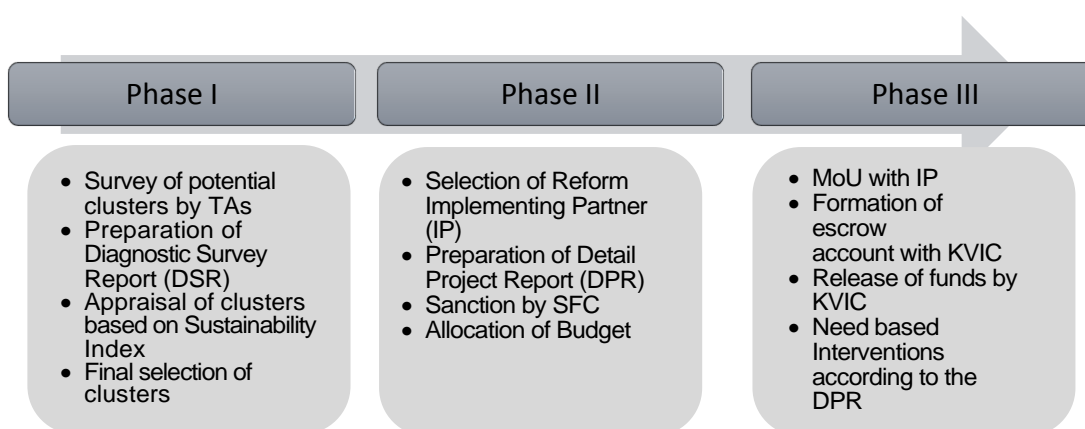
## 2. Cluster Development Strategy

The cluster development strategy was developed in 2016. The mechanism for execution of the strategy is further elaborated in the following sections.

### 2.1. The strategy

A three-phase strategy was adopted for cluster development activities. Phase I preparatory stage, Phase II involves selection of IP and preparation of DPR, and Phase III consists of activities for operationalizing the cluster as per the DPR of respective cluster. The same is depicted in figure 1.

**Figure 2: Cluster Development Strategy**



#### *Survey of potential clusters by TAs and preparation of Diagnostic Study Report*

The TAs conducted the survey of artisans and other relevant stakeholders in the cluster. This was followed by preparation of report. The survey covered the following areas:

- Mapping of range of activities undertaken in the cluster through artisans, SHGs, co-operatives, NGOs, etc.
- Market size of the cluster (domestic, if possible, exports)
- Employment, including employment for marginalized groups
- Various products produced according to seasonality
- Socio-economic background of the artisans
- Experience and skill sets of the artisans
- Availability of raw material and existing markets, market linkages
- Unique selling proposition of the cluster
- Challenges in implementation and opportunities

Post survey, the TA's prepared Diagnostic Survey Report (DSR)/Detailed Project Report (DPR). The guidelines for preparation of the same are enclosed in annexure 2.

## 2.2. Cluster appraisal and final selection of clusters

After conducting the diagnostic study, the clusters were appraised for sustainability based on an index development especially for the clusters. The index helps in evaluating the clusters based on four broad parameters, i.e. existing business, potential to develop, ease of implementation and sustainability. The process of appraisal of clusters is as follows:

### Step 1: Scoring of clusters based on Index

- Analysis of clusters based on Index
- Assigning scores
- Ranking of Clusters according to scores, with rank 1 for highest score

### Step 2: Appraisal of Qualitative Data

- Preferences assigned to ranked clusters based on qualitative criteria
- Clusters with low rank re-considered based on qualitative criteria

### Step 3: Recommendation

Final recommendation of clusters for preparation of DPR

**Figure 3: Index for Appraisal of Clusters**

<b>Existing Business</b> (20 %)	<ul style="list-style-type: none"><li>• Market Size of the cluster</li><li>• Artisans involved in the cluster currently</li><li>• Age of the cluster</li></ul>
<b>Potential to Develop</b> (40 %)	<ul style="list-style-type: none"><li>• Potential growth in employment</li><li>• Potential growth in earnings of the artisans</li><li>• Potential growth in the business post intervention</li><li>• Unique selling proposition of the cluster products</li></ul>
<b>Implementation</b> (25 %)	<ul style="list-style-type: none"><li>• Presence of Implementing Agency</li><li>• Prior experience of the Implementing Agency</li><li>• Ease of Implementation – Feedback of the survey agency on ground realities</li></ul>
<b>Sustainability</b> (15 %)	<ul style="list-style-type: none"><li>• Availability of the Raw material</li><li>• Proximity of the cluster to district headquarters / Basic Infrastructure facilities</li><li>• Presence of environmental / social issues</li></ul>

**Clusters were ranked based on scores according to the index**

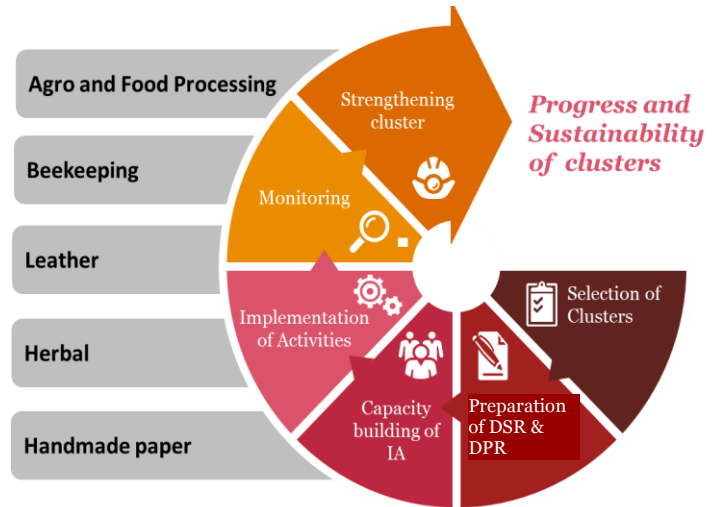
#### Qualitative criteria:

- Equitable distribution of clusters across states, attempt made to cover maximum states
- Implementation of other programmes in the cluster in past
- Feedback of technical agency regarding overall potential for development
- Other local issues if any



### 2.3. Selection of Implementing Partner (IP)

KVIC has issued a format for application for selection of Reform Implementing Partner (annexure 2). The responsibility of selection of the cluster was with the State Offices (SO). The agency had to be identified with the SO, followed by visit to the IP for verifying its capacity to implementing cluster development activities. The SO is expected to recommend the IP to KVIC based on the findings of the visit with recommendation for selection. The final selection is to be done by KVIC based on the above mentioned circular.



### Preparation of Detail Project Report (DPR)

Once the IP was identified, the TA prepared the Detail Project Report (DPR). The report comprised detailed analysis of operational aspects of the cluster, including potential of the cluster, SWOT analysis, interventions to be done, process and modalities, action plan for implementation, budget, etc. The DPR has to be submitted to the KVIC for approval. The indicative format for DPR is provided in annexure 3.

### Sanction of clusters

The DPR prepared by the TA had to be scrutinized by the respective Programme Director of VI. If necessary, the TA was called upon by KVIC for presentation of the DPR and clarification. Thereafter, Action Plan was to be prepared based on the DPR by the VI Directorates with inputs from the TA. The Action Plan, along with recommendations was submitted to the Commission for administrative approval. The financial approval was taken from the Standing Finance Committee (SFC). Thereafter, the Sanction Order was issued to the respective Directorate for implementation of the cluster development activities.

### MoU with IP and funding

The SFC after scrutinizing the financial aspects of the proposal and gave its final approval for the cluster. Followed by signing of MoUs between the KVIC (through SO) and the IP. The terms of reference for the IP and KVIC were clearly stated in the same. Thereafter, an escrow account will be opened, with KVIC, IP and SO as members. The funds were released by KVIC in this account. The Director, SO and Secretary, IP shall have powers to withdraw fund from the account.

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## **Execution of Action Plan**

The activities to be conducted for development of the clusters involve both hard interventions i.e. support for infrastructure and equipment and soft interventions, involving components such as capacity building, product development, marketing support, etc.

As per the mandate of cluster development, mainly five types of interventions are envisaged. Depending on the needs to the cluster and action plan was developed and implemented with support of TA, SO and KVIC. The indicative activities are as follows:

**Infrastructure:** Upgradation of work shed / CFC, equipment and technology for production, procurement of computer for the office

**Product development:** Designing and introducing new products, enhancing package of existing products, and product segmentation for appropriate target customers

**Marketing:** Preparation of marketing strategy, Establishing forward linkages, tie-ups with sales outlets, advertising, participation in exhibitions and trade fairs, promotion through website, etc.

**Capacity Building:** Training of IP staff on the cluster development activities, training for artisans, exposure visits, etc.

**Technical Assistance:** Support from TA / KVIC / SO in reporting, developing training modules, developing MIS, developing marketing and product development strategies, gaining information regarding various licenses, etc.

### 3. Establishment of VI Clusters

The cluster is considered established under KRDP based on several actions been undertaken in the identified VI. Selection of a cluster is done based on the Cluster Development Strategy developed under the program. The shortlisted cluster is then reviewed by the respective VI Directorate at the KVIC Central office and is placed for administrative and financial (budget proposed under the DPR) approval of Standing Finance Committee (SFC) of KVIC. Post the sanction of SFC the funds are released to the ESCROW account operated by State Office of KVIC under whose jurisdiction the cluster is sanctioned. With initiation of any one activities as proposed (soft or hard interventions) under the DPR, the cluster is considered to be established.

In some of the VIs the identified clusters were found non-feasible for implementation of cluster activities due to various reasons for e.g. internal administrative issues, availability of IP, availability of raw-material etc. an alternate cluster was identified by the respective Directorate or State Office. The process laid down under cluster development strategy was followed to identify the alternate cluster. This in turn delayed the establishment of clusters in VIs such as Leather, Herbal and Handmade Paper.

The following clusters were identified and established under the five traditional Village Industries. A sample sanction letter is provided in annexure 4.

The clusters that were sanctioned and established are

SN	Village Industry	Cluster
1	Bee Keeping	Sundarban, West Bengal
2	Bee Keeping	Balasore, Odisha
3	Bee Keeping	Thrissur, Kerala
4	Herbal Health and Cosmetic products	Gadchiroli, Maharashtra
5	Leather and leather products	Jalandhar, Punjab
6	Agro Based and Food Processing (ABFPI)	Pratapgarh, Uttar Pradesh
7	Handmade Paper (HMPI)	Kalpi, Uttar Pradesh

#### 3.1 Bee-Keeping

The vast agriculture, horticulture and forest cover of India coupled with over dominance of its majority of rural population on agriculture and allied occupations make beekeeping one of the most important potential village industry. Because of the low level of mechanization involved, the beekeeping industry offers direct employment to lakhs of people especially hill dwellers, tribals. Sustainability of this industry is therefore vital to the country's economic well-being and development.

It is a proven fact that beekeeping improves the economic condition of the beekeepers / farmers restrict the migration of rural youth to urban areas and helps in holistic development of

rural society. It is the only enterprise which did not create any problem to the nature, does not require more capital investment and skilled labour. This profession can be successfully adopted by well to do as well as small/marginal farmers, farm-women, landless labourers, rural unemployed youth and retired or in-service personals. This enterprise has minimum land and structural requirement. Initial cost to start this profession is also very nominal and recurring cost is negligible. Beekeeping is the most suitable component for up-liftment and development and has ample scope in India to develop as a prime agri-horticulture and forest based rural industry.

Considering the potential of Bee-keeping and demand for cluster activities, 3 clusters were identified, sanctioned and established under the Directorate of Forest Based Industries. Balasore cluster in Odisha was amongst the shortlisted clusters by TA agency. Two clusters Sunderbans in West Bengal and Thrissur in Kerala were not in the list of earlier identified clusters, considering the availability of raw-material, manpower and potential these clusters were taken up for cluster development activities under KRDP. The diagnostic study and DPRs were prepared by CBRTI, Pune for all the three clusters. One Cluster Development Executive (CDE) has been appointed at each of the three clusters to support the IP in implementing the activities of the Cluster.

The details of the clusters is given in the table below.

**Table 4: Details of clusters established under Bee-Keeping**

Name of the Cluster	Sundarbans, West Bengal	Balasore, Odisha	Thrissur, Kerala
Implementing Partner	Vivekanand Institute of Bio-Technology, South 24 Parganas, West Bengal	Balasore Beekeeping Industrial Cooperative Society Ltd., Balasore, Odisha	Kerala Khadi Village Industries Association, Thrissur, Kerala
Technical Agency	CBRTI, KVIC, Pune	CBRTI, KVIC, Pune	CBRTI, KVIC, Pune
Project cost	Rs. 126.45 lakh	Rs. 169.68 lakh	Rs. 128.95 lakh
Date of Sanction	15 April, 2015	7 <sup>th</sup> March, 2016	7 <sup>th</sup> March, 2016
Total Artisans supported	508	591	497

All the three clusters have been implementing the activities sanctioned to the clusters as per the DPR. The Directorate of Forest-based Industries monitors the progress, physical and financial, of clusters through the respective State Directors. The staff of the respective state offices in turn monitor the progress through periodic visits to the clusters and meetings with IP, CDE and TA.

### 3.2. Herbal Health & Cosmetic products

After a century of centralized forest management with commercial focus, forest policy in India made poverty alleviation as one of the twin objectives in 1988 by decentralizing forest management through participatory programs like Joint Forest Management. Stakes for the people were created not only in the conservation of the resource but in tangible benefits from the resource as well. Furthermore, decentralization in local governance in the early 1990's through the 73rd and 74th amendment to the Indian constitution and its extension to Scheduled Areas also created scope for livelihood generation through minor forest produce.

The 5 clusters earlier identified under Herbal Health & Cosmetic Products by the TA were found not feasible due to various reasons such as non-availability of IP, administrative issues in the cluster etc.

An alternate cluster was identified at Gadchiroli, Maharashtra by KVIC. A diagnostic study was carried out by the Technical Agency (CORDS) working in network development projects suggested that the capacity building of these artisans, appropriate technical support and the common facilities for processing will help local tribal and weaker section population to enter in medicinal plant business. The industry and its products have tremendous demand worldwide with greater price. The business activity will provide employment and income source to upgrade their socio economic status.

Association for Social Health & Awareness (ASHA) a NGO was also available to work as IP. CORDS prepared a DPR and was reviewed by KVIC. The cluster was found feasible for implementation and was sanctioned by KVIC for cluster development activities under KRDP. All the artisans in this cluster are Scheduled Tribes and the cluster fall under Hill Border and Left-wing Affected Area.

**Table 5: Details of cluster established under Herbal Health & Cosmetic Products**

Cluster	Herbal Cluster, Gadchiroli, Maharashtra
Implementing Partner	Association for Social Health & Awareness, Ramnagar, Gadchiroli, Maharashtra
Technical Agency	Community Organized for Research Development and Services, Sindudurg, Maharashtra
Project cost	Rs. 133.00 lakh
Date of Sanction	27 March, 2017
Artisans supported	180 existing. 100 artisans to be additionally employed during the cluster development activities

The IP has signed the MoU with KVIC for implementation of cluster activities sanctioned under the program. Soft intervention activities such as awareness programs amongst the artisans have been initiated. CDE and IT Expert has also been appointed at the cluster.

### 3.3. Leather and Leather Products Industry

The leather industry has a long history, the pace of change has been rapid in the 20th century, and accelerating in the last decade. The time required to process raw hide or skin to finished leather has substantially decreased to a matter of few days. Quality, variety and consistency of products have improved in response to customer demand. While remembering its craft past, the leather industry is now firmly established as a technology based in scientific principles.

The Indian leather industry holds a significant position in the Indian economy in terms of high potential shown for employment, growth and exports. It is estimated that the industry employs around 2.5 million work force directly or indirectly and 30% of the workforce are women. The skilled and semi-skilled workers constitute nearly 50% of the total work force.

The Indian leather industry today has established itself as a prominent industry both in international as well as in the domestic market. Apart from being the ninth largest exporter of leather and leather products it is also the second largest producer of footwear and leather garments, with an annual revenue of USD 8,500 million for 2011-12 with exports of USD 4,868.71 million. The sector itself employs more than 2.5 million people and is one of the top foreign currency earners in India. Abundant raw material, skilled work force, compliance with environmental standards and growth shown by the associated industries has helped the sector to grow many folds.

The units are generally spread across large, medium, small and household units with the small and household units contributing almost 80% of the production. Large and medium units are generally tanneries or either big companies which are involved in manufacturing of footwear. With the majority of the manufacturing units belonging to the unorganized sector the industry faces many challenges. Timely availability of raw materials, high labour cost, lack of product innovation and lack of presence in global fashion market are few of them.

Total 8 clusters across 7 states were shortlisted. Among these, majority are engaged in production of footwear. Jalandhar was found unique amongst these as it deals in sports goods which are also exported.

**Table 6: Details of cluster established under Leather and Leather Products Industry**

Cluster	Sports Goods cluster, Jalandhar, Punjab
Implementing Partner	Marigold International Educational Society, Jalandhar, Punjab
Technical Agency	CSIR-CLRI, Chennai
Project cost	Rs. 100.00 lakh
Date of Sanction	27 March, 2017
Artisans supported	180

Though the leather cluster was sanctioned in March 2017, the funds were provided in the month of June 2017 due to delay in receipt of funds from the Ministry. The implementation activities have been initiated from the month of July 2017. The Directorate of Polymer and Chemical Based Industry monitors the progress of the cluster as per the cluster development strategy. Awareness generation activities have been initiated in the cluster.

### 3.4. Agro-based and Food Processing Industry (ABFPI)

India is the seventh largest country in the world, with the largest area under cultivation and a strong agricultural base. India has one of the biggest emerging markets, with over 100 crore population, and a 25 crore plus strong young middle class. It is one of the largest producers of the agricultural and allied goods; and yet the food processing segment in India contributed only 1.49% to the GDP. The sector is in its nascent stage as traditionally Indians prefer the consumption of raw and fresh products. Recently, the trend has been changing as the FPI has shown an impressive growth in the last few years.

The FPI has got a boost due to a healthy harvest of agricultural goods induced by a good rainfall. The benefits derived by the industry due to the priority status of the sector and the fiscal initiatives launched for the sector by the government at various levels have also contributed to the impressive growth exhibited by the industry. A major proportion of the FPI produce is eventually exported due to the quality offered and the demand of the processed Indian food products in the markets abroad. The macroeconomic environment offers immense opportunities for growth and investment to the registered players in the industry and has the potential to boost the national economy.

To tap the potential of the FPI through the traditional Village Industries it was decided to select a cluster under ABFPI of KVIC. Out of the 7 potential clusters identified for support under KRDP Udaipur, Pickle cluster was sanctioned. Also a potential cluster at Pratapgarh was additionally sanctioned under ABFPI.

The Udaipur cluster activities could not be initiated due to internal administrative issues of the IP and the cluster was subsequently dropped after efforts from KVIC to resolve the issues. Cluster development activities at Pratapgarh Amla cluster have been initiated with training activities and the construction of CFC is in final stage. Machinery for CFC has also been procured and the production activities would start in November, 2017.

**Table 7: Details of cluster established under Agro Based and Food Processing (ABFPI)**

Cluster	Amla and Other Food Products Cluster, Pratapgarh, Uttar Pradesh
Implementing Partner	Abhishek Gramodyog Sewa Sansthan, Shivgarh, Pratapgarh, Uttar Pradesh
Technical Agency	EDI, Ahmedabad
Project cost	Rs. 198.00 lakh
Date of Sanction	31 March, 2016
Artisans supported	540

### 3.5. Handmade Paper Industry (HMPI)

Indian Handmade Paper Industry is more than 900 years old industry as it is mentioned in Epic of famous Allah – Udal which is linked with the cluster of Kalpi. Over the years, the Indian handmade paper industry has steadily grown to more than 450 units with installed capacity of 3 million tones. The pattern of growth, however, has been fragmented as a result a complex structure of industry has emerged with different sizes, processes etc. With present structure, the challenges before Indian Handmade Paper Industry are multifold.

The paper industry in India is one of the most thriving industries in the country. The Indian paper industry accounts for about 1.6 per cent of the world's production of paper and paperboard. Indian paper industry is the 15th largest in the world and provides employment to 1.3mn people in country contributing Rs25bn to the government.

The Indian paper industry is fragmented with most of the mills being privately owned and a few under government ownership. Capacity additions by players like Ballarpur Industries, West Coast and Tamil Nadu Newsprint and Paper has resulted in a continuous annual growth rate (CAGR) of 4.9% in paper and paperboard production between April 2010 and February 2011. Paper consumption in India is estimated to reach around 14 million tonnes by 2015-16, driven by anticipated economic growth.

Several attributes of paper, including its pedagogic and packaging value makes Pulp and Paper industry (P&P) uniquely positioned among the manufacturing industries. Paper, is thus, recognized almost as a touchstone of socio-economic development. This traditional Indian P&P sector had leverage and played a pivotal role in laying the foundation for economic growth. The sector has witnessed a sea change in the structure during the last three decades especially after liberalization. It produces 1.19 % of total output produced by all organized industrial manufacturing industries in 2009-10. The export of paper industry to the total manufacturing exports is work out to 0.35 % in 2010 while the import bill of paper and paperboard to the total imports is about 0.52 %.

**Table 8: Details of cluster established under Handmade Paper Industry**

Cluster	Handmade Paper Cluster, Kalpi, Uttar Pradesh
Implementing Partner	Shri Bhagwan Das Gramadyog Sewa Sansthan, Kalpi, District Jalaun, Uttar Pradesh
Technical Agency	Technology and Action for Rural Advancement (TARA)
Project cost	Rs. 81.54 lakh
Date of Sanction	26 September, 2017
Artisans supported	200

The Traditional Hand-made paper industry was thus identified as the potential to bring the fragmented SME in the sector through a cluster development approach. Total 7 clusters were identified across 6 states. Among these, Srinagar is an exclusive paper machine cluster, the



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only one of its kind in Asia. But due to administrative issues and unrest in the region no IP could come forward for cluster development activities. An alternate cluster at Kalpi, Uttar Pradesh was selected after an extensive search for IP in the region. The cluster could only be sanctioned in September, 2017. The IP has signed the MoU with KVIC for implementation of cluster activities sanctioned under the program. Soft intervention such awareness generation workshops have been initiated.

#### **4. Implementation of VI Clusters**

Implementation of clusters is the responsibility of the IP. The IP would be a facilitator rather than the beneficiary of the cluster. The IP and KVIC jointly identify the Cluster Development Executive (CDE) who will be located in the cluster, full time and responsible for implementation of the scheme. CDE will be full time Executive to look after the day to day plan and ensure implementation of the activities. The CDE is also responsible for conducting diagnostic study, preparation and implementation of the cluster plans, developing the linkages, building the local governance and will closely associate with the artisans/stake holders of the cluster and implement the programme successfully.

The cluster development activities are sanctioned for the period of 3 years. The broad components to be implemented in the cluster given below.

- Construction of Common Facility Centre
- Market promotion
- Product development and design interventions
- Capacity building activities
- Need based activities based on the specific requirements of the individual cluster

#### **5. Monitoring of Implementation**

The responsibility of monitoring the implementation of cluster development activities lies mainly with KVIC through its Village Industries Directorates, Zonal, State/Divisional offices as well as support in mid-course correction if required.

Nodal Officer to be appointed by the State/Divisional Director to monitor the entire cluster programme and report to the State/Divisional Director from time to time and in turn the concerned Director will send the report to Industry Director and Zonal Deputy Chief Executive Officer.

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## **Annexure**

## **Annexure 1: KVIC Guideline for Cluster Development under KRDP**

**DIRECTORATE OF VILLAGE INDUSTRIES COORIDINATION  
OFFICE OF THE COMMISSIONER OF KHADI AND VILLAGE INDUSTRIES  
Govt. of India, Ministry of Micro, Small and Medium Enterprises  
'GRAMODAYA', 3, IRLA ROAD, VILE PARLE [WEST], MUMBAI: 400 056  
(MAHARASHTRA).**

### **FUNDING GUIDELINES/SCHEME FOR VILLAGE INDUSTRIES CLUSTER PROGRAMME UNDER KRDP – ADB CLUSTERS WITH THE FINANCIAL SUPPORT UNDER ADB FUNDS**

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#### **1. BACKGROUND:**

**Officer of the Commissioner of Khadi and Village Industries (OCKVI)** is one of the Pioneer Organizations, functioning under the Ministry of Micro, Small and Medium Enterprises [MSME], Government of India, working for the rural development in the country. The activities under Village Industries are covered of Rural Non-Farm Sector and supportive to the Post Harvesting Technology. The main purpose of the KVI sector is for the upliftment of poor Artisans who are engaged in their Traditional Activities for their livelihood in rural areas.

#### **2. CLUSTER DEVELOPMENT PROGRAMME:**

KRDP – RID Cluster Development Programme under Village Industries under KVI Sector with the financial support of Asian Development Bank Assistance (ADB) is one of the Flag-ship programmes of KVI Sector.

##### **2.1 VILLAGE INDUSTRY:**

- a. Any industry located in a rural area which produces any goods or renders any service with or without the use of power and in which the fixed capital investment per head of an artisan or a worker does not exceed Rs. One Lakh or such other sum as may, by notification in the official Gazette, be specified from time to time by the Central Government.
- b. Provided that any industry specified in the Schedule and located in an area other than a rural area and recognized as a village industry at any time before the commencement of the Khadi and Village Industries Commission (Amendment) Act, 1987 shall, notwithstanding anything contained in the sub-clause, continue to be a village industry under this Act.
- c. Provided further that in the case of any industry located in a hilly area, the provisions of this sub-clause shall have effect as if for the words “One Lakh Rupees” the words “One Lakh and Fifty Thousand Rupees” had been substituted.

##### **2.2 VILLAGE INDUSTRY CLUSTER:**

Village Industry Cluster in the context of the KRDP Scheme refers to a geographical concentration of minimum 50 to 250 and above beneficiary families or artisan/micro enterprises, suppliers of raw materials, traders, service providers, etc. located within one or two Revenue Sub-Divisions in one or more contiguous District/s.

### 3. OBJECTIVES AND HIGHLIGHTS:

- To revitalize traditional Village Industries through strategic policy reform and institutional reform and also to develop traditional village industries in various parts of the country.
- To make village industries more competitive with more market driven, productive, profitable and sustained employment for village industries artisans and rural entrepreneurs.
- To strengthen the local governance involving all local stake holders and to build innovated and traditional skills, improved technologies, advanced procedures, market intelligence and new model of Public Private Partner-ship (PPP) so as to gradually replicate similar models of cluster based regenerated village industries.
- Sustainability of V.I. quality products linking to effective marketing needs.
- Covering maximum numbers of Artisans spread in every part of the village/s under the Cluster.
- Artisan Welfare will be on priority through their greater involvement, for better remuneration and standardizing their quality of social life, plan for their bright future, continuance of their interest in taking up the activities of respective field.
- Improving and standardizing the quality products, improving the economy of the artisan.

### 4. COMPONENTS OF THE SCHEME:

Sn	Component	Funding Pattern
1	<p><b><u>Common Facility Centre (CFC)</u></b></p> <ul style="list-style-type: none"> <li>• For processing and manufacture of Village Industries.</li> <li>• Workshed for installing the Common Machinery &amp; Equipment.</li> <li>• Testing facilities (Laboratory), enforcing quality standard</li> <li>• Maintenance of common infrastructure as per the need of the cluster from time to time.</li> <li>• Raw material bank</li> <li>• Facilities for manufacture of Semi-Finished product.</li> <li>• Common packing, labeling, storing facilities, etc.</li> </ul> <p>(The cost component depends purely as per DPR of classified clusters).</p>	<p><b>Grant Component: 75%</b> and <b>Beneficiary/NGO contribution: 25%</b> (for SC/ST/NEZ/ 100% Women/ Minorities/ PH/Ex-Servicemen/ Hill &amp; Border Area, <b>the contribution would be limited to 10%</b>)</p>

2	<p><b><u>MARKET PROMOTION:</u></b></p> <ul style="list-style-type: none"> <li>• Opening/renovation of marketing/ sales outlet including the operational expenditure of the Sales outlet.</li> <li>• Promoting new marketing strategy associating and linking with the reputed marketing outlets such as Super Markets/ Big-Bazaar/ Reliance/ Star, etc.</li> <li>• Computerization/Bar-coding of sales outlets.</li> <li>• Participation in the National and International level promotional activities of the products.</li> <li>• Sales promotion and advertisement.</li> </ul> <p>(The cost component depends purely as per DPR of classified clusters).</p>	100% Grant
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S.No.	Component	Funding Pattern
3	<p><b><u>PRODUCT DEVELOPMENT &amp; DESIGN INTERVENTION:</u></b></p> <ul style="list-style-type: none"> <li>• Development of new design/new product/value addition to existing products.</li> <li>• Associating with design institutes/ development of market oriented and need based requirements.</li> <li>• New packaging techniques.</li> <li>• Development of eco-friendly and environment protection packaging strategy, etc.</li> </ul> <p>(The cost component depends purely as per DPR of classified clusters).</p>	<p><b>Grant Component: 75%</b> and <b>Beneficiary/ NGO contribution: 25%</b> (for SC/ST/NEZ/ 100% Women/Minorities/ PH/Ex-Servicement/ Hill &amp; Border Area, <b>the contribution would be limited to 10%</b>)</p>
4	<p><b><u>CAPACITY BUILDING:</u></b></p> <ul style="list-style-type: none"> <li>• Need based training programme to the Cluster stake holders. Training such as skill development, credit related issues, formation of Self-Help- Groups, Advance Trade and Technology Training, etc.</li> <li>• Providing advanced tools and equipments to the deserving artisans.</li> <li>• Exposure visit, study tour, awareness programme, etc.</li> </ul> <p>(The cost component depends purely as per DPR of classified clusters).</p>	100% Grant
	<p><b><u>NEED BASED ACTIVITIES ACCORDING TO THE SPECIFIC CLUSTER REQUIREMENT:</u></b> This intervention is purely on the basis of the Diagnostic Study Report (DSR) under specific cluster requirement such as safety measures to artisans, eye camp, health camp, first-aid tools and medicines, education and medical facilities to the artisan's family, free insurance in case of accidents during work, etc.</p>	<p><b>100% Grant.</b> <b>However, no fund for Transportation Vehicle is provided. The I.A. has to take decision whether to purchase the vehicle or to hire the</b></p>

	(The cost component depends purely as per DPR of classified clusters).	<b>same keeping in view of the cost effectiveness.</b>  <b>The expenditure for the purpose will have to be borne by the I.A. on its own resources.</b>
6	<b><u>FEE FOR TECHNICAL AGENCY:</u></b> The cost component depends purely as per size and duration of the cluster.	100% Grant
7	<b><u>MANAGEMENT GRANT TO THE IMPLEMENTING PARTNER:</u></b> The cost component depends purely as per size and duration of the cluster.	100% Grant
8	<b><u>CLUSTER DEVELOPMENT EXECUTIVE EXPENDITURE:</u></b> <ul style="list-style-type: none"> <li>• The cost component depends purely as per size and duration of the cluster.</li> <li>• CDE will act as full time executive to Implement the cluster related activities and stationed at cluster H.Q.</li> </ul>	100% Grant
9	<b><u>OPERATIONAL EXPENDITURE:</u></b> This will be worked out in the DPR as per the cluster specific needs preferably for one operating cycle.	Options: To support the cause 90% as Grant from the Nodal Agency and 10% from the I.A./Cluster Stake Holders.

#### 5. **TYPES OF KRDP V.I. CLUSTERS:**

S. No.	Type of Cluster	No. of Artisans	Duration for implementation	Financial Limit (Rs. in Crores) (Per capita on CE restricted to Rs.1.00 lakh per Artisan)	Indicative Funding (Maximum Limit)
1	Small Cluster	50 – 100 Nos.	2 years	1.00	a. On CFC @ 25%. b. On Market Promotion @ 15% c. Product Development & Design @ 10% d. Capacity building @ 15% e. Specific Cluster Based intervention @ 5% f. The remaining amount of 30% is used for fee for T.A., Management Grant, CDE and Operational

					Expenditure.
2	Medium Cluster	101-250 Nos.	3 years	2.00	<ul style="list-style-type: none"> <li>a. On CFC @ 25%.</li> <li>b. On market Promotion @ 15%</li> <li>c. Product development &amp; design intervention @ 10%</li> <li>d. Capacity building @ 15%</li> <li>e. Specific cluster based intervention @ 5%</li> <li>f. The remaining amount of 30% is used for fee for T.A., Management Grant, CDE and Operational Expenditure.</li> </ul>
3	Large Cluster	250 and above	3 years	3.00	<ul style="list-style-type: none"> <li>a. On CFC @ 25%.</li> <li>b. On market promotion @ 15%</li> <li>c. Product development &amp; design intervention @ 10%</li> <li>d. Capacity building @ 15%</li> <li>e. Specific cluster based intervention @ 5%</li> <li>f. The remaining amount of 30% is used for fee for T.A., Management Grant, CDE and Operational Expenditure.</li> </ul>

**Note:** The Funding Limit is only indicative. This will vary depending on the DPR.

## 6. SELECTION OF IMPLEMENTING PARTNER:

### 6.1 CRITERIA:

- a. The Implementing Partner would be a Registered Non-Govt. Organization (NGO), Institutions of Central, State and Semi Govt. Organization including KVI Board, Coop Societies, Charitable Trusts and the Khadi and V.I Institutions of KVIC and KVIB, SHGs. The NGOs implementing the programme should invariably be enlisted under KVIC under this programme.
- b. The NGO must have experience of receipt of funds from Govt. Agency or any Reputed Industrial Houses dealing with Corporate Social Responsibility (CSR) Scheme, etc. and well conversant in handling, manufacturing /marketing activities by involving village artisans, etc. The NGO should not be black listed by any Agency in the past on charges of misutilization and embezzlement of funds.
- c. The NGO should not have availed any finance for the similar activity of the cluster from any other Govt. Department or Corporate Agency.
- d. The NGO should have capacity to raise funds of its own contribution as specified in the guidelines.
- e. The Implementing Partner should have good track record and have the experience of minimum 3 years in village industry development programme.

- f. One IP will assign for one cluster implementation initially. However, on the basis of successful implementation of the programme additional clusters may be considered on merit.
- g. The IP should have infrastructure in the cluster area or capable of creating required infrastructure of their own resources or with the assistance of local Govt./Semi Govt./Municipal/ Nagarpalika, etc.
- h. The IP will rather act as a Facilitator than a Beneficiary.

## 6.2 SELECTION PROCESS

- a. The applications for Implementing Partner will be invited through news paper advertisement.
- b. The applications are to be submitted to the respective the State/ Divisional Director who will recommend the detailed proposal within 21 days to the respective Zonal Office of Selection Committee, as constituted for SFURTI programme. The Committee will further scrutinize the proposal and send to V.I. Coordination Directorate in Central Office with its recommendations. The meeting at Zonal Level will be held every month or as per need. The same Committee will also review the progress of the cluster in every quarter.
- c. The Directorate of V.I. Coordination will process the same and obtain the approval of Competent Authority.

## 7. TECHNICAL AGENCY:

The Technical Agency is an Expertise Institution in the respective trade or industry should have expertise in implementing cluster development programme. The duration of its contract under the cluster programme will be upto the completion of Implementation of the identified cluster. The T.A. will be responsible for the following assignments. :-

- a. The Technical Agency should have all sorts of infrastructures to conduct spot Surveys of the identified localities.
- b. The T.A. should have well qualified technical person in the relevant field of Village Industries activities.
- c. The T.A. should depute a resource person who will visit Cluster atleast once in a month and attend the entire cluster development meeting called at different level.
- d. The T.A. will guide the CDE, ensure the services of CFC to the cluster stake holders, sketch the activities and also define the service charges for the above said purposes and ensure that the benefits are passed to each and every artisans engaged in the Cluster.
- e. The T.A. will also ensure the reporting and monitoring the activities at the cluster level associating IP & CDE.
- f. The Technical Agency will submit a Detailed Survey Report (D.S.R.) and Detailed Project Report (DPR) comprising of detailed activities to be undertaken in the cluster alongwith the financial inputs on need based.
- g. The Technical Agency will prepare a strategic plan to continue the activity of the cluster even after completion of the project period.

## 8. CLUSTER DEVELOPMENT EXECUTIVE:

- 8.1. The Implementing Partner and KVIC (Nodal Agency) will jointly identify the **Cluster Development Executive** who will be located in the cluster, full time and responsible for implementation of the scheme.



- 8.2. He will be full time Executive to look after the day to day plan and ensure implementation of the activities.
- 8.3. Training in Cluster Development will be organized to the CDE by the N.A. in the specialized institutes such as IIM/ NIMSME/EDI, etc. at reputed Management Institutes.
- 8.4. The CDE is also responsible for conducting diagnostic study, preparation and implementation of the cluster plans, developing the linkages, building the local governance and will closely associate with the artisans/stake holders of the cluster and implement the programme successfully.
- 8.5. He will report to the Nodal Agency (S.O./D.O.) and also to the Implementing Partner.

9. **NORMS & FUNDING PATTERN:**

- 9.1 The Funding Pattern will be as specified under the head **Component of the Scheme and Types of KRDP V.I. Clusters** at Sl.No. 4 (4.1 to 4.9) and Sl.No. 5 (5.1 to 5.3) **at page 3 to 7** and as per the approved D.P.R. of T.A.
- 9.2 Funds will be released to the IP on need base from time to time as per the recommendations of the respective State/Divisional Director through the concerned Zonal Deputy Chief Executive Officer, based on the proper utilization of the earlier releases made, by the Programme/Industry Director with due approval of Deputy Chief Executive Officer (V.I.).
- 9.3 The I.A. is free to procure financial or any other assistance such as procurement of Land or readily available constructed building from the State or other Govt. Agencies or NGOs, financial institutions wherever it is available.

10. **MONITORING OF CLUSTER:**

Monitoring of the Cluster Programme will be looked after by the Cluster Development Coordination Group (CDCG). This group will be responsible for overall development of the cluster programme.

- 10.1 **Cluster Development Coordination Group (CDCG)** is constituted with the following Members: -

S.No.	Members of CDCG	Position
1	State/Divisional Director	Member
2	Technical Agency	Member
3	Implementing Partner	Member
4	Two Artisans Rep. of the Cluster	Member
5	Nodal Officer	Member
6	Cluster Development Executive	Member - Convenor

10.2 **TERMS:**

- The **CDCG** will conduct meetings to review the activities of the cluster once in every 6 months.
  - The annual Action Plan of the cluster should necessarily be approved by the CDCG.
  - The CDCG will identify the need base Artisans Welfare Programme.
11. **Nodal Officer** to be appointed by the State/Divisional Director to monitor the entire Cluster programme and report to the State/Divisional Director from time

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to time and in turn the concerned Director will send the report to Industry Director and Zonal Deputy Chief Executive Officer.

**12. SAFETY AND SECURITY OF FUNDS:**

**12.1 ESCROW BANK ACCOUNT:**

- a. The I.A. should maintain separate Bank Account under **ESCROW system** to be operated under joint signatory system of State/Divisional Director or his authorized representative, I.A. and CDE of concerned State/Divisional Office.
- b. The funds will be released through the **ESCROW** Account and all the transactions of the cluster should invariably be operated through ESCROW Account only.
- c. The fund releases will be made as per the need based and as per the proper utilization in accordance with the Action Plan detailed in the D.P.R. submitted by the T.A

**12.2 SAFETY OF ASSESTS CREATED:**

- a. The Fixed Assets such as land and building created under the programme will be mortgaged to OCKVI.
- b. The movable assets such as Machinery, Equipments, etc. will be hypothecated to OCKVI.
- c. However, OCKVI is the Competent Authority to transfer the assets and liabilities to the IP or to the consortium of the stake holders after completion of the Project Period.

**12.3 FINAL REPORT OF THE PROJECT:**

The **Implementing Partner, Technical Agency and Cluster Development Executive** will submit detailed report on the outcome of the project. The report will also contain a suitable exit strategy for sustainability of the Cluster even after completion of the project.

**DIRECTOR (VIC)**

## Annexure 2: Application form for selection of Implementing Partner

### TEMPLATE: I APPLICATION FORM FOR IMPLEMENTING PARTNER FOR IMPLEMENTATION OF VILLAGE INDUSTRIES CLUSTER UNDER KRDP – ADB CLUSTER PROGRAMME

S.No.	Particulars	Information/Remarks
I	<u>PRIMARY INFORMATION ON IMPLEMENTING PARTNER:</u>	
1	Name and of the Implementing Partner	
2	Postal address with pin code with mobile/ telephone, e-mail address, Web-site, etc.	
3	Type of I.A. ( Please specifically mention whether Directly Aided/ Board Aided/ NGO/State Govt. Agency/ others)	
4	If Directly Aided Institution (DAI) of KVIC, give details	
5	Name and address of the Members of Managing Committee (President, Secretary and Members of the I.A.) with contact number (Mobile/ Phone) (please furnish the list separately).	
6	Location of the proposed cluster with postal address and details of Area/Blocks/Districts covered by cluster.	
7	Number of artisans/satellite units to be covered. (Attach list of artisans with their postal address)	
8	Products produced in the cluster, production, sales and employment.	
9	Khadi or V.I. activities presently implemented by IP	
10	<u>CURRENT FINANCIAL STATUS:</u>	
(a)	Details of Fixed Assets, Current Assets and liabilities supported with the Balance Sheet.	
(b)	Funds/ Aid, if any received from Central/State Govt. Agencies/ KVIC/KVIB by the IP for any other scheme. Give details.	
11	Details of Bank Account of IP	
12	Proportionate contribution of own fund by IP (Furnish the undertaking).	
II	<u>INFRASTRUCTURE AVAILABILITY:</u>	
a	Availability of own Land	Yes/No
b	If yes, give details. (Area of land in sq.ft. & Location)	
c	Raw material availability, give details.	
d	Availability of Qualified Technical Person in the relevant activity. Give details.	
e	Electricity.	Yes/No
f	Water.	Yes/No
III	<u>MARKETING FACILITIES:</u>	
	Details of own marketing out-lets/marketing tie-ups with other agencies, transportation available with IP Give details.	
IV	Any other details	

**Note:** Please attach required documents in separate sheets wherever found necessary.

9. They should have experience in arranging tie up for public private partnership in providing appropriate technology and other common facilities.
10. There should be a minimum of 200 artisans/ beneficiaries located within one

- 
- or two revenue sub-division In one or more contingency District(s).
11. The institution which is availing financial support from KVIC under any other scheme such as Capacity building scheme, SFURTI, RISC will not be eligible for any financial support under this program.
  12. The production / average sales turnover of IP should be at /east Rs.20.00 laths per annum during the last three years. In case of N.E.Z. States, the production / average sales turnover of IP should be at least Rs.15.00 lakhs per annum.
  13. Aspects of sanction should be based upon fulfillment of collateral security in terms of mortgage/surety bond For which necessary legal opinion may be obtained . Maximum limit of Grant may also be proposed for Capital Expenditure as well as for Working Capital.
  - 14, The fund will be sanctioned in favour of the IP and the **same will** be released through the concerned State/Divisional Office. For financial transactions, the IP will operate through ESCROW account.
  15. The State/Divisional Director should ensure that the funds should be utilized for the purpose for which it was sanctioned. IP will abide by the financial guidelines prescribed by the Commission ,
  16. The Implementing Partner may give a suitable declaration stating that the, Infrastructure to be created to be offered to all artisans without any impediments.

The above guidelines are to be followed scrupulously for implementation of five potential traditional village industries activities identified by the KVIC under ADB Clusters Programme.

Chief Executive Officer

## Annexure 3: Guideline for Detail Project Report

### 1. Executive Summary

### 2. Project Details:

- Introduction
- Project Objectives
- Expected Outcomes

### 3. Approach and Methodology

(Sample size, Sampling Technique/Survey/ Focused Group Interviews).

### 4. Market Potential:

- Industry size and potential (Domestic sales, Exports and Imports)
- Trend in last 5 years.
- Market Share of Competitive brands.
- Industry Growth.
- SWOT of the industry as a whole.

### 5. Survey Data:

- Background of the Cluster
  - Share of cluster as compared to the industry size.
  - Livelihood.
  - Activity under HMPI activity as an income generation activity in the cluster.
- Key Demographics (Population, Age, Literacy, Gender, etc.) 5.3: Economic, Social and Infrastructural Conditions.
- Practices in the cluster:
  - Production.
  - Processing.
  - Marketing.
  - Role of Artisan/producer, role of trader, role of wholesaler.
  - Local brands.
  - Exports
- Socio-Economic importance of beekeeping in the Regional Economy. 5.6: Working Capital (Sources, repayment, etc.)
- Value Chain Analysis (Raw material purchasing pattern, price range of raw material, Cost of production, Wages to hired labourers, Margin to Traders, Selling price, Mode of sale i.e. cash/credit, both)
- Target beneficiaries,
- Skill Assessment (Training Imparted, Traditional skill, etc.) 6.0: Prospective Implementation Agency.

### 6. Analysis:

- Value Chain
- Market Potential/Impact/Benefit of the intervention.
- Key Issues and Challenges (Operations/Finance/Marketing/Social/ Infrastructure/Raw Material/Skill Development/Any other)
- Trend analysis of changes in Raw Material utilization under beekeeping
- Solutions.
- SWOT (Strength, Weakness, Opportunity, Threat) Analysis of the cluster.

### 7. Implementation:

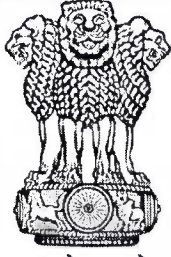
- Strategy (Vision & Mission/Technical & Financial Intervention/Stakeholder identification)
- Risk Factors.
- Cost/Investment Estimates.
- Roles and responsibility of the stakeholders like artisans, Implementing Partner 7.5: Roadmap & Timelines.
- Research and development Intervention.

- 
- Monitoring & Evaluation.

**8. Annexure:**

- Survey Forms.
- Survey Photographs.
- Profile of selected Implementing Partner

**SANCTION ORDERS OF  
7 (SEVEN) VI CLUSTERS**



सत्यमेव जयते

**DIRECTORATE OF FOREST BASED INDUSTRY**  
**Khadi & Village Industries Commission**  
Ministry of Micro, Small and Medium Enterprise  
(Govt. of India)

3 - Irla Road, Vile Parle (West), MUMBAI - 400 056.  
Telefax : 022- 26708064 E-mail : [fbi@kvic.gov.in](mailto:fbi@kvic.gov.in)  
022 -26708064 : [fbi@kvic.gov.in](mailto:fbi@kvic.gov.in)



कामये दुःखनाशनम्।  
प्राणिनाम् अतिनिशनम्॥

No: FBI/ SBKC/ VIBT/ 2014-15 / 39

Date: 15<sup>th</sup> April' 2015.

## SANCTION ORDER

**Sub: Direct Reform Assistance under KRDP (With ADB assistance) in favor of Vivekananda Institute of Bio-Technology, Sri Ramakrishna Ashram, P.O.; Nimpeeth Ashram, 24 Paraganas South, Sunderban- 743 228 for implementation of Beekeeping Cluster - Reg.**

**Ref: 1. SFC resolution No. V.I. / 2014-15/44 dated 26/3/2015**  
**2. Budget Allocation No. BGT /V.I. /Allo. / 2014-15 dated 28.03.2015.**

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In pursuance of the project/ Action plan received by this office duly recommended by State office, KVIC, Kolkata sanction is accorded for Rs. 126.45 Lakhs comprising of Rs. 5.175 Lakhs as own contribution from the Reform Implementing Institution (RII) and Rs. 121.275 Lakhs financial assistance from KVIC for establishing of Sundarban Beekeeping Cluster under KRDP in favor of Vivekananda Institute of Bio-Technology, Sri Ramakrishna Ashram, P.O.; Nimpeeth Ashram, 24 Paraganas South, Sunderban- 743 338, West Bengal for the financial year 2014-15 to 2016-17 as per the head wise summery furnished in "Annexure-I", head-wise break up funds sanctioned in Annexure-II and year-wise break up funds in Annexure-III by SFC (V.I.) in its 7<sup>th</sup> meeting held on 26<sup>th</sup> March' 2015 . The sanctioned funds shall be routed through State Director, KVIC, Kolkata (W.B) to the Implementing Agency.

The SFC has also directed that the Reform Implementing Institution (RII) should form SPV and ensure 50% representation of the artisans / beekeepers/ wild honey collectors in the management of SPV and follow the SFURTI model. The State Director at field level should monitor the implementation of the program vigorously.

Cont. at page No. 2/-

Singh  
17/04

AD (W.B)

S2/RID  
14/15



**Brief summary of funds sanctioned for implementation of SUNDARBAN BEE KEEPING CLUSTER by the Implementing agency: Vivekananda Institute of Bio-Technology, West Bengal (100% S.T.)**

S. No.	Components of the Scheme of intervention	100 % ST (Rs. In Lakhs)		
		Contribution of RII (10%)	Contribution of NA/ KVIC (90%)	Total cost of project
a.	Common Facility Center	3.775	33.975	37.75
b.	Marketing & Promotion	0.00	14.00	14.00
c.	PRODIP	0.40	3.60	4.00
d.	Capacity Building	0.00	13.00	13.00
e.	Tools & Equipment	0.00	19.70	19.70
f.	Artisan welfare measure fund	0.00	6.00	6.00
g.	Cost of T.A. /Project management services	0.00	4.00	4.00
h.	Management Grant to IA (@Rs. 3.00 lakhs per year)	0.00	9.00	9.00
i.	Cluster Development Executive (CDE)	0.00	9.00	9.00
j.	Operational Expenditure	1.00	9.00	10.00
	<b>Total</b>	<b>5.175</b>	<b>115.275</b>	<b>126.45</b>

**TERMS AND CONDITIONS FOR COMPLIANCE BY THE STATE OFFICES, KOLKATA, IA, PROGRAMME DIRECTOR UNDER KRDP PROGRAMME**

1. A agreement will be executed between State Director and Reform Implementing Institution (RII) in the prescribed format which may be supplied separately that may be executed on non-judicial stamp paper as per the stamp Act / Rules existing in the respective states before extension of Direct Reform Assistance and fulfillment of conditions laid down there upon.
2. KVIC shall extend under assistance under KRDP in kind and / or financial support as required. The State /Divisional Director shall operate a separate ESCROW account for operation of fund for implementation of this programme and maintain necessary books of accounts and follow the guidelines circulated vide letter No. VIC/ V.I. Clusters under KRDP/ 2014-15 dated 9<sup>th</sup> Sept' 2014.

3. The interest accrued on the amount deposited in the bank, if any, for this programme should be refunded to Central office from time to time under intimation to Directorate of KPM. KRDP/VIC
4. Since KRDP assistance will be in the form of grants –in-aid, the assets acquired by the institution wholly are substantially out of Government grant shall not be disposed off without obtaining prior approval of KVIC.
5. Procurement of other implements related to the KRDP programme shall be preferably made from the reputed manufacturer/ ensuring the quality, rate reasonableness etc. by obtaining expert opinion from CBRTI. The purchase terms and conditions should include supply of implements within the stipulated time period.
6. The supply contract/ agreement/ condition must include provision for proper skill development training to the master artisan so that he can be able to handle maintains of the equipment, day to day operational problems etc. the training shall also be organized as per project for the artisan so that the artisan could optimize its utilization and be able to ensure qualitative and quantitative production.
7. The payment shall be made to the suppliers and other parties strictly by Demand Draft / crossed Cheque only.
8. The Institution shall maintain separate record of the details for the assets acquired under this assistance. For procurement of machineries, goods assignment of work, norms prescribed in the GFR shall be followed.
9. The grants in aid shall be utilized for the purpose for which it has been sanctioned and shall not be diverted for any other purpose.
10. The assets created out of the KRDP funds be invariably mortgaged / hypothecated to KVIC as the case may be.
11. Registers of fixed assets, dead stock, etc., should be maintained in the prescribed preform by the Reform Implementing Institution (RII).
12. Details of new artisans proposed to be covered and existing artisans in the project are to be maintained and informed to the State / Divisional Offices from time to time.

13. The utilization of KRDP fund is subject to the audit and review by a Chartered accountant acceptable to ADB or internal audit of KVIC.
14. The assets and renovation / construction of work completed shall be made available for inspection by any officials of MSME, Govt. of India or its authorized agents or agencies and KVIC.
15. The project duration will be three years. After completion of the project the institution must continue the programme in the interest of the artisans and workers of the institution.
16. The Reform Implementing Institution (RII) and State / Divisional Director shall submit the physical & Financial progress report of the project on quarterly basis by 15<sup>th</sup> April, July, October and January for the quarter ending 31<sup>st</sup> March, 30<sup>th</sup> June, 30<sup>th</sup> September and 31<sup>st</sup> December covering details of the expected outcome and achievements against the target projected in the approved Action plan as per the prescribed format.
17. The Reform Implementing Institution (RII) shall appoint a Cluster Development Executive (CDE) for management of day to day activities for implementation of this programme and also an IT Assistance (ITA) for handling the IT related works. The required qualification and experience of RIO and ITA shall be as prescribed by KVIC. The Reform Implementing Officer and IT Assistant must submit their monthly work report on progress of programme to the State / Divisional Office.
18. In order to monitor and evaluate the programme, a field level execution committee (FLEC) headed by the State / Divisional Director shall be constituted.
19. The Reform Implementing Institution (RII) and the State Director should ensure that the minutes of the Field Level execution Committee meeting is prepared and forwarded to Directors (FBI) and Director (RID) within a week time for speedy implementation of the programme.
20. Within the overall fund sanctioned for this programme under various heads, inter change of heads is permitted as per the need on the recommendation of respective SLBT. Any cost escalation over and above the total sanctioned fund will have to be borne by the IA.

21. A Target should be given to Reform Implementing Institution (RII) in consonance with Forest Based Industry for achievement of production, sales and employment during the annual SLBT meeting.
22. The linkage matrix among the State Directors, Director (FBI) at Central office, and Reform Implementing Institution (RII) are illustrated with the contour and description of role and responsibility of the State Director, other stake holders of the cluster including RII are given at **Annexure – IV**. A copy of the approved detail of DSR and DPR of the Suburban Beekeeping Cluster in West Bengal by the Standing Finance Committee (V.I.) is placed at **Annexure – V**.

This is issued with the approval of CEO / Commissioner with an advice to the State Director, KVIC, Kolkata to ensure compliance of the above condition scrupulously.

Encl: As above

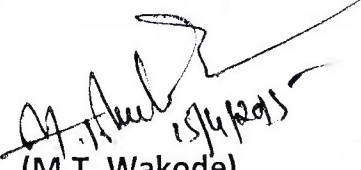
(M.T. Wakode)  
DIRECTOR (FBI)

To,  
The Director,  
Vivekananda Institute of Bio-Technology,  
Sri Ramakrishna Ashram,  
P.O.- Nimpeeth Ashram,  
24 Paraganas South,  
Sundarban- 743 338, West Bengal

**Through: State / Divisional Director, KVIC, Kolkata.**

Copy for information and necessary action to:

1. The Dy. C.E.O (Eastern Zone) OCKVI, Kolkata.
2. Secretary, SFC (V.I.), KVIC, Mumbai - 56
3. State Director, State Office, OCKVI, Kolkata.
- ✓ 4. The Director (RID & New Scheme), KVIC, Mumbai – 56.
5. The Director (Budget), OCKVI, Mumbai -56
6. The Director (CBRTI), OCKVI, Pune.
7. The Director (IT), OCKVI, Mumbai- 56
8. Director (Accounts), OCKVI, Mumbai-56

  
(M.T. Wakode)  
DIRECTOR (FBI)

ग्रामोद्योग समन्वय निदेशालय  
DIRECTORATE OF VILLAGE INDUSTRIES COORDINATION

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**ANNEXURE - I**

**Brief summary of funds sanctioned for implementation of SUNDARBAN BEE KEEPING CLUSTER by the  
Implementing agency: Vivekananda Institute of Bio-Technology, West Bengal (100% S.T.)**

(Rs. in lakhs)

S. No.	Particulars	100% S.T.		
		From Nodal Agency/ KVIC (90%)	Contribution from Implementing Agency (10%)	Total cost of the project
1	Common Facility Center	33.975	3.775	37.75
2	Marketing & Promotion	14.00	0.00	14.00
3	PRODIP	3.60	0.40	4.00
4 (a)	Capacity Building - Awareness, Training, Skill upgradation, Trust building activities, etc.	13.00	0.00	13.00
(b)	Capacity Building: Tools & Equipment - Honey collectors kit, bee-hives, bee colonies, hive tools kit, etc.	19.70	0.00	19.70
5	Need Base activities - Artisan welfare measure fund	6.00	0.00	6.00
6	Fee for T.A. /Project management services	4.00	0.00	4.00
7	Management Grant to IA (@Rs.3.00 lakhs per year)	9.00	0.00	9.00
8	Cluster Development Executive (CDE)	9.00	0.00	9.00
9	Operational Expenditure	9.00	1.00	10.00
	<b>Total</b>	<b>121.275</b>	<b>5.175</b>	<b>126.45</b>

*M. Anand*  
15/4/2015  
DIRECTOR (FBI - VIC/KRDP)

**ग्रामोद्योग समन्वय निदेशालय/ DIRECTORATE OF VILLAGE INDUSTRIES COORDINATION**

**ANNEXURE -II**

**Head-wise Break-up of fund requirement for implementation of SUNDARBAN BEE KEEPING CLUSTER by  
the Implementing agency: Vivekananda Institute of Bio-Technology, West Bengal (100% S.T.)**

(Rs. in lakhs)

S. No.	Particulars	Provision from Nodal Agency/ KVIC (90%)	Contribution from Implementing Agency (10%)	Total cost of the project
<b>1</b>	<b>COMMON FACILITY CENTER (CFC)</b>			
	Land (Approx. 1,58,400 Sq. fts. Land Area and 57600 Sq. fts. Built-up Area as per DPR)	-	-	Owned by the I.A.
i.	Work shed	10.80	1.20	12.00
ii.	Generator	1.80	0.20	2.00
iii.	Honey processing Plan (HPP)	10.80	1.20	12.00
iv.	Lab equipment	3.15	0.35	3.50
v.	Bottling unit	2.70	0.30	3.00
vi.	Sealing machine	1.35	0.15	1.50
vii.	Honey storage containers (SS 300 Kg Capacity)	1.925	0.225	2.25
viii.	Honey storage containers (SS 1000 Kg Capacity)	1.35	0.15	1.50
	<b>Sub Total (1)</b>	<b>33.975</b>	<b>3.775</b>	<b>37.75</b>
<b>2</b>	<b>Marketing &amp; Promotion</b>			
i.	Buyers sellers meet	0.90	0.10	1.00
ii.	National & international exhibitions	0.90	0.10	1.00
iii.	Website	0.675	0.075	0.75
iv.	Exposure visit	2.70	0.30	3.00
v.	Agmark and Bar-coding for the products	1.80	0.20	2.00
vi.	Honey Hut / Parlor	5.40	0.60	6.00
vii.	Branding	0.225	0.025	0.25
	<b>Sub Total (2)</b>	<b>12.60</b>	<b>1.40</b>	<b>14.00</b>
<b>3</b>	<b>PRODIP</b>	4.00	0.00	4.00
	<b>Sub Total (3)</b>	<b>4.00</b>	<b>0.00</b>	<b>4.00</b>
<b>4 (a)</b>	<b>Capacity Building</b>			
i.	Awareness	3.60	0.40	4.00
ii.	Training	4.50	0.50	5.00
iii.	Skill Up gradation(AC/ AM)	1.80	0.20	2.00
iv.	Sp. Training on honey testing kit	0.90	0.10	1.00
v.	Trust building activity	0.90	0.10	1.00
	<b>Sub Total (a)</b>	<b>11.70</b>	<b>1.30</b>	<b>13.00</b>
<b>b.</b>	<b>Tools &amp; Equipment</b>			
i.	Apis Dorsata Tools & Kits (100 No.)	13.50	1.50	15.00
ii.	Bee colonies and tools for 100 women	4.23	0.47	4.70
	<b>Sub Total (b)</b>	<b>17.73</b>	<b>1.97</b>	<b>19.70</b>
<b>5</b>	<b>Need Base activities - Artisan welfare measure fund</b>	2.00	0.00	2.00
	<b>Sub Total (5)</b>	<b>2.00</b>	<b>0.00</b>	<b>2.00</b>
<b>6</b>	<b>Fee for T.A. /Project management services</b>	4.00	0.00	4.00
	<b>Sub Total (6)</b>	<b>4.00</b>	<b>0.00</b>	<b>4.00</b>
<b>7</b>	<b>Management Grant to IA for 3 years (@Rs.3.00 lakhs per year)</b>	9.00	0.00	9.00
	<b>Sub Total (7)</b>	<b>9.00</b>	<b>0.00</b>	<b>9.00</b>
<b>8</b>	<b>Cluster Development Executive (CDE)</b>	9.00	0.00	9.00
	<b>Sub Total (8)</b>	<b>9.00</b>	<b>0.00</b>	<b>9.00</b>
<b>9</b>	<b>Operational Expenditure</b>	9.00	1.00	10.00
	<b>Sub Total (9)</b>	<b>9.00</b>	<b>0.00</b>	<b>9.00</b>
	<b>Grand Total (1 to 9)</b>	<b>121.275</b>	<b>5.175</b>	<b>126.45</b>

*(Signature)*  
15/7/2015  
DIRECTOR (FBI - VIC/KRDP)

**ग्रामोद्योग समन्वय निदेशालय/ DIRECTORATE OF VILLAGE INDUSTRIES COORDINATION**

**Annexure: III**

**Year-wise operative plan/work-plan of activities and funding provision for the three financial years for implementation of SUNDARBAN BEE KEEPING CLUSTER by the Implementing agency: Vivekananda Institute of Bio-Technology, West Bengal (100% S.T.)**

(Rs. in lakhs)

S. No.	Particulars/Head	YEARWISE FUNDING			Total
		2014-15	2015-16	2016-17	
<b>1</b>	<b>COMMON FACILITIES CENTER</b>				
i.	Work shed	12.00	0.00	0.00	12.00
ii.	Generator	2.00	0.00	0.00	2.00
iii.	Honey processing Plan (HPP)	0.00	12.00	0.00	12.00
iv.	Lab equipment	3.50	0.00	0.00	3.50
v.	Bottling unit	0.00	3.00	0.00	3.00
vi.	Sealing machine	0.00	1.50	0.00	1.50
vii.	Honey storage containers (SS 300 Kg Capacity)	2.25	0.00	0.00	2.25
viii.	Honey storage containers (SS 1000 Kg Capacity)	1.50	0.00	0.00	1.50
	<b>Sub Total (1)</b>	<b>21.25</b>	<b>16.50</b>	<b>0.00</b>	<b>37.75</b>
<b>2</b>	<b>Marketing &amp; Promotion</b>				
i.	Buyers sellers meet	0.00	0.00	1.00	1.00
ii.	National & international exhibitions	0.00	0.00	1.00	1.00
iii.	Website	0.00	0.75	0.00	
iv.	Exposure visit	0.00	0.00	3.00	3.00
v.	Agmark and Bar-coding for the products	0.00	2.00	0.00	2.00
vi.	Honey Hut / Parlor	0.00	0.00	6.00	6.00
vii.	Branding	0.00	0.00	0.25	0.25
	<b>Sub Total (2)</b>	<b>0.00</b>	<b>2.75</b>	<b>11.25</b>	<b>14.00</b>
<b>3</b>	<b>PRODIP</b>	0.00	4.00	0.00	4.00
	<b>Sub Total (3)</b>	<b>0.00</b>	<b>4.00</b>	<b>0.00</b>	<b>4.00</b>
<b>4 (a)</b>	<b>Capacity Building</b>				
i.	Awareness	2.00	2.00	0.00	4.00
ii.	Training	2.50	2.50	0.00	5.00
iii.	Skill Up gradation(AC/ AM)	1.00	1.00	0.00	2.00
iv.	Sp. Training on honey testing kit	0.40	0.60	0.00	1.00
v.	Trust building activity	1.00	0.00	0.00	1.00
	<b>Sub-Total (a)</b>	<b>6.90</b>	<b>6.10</b>	<b>0.00</b>	<b>13.00</b>
<b>b.</b>	<b>Tools &amp; Equipment</b>				
i.	Apis 3Dorsata Tools & Kits (100 No.)	7.50	7.50	0.00	15.00
ii.	Bee colonies and tools for 100 women	2.35	2.35	0.00	4.70
	<b>Sub Total (b)</b>	<b>9.85</b>	<b>9.85</b>	<b>0.00</b>	<b>19.70</b>
<b>5</b>	<b>Need base activities - Artisan welfare measures</b>	2.00	2.00	2.00	6.00
	<b>Sub Total (5)</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>6.00</b>
<b>6</b>	<b>Fee for Technical Agency</b>	1.00	1.00	2.00	4.00
	<b>Sub Total (6)</b>	<b>1.00</b>	<b>1.00</b>	<b>2.00</b>	<b>4.00</b>
<b>7</b>	<b>Management Grant to IA</b>	3.00	3.00	3.00	9.00
	<b>Sub Total (7)</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>9.00</b>
<b>8</b>	<b>Cluster Development Executive (CDE)</b>	3.00	3.00	3.00	9.00
	<b>Sub Total (8)</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>9.00</b>
<b>9</b>	<b>Operational Exp./ Working fund</b>	0.00	5.00	5.00	10.00
	<b>Sub Total (8)</b>	<b>0.00</b>	<b>5.00</b>	<b>5.00</b>	<b>10.00</b>
	<b>GRAND TOTAL (1 TO 9)</b>	<b>47.00</b>	<b>53.20</b>	<b>26.25</b>	<b>126.45</b>

**Note:** Funding provision would be head-wise proportion as per the guidelines (i.e. proportionate contribution of Nodal Agency & I.A.)

*A. K. Das*  
15/4/2015  
DIRECTOR (FBI - VIC/KRDP)

**Annexure-IV**

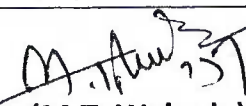
**IDENTIFIED KEY STAKEHOLDERS FOR THE PROMOTION OF THE CLUSTER  
WITH ROLES AND RESPONSIBILITIES**

Sl. No	Stake Holder	Assigned Roles and Responsibilities
1	S.O., KVIC, Kolkata	<ul style="list-style-type: none"> <li>➤ KVIC will play the role of Nodal Agency. Provide funding support, monitor and guide the programme execution, extend support services for the effective implementation of the programmes.</li> <li>➤ Execution of three-party MOU between IA, NA (KVIC) and T.A.</li> <li>➤ All monitoring reports such as monthly, quarterly and annual reports including other time to time reports.</li> </ul>
2	Vivekananda Institute of Biotechnology (I.A)	<ul style="list-style-type: none"> <li>➤ VIB is the implementing agency of cluster development programme.</li> <li>➤ The institute is expected to play a key role in coordinating and spearheading all proposed activities of the cluster.</li> <li>➤ Cluster Development Executive (CDE) will be an employee of the VIB and work under the guidance of TA, IA and the Nodal Officer of KVIC.</li> <li>➤ Shall identify and arrange suitable land for the project.</li> <li>➤ Books of accounts on the expenditure is maintained by the IA.</li> <li>➤ Any additional expenditure arise other than the sanction shall borne by I.A. itself.</li> <li>➤ IA will maintain the list of beneficiaries and the demographics of the beneficiary</li> <li>➤ IA will maintain the registers for procurement of goods and services</li> <li>➤ IA also will maintain the assets registers for CFC also with its day to day operation register for CFC</li> <li>➤ IA will form a CFC monitoring / operation committee.</li> <li>➤ IA will also maintain the honey &amp; wax collected from the wild honey bee and from the Apiaries separately.</li> <li>➤ IA will also draw Action Plan in consultation with T.A. and NA</li> <li>➤ IA shall be responsible for furnishing utilization Certificate (UC) and regular progress reports to Nodal Agency (S.O., KVIC, Kolkata) in the prescribed format</li> <li>➤ All the above shall be open for verification by the</li> </ul>



		<p>authorized officers of KVIC.</p> <ul style="list-style-type: none"> <li>➤ IA shall ensure the services of the facilities created under the Scheme are extended to the cluster in general, in addition to the member enterprises on payment of suitable user fees as fixed by the SPV/ PC. User fees will go into corpus fund to be managed by SPV/ PC/ IA</li> </ul>
3	Technical Agency - CBRTI., Pune	<p>CBRTI, Pune is the Technical agency of the cluster development programme.</p> <ul style="list-style-type: none"> <li>➤ Sensitize and generate awareness in the cluster about the scheme involving all stake holders.</li> <li>➤ TA in consultation with IA shall prepare a business plan for the cluster, taking into account relevant facts and after conducting market survey as may be considered necessary by IA during the implementation.</li> <li>➤ TA will ensure the supply of tools and training and technical support towards the effective function of the cluster and timely completion.</li> <li>➤ T.A. will monitor the programme implementation on a regular basis and guide the CDE and the IA for the smooth implementation of the programme.</li> <li>➤ T.A will also assist the CDE and the IA in the preparation of Action Plans and their validation in the CDCG.</li> <li>➤ T.A. will maintain the list of beneficiaries, programs undertaken for skill development/ capacity building, tools supply, monthly/ seasonal activities of CFC and production &amp; Sales details.</li> <li>➤ TA will also assist IA in product diversification and product development.</li> <li>➤ TA will also assist IA in preparing monthly activity chart and ensure the implementation.</li> <li>➤ T.A will contribute to the Action Plan drawn by IA</li> </ul>
4	Beekeepers and Honey Hunters (Groups)	<ul style="list-style-type: none"> <li>➤ Beekeepers and Honey hunters are principal stakeholders.</li> <li>➤ They are involved directly in the honey collection activities from Sundarban forest.</li> <li>➤ They are expected to be the active beneficiary and participants in the programme implementation process since beginning.</li> <li>➤ They shall be formed in to groups and involved in different activities as per the need and capacity.</li> <li>➤ Individual accounts shall be open for the SHG / JLGs</li> <li>➤ Producer Company needs to be formed with the coordination / participation of IA.</li> </ul>

5	Cluster Development Executive (CDE)	CDE will be key functionary of the project who will lead the entire project under the guidance of IA/TA and NA. He is expected to implement programmes as per plan and coordinate with other stakeholders for their involvement in the programme execution process.
6	State Bank of India	Expected to provide working capital support to the IA and the JLGs for undertaking honey business on a commercial basis.
7	Madhu Sampad Karmi (MSK) and Social organization /own Network (Vivekananda Centre for skills and Kaikhali Ashram)	<ul style="list-style-type: none"> <li>➤ The MSK will be the village level catalyst agents who will help the honey hunters in terms of getting the programme benefits.</li> <li>➤ They will also collect honey from the hunters at different collection centers and coordinate with the IA (VIB) for smooth execution of the programmes.</li> <li>➤ Organizing, Collecting and storing of honey (Collection and initial quality test), providing facility centers for conducting training and other such programmes.</li> </ul>
8.	SPV/ Producer Company	<ul style="list-style-type: none"> <li>➤ Conduct monthly meeting and strategizing the activities of CFC for effective functioning.</li> <li>➤ Marketing the produce and transferring the benefits to the stakeholders</li> <li>➤ using its supply chain that is already existing marketing channel</li> <li>➤ Operating the honey parlors / honey hut,</li> <li>➤ Explore the possibility of linking beneficiaries to PMEGP Scheme</li> </ul>
9	Cluster Development coordination Group (CDCG)	CDCG will be the main monitoring forum for the validation of the Action Plan and effective implementation of the proposed interventions.
10	NABARD, and other Banks and Development Agencies	For convergence of resources that are not provided under the scheme may be permitted, but under intimation to KVIC for achieving the integrated development of the honey hunters/Beekeepers.

  
 (M.T. Wakode)  
 Director (FBI)

## Annexure-V

### Complete detail sheet of the Suburban Beekeeping Cluster in West Bengal

S. No.	Particulars	Details
1	Name of the cluster	Sundarban Beekeeping Cluster
2	Name of the Implementing Agency	Vivekananda Institute of Bio Technology, Nimpeeth Ashram, Dist. 24 Paraganas (South), West Bengal – 743 338
3	Name of the TA.	Central Bee Research & Training Institute, KVIC, 1153, Ganeshkhind Road, Pune-411 016
4	Duration of the Survey and findings of the survey	From 7 <sup>th</sup> June to 23 <sup>rd</sup> June' 2014
	a.	Lack of Scientific knowledge on Scientific honey collection of <i>Apis dorsata</i>
	b.	Usage of G.I. Extractors and Storing honey in old oil tins.
	c.	Lack of communication and transportation.
	d.	Lack of processing, equipment and tools
	e.	Good cooperation by the Dept. of Forest to tribal population.
f.	Involvement of middle men in the honey trade thus tribes /beekeepers are not getting the uniform price / getting less price /exploited	
5	Location of the Cluster	24 Paraganas Survey in four blocks namely Sagar, Kultali, Pathar Protima and Jaynagar-II. (22 Villages)
6	Present status	<ul style="list-style-type: none"> <li>➤ The tribal honey collectors stay on rented boats for around 10 to 15 days and alight during the day time on the smaller islands, where the wild bees (<i>Apis dorsata</i>) build their colonies on mangrove trees.</li> <li>➤ The tribal honey collector's uses smoke to control the honey bee collect the honey using plastic cans and household utensils.</li> <li>➤ The comb honey was squeezed and honey is being stored in the carried utensils and plastic cans.</li> <li>➤ On returning back, one part of the produce is given to the owner of the boat as rent.</li> <li>➤ The forest dept. buys a fixed quantity of honey from each of the tribal honey collectors and pays.</li> <li>➤ The remaining is being sold by the honey collector's in the weekly markets.</li> <li>➤ The forest dept. filters the honey and sells in the brand of "Mouban".</li> </ul>
7.	No. of wild honey collectors	330 Wild Honey Collector's Male -289 Female- 41
8.	Type of the cluster	Large (@ Rs. 1.00 Lakh per artisan) Maximum limit -- 3.00 Crores
9.	Products of the Cluster	<ul style="list-style-type: none"> <li>➤ Raw honey - 100 MT (Rs. 100 Lakhs)</li> <li>➤ Bee Wax - 150 MT (Rs. 30.00 Lakhs)</li> </ul>

10.	Components of the Scheme during the intervention	100 % ST		
		Contribution of IA (10%)	Contribution of KVIC (90%)	Total
		(Rs. In Lakhs)		
a.	Common Facility Center	3.775	33.975	37.75
b.	Marketing & Promotion	0.00	14.00	14.00
c.	PRODIP	0.40	3.60	4.00
d.	Capacity Building	0.00	13.00	13.00
e.	Tools & Equipment	0.00	19.70	19.70
f.	Management Grant to IA (@Rs. 3.00 lakhs per year)	0.00	9.00	9.00
g.	Cluster Development Executive (CDE)	0.00	9.00	9.00
h.	Operational Expenditure	1.00	9.00	10.00
i.	Artisan welfare measure fund	0.00	6.00	6.00
j.	Cost of T.A. /Project management services	0.00	4.00	4.00
	<b>Total</b>	<b>5.175</b>	<b>115.275</b>	<b>126.45</b>
11.	<b>Vision of the cluster:</b> Self-employment to Below Poverty Line Tribes / Farmer and unemployed youth. Increasing of crop productivity both agricultural and horticultural crops, Up lifting social behavior in the cluster area.			
12.	<b>Mission of the cluster:</b> Organizing and importing training to the wild bee honey collectors and beekeepers. Supplying of Protective appliances / kit, bee keeping equipment and bee colonies for Tribes /beekeepers/women. Dissemination technology for developing beekeeping activity. Conducting beekeeping seminar, Multiplication of bee colonies, Introducing migration system among the beekeepers, Organic honey production, Hygienic honey collection, Up-gradation of Lab set up in the Institution. Attractive package of honey and other value added products.			
13.	<b>Objectives:</b> <ul style="list-style-type: none"> <li>➤ To develop traditional artisan based sustainable cluster having the honey and wax as major products with other value added products.</li> <li>➤ To strengthen the local governance system of cluster with active participation of local stakeholders, so as to enable them to undertake development initiatives by themselves.</li> <li>➤ To build up innovative and traditional skills, improve technologies, improved processing, marketing intelligence and self-sustainability.</li> </ul>			

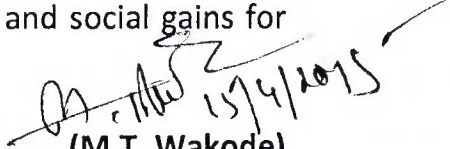
(Rs. In Lakhs)

14.	Proposed intervention	1 <sup>st</sup> Year	2 <sup>nd</sup> Year	3 <sup>rd</sup> Year	Amount
<b>a.</b>	<b>Capacity Building</b>				
i.	Awareness	2.00	2.00	0.00	4.00
ii.	Training	2.50	2.50	0.00	5.00
iii.	Skill Up gradation(AC/ AM)	1.00	1.00	0.00	2.00
iv.	Sp. Training on honey testing kit	0.40	0.60	0.00	1.00
v.	Trust building activity	1.00	0.00	0.00	1.00
	<b>Sub- Total</b>	<b>6.90</b>	<b>6.10</b>	<b>0.00</b>	<b>13.00</b>
<b>b.</b>	<b>Tools &amp; Equipment</b>				
i.	Apis dorsata Tools & Kits (100 No.)	7.50	7.50	0.00	15.00
ii.	Bee colonies and tools for 100 women	2.35	2.35	0.00	4.70
	<b>Sub Total</b>	<b>9.85</b>	<b>9.85</b>	<b>0.00</b>	<b>19.70</b>
<b>c.</b>	<b>CFC</b>				
i.	Work shed	12.00	0.00	0.00	12.00
ii.	Generator	2.00	0.00	0.00	2.00
iii.	Honey processing Plan (HPP)	0.00	12.00	0.00	12.00
iv.	Lab equipment	3.50	0.00	0.00	3.50
v.	Bottling unit	0.00	3.00	0.00	3.00
vi.	Sealing machine	0.00	1.50	0.00	1.50
vii.	Honey storage containers (SS 300 Kg Capacity)	2.25	0.00	0.00	2.25
viii.	Honey storage containers (SS 1000 Kg Capacity)	1.50	0.00	0.00	1.50
	<b>Sub Total</b>	<b>21.25</b>	<b>16.50</b>	<b>0.00</b>	<b>37.75</b>
<b>d.</b>	<b>Marketing &amp; Promotion</b>				
i.	Buyers sellers meet	0.00	0.00	1.00	1.00
ii.	National & international exhibitions	0.00	0.00	1.00	1.00
iii.	Website	0.00	0.75	0.00	0.75
iv.	Exposure visit	0.00	0.00	3.00	3.00
v.	Agmark and Barcoding for the products	0.00	2.00	0.00	2.00
vi.	Honey Hut / Parlor	0.00	0.00	6.00	6.00
vii.	Branding	0.00	0.00	0.25	0.25
	<b>Sub Total</b>	<b>0.00</b>	<b>2.75</b>	<b>11.25</b>	<b>14.00</b>
<b>e.</b>	<b>PRODIP</b>	0.00	4.00	0.00	4.00
<b>f.</b>	<b>Operational Exp./ Working fund</b>	0.00	5.00	5.00	10.00
	<b>Sub Total</b>	<b>38.00</b>	<b>44.20</b>	<b>16.25</b>	<b>98.45</b>

	<b>Sub Total C/F</b>	<b>38.00</b>	<b>44.20</b>	<b>16.25</b>	<b>98.45</b>
g.	<b>Management Grant to IA</b>	3.00	3.00	3.00	9.00
h.	<b>Cluster Development Executive (CDE)</b>	3.00	3.00	3.00	9.00
i.	<b>Artisan welfare measures</b>	2.00	2.00	2.00	6.00
i.	<b>Cost of T.A.</b>	1.00	1.00	2.00	4.00
	<b>Grand Total</b>	<b>47.00</b>	<b>53.20</b>	<b>26.25</b>	<b>126.45</b>

**Highlights of the Cluster:**

1. The Cluster is unique in promoting the collection of honey from wild honeybee coupled with beekeeping activity in Sundarban.
2. The inputs of the scheme to the project is expected to create lasting impact on the targeted beneficiaries in terms of gainful employment, increased income, social benefits, changes/standardization of practice, etc.
3. The cluster has got bright future prospect because of availability of the raw honey, conducive climate and varieties of plants, flora and fauna, artisan's traditional skills, low capital investment, favorable enabling environment, marketing opportunities, scope for self-employment, support of the Banks and KVIC.
4. The role of women in processing of wild honey, it's testing, and storage including maintenance of apiary will ensure additional contribution to the cluster, which is empowering women. IA shall take lead to enforce the participation of women and formation of groups and finally into Producer Group Company.
5. Forming Producer Groups, based on activities and finally forming them into Producer Company will be predominant method for the benefit & growth of cluster.
6. The Scheme plays a vital role in supply of tools, capacity development trainings, improved user friendly machineries / technologies, common facility centers (CFC), credit support, networking with important stakeholders, convergence of resources from other departments and developing SPV / Producer Company (PC) and many other structural management inputs it is expected that the project would create a positive impact in the sector in terms of economic and social gains for the poor and needy honey hunters.

  
(M.T. Wakode)  
Director (FBI)



सत्यमेव जयते

**DIRECTORATE OF FOREST BASED INDUSTRY**  
**Khadi & Village Industries Commission**  
Ministry of Micro, Small and Medium Enterprise  
(Govt. of India)

3 - Irla Road, Vile Parle (West), MUMBAI - 400 056.  
Telefax : 022- 26708064 E-mail : [fbi@kvic.gov.in](mailto:fbi@kvic.gov.in)  
022 -26708064 : [fbi@kvic.gov.in](mailto:fbi@kvic.gov.in)



कामये कुखतमानम्।  
प्रणिनाम् अगनिनाशनम्॥

**No:FBI/TBC/KKVI/Trissure/Kerala/2014-15/ Date: 7<sup>th</sup> March' 2016.**

1894

## **SANCTION ORDER**

**Sub: Sanction of funds to the tune of Rs. 144.85 Lakhs from Direct Reform Assistance under KRDP (With ADB assistance) in favour of Kerala Khadi & Village Industries Association, Thrissur, Kerala for implementation of Thrissur Beekeeping Cluster - Reg.**

**Ref: 1.SFC resolution No. V.I./2015-16/18 dated 22/12/2015.**  
**2. Budget Allocation No. BGT /V.I. /Allo. / 2015-16/134 dated 11.02.2016.**

\*\*\*\*\*

In pursuance of the DPR/ Action plan received by this office duly recommended by State office, KVIC, Trivandrum sanction, the F.A. and C.E.O. have extended the approval of total cost of Rs. 144.85 Lakhs (Rupees One Crore Forty Four Lakhs and Eighty Five Thousands Only) comprising of Rs. 15.90 Lakhs (Rupees Fifteen Lakhs Ninety Thousands Only) as own contribution from the Implementing Agency (IA) and Rs. 128.95 Lakhs (Rupees One Crore Twenty Eight Lakhs and Ninety Five Thousands Only) in favour of Kerala Khadi & Village Industries Association, Avinissery,, Ollur, Thrissur- 680 306 (Kerala) for establishing of Thrissur Beekeeping Cluster under KRDP. The head wise summery furnished in "**Annexure-I**", details of year wise funds sanctioned in **Annexure-II** and The Roles & Responsibilities of KVIC, KVIB, I.A., CBRTI (T.A.) Beekeepers / Wild Honey Collectors, Cluster Development Executive (CDE), State Bank Of India and Canara Bank, Cluster Development Coordination, Expected Outcome, Targeted No. of Beneficiaries, etc. in **Annexure-III**. The sanctioned funds shall be routed through State Director, KVIC, Trivandrum to the Implementing Agency.

Cont. at page No. 2/-

**Brief summary of funds sanctioned for implementation of  
THRISSUR BEE KEEPING CLUSTER by the Implementing agency:  
Kerala Khadi & Village Industries Association, Thrissur,  
Kerala (100% S.T.)**

S. No.	Components of the Scheme of intervention	100 % ST (Rs. In Lakhs)		
		Contribution of RII (10%)	Contribution of NA/ KVIC (90%)	Total cost of project
a.	Common Facility Centre	3.775	33.975	37.75
b.	Marketing & Promotion	0.00	14.00	14.00
c.	PRODIP	0.40	3.60	4.00
d.	Capacity Building	0.00	13.00	13.00
e.	Tools & Equipment	0.00	19.70	19.70
f.	Artisan welfare measure fund	0.00	6.00	6.00
g.	Cost of T.A. /Project management services	0.00	4.00	4.00
h.	Management Grant to IA (@Rs. 3.00 lakhs per year)	0.00	9.00	9.00
i.	Cluster Development Executive (CDE)	0.00	9.00	9.00
j.	Operational Expenditure	1.00	9.00	10.00
	<b>Total</b>	<b>5.175</b>	<b>115.275</b>	<b>126.45</b>

**TERMS AND CONDITIONS FOR COMPLIANCE BY THE STATE  
OFICES, THIRUVANANTHAPURAM, IA, PROGRAMME DIRECTOR  
UNDER RID & NEW SCHEME / KRDP**

1. A agreement will be executed between State Director and Implementing Agency (I.A.) in the prescribed format which may be supplied separately on non-judicial stamp paper as per the stamp Act / Rules existing in the respective sates before extension of Direct Reform Assistance and fulfilment of conditions laid down there upon.
2. KVIC shall extend under assistance under KRDP in kind and / or financial support as required. The State /Divisional Director shall operate a separate ESCROW account for operation of fund for implementation of this programme and maintain necessary books of accounts and follow the guidelines circulated vide letter No. VIC/ V.I. Clusters under KRDP/ 2014-15 dated 9<sup>th</sup> Sept' 2014.

Cont. at page No.3/-



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3. The interest accrued on the amount deposited in the bank, if any, for this programme should be refunded to Central Office from time to time under intimation to Directorate of FBI and Director (RID).
4. Since RID/ KRDP assistance will be in the form of grants -in-aid, the assets acquired by the institution wholly are substantially out of Government grant shall not be disposed off without obtaining prior approval of KVIC.
5. Procurement of other implements related to the RID/ KRDP programme shall be preferably made from the reputed manufacturer/ ensuring the quality, rate reasonableness etc. by **obtaining expert opinion from CBRTI (T.A.)**. The purchase terms and conditions should include supply of implements within the stipulated time period.
6. The supply contract/ agreement/ condition must include provision for proper skill development training to the master artisan, so that they can be able to handle maintains of the equipment, day to day operational problems etc. by T.A. The training shall also be organized as per project for the artisan so that the artisan could optimize its utilization and be able to ensure qualitative and quantitative production.
7. The payment shall be made to the suppliers and other parties strictly by Demand Draft / crossed Cheque only.
8. The Institution shall maintain separate record of the details for the assets acquired under this assistance. For procurement of machineries, goods assignment of work, norms prescribed in the GFR shall be followed.
9. The grants in aid shall be utilized for the purpose for which it has been sanctioned and shall not be diverted for any other purpose.
10. The assets created out of the RID/ KRDP funds be invariably mortgaged / hypothecated to KVIC as the case may be.
11. Registers of fixed assets, dead stock, etc., should be maintained in the prescribed proforma by the Implementing Agency (I.A.)
12. Details of new artisans proposed to be covered and existing artisans in the project are to be maintained and informed to the State / Divisional Offices from time to time in the reports.
13. The utilization of RID/ KRDP fund is subject to the audit and review by a Chartered Accountant acceptable to ADB or internal audit of KVIC.

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14. The assets and renovation / construction of work completed shall be made available for inspection by any officials of MSME, Govt. of India or its authorized agents or agencies and KVIC.
15. The project duration will be three years. After completion of the project the institution must continue the programme in the interest of the artisans and workers of the institution as per the Business plan.
16. The Cluster Development Executive (CDE) and State / Divisional Director shall submit the Physical & Financial progress report of the project on quarterly basis by **15<sup>th</sup> April, July, October and January for the quarter ending 31<sup>st</sup> March, 30<sup>th</sup> June, 30<sup>th</sup> September and 31<sup>st</sup> December** covering details of the expected outcome and achievements against the target projected in the approved Action plan.
17. I.A. shall appoint a Cluster Development Executive (CDE) for management of day to day activities for implementation of this programme and also an IT Assistance (ITA) for handling the IT related works. The required qualification and experience of RIO and ITA shall be as prescribed by N.A. utilizing the budget provision earmarked. The Cluster Development Executive (CDE) and IT Assistant must submit their monthly work report on progress of programme to the State Office, KVIC, Trivandrum.
18. In order to monitor and evaluate the programme, a Cluster Monitoring Committee (CMC) headed by the State / Divisional Director, Lead Bank Mangers, Representative of KVIB, CDE and T.A. shall be constituted.
19. The Cluster Development Executive (CDE) and the State Director should ensure that the minutes of the Field Level execution Committee meeting is prepared and forwarded to Directors (FBI) and Director (RID) within a week time for transparency and speedy implementation of the programme.
20. Within the overall fund sanctioned for this programme under various heads, inter change of heads is permitted as per the need on the recommendation of CMC. Any cost escalation over and above the total sanctioned fund will have to be borne by the IA.
21. A Target should be given to Implementing Agency (I.A.) in consonance with Forest Based Industry for achievement of production, sales and employment during the annual SLBT meeting.
22. CFC day to day activity monitoring committee will be constituted

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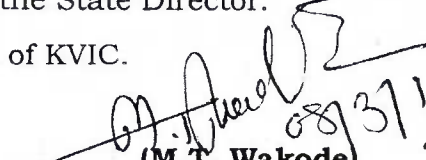
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This is issued with the administrative approval of CEO to Implementing Agency & State Director, KVIC, Trivandrum execute the agreement and program ensuring compliance of the above condition scrupulously.

The U.C's are to be submitted in time to time by the State Director.

This is issued with the approval of F.A. and CEO of KVIC.

Encl: As above


  
(M.T. Wakode)  
08/3/16  
**DIRECTOR (FBI)**

**Through: State Director, KVIC, P.B. No. 198, "Gramodaya", M.G. Road, Thiruvananthapuram- 695001.**

To,  
The Secretary,  
Kerala Khadi & Village Industries Association,  
Ollur, Avinissery, **Thrissur- 680 306 (Kerala)**

Copy for information and necessary action to:

1. State Director, State Office, KVIC, P.B. No. 198, "Gramodaya", M.G. Road, Thiruvananthapuram- 695001 for necessary action.
2. The Asst. Director I/C, (CBRTI), KVIC, Pune (T.A.) with request to extend necessary technical assistance to I.A. of the Trissure Beekeeping Cluster as per the approved DPR through SBEC, Thrissur.
3. The Dy. C.E.O (South Zone), KVIC, MDTC Campus, Near FCI Goddown, Doorvani Nagar, Post- Vijnapura, Bangalore- 560 0016 for information and necessary action.
4. CEO, Kerala Khadi Village Industries Board, Vanchiyoor, Thiruvananthapuram- 695 035.
5. Secretary, SFC (V.I.), KVIC, Mumbai - 56 for information
6. The Director (RID & New Scheme), KVIC, Mumbai - 56 for information.
7. The Director (Budget), KVIC, Mumbai -56 for information.
8. The Director (IT), OCKVI, Mumbai- 56 with request to upload in the KVIC website under Directorate of Forest Based Industry.
9. Director (Accounts), OCKVI, Mumbai-56 for release funds on receipt of Pay order.
10. In charge, State Beekeeping Extension Centre (SBEC) for coordinating with I.A., CBRTI (T.A.) and State Director and organize the Skill Upgradation Programs and other cluster execution activities.

  
(M.T. Wakode)  
07/3/16  
**DIRECTOR (FBI)**



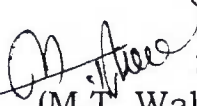
ग्रामोदया ३, इला रोड, विले पार्ले (पश्चिम), मुम्बई - ४०००५६.  
Gramodaya, 3, Iria Road, Vile Parle (W), Mumbai - 400056.  
Phone : 022-26708064, Fax : 022-26708064  
Email - fbi@kvic.gov.in Web : www.kvic.gov.in

**DIRECTORATE OF FOREST BASED INDUSTRY**

**ANNEXURE - I**

**Brief summary of funds sanctioned for implementation of  
TRISSURE BEE KEEPING CLUSTER by the Implementing agency**

S. No.	Components of the Scheme during the intervention	(Rs. In Lakhs)		
		Contribution of IA (25%)	Contribution of KVIC (75%)	Total
A.	Capacity Building	0.00	10.40	10.40
B.	Tools & Equipment	0.00	26.85	26.85
C.	Common Facility Centre	15.90	47.70	63.60
D.	Marketing & Promotion	0.00	16.00	16.00
E.	Management Grant to IA	0.00	9.00	9.00
F.	Cluster Development Executive (CDE)	0.00	9.00	9.00
G.	Artisan welfare measures	0.00	6.00	6.00
H.	Cost of T.A. /Project management services	0.00	4.00	4.00
	<b>Total</b>	<b>15.90</b>	<b>128.95</b>	<b>144.85</b>

  
(M.T. Wakode)  
Director (FBI)

**DIRECTORATE OF FOREST BASED INDUSTRY**

**ANNEXURE -II**

**Detailed year wise funds sanctioned for implementation of  
TRISSURE BEE KEEPING CLUSTER by the Implementing agency**

<b>S. No.</b>	<b>Proposed intervention's financial outlay</b>	<b>1<sup>st</sup> Year</b>	<b>2<sup>nd</sup> Year</b>	<b>3<sup>rd</sup> Year</b>	<b>Amount (Rs. In Lakhs)</b>
<b>A.</b>	<b>Capacity Building</b>				
i.	Trust building activity	1.00	0.00	0.00	<b>1.00</b>
ii.	One Master beekeeping training programme at CBRTI	0.00	2.00	0.00	<b>2.00</b>
iii.	10 Awareness Programme	0.50	0.50	0.00	<b>1.00</b>
iv.	200 New entrants (Beekeeping for beginners)	0.00	0.80	0.80	<b>1.60</b>
v.	380 Skill Up gradation training A/C and Trigona for existing beekeepers	1.20	1.20	0.00	<b>2.40</b>
vi.	Spl. Training on honey processing and analysis to 5 beekeepers	0.00	0.60	0.00	<b>0.60</b>
vii.	Hygienic honey collection training from A.D 125 wild honey hunters	0.60	0.40	0.00	<b>1.00</b>
vii.	Women Spl. programme on Apis cerana 100 nos.	0.00	0.00	0.80	<b>0.80</b>
	<b>Sub-Total</b>	<b>3.30</b>	<b>5.50</b>	<b>1.60</b>	<b>10.40</b>
<b>B.</b>	<b>Tools &amp; Equipment</b>				
i.	Bee Colonies and tools for 200 new entrants (15.a.iv)	4.70	4.70	0.00	<b>9.40</b>
ii.	One honey extractor to each skill upgraded 300 trainee	3.75	3.75	0.00	<b>7.50</b>
iii.	20 Honey testing kit with honey collection containers	1.50	0.00	0.00	<b>1.50</b>
iv.	Apis dorsata Tools & Kits (25 kits)	2.25	1.50	0.00	<b>3.75</b>
v.	Bee colonies and tools for 100 women	0.00	0.00	4.70	<b>4.70</b>
	<b>Sub Total</b>	<b>12.20</b>	<b>9.95</b>	<b>4.70</b>	<b>26.85</b>

<b>C.</b>	<b>Common Facility Centre</b>				
i.	Construction of new shed for HPP 20X25X18= 500 @Rs. 2000/-	10.00	0.00	0.00	<b>10.00</b>
ii.	Honey processing Plan (HPP)300 Kg cap per shift	12.00	0.00	0.00	<b>12.00</b>
iii.	Semi-Automatic Bottling unit	3.00	0.00	0.00	<b>3.00</b>
iv.	Cap sealing machine	0.00	0.50	0.00	<b>0.50</b>
v.	Raw honey storage SS containers (10 Nos. with capacity of 100 Kgs.)	0.00	1.50	0.00	<b>1.50</b>
vi.	Processed honey storage SS containers (3 Nos. with capacity of 1000 Kgs.)	0.00	1.50	0.00	<b>1.50</b>
vii.	Generator cap. 20 KW	3.00	0.00	0.00	<b>3.00</b>
viii.	Hand operated CF Mill with melting unit	1.20	0.00	0.00	<b>1.20</b>
ix.	Pouch packing machine	0.00	0.60	0.00	<b>0.60</b>
x.	Labelling machine	0.50	0.00	0.00	<b>0.50</b>
xi.	Honey bee colonies Migratory grant (exp. On hiring vehicle shifting colonies from place to places)	4.00	4.00	4.00	<b>12.00</b>
xii.	Honey hut / honey parlour	0.00	7.00	5.00	<b>12.00</b>
Xiii	Two Honeybee Nursery	5.80	0.00	0.00	<b>5.80</b>
	<b>Sub Total</b>	<b>39.50</b>	<b>15.10</b>	<b>9.00</b>	<b>63.60</b>
<b>D.</b>	<b>Marketing &amp; Promotion</b>				
i.	Buyers sellers meet	0.00	1.00	1.00	<b>2.00</b>
ii.	Two National & international exhibitions	0.00	1.25	1.25	<b>2.50</b>
iii.	2 Exposure visits	0.00	1.25	1.25	<b>2.50</b>
v.	Advertisement SMSP packages	0.00	1.00	1.00	<b>2.00</b>
vi.	IT and managerial	0.00	3.00	0.00	<b>3.00</b>
vii.	Product Design Development	0.00	2.00	0.00	<b>2.00</b>
viii.	Brand registration	0.00	0.00	1.00	<b>1.00</b>
ix.	Value added Product development	0.00	0.00	1.00	<b>1.00</b>
x.	<b>Sub Total</b>	<b>00.00</b>	<b>9.50</b>	<b>6.50</b>	<b>16.00</b>

<b>F.</b>	<b>Management Grant to IA</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>9.00</b>
<b>G.</b>	<b>Cluster Development Executive (CDE)</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>9.00</b>
<b>H.</b>	<b>Artisan welfare measures</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>6.00</b>
<b>I.</b>	<b>Cost of T.A.</b>	<b>1.00</b>	<b>2.00</b>	<b>1.00</b>	<b>4.00</b>
	<b>Grand Total</b>	<b>64.00</b>	<b>50.05</b>	<b>30.80</b>	<b>144.85</b>

*M.T. Wakode*  
M.T. Wakode  
Director (FBI)  
08/3/16

**Operational mechanism and roles & responsibilities for  
the Thrissur Beekeeping Cluster**

1. The financial assistance have different components like Trust building among the cluster stakeholders, training, Capacity Building with tools supply, Establishment of Common Facility Centre, Marketing Promotion, Product Development and Design Development, Operational Exp., Remuneration to CDE, Cost of TA and Beekeepers Welfare Measures, etc.
2. The funds should be utilized strictly as per the need based and ascertaining rate reasonableness through competitive bidding / quotation etc. in a transparent manner, following GFR norms of the programs mentioned at Sr. No. 1 above.
3. The State Director should ensure that all the artisans/ beekeepers, supplied tools, covered under social security measures launched by the Govt. Of India recently like *Jandhan Yojana, Pradhanmantri Suraksha Bima Yojana, Etc.*, issue of Identity Cards, health insurance, linkages with the Banks for Credit, linking all beneficiaries through Adhaar Number / Ration Card Nos., etc. so that these beneficiaries can be uploaded in KVIC website while implementing the project. The respective data and information must be maintained at S.O., KVIC, Thiruvananthapuram and I.A., send a copy to the Directorate of Forest Based Industry.
4. The Circular No. VIC/ VI Cluster under KRDP/ 2014-15 dated 9th Sept' 2014 should be complied in all respect during the implementation.
5. To ensure the proper implementation of the cluster project, a monitoring committee comprising the following members (Cluster Monitoring Committee (CMC)) under the control of State Director, KVIC, Thiruvananthapuram as Chairman be constituted. **(Quarterly meeting shall be conducted)**. The committee;
  - Director, S.O., KVIC, Thiruvananthapuram - Chairman
  - Lead Bank Manger - Member
  - Representative of Kerala KVIB - Member
  - Representative of T.A (CBRTI) - Member
  - In charge, SBEC - Member
  - Secretary of NGO (IA) - Convener

**Role of the members of CMC in cluster development- Appointing CDE under I.A.**

**a. Director, S.O., KVIC, Thiruvananthapuram:**

- i. Play the role of Nodal Agency. Provide timely funding support as per the action plant placed in the Committee, monitor and guide in the programme execution. Extended support services for the effective implementation of the programme.



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- ii. The State Director, S.O., KVIC, Thiruvananthapuram may be made as nodal officer for the Thrissur Beekeeping Cluster and technical officials (Supervisor) of Forest Based Industry posted at State Office, KVIC, Thiruvananthapuram for proper monitoring and day to day reporting.
- b. **Implementing agency:**
- i. Kerala Khadi & Village Industries Association, Ollur, Trissur, Kerala will be the implementing agency of the cluster development programme. The NGO is expected to play a key role in coordinating and implementing all proposed activities of the cluster as per the schedule.
  - ii. Prepare Annual Action Plan in consultation with T.A., and CDE place in the CMC meeting quarterly for approval and release of funds from N.A.
  - iii. The procurement price would be mutually decided based on quality and market demand of honey in the general body meeting each year as per the prevailing market rate by the State Director, S.O., KVIC, Thiruvananthapuram / Secretary of the IA (SPV)
  - iv. The IA would in turn sell processed honey in different markets through established networks and also supported with Honey Parlour provided through this program.
  - v. To carry out the business activity the artisan SHGs will be linked with the Bank for necessary credit support.
  - vi. The IA will engage suitable persons for the smooth management of the CFC
  - vii. The centre would be equipped with computer and other infrastructure facilities and machineries for processing and production of quality honey.
  - viii. A work shed along with other facilities should be established.
- c. **CBRTI, Pune:** The CBRTI, KVIC, Pune is the technical agency of the cluster development programme under KRDP. T.A. will provide technical support towards the effective functioning of the cluster. TA will monitor the programme implementation on a regular basis and guide the CDE and the IA in preparation of annual and quarterly action plans for smooth implementation of the cluster. TA will also guide the CDE and the IA in preparation of action plans and their validation in the (CMC). CBRTI will ensure the tools supplied are of standard specification in the Cluster.
- d. **Cluster development Executive (CDE);** CDE will be an employee of the NGO and work under the guidance of T.A, I.A. and the nodal Officer of KVIC. CDE is the key functionary of the project, who will lead the entire project under the guidance of I.A., TA and NA. He is expected to implement programmes as per plan and co-ordinate with other stakeholders for their involvement in the programme execution process.

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- e. **KVIB, Kerala:** KVIB Kerala will be the overall catalyst agency who will help the beekeepers and honey hunter in terms of getting the programme benefits. They will also co-ordinate with the IA for development and smooth execution of the programmes.
- f. **Lead Bank Manager:** Expected to provide working capital support to the IA and other stakeholders for undertaking beekeeping on a commercial basis. Also help in execution of credit cards, micro financial credits and operation of bank accounts of IA and Beekeepers / SHG.
- g. **State Beekeeping Extension Centre (SBEC) Trissur:** Technical knowhow as well as in skill-upgradation training etc., ensure standard tools supply, and levy charges and show as IRG from the scheme for the service rendered.

#### 6. Proposed operational Mechanism of Common facility Centre

- Secretary of NGO (IA) - Chairman
- In charge, SBEC, Trissure - Member
- Three leading beekeepers - Members
- CDE - Member convener

#### TOR of the Committee:

- **The committee will meet fortnightly for smooth functioning of the cluster with following functions**
- A CFC maintenance committee consisting of leading beekeepers needs to be formed to look after the effective day to day functioning of the CFC
- The IA would be the custodian of the CFC for the development of the cluster
- The beekeepers may avail the machinery support at the CFC for processing and packaging of their honey or sell the honey to CFC
- The artisans will be provided with a kit and storing drums with bee colonies, medicines as proposed in the action plan / DPR
- The IA would mobilize fund from Banks and other sources to run the honey Processing Plant at the CFC.
- The primary producers through their SHGs would sell honey to the production centre / CFC and get the price immediately, instead of middle men exploitation and distribute of incentives from the profits to associated beekeepers.
- The beekeepers will get adequate information from the CFC on marketing of product and would be provided with opportunities for participation in exhibitions, sales in local and district level markets, trade fair etc. on their own or with the support of the IA.
- The beekeepers on a rotation basis would be given opportunity to work at the production centre and get income.
- Trainings and meetings, etc. would be conducted at the CFC and it would serve as a centre for beekeeper's development.
- In the long run after the project is completed, a nominal charges will be collected (service charge) from the beekeepers through their SHGs towards the maintenance cost of the machineries on being used by them.

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- Beekeeper and Honey Hunter are principal stakeholders. They are involved directly in the honey extraction, collection and other activities from Thrissur area as well as forest. They are expected to be the active participants in the programme implementation process since the beginning.
- In the long run after the project over nominal charges will be collected from the beekeepers through their SHG/Kudumba sthree towards the maintenance cost of the machineries on being used by them
- To carry out the business activity the beekeepers SHGs/Kudumba sthree will be linked with the Bank for necessary credit support
- The IA will engage suitable person for the smooth management of the CFC and the centre would be equipped with computer and other infrastructure facilities and machineries for processing and production of quality honey. A work shed along with other facilities should be established

**7. Intervention Plan: Capacity building:**

- Trust Building workshop: Meeting of the stakeholders of the cluster explaining the programme and bring them to confidence to run the cluster successfully.
- Conducting Awareness Programme and select new entrepreneurs train them with new technology of beekeeping
- Master beekeeping training to the progressive beekeeper
- Training in Hygienic Honey collection for Bee hunter
- Training to women Tribal about *Apis cerana* training
- Distribution of bee equipment to the Cerana beekeeper and Beeman's kit for Bee hunters.
- Honey analysis and plant operation training.

**8. Common Facility Centre:**

- Construction of work shed
- Instillation of Honey processing Plant with bottling unit and lab set up
- Set up of carpentry unit etc.
- Procuring of storage items.

**9. Market promotion:**

- Establishment of Honey parlour
- Conducting buyer seller meet
- Exposure visit
- IT managerial and advertisement.

**10. Product Development and Design Intervention.**

- Design development
- Brand Registration
- Sales out let

**11. Appointing CDE**

- Planning to execute the programme

**12. Beekeepers welfare measures:**

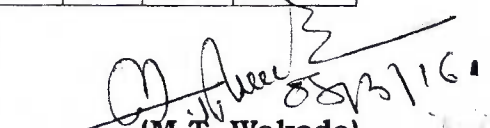
- Social development of beekeepers and bee hunters
- Arranging health camp
- Issuing identity card etc.

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**Expected outcome:**

S. No.	Particulars	Pre Intervention	Post Intervention <i>A.cerana</i>	Post Intervention <i>A.dorsata</i>	% increase			
1	Production 1.honey----- 2.Wax-----	1 ton (A.d) 26 tons (A.c) 1173 kg	129.30 tons 2587 kg	10 Tons 1200 kg	100% 480%			
2	No. of Bee colonies	5869	12938	12938	220%			
3	Sales (Rs. In lakhs) 1.honey 2. Wax 3.. Bee Colony	61.04 2.34 17.21	194.07 5.1 103.50	10.00 2.64	330% 300% 600%			
4	Employment (No. Of persons)	500	1200	120	264%			
5	Beekeeper's Average Earnings/year	Rs. 10001 to 25000/-	Rs. 5000 to 80,000/-	Rs.10,000/-	500%			
<b>Target Beneficiaries proposed to be covered under the project: (No. Of persons)</b>								
	<b>Sr. No</b>	<b>Year</b>	<b>Beekeepers</b>	<b>Bee hunters</b>				
	1.	2015-16	100	60				
	2.	2016-17	100 +200	60 +50				
	3.	2017-18	100 +200	110				
<b>Target Beneficiaries - categories - category -wise details: (no. of persons)</b>								
	<b>Sr. No</b>	<b>Year</b>	<b>Scope for Total No. Of employment</b>	<b>Total No. Of employment will include</b>				
				<b>Women</b>	<b>SC</b>	<b>ST</b>	<b>OBC</b>	<b>Others</b>
	1	2016-17	160	45	15	60	20	20
	2	2017-18	410	70	40	70	30	200
	3	2018-19	410	70	40	70	30	200

  
**(M.T. Wakode)**  
**Director (FBI)**



सत्यमेव जयते

**DIRECTORATE OF FOREST BASED INDUSTRY**  
**Khadi & Village Industries Commission**  
Ministry of Micro, Small and Medium Enterprise  
(Govt. of India)

3 - Irla Road, Vile Parle (West), MUMBAI - 400 056.  
Telefax : 022- 26708064 E-mail : [fbi@kvic.gov.in](mailto:fbi@kvic.gov.in)  
022 -26708064 : [fbi@kvic.gov.in](mailto:fbi@kvic.gov.in)



कर्मणे बुद्धतामानाम् ।  
प्राणिनाम् आन्निशानाम् ॥

No: FBI/Balasore/BKC/ADB-KRDP/2015-16/ Date: 7<sup>th</sup> March' 2016.

1905

## SANCTION ORDER

**Sub: Sanction of funds to the tune of Rs. 169.68 Lakhs from Direct Reform Assistance under KRDP (With ADB assistance) in favour of Balasore Beekeeping Industrial Cooperative Society, P.O.- Alupura, Balasore- 756 001 for establishment for implementation of Balasore Beekeeping Cluster - Reg.**

**Ref: 1.SFC resolution No. V.I. / 2015-16 / 19 dt. 22/ 12/ 2015.**  
**2. Budget Allocation No. BGT /V.I. /Allo. / 2015-16/133 dated 11.02.2016.**

\*\*\*\*\*

In pursuance of the DPR/ Action plan received by this office duly recommended by State office, KVIC, Bhubaneshwar, the F.A. and C.E.O. have extended the approval of total cost of Rs. 169.68 Lakhs (*Rupees One Crore Sixty Nine Lakhs and Sixty Eight Thousands Only*) comprising of Rs. 19.24 Lakhs (*Rupees Nineteen Lakhs Twenty Four Thousands Only*) as own contribution from the Implementing Agency (IA) and Rs. 150.44 Lakhs (*Rupees One Crore Twenty Fifty Lakhs and Forty Four Thousands Only*) in favour of Balasore Beekeeping Industrial Cooperative Society P.O. Alupura, Balasore- 756 001 for establishing of Balasore Beekeeping Cluster under KRDP. The head wise summery furnished in "**Annexure-I**", details of year wise funds sanctioned in **Annexure-II** and The Roles & Responsibilities of KVIC, KVIB, I.A., CBRTI (T.A.) Beekeepers, Cluster Development Executive (CDE), State Bank Of India and Canara Bank, Cluster Development Coordinator, etc. in **Annexure-III**. The sanctioned funds shall be routed through State Director, KVIC, Bhubaneshwar to the Implementing Agency and other stake holder.

Cont. at page No. 2/-

**Brief summary of funds sanctioned for implementation of  
BALASORE BEEKEEPING CLUSTER by the Implementing agency:  
Balasore Beekeeping Industrial Cooperative Society P.O. Alupura,  
Balasore- 756 001**

(Rs. in lakhs)

I.	Particulars of the financial outlay	SC/ ST Category (Rs. In Lakhs)		
		Contribution of IA	Contribution of KVIC	Total (Rs. In Lakhs)
a.	Capacity Building	--	12.30	12.30
b.	Common Facility Centre and tools supply			
	➤ CFC ( 75% NA's contribution and 25 % IA contribution)	19.24	57.71	76.95
	➤ Tools supply (100% NA)	--	40.68	40.68
	<b>Sub total</b>	<b>19.24</b>	<b>110.69</b>	<b>129.93</b>
c.	Marketing Promotion	0.00	6.25	6.25
d.	Operational Expenditure / Working fund	0.00	5.50	5.50
e.	Management Grant to IA (@Rs. 3.00 lakhs per year)	0.00	9.00	9.00
f.	Cluster Development Executive (CDE)	0.00	9.00	9.00
g.	Beekeepers welfare measure fund	0.00	6.00	6.00
h.	Cost of T.A. /Project management services	0.00	4.00	4.00
	<b>Total</b>	<b>19.24</b>	<b>150.44</b>	<b>169.68</b>

**TERMS AND CONDITIONS FOR COMPLIANCE BY THE STATE OFFICES, BHUBANESHWAR, IA, UNDER KRDP PROGRAMME**

1. An agreement will be executed between State Director and Implementing Agency (I.A.) in the prescribed format (specimen copy enclosed) on non-judicial stamp paper as per the stamp Act / Rules existing in the respective states before extension of Direct Reform Assistance and fulfilment of conditions laid down there upon.
2. KVIC shall extend under assistance under KRDP in kind and / or financial support as required. The State Director shall operate a separate ESCROW account for operation of fund for implementation of this programme and maintain necessary books of accounts and follow the guidelines circulated vide letter No. VIC/V.L/Clusters under KRDP/2014-15.

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3. The interest accrued on the amount deposited in the bank, if any, for this programme should be refunded to Central Office from time to time under intimation to Directorate of FBI and Director (RID).
4. Since RID/ KRDP assistance will be in the form of grants -in-aid, the assets acquired by the institution wholly are substantially out of Government grant shall not be disposed off without obtaining prior approval of KVIC.
5. Procurement of other implements related to the RID/ KRDP programme shall be preferably made from the reputed manufacturer/ ensuring the quality, rate reasonableness etc. by **obtaining expert opinion from CBRTI (T.A.)**. The purchase terms and conditions should include supply of implements within the stipulated time period.
6. The supply contract/ agreement/ condition must include provision for proper skill development training to the master artisan, so that they can be able to handle maintains of the equipment, day to day operational problems etc. by T.A. The training shall also be organized as per project for the artisan so that the artisan could optimize its utilization and be able to ensure qualitative and quantitative production.
7. The payment shall be made to the suppliers and other parties strictly by Demand Draft / crossed Cheque only.
8. The Institution shall maintain separate record of the details for the assets acquired under this assistance. For procurement of machineries, goods assignment of work, norms prescribed in the GFR shall be followed.
9. The grants in aid shall be utilized for the purpose for which it has been sanctioned and shall not be diverted for any other purpose.
10. The assets created out of the RID/ KRDP funds be invariably mortgaged / hypothecated to KVIC as the case may be.
11. Registers of fixed assets, dead stock, etc., should be maintained in the prescribed preform by the Implementing Agency (I.A.)
12. Details of new artisans proposed to be covered and existing artisans in the project are to be maintained and informed to the State / Divisional Offices from time to time in the reports.
13. The utilization of RID/ KRDP fund is subject to the audit and review by a Chartered Accountant acceptable to ADB or internal audit of KVIC.

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14. The assets and renovation / construction of work completed shall be made available for inspection by any officials of MSME, Govt. of India or its authorized agents or agencies and KVIC.
15. The project duration will be three years. After completion of the project the institution must continue the programme in the interest of the artisans and workers of the institution as per the Business plan.
16. The Cluster Development Executive (CDE) and State / Divisional Director shall submit the Physical & Financial progress report of the project on quarterly basis by **15<sup>th</sup> April, July, October and January for the quarter ending 31<sup>st</sup> March, 30<sup>th</sup> June, 30<sup>th</sup> September and 31<sup>st</sup> December** covering details of the expected outcome and achievements against the target projected in the approved Action plan.
17. I.A. shall appoint a Cluster Development Executive (CDE) for management of day to day activities for implementation of this programme and also an IT Assistance (ITA) for handling the IT related works. The required qualification and experience of RIO and ITA shall be as prescribed by N.A. utilizing the budget provision earmarked. The Cluster Development Executive (CDE) and IT Assistant must submit their monthly work report on progress of programme to the State Office, KVIC, Bhubaneshwar.
18. In order to monitor and evaluate the programme, a Cluster Monitoring Committee (CMC) headed by the State / Divisional Director, Lead Bank Managers, Representative of KVIB, CDE and T.A. shall be constituted.
19. The Cluster Development Executive (CDE) and the State Director should ensure that the minutes of the Field Level execution Committee meeting is prepared and forwarded to Directors (FBI) and Director (RID) within a week time for transparency and speedy implementation of the programme.
20. Within the overall fund sanctioned for this programme under various heads, inter change of heads is permitted as per the need on the recommendation of CMC. Any cost escalation over and above the total sanctioned fund will have to be borne by the IA.
21. A Target should be given to Implementing Agency (I.A.) in consonance with Forest Based Industry for achievement of production, sales and employment during the annual SIDP



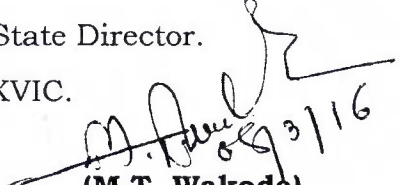
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This is issued with the administrative approval of CEO to Implementing Agency & State Director, KVIC, Bhubaneswar execute the agreement and program, ensuring compliance of the above condition scrupulously.

The U.Cs are to be submitted in time to time by the State Director.

This issued with the approval of F.A and CEO of KVIC.

Encl: As above

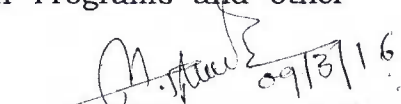
  
(M.T. Wakode)  
DIRECTOR (FBI)

To,  
The Secretary,  
Balasore Beekeeping Industrial Cooperative Society Ltd.,  
P.O. Alupura, Balasore- 756 001 (Orissa)

**Through: State Director, KVIC, Bhubaneswar**

Copy for information and necessary action to:

1. The Director, State Office, KVIC, Plot No. J/16, Bihpur, Gandamunda, P.O. Khandagiri, Bhubaneswar for necessary action.
2. The Dy. C.E.O (East Zone), KVIC, 33, Chittaranjan Avenue, 7<sup>th</sup> floor, Kolkata - 700 012 for information and necessary action.
3. The Asst. Director I/C, CBRTI, KVIC, Pune (T.A.) with request to ~~extend~~ necessary technical assistance in all respect to I.A. of the Balasore beekeeping cluster as per the approved DPR through SBEC, Bhubaneswar.
4. CEO, Odisha Khadi & Village Industries Board, Kharavelanagar, Unit-III, Khurda, Bhubaneswar - 751 001 for information and participation.
5. Secretary, SFC (V.I.), KVIC, Mumbai - 56 for information
6. State Director, State Office, KVIC, Plot No. J/16, Bhimpur, Gandamunda, P.O. Khadagiri, Bhubaneswar- 751 030 for execution.
- ✓ 7. The Director (RID & New Scheme), KVIC, Mumbai - 56 for information.
8. The Director (Budget), KVIC, Mumbai -56
9. The Director (IT), OCKVI, Mumbai- 56 with request to upload in the KVIC website under Directorate of Forest Based Industry.
10. Director (Accounts), OCKVI, Mumbai-56 for release funds on receipt of Pay order.
11. In charge, State Beekeeping Extension Centre (SBEC) Bhubaneswar for coordinating with I.A., CBRTI (T.A.) and State Director and organize the Skill Upgradation Programs and other cluster execution activities.

  
(M.T. Wakode)  
DIRECTOR (FBI)



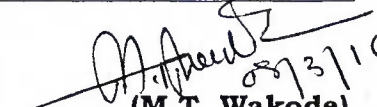
**DIRECTORATE OF FOREST BASED INDUSTRY**

**ANNEXURE - I**

**Brief summary of funds sanctioned for implementation of Balasore Beekeeping Industrial Co-operative Society Ltd., P.O.- Alupura, Balasore- 756 001, (SC /S.T.)**

(Rs. in lakhs)

I.	Particulars of the financial outlay	SC/ ST Category (Rs. In Lakhs)		
		Contribution of IA	Contribution of KVIC	Total (Rs. In Lakhs)
a.	Capacity Building	--	12.30	12.30
b.	Common Facility Centre and tools supply			
	> CFC ( 75% NA's contribution and 25 % IA contribution)	19.24	57.71	76.95
	> Tools supply (100% NA)	--	40.68	40.68
	<b>Sub total</b>	<b>19.24</b>	<b>110.69</b>	<b>129.93</b>
c.	Marketing Promotion	0.00	6.25	6.25
d.	Operational Expenditure / Working fund	0.00	5.50	5.50
e.	Management Grant to IA (@Rs. 3.00 lakhs per year)	0.00	9.00	9.00
f.	Cluster Development Executive (CDE)	0.00	9.00	9.00
g.	Beekeepers welfare measure fund	0.00	6.00	6.00
h.	Cost of T.A. /Project management services	0.00	4.00	4.00
	<b>Total</b>	<b>19.24</b>	<b>150.44</b>	<b>169.68</b>

  
 (M.T. Wakode)  
 DIRECTOR (FBI)

**DIRECTORATE OF FOREST BASED INDUSTRY**

**Annexure: II**

**Year-wise operative plan/work-plan of activities and funding provision for the three financial years for Balasore Beekeeping Industrial Co-operative Society Ltd., P.O.- Alupura, Balasore- 756 001, (SC /S.T.)**

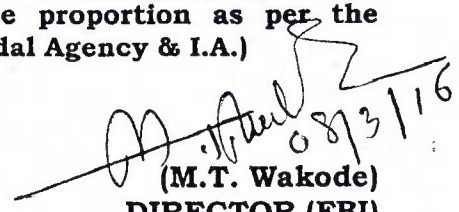
(Rs. in lakhs)

<b>I.</b>	<b>Particulars/Head</b>	<b>1<sup>st</sup> Year</b>	<b>2<sup>nd</sup> Year</b>	<b>3<sup>rd</sup> Year</b>	<b>Amount</b>
<b>A.</b>	<b>Capacity Building</b>				
i.	One Trust building activity	1.00	--	--	<b>1.00</b>
ii.	20 Awareness	1.00	1.00	0.00	<b>2.00</b>
iii.	One' Master Beekeepers Program at CBRTI	2.00	--	--	<b>2.00</b>
iv.	Skill upgradation to 400 existing beekeepers	1.60	0.80	0.80	<b>3.20</b>
v.	25 Quality Control & trg. SHGs	--	0.20	--	<b>0.20</b>
vi.	100 Beginners Training Program	--	0.40	0.40	<b>0.80</b>
vii.	Sp. Training on Honey Processing and honey analysis	--	0.60	--	<b>0.60</b>
viii.	02 Exposure visits	--	1.25	1.25	<b>2.50</b>
	<b>Sub- Total-1</b>	<b>5.60</b>	<b>4.25</b>	<b>2.45</b>	<b>12.30</b>
<b>B.</b>	<b>CFC</b>				
i.	New Work shed 500 sq. ft. and repairing to existing building	15.00	0.00	0.00	<b>15.00</b>
ii.	Generator	3.00	0.00	0.00	<b>3.00</b>
iii.	Hand operated CF Mill with melting unit	1.20	0.00	0.00	<b>1.20</b>
iv.	Honey processing Plant (HPP) 300 kg capacity for 8 hrs.	0.00	12.00	0.00	<b>12.00</b>
v.	10 Raw honey SS storage containers 100 Kg Capacity	0.00	1.50	0.00	<b>1.50</b>
vi.	03 SS processed honey storage containers 1000 kg capacity	0.00	1.50	0.00	<b>1.50</b>
vii.	Sealing machine	0.00	0.50	0.00	<b>0.50</b>
viii.	5 Honeybee Nurseries and carpentry unit	10.00	5.25	3.00	<b>18.25</b>
ix.	20 Bee venom kit	1.00	1.00	0.00	<b>2.00</b>
x.	Honey bee colonies Migratory grant (exp. On hiring vehicle shifting colonies from place to places)	1.00	1.00	1.00	<b>3.00</b>
xi.	Honey hut / honey parlour	0.00	7.00	5.00	<b>12.00</b>
xii.	Honey testing Laboratory	0.00	5.00	2.00	<b>7.00</b>
	<b>Sub Total-2</b>	<b>31.20</b>	<b>34.75</b>	<b>11.00</b>	<b>76.95</b>
<b>C</b>	<b>Tools supply</b>				
i.	Two Bee Houses	3.00	0.00	0.00	<b>3.00</b>
ii.	Tools to 200 existing beekeepers in the cluster. @ Rs. 11, 500/-	11.50	11.50	0.00	<b>23.00</b>
iii.	Honey testing kit 25 SHGs	0.00	3.18	0.00	<b>3.18</b>
	Tools to 100 new entrants @ Rs. 11, 500/-	0.00	5.75	5.75	<b>11.50</b>

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I.	Particulars/Head	1st Year	2nd Year	3rd Year	Amount
<b>D.</b>	<b>Marketing &amp; Promotion</b>				
i.	Buyers sellers meet	--	1.00	--	1.00
ii.	National & international exhibitions	-	0.00	1.00	1.00
iii.	IT managerial	--	2.00	--	2.00
iv.	Agmark and Barcoding	0.00	2.00	0.00	2.00
v.	Advertising / booklets	0.00	0.00	0.25	0.25
	<b>Sub Total-4</b>	<b>0.00</b>	<b>5.00</b>	<b>1.25</b>	<b>6.25</b>
<b>E.</b>	<b>Operational Expenditure / Working fund</b>	0.00	2.75	2.75	5.50
<b>F.</b>	<b>Management Grant to IA</b>	3.00	3.00	3.00	9.00
<b>G.</b>	<b>Cluster Development Executive (CDE)</b>	3.00	3.00	3.00	9.00
<b>H.</b>	<b>Artisan welfare measures</b>	2.00	2.00	2.00	6.00
	<b>Cost of T.A.</b>	1.00	2.00	1.00	4.00
	<b>Sub Total- 5</b>	<b>9.00</b>	<b>12.75</b>	<b>11.75</b>	<b>33.50</b>
	<b>Grand Total</b>	<b>60.30</b>	<b>77.18</b>	<b>32.20</b>	<b>169.68</b>

**Note:** Funding provision would be head-wise proportion as per the guidelines (i.e. proportionate contribution of Nodal Agency & I.A.)

  
(M.T. Wakode)  
DIRECTOR (FBI)

## DIRECTORATE OF FOREST BASED INDUSTRY

### Annexure: III

#### **Operational mechanism and roles and responsibilities of the Balasore beekeeping Cluster**

1. The financial assistance have different components like Capacity Building, Establishment of Common Facility Centre, Marketing Promotion, Product Development and Design Development, Operational Exp., Remuneration to CDE, Cost of TA and Beekeepers Welfare Measures, etc.
2. The funds should be utilized strictly as per the need based and ascertaining rate reasonableness through competitive bidding / quotation etc. in a transparent manner, which has to be ensured by the State Director.
3. The State Director should ensure that all the artisans/ beekeepers are covered under social security measures launched by the Govt. Of India recently like Jandhan Yojana, Pradhanmantri Suraksha Bima Yojana, Etc., issue of Identity Cards, health insurance, linkages with the Banks for Credit, linking all beneficiaries through Adhaar Number / Ration Card Nos., etc. so that these beneficiaries can be uploaded in KVIC website while implementing the project.
4. The Circular No. VIC/ VI Cluster under KRDP/ 2014-15 dated 9<sup>th</sup> Sept' 2014 should be complied in all respect during the implementation.
5. To ensure the proper implementation of the cluster project, a monitoring committee comprising the following members (Cluster Monitoring Committee (CMC)) under the control of State Director, KVIC, Bhubaneswar as Chairman. (Monthly meeting shall be conducted)
  - Director, S.O., KVIC, Bhubaneswar - Chairman
  - Lead Bank Manger - Member
  - Representative of Odisha KVIB - Member
  - Representative of T.A (CBRTI) - Member
  - In charge, SBEC, Bhubaneswar - Member
  - Secretary of NGO (IA) - Convener

#### **Role of the officials of CMC in cluster development**

- a. **Director, S.O., KVIC, Bhubaneswar:** He will play the role of Nodal Agency. Provide funding support, monitor and guide in the programme execution. Extended support services for the effective implementation of the programme.
- b. **Implementing agency:** Balasore beekeeping Industrial Co. op. Society Ltd. will be the implementing agency of the cluster development programme. The NGO is expected to play a key role in coordinating and implementing all proposed activities of the cluster as per the schedule.

- c. **CBRTI, Pune:** Investigator of cluster from CBRTI, Pune is the technical agency of the cluster development programme. T.A. is expected to provide technical support towards the effective functioning of the cluster. TA will monitor the programme implementation on a regular basis and guide the CDE and the IA for smooth implementation of the programme. TA will also guide the CDE and the IA in preparation of action plans and their validation in the (CMC).CBRTI will ensure the tools & machinery supplied are of slandered specification in the Cluster.
  - d. **Cluster development Executive (CDE);** CDE will be an employee of the NGO and work under the guidance of T.A, I.A. and the nodal Officer of KVIC. CDE is the key functionary of the project who will lead the entire project under the guidance of ISA/TA and NA. He is expected to implement programmes as per plan and co-ordinate with other stakeholders for their involvement in the programme execution process.
  - e. **KVIB, Odisha:** KVIB Odisha will be the overall catalyst agency who will help the beekeepers and honey hunter in terms of getting the programme benefits. They will also co-ordinate with the IA for development and smooth execution of the programmes.
  - f. **Lead Bank Manager:** Expected to provide working capital support to the IA and other stakeholders for undertaking beekeeping on a commercial basis. He also help in execution of credit cards, micro financial credits and operation of bank accounts of IA and Beekeepers.
  - g. **State Beekeeping Extension Centre:** Technical know – how as well as help in skill-upgradation training etc.
- 6. Proposed operational Mechanism of Common facility Centre**
- Secretary of NGO (IA) - Chairman
  - In charge, SBEC, Bhubaneswar - Member
  - Three leading beekeepers - Members
  - CDE - Member convener

The committee will meet fortnightly for smooth functioning of the cluster with following functions

- A CFC maintenance committee consisting of leading beekeepers needs to be formed to look after the effective day to day functioning of the CFC
- The IA would be the custodian of the CFC and the fostering agency for the development of the cluster
- The beekeepers may avail the machinery support at the CFC for processing and packaging of their honey
- The artisans will be provided with a honey testing kit and storing drums with bee colonies, medicines as proposed in the action plan.

Cont. at page No.3/-

**Role of I.A.**

- The IA would mobilize fund from Banks and other sources to run the honey production centre at the CFC.
- The primary producers through their SHGs would sale honey to the production centre / CFC and get the price immediately, instead of middle men exploitation and distribute of incentives from the profits to associated beekeepers.
- The procurement price would be mutually decided based on quality and market demand of honey in the general body meeting each year as per the prevailing market rate by the State Director, S.O., KVIC, Bhubaneswar./ Secretary of the IA (SPV)
- The IA would in turn sale processed honey in different markets through established networks and also supported with Honey Parlour provided through this program.
- The beekeepers will get adequate information from the CFC on marketing of product and would be provided with opportunities for participation in exhibitions, sales in local and district level markets, trade fair etc. on their own or with the support of the IA.
- The artisans on a rotation basis would be given opportunity to work at the production centre and get income.
- Trainings and meetings, etc. would be conducted at the CFC and it would serve as a centre for beekeeper's development.
- In the long run after the project is completed, a nominal charges will be collected (service charge) from the beekeepers through their SHGs towards the maintenance cost of the machineries on being used by them.
- To carry out the business activity the artisan SHGs will be linked with the Bank for necessary credit support.
- The IA will engage suitable persons for the smooth management of the CFC
- The centre would be equipped with computer and other infrastructure facilities and machineries for processing and production of quality honey.
- A work shed along with other facilities should be established.
- The State Director, S.O., KVIC, Bhubaneswar may be made as nodal officer for the Balasore Beekeeping Cluster and technical officials of Forest Based Industry posted at Sub Office, KVIC, Sambalpur and S.O., KVIC, Bhubaneswar may be posted at Balasore on rotation basis for proper monitoring and day to day reporting.



M.T. WAKODE, DIRECTOR (ABFPI)



सत्यमेव जयते

## खादी और ग्रामोद्योग आयोग

### KHADI AND VILLAGE INDUSTRIES COMMISSION

सूक्ष्म, लघु और मध्यम उद्यम मंत्रालय, भारत सरकार

Ministry of Micro, Small & Medium Enterprises, Govt. of India,

कृषि आधारित खाद्य प्रसंस्करण उद्योग निदेशालय

DIRECTORATE OF AGRO BASED FOOD PROCESSING INDUSTRY

No. ABFPI/ Amla Cluster/2015-16/12

Dt. March 31, 2016

## SANCTION ORDER

**Sub:** SFC (V.I.) Sanction of Rs. 1,71,00,000/- (Rs. One Crore and Seventy One lakhs only) as Share from KVIC (N.A.) and Rs. 27.00 lakhs as Contribution from I.A. with the total project cost of Rs. 1,98,00,000/- for implementation of Amla and other Food Products Cluster at Pratapgarh, U.P. in favour of Abhishek Gramodyog Sewa Sansthan, Village: Kaulapur Nand Patti, P.O.: Muwar Adharganj, Block: Gaura/Shivgarh, Dist: Pratapgarh: 230 304, U.P. – reg.

**Ref:** (1) SFC (V.I.) Resolution No. V.I./2015-16 Dt. 24.2.2016 – Proposal No.2 issued vide on 22.03.2016 by the Secretary, SFC (V.I.).

(2) Budget Allocation No. BGT/V.I./Allo/2015-16/160 Dt. 22.03.2016 (Page: 10/C) of Director (Budget).

\*\*\*\*\*

In pursuance of the SFC (V.I.) Resolution and Budget allocation, under reference, has duly approved the DPR, Action Plan for three financial years and sanctioned the following funds for the implementation of Amla and other Food Products Cluster at Pratapgarh, U.P., under ABFPI for the financial year 2015-16 under ADB/KRDP funds in favour of the Abhishek Gramodyog Sewa Sansthan, Village: Kaulapur Nand Patti, P.O.: Muwar Adharganj, Block: Gaura/Shivgarh, Dist: Pratapgarh: 230 304, U.P.:-

(Rs. in lakhs)

S. No.	Particulars	Share of Nodal Agency/KVIC as Grant	Contribution of Imp. Agency	Total Amount
1	Hard Interventions	73.95	24.65	98.60
2	Soft Interventions	97.05	2.35	99.40
	<b>Total</b>	<b>171.00</b>	<b>27.00</b>	<b>198.00</b>

The copy of SFC (V.I.) Resolution and Budget allocation alongwith Annexure – I, II and III are enclosed herewith for ready reference, which is self-explanatory. The copy of Operational Guidelines for utilization of above sanctioned funds, which has been duly approved by the Deputy Chief Executive Officer (V.I.), is also enclosed herewith for ready reference and necessary compliance.

Encl: As above.

To

(Through Director, Divisional Office, KVIC, Varanasi, Uttar Pradesh)

The Secretary, Abhishek Gramodyog Sewa Sansthan, Village: Kaulapur Nand Patti,

P.O.: Muwar Adharganj, Block: Gaura/Shivgarh, Dist: Pratapgarh: 230 304, U.P.

Yours faithfully,

(M.T. Wakode)

Director (ABFPI)

ग्रामोदय, 3, इर्ला रोड, विले पार्ले (प.), मुंबई - ४०००५६

Gramodaya, 3, Irla Road, Vile Parle (W), Mumbai-400056

Tel: 022-2671 4320 (Extn.: 338), Telefax: 022-2671 0854

Email: directorabfpi@gmail.in Website: www.kvic.org.in



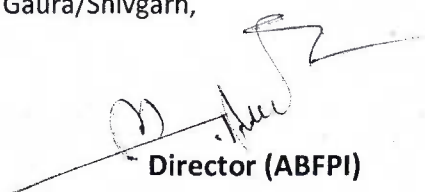
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## Copy to:

1. The Deputy Chief Executive Officer (V.I.), KVIC, Mumbai: 56.
2. The Deputy Chief Executive Officer (C.Z.), KVIC, Bhopal, M.P.
3. The Director, Divisional Office, KVIC, Varanasi, U.P.,
4. The Deputy Director -I/c (RID/KRDP), KVIC, Mumbai: 56.
5. The Secretary, Abhishek Gramodyog Sewa Sansthan,  
Village: Kaulapur Nand Patti, P.O.: Muwar Adharganj, Block: Gaura/Shivgarh,  
Dist: Pratapgarh: 230 304, U.P



Director (ABFPI)





काममे दुरुत्वप्रदानम्।  
प्राणिनाम् अतिनाशनम्॥



सत्यमेव जयते

**OPERATIONAL GUIDELINES**

**FOR**

**IMPLEMENTATION OF**

**CLUSTER DEVELOPMENT PROGRAMME**

**UNDER ABFPI**

**OUT OF**

**KRDP/ADB FUNDS**

**खादी और ग्रामोद्योग आयोग**

**KHADI AND VILLAGE INDUSTRIES COMMISSION**

सूक्ष्म, लघु और मध्यम उद्यम मंत्रालय, भारत सरकार

Ministry of Micro, Small & Medium Enterprises, Govt. of India,

कृषि आधारित खाद्य प्रसंस्करण उद्योग निदेशालय

**DIRECTORATE OF AGRO BASED FOOD PROCESSING INDUSTRY**

ग्रामोदय, 3, इर्ला रोड, विले पार्ले (प.), मुंबई - ४०००५६

Gramodaya, 3, Irla Road, Vile Parle (W), Mumbai-400056

Tel: 022-2671 4320 (Extn.: 338), Telefax: 022-2671 0854

Email: [directorabfpi@gmail.in](mailto:directorabfpi@gmail.in) Website: [www.kvic.org.in](http://www.kvic.org.in)



## कृषि आधारित खाद्य प्रसंस्करण उद्योग निदेशालय

### OPERATIONAL GUIDELINES FOR IMPLEMENTATION OF RID/KRDP CLUSTERS UNDER ABFPI

1. The Implementing Agency/Institution should be invariably enlisted in the direct list of KVIC before release of funds.
2. An **Agreement** should be duly executed, as per the **Specimen Copy of an Agreement**, duly vetted by the Director (Legal Affairs), which is enclosed herewith, between the **Director, State/Divisional Office** and **Implementing Agency** in the prescribed format on **Non-Judicial Stamp Paper** as per the **Stamp Act/Rules** existing in the respective States and fulfillment of all the required conditions laid thereupon before release of funds to the I.A. by the State /Divisional Office.
3. A separate **ESCROW Account** will have to be opened by the Implementing Agency and it will be operated with three joint signatories i.e. (1) Secretary of I.A., (2) Director or the Nodal Officer, not below the rank of Accounts Officer/Development Officer, State /Divisional Office (3) Cluster Development Executive (C.D.E.). All the cluster related transactions should be operated through this **ESCROW Account** only. In lieu of depositing this fund in the bank, the interest accrued, if any, on such deposits should be refunded to the KVIC.
4. Since the above said fund is from the RID/KRDP ADB assistance in the form Grant-in-Aid and the assets acquired by the Implementing Agency, wholly are substantially out of Government of India's Grant and as such it shall not be disposed-off without obtaining the prior approval of Competent Authority of KVIC.
5. The Implementing Agency will appoint a **Cluster Development Executive (CDE)** by inviting applications through advertisements in local news papers. The CDE should possess a minimum qualification of Graduation from the recognized University and preferably should have exposure to the relevant field. The selection of CDE will be made by the Selection Committee constituted under the Chairmanship of Zonal Deputy Chief Executive Officer of concerned Zone, State /Divisional Director, KVIC, Technical Agency as Members and Secretary, Implementing Agency as Member Convenor.
6. The State /Divisional Office will assign the work of **Nodal Officer** to the suitable Technical staff preferably expertised in the concerned field.
7. A **Cluster Monitoring Committee (CMC)** should be constituted with the following members: -

1	State /Divisional Director	Chairman
2	Secretary, Implementing Agency	Member
3	Manager of Lead Bank in the District.	Member
4	Project Director or his Representative from DRDA, State Govt.	Member
5	Technical Agency	Member
6	Cluster Development Executive (CDE)	Member Convenor

The CMC will convene the meeting in the end of every quarter and also as and when it is required to review the progress of the activities and guide TA/CDE for successful implementation of the cluster programme.

8. Utilization of funds for the said purpose it was sanctioned under Hard and Soft Interventions should be done invariably as per the Approved Action Plan for the three financial years under various heads and all the expenditures should be duly got it approved by the CMC. No diversification in utilization of funds is allowed. However, as per the cluster need, if found essential with justifications, the funds may be utilized with prior approval of CMC within the overall allocation. Proper records/books of accounts should be maintained for all the transactions and should be in a very transparent manner. All the records are kept open for inspection by officials or Authorized Agents of Ministry of MSME, Govt. of India or other agencies/Officials of KVIC from time to time and as and when felt required.
9. Construction work for the establishment of CFC should be got it done through the reputed Contractors. Likewise Machinery/equipments/Tools and implements, "Tool Kits" for Artisans, etc. should be procured from the reputed manufacturers/suppliers on competitive rate in the market. Hence, quality standards can be maintained.
10. All the movable and immovable assets created out of the sanctioned funds under the cluster programme should invariably be mortgaged & hypothecated, as the case may be, with the Commission. Utilization Certification should be submitted to the KVIC in respect of the funds released.
11. The project should be completed as per the approved Action Plan within the specific time frame. Eventhough the duration of the above said project is for three years, the I.A. should able to continue the project after completion of the said period in the interest of the Artisans and other Stake holders for which proper business plan should be drawn by the I.A. duly approved by the Cluster Monitoring Committee.
12. The T.A. and I.A. should ensure for arranging a proper skill development training programme to the identified Artisans so that all the trained Artisans could able to run the programme in an effective manner right from handling the machinery, optimize its utilization in management, qualitative processing and production, marketing and other related activities under the cluster programme. Cost escalation, if any, during the period of implementation of the programme should invariably be met out by the Implementing Agency on its own Resources only and KVIC in no way reimburse such expenditures.
13. **ROLE OF NODAL AGENCY AT STATE/DIVISIONAL LEVEL.**
  - To monitor, execute the program and to play effective participation in CMC to guide, co-ordinate the activities associating all the stake holders, Govt. Agencies, extend necessary supports, etc.
  - Reporting the progress made to the Zonal Deputy Chief Executive Officer and to the Central Office from time to time.
14. **ROLE OF IMPLEMENTING AGENCY:**
  - Shouldering the entire responsibility for successful implementation of the programme as per Action Plan/time schedule and as per the SFC Sanction.
  - Maintenance of relevant books and records for all the transactions.
  - Coordination between the Nodal Agency, Govt. Agencies, Artisans, Banker and other stake holders.
  - Will take all decisions with due approval of CMC.
  - Safeguard the interest and welfare of the all participant artisans/satellite

**15. ROLE OF TECHNICAL AGENCY:**

- Provide all Technical supports for the programme right from construction of CFC, procurement of machinery, equipments, tools and implements, Tool Kits, etc and to ensure the Action Plan implemented as per the time schedule.
- Conducting Skill Development Training programmes to the artisans and other stake holders.
- Value addition of the products, improvised packaging, maintain quality standards of the products, monitor the processing activities, guide the CDE, I.A. and artisans for effective functioning of the programme.
- Guide the CDE and I.A. for preparing the business plan/action plan and validation of the same in the CMC.
- Will play a key role in overall development of the Cluster programme.
- Will sincerely and efficiently attend all the developmental work of the cluster as per the approved tenure of three financial years.
- To submit a consolidated report on the outcome after completion of the project duly signed by IA, TA and CDE.

**16. ROLE OF CLUSTER DEVELOPMENT EXECUTIVE (CDE):**

- Will take overall responsibilities on the proper implementation of the Cluster Programme.
- Proper monitoring of the entire cluster programme.
- Will act as bridge between the I.A., Artisans, T.A., Nodal Agency, CMC and other stake holders by effective coordination in successful execution of the programme.
- Maintain uninterrupted procurement and distribution of raw materials.
- Maintaining the hygienic condition in the premises, artisans/ workers/staffs.
- Monitoring and transportation of semi-finished products from the artisans to the CFC.
- Maintaining the effective marketing network to promote sales activities.
- Maintaining inventory system, sales records, bank transactions, etc.
- Submit all the Physical and Financial Progress Reports on quarterly basis and also Annual Report to the CMC/Director, State/Divisional Office.
- Will sincerely and efficiently attend all the developmental work of the cluster as per the approved Action Plan in the tenure of time frame given.
- To create convergence with the other schemes/Programmes of State/Central Govt.

**17. ROLE OF MANAGER, LEAD BANK:**

- Will coordinate with CMC and all stake holders for the development of cluster programme.
- Arrange need base Working Capital support to the I.A.
- Arrange credit cards to the I.A./artisans/stake holders; help to open micro bank account to the stake holders of the cluster, etc.
- Help to raise funds through other State Govt. Agencies for welfare of artisans.
- Create awareness among Artisans on banking system and motivate them for procurement of funds from banks for establishing small units.

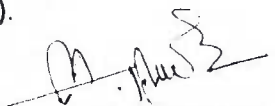
**18. ROLE OF NODAL OFFICER:**

- Monitoring and reporting of all progress of the programme in every 15 days to the Director, State/Divisional Office and Director (ABFPI).
- Coordination with the members of CMC, Artisans and stake holders, Govt. Agencies, KVIC, Dte. of ABFPI, etc.
- Identification of new untapped potential areas in the State for new Cluster Development Programme.
- Exploring the possibilities for tie-up arrangements with Govt. canteens, State Govt. Ministries/Departmental Stores, other State Govt. sponsored NGOs, leading market outlets, etc. for expansion of market for the products produced under the Cluster programme.
- Exploring the possibilities to identify and utilize the services of Resource Persons reputed training institutes, etc. in the State for imparting skill development training programmes for the Artisans/Entrepreneurs in the State to attract more number of unemployed persons under the umbrella of the Clusters as satellite units.
- Also attend any other work as assigned by the concerned Zonal Dy. CEO and Director, State/Divisional Office especially related with the cluster development programme in the State.

**19. EXPECTED OUTPUT ON THE CLUSTER PROGRAMME:**

- To increase the skills and capabilities of cluster Stake-Holders through Training/Awareness Programme to the artisans & new entrepreneurs, upgraded with new technology, exposure, upgrade the skill, etc. through the Cluster Development Programme.
- Ensuring welfare of Artisans by improving their standard of living condition.
- Ensuring maximum participation of the Artisans in the CFC.
- Detailed documentation indicating the active participation of the identified artisans/Groups/SSI units in the cluster with complete postal address and contact numbers.
- Convergence with the schemes of State/Central Govt.
- Minimum coverage of 33% Artisans for their active participation in the Management Committee as a Member in the Cluster once the SPV developed.
- Intervention of new products with improved packages.
- Availment of benefits such as Prime Minister's various welfare schemes, social security, health insurance, wage/income increase, etc.
- To make traditional industry more productive and competitive and facilitating the industry and the artisans involved in the industry more sustainable through cluster based approach.
- To motivate more number of Artisans to improve their traditional skills through improved technologies, processes and marketing intelligence.

This is issued with the approval of Deputy Chief Executive Officer (V.I.).

  
(M.T. Wakode)  
Director (ABFPI)



असतो दुरुक्तानाम्।  
प्राणिनाम् अतिनाशनम्॥

**M.T.Wakode**  
Director



सत्यमेव जयते

खादी और ग्रामोद्योग आयोग

**KHADI AND VILLAGE INDUSTRIES  
COMMISSION**

सूक्ष्म लघु और मध्यम उद्यम मंत्रालय, भारत सरकार,  
Ministry of Micro, Small and Medium Enterprises, Govt.  
of India

वनाधारित उद्योग निदेशालय

**Directorate of Forest Based Industry**

NO: FBI/MPI/KRDP-Gadchirolli Herbal Cluster/2016-17

Date:- 13.04.2017

## **SANCTION ORDER**

**Sub: Sanction of Fund to the tune of Rs. 133.00 Lakhs for implementation of Herbal Cluster in Village Porla of Gadchiroli, Dist. Maharashtra in favor of Association for Social and Health Awareness (ASHA) Ramnagar, Gadchiroli under KRDP - reg.**

**Ref:- 1. SFC/(V.I) Reso.No. V.I/2016-17/17 dated 27.02.2017  
2. Budget allocation No. BGT/V.I/ALLO/2016-17 dated 27.03.2017.**

Sir,

The Standing Finance Committee has sanctioned an amount of Rs. 133.00 Lakhs for implementation of Herbal Cluster in Village Porla of Gadchiroli, Dist. Maharashtra in favor of Association for Social and Health Awareness (ASHA) Ramnagar, Gadchiroli Maharashtra under KRDP. The detail break up is given as under:-

Sr	Components of the Scheme during the intervention	Revised proposal		
		Contribution of IA (10%)	Contribution of KVIC NA (90%)	Total
a	Common Facility Center ( 27.89%)	4.00	36.00	40.00
b.	Marketing & Promotion ( 14.64 %)	0.00	18.00	18.00
c.	Prod Development & Design (9.76%)	1.40	12.60	14.00
d.	Capacity Building 14.64%	-	18.60	18.60
e.	Need Based activities (4.88%)	-	5.00	5.00
f.	TA Fees (10.46 %)	-	15.00	15.00
g	Management Grant 12.55%	-	15.00	15.00
h.	CDE expenses (5.16%)	-	7.40	7.40
	<b>Total</b>	<b>5.40</b>	<b>127.60</b>	<b>133.00</b>

### **TERMS AND CONDITIONS FOR COMPLIANCE BY THE DIVISIONAL OFFICE, KVIC, NAGPUR, IA, PROGRAMME DIRECTOR UNDER KRDP PROGRAMME:-**

1. A agreement will be executed between Divisional Director Nagpur and Reform Implementing Institution (RII) in the prescribed format which may be supplied separately that may be executed on non-judicial stamp paper as per the stamp Act / Rules existing in the respective sates before extension of Direct Reform Assistance and fulfillment of conditions laid down there upon.

Continued..2

2. KVIC shall extend under assistance under KRDP in kind and / or financial support as required. The Divisional Director shall operate a separate ESCROW account for operation of fund for implementation of this programme and maintain necessary books of accounts and follow the guidelines circulated vide letter No. VIC/ V.I. Clusters under KRDP/ 2014-15 dated 9<sup>th</sup> Sept' 2014.
3. The interest accrued on the amount deposited in the bank, if any, for this programme should be refunded to Central office from time to time under intimation to Director KRDP
4. Since KRDP assistance will be in the form of grants -in-aid, the assets acquired by the institution wholly are substantially out of Government grant shall not be disposed off without obtaining prior approval of KVIC.
5. Procurement of other implements related to the KRDP programme shall be preferably made from the reputed manufacturer/ ensuring the quality, rate reasonableness etc. The purchase terms and conditions should include supply of implements within the stipulated time period.
6. The supply contract/ agreement/ condition must include provision for proper skill development training to the master artisans so that he can be able to handle maintains of the equipment, day to day operational problems etc. the training shall also be organized as per project for the artisan so that the artisan could optimize its utilization and be able to ensure qualitative and quantitative production.
7. The payment shall be made to the suppliers and other parties strictly by Demand Draft / crossed Cheque only.
8. The Institution shall maintain separate record of the details for the assets acquired under this assistance. For procurement of machineries, goods assignment of work, norms prescribed in the GFR shall be followed.
9. The grants in aid shall be utilized for the purpose for which it has been sanctioned and shall not be diverted for any other purpose.
10. The assets created out of the KRDP funds be invariably mortgaged / hypothecated to KVIC as the case may be.
11. Registers of fixed assets, dead stock, etc., should be maintained in the prescribed performa by the Reform Implementing Institution (RII).
12. Details of new artisans proposed to be covered and existing artisans in the project are to be maintained and informed to the State / Divisional Offices from time to time.

Continued..3



13. The utilization of KRDP fund is subject to the audit and review by a Chartered accountant acceptable to ADB or internal audit of KVIC.
14. The assets and renovation / construction of work completed shall be made available for inspection by any officials of MSME, Govt. of India or its authorized agents or agencies and KVIC.
15. The project duration will be three years. After completion of the project the institution must continue the programme in the interest of the artisans and workers of the institution.
16. The Cluster Development Executive (CDE) and Divisional Director, Nagpur shall submit the physical & Financial progress report of the project on quarterly basis by 15<sup>th</sup> April, July, October and January for the quarter ending 31<sup>st</sup> March, 30<sup>th</sup> June, 30<sup>th</sup> September and 31<sup>st</sup> December covering details of the expected outcome and achievements against the target projected in the approved Action plan as per the prescribed format.
17. The I.A shall appoint a Cluster Development Executive (CDE) for management of day to day activities for implementation of this programme and also an IT Assistance (ITA) for handling the IT related works. The required qualification and experience of RIO and ITA shall be as prescribed by KVIC. The Cluster Development Executive (CDE) and IT Assistant must submit their monthly work report on progress of programme to the Director, Divisional Office, KVIC Nagpur.
18. In order to monitor and evaluate the programme, a Field Level Execution Committee (FLEC) headed by the State / Divisional Director shall be constituted.
19. The Cluster Development Executive (CDE) and the Divisional Director, Nagpur should ensure that the minutes of the Field Level execution Committee meeting is prepared and forwarded to Directors (FBI) and Director (RID) within a week time for speedy implementation of the programme.
20. Within the overall fund sanctioned for this programme under various heads, inter change of heads is permitted as per the need on the recommendation of respective SLBT. Any cost escalation over and above the total sanctioned fund will have to be borne by the IA.
21. A Target should be given to Reform Implementing Institution (RII) in consonance with Forest Based Industry for achievement of production, sales and employment during the annual SLBT meeting.
22. **Divisional Director Nagpur may ensure the following :**
  - a) Implementing of program and release of funds may be regulated as per the laid down procedure and Scheme Guidelines prescribed by the Dte. of V.I.C. vide ref. No. VIC/VI cluster under KRDP/ 2014-15 dt. 9..9.2014.

- b) Conditions stipulated by the Commissions, should be scrupulously followed by the D.O KVIC, Nagpur and IA in implementation of the project.
- c) Construction of Work shed procurement of goods and services, etc. as per GFR norms.
- d) NGO need to direct listing with KVIC and follow the procedure as per VIC Circular no. 6/27/VIC/02-03/dated 160.9.2002.
23. Before releasing the funds to IA, Director D.O KVIC, Nagpur may ensure to open the ESCROW account with concerned bank.

This is issued with the approval of CEO with an advice to the Director, D.O KVIC, Nagpur to ensure compliance of the above condition scrupulously.

Encl: As above

  
13/4/17  
**(M.T. Wakode)**  
**DIRECTOR (FBI)**

To,  
The Chairman,  
Association for Social and Health Awareness (ASHA) Ramnagar,  
Gadchirali Dist of Maharashtra State

**Through: Divisional Director, Divisional office, KVIC, Nagpur.**

Copy for information and necessary action to:

1. The Dy. C.E.O (Western Zone), KVIC Mumbai-56.
2. Secretary, SFC (V.I.), KVIC, Mumbai - 56
3. Divisional Director, Divisional Office ,KVIC, Nagpur.
4. The Director (RID & New Scheme), KVIC, Mumbai - 56.
5. The Director (Budget), OCKVI, Mumbai -56
6. The Director (IT),OCKVI, Mumbai- 56
7. Director (Accounts),OCKVI, Mumbai-56
8. Dr. Tendulkar, CORDS ( T.A) Kankavali, Sindudurg Dist.

  
13/4/17  
**(M.T. Wakode)**  
**DIRECTOR (FBI)**

**Year wise work plan of activities and funding provision for Gadchiroli Herbal Cluster for three years.**

(Rs. In Lakhs)

Sr.	Particulars	Schedule	1 <sup>st</sup> Year	2 <sup>nd</sup> Year	3 <sup>rd</sup> Year	Total
<b>A</b>	<b>Common Facility Center</b>		<b>40.00</b>	<b>00</b>	<b>00</b>	<b>40.00</b>
	<b>Sub total (A)</b>		<b>40.00</b>	<b>00</b>	<b>00</b>	<b>40.00</b>
<b>B</b>	<b>Capacity Building</b>					
1	Awareness & motivation Program One day	One day	0.90	0.00	0.00	0.90
2	Consolidation of Artisan	90 days	0.90	0.30	0.30	1.50
<b>I</b>	<b>Skill Development</b>					
1	Training of CDE and IA Staff on cluster Development	15 days	0.90	0.00	0.00	0.90
2	Skill Dev training -5 prog for 30 Batch	7 days	2.70	0.00	0.00	2.70
3	Skill dev Training 60	10 days	0.00	0.90	0.90	1.80
4	Techno Managerial training	1 month	1.00	0.00	0.00	0.00
5	Quality Control training	15 days	1.00	0.00	0.00	1.00
6	Farmers / Artisan Meet	2 days	0.30	0.30	0.30	0.90
7	Tool Distribution	-	1.50	1.50	1.50	4.50
<b>II</b>	<b>Exposure Visit</b>					
1	Exposure visit for artisan	3 days	1.80	0.00	0.00	1.80
2	Website development	-	0.60	0.00	0.00	0.60
3	Availing Quality Certification	-	0.00	0.50	0.50	1.00
	<b>Sub total ( B)</b>		<b>11.60</b>	<b>3.50</b>	<b>3.50</b>	<b>18.60</b>
<b>C</b>	<b>Design &amp; Product development</b>					
1	New Product development & filed testing of New products & its modification	Cluster products 10	2.00	3.00	3.50	8.50
2	Product catalogue Development	Cluster Products 20	1.00	1.00	0.00	2.00
3	Packaging Development	-	0.00	1.50	2.00	3.50
	<b>Sub total (C)</b>		<b>3.00</b>	<b>5.50</b>	<b>5.50</b>	<b>14.00</b>

Continued..2

Sr.	Particulars	Schedule	1 <sup>st</sup> Year	2 <sup>nd</sup> Year	3 <sup>rd</sup> Year	Total
<b>D</b>	<b>Market Promotion activities</b>					
1	Organization of and participation in domestic Exhibition and buyer seller meet	5 program of 2 each	1.00	2.00	2.00	5.00
2	Computerization including billing and bar coding	First 2 yr	2.00	0.50	0.00	2.50
3	Training on sales and Marketing	One week 3 Prog.	1.00	0.00	0.00	1.00
4	Hiring of business dev service for market promotion	Min 100 working days	1.00	1.50	1.50	4.00
5	Brand building & promotion	6 Months	1.00	1.00	1.00	3.00
6	E Tracing	5 intervention	0.50	1.00	1.00	2.50
	<b>Sub total (D)</b>		<b>6.50</b>	<b>6.00</b>	<b>5.50</b>	<b>18.00</b>
<b>E</b>	<b>Specific Cluster Based Activity</b>					
1	Safety measures to artisans	For 150 artisan	2.00	1.00	0.00	3.00
2	Health Camps	150 families	0.20	0.20	0.20	0.60
3	First aid tools , Medicine	150 families	0.70	0.40	0.30	1.40
	<b>( Sub total E)</b>		<b>2.90</b>	<b>1.60</b>	<b>0.50</b>	<b>5.00</b>
F	TA Fees		<b>6.00</b>	<b>4.50</b>	<b>4.50</b>	<b>15.00</b>
G	IA Management grant		<b>5.00</b>	<b>5.00</b>	<b>5.00</b>	<b>15.00</b>
H	CDE Expenses		<b>2.28</b>	<b>2.46</b>	<b>2.66</b>	<b>7.40</b>
	<b>Grand total (ABCDEFGH)</b>		<b>77.28</b>	<b>28.56</b>	<b>27.16</b>	<b>133.00</b>

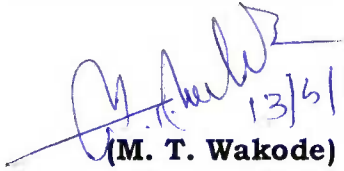
**Note:- Funding provision made in the above inter head as per the guideline of KRDP.**

*M. Anand*  
13/14/17  
**DIRECTOR (FBI)**

**Roles & Responsibilities for implementation of proposed Gadchiroli Herbal Cluster**

Sl No	Stake Holder	Roles & Responsibilities
1	Divisional office, KVIC, Nagpur. ( N.A)	<ul style="list-style-type: none"> <li>➤ KVIC will play the role of Nodal Agency. Provide funding support, monitor and guide the programme execution, extend support services for the effective implementation of the programmes.</li> <li>➤ Execution of three-party MOU between IA, NA (KVIC) and T.A.</li> <li>➤ All monitoring reports such as monthly, quarterly and annual reports including other time to time reports.</li> </ul>
2.	ASHA (Association for social & Health awareness, Porla, Gadchiroli. Maharashtra	<ul style="list-style-type: none"> <li>➤ ASHA is the implementing agency of cluster development programme.</li> <li>➤ The NGO is expected to play a key role in coordinating and spearheading all proposed activities of the cluster.</li> <li>➤ Cluster Development Executive (CDE) will be an employee of the ASHA and work under the guidance of TA, IA and the Nodal Officer of KVIC.</li> <li>➤ Books of accounts on the expenditure is maintained by the IA.</li> <li>➤ Any additional expenditure arise other than the sanction shall borne by I.A. itself.</li> <li>➤ IA will maintain the list of beneficiaries and the demographics of the beneficiary</li> <li>➤ IA will maintain the registers for procurement of goods and services</li> <li>➤ IA also will maintain the assets registers for CFC also with its day to day operation register for CFC</li> <li>➤ IA will form a CFC monitoring / operation committee.</li> <li>➤ IA will also maintain the Herbal collection data separately.</li> <li>➤ IA will also draw Action Plan in consultation with T.A. and NA</li> <li>➤ IA shall be responsible for furnishing utilization Certificate (UC) and regular progress reports to Nodal Agency ( D.O., KVIC, Nagpur) in the prescribed format</li> <li>➤ All the above shall be open for verification by the authorized officers of KVIC.</li> <li>➤ IA shall ensure the services of the facilities created under the Scheme are extended to the cluster in general, in addition to the member enterprises on payment of suitable user fees as fixed by the SPV/ PC. User fees will go into corpus fund to be managed by SPV/ PC/ IA</li> </ul>

3	<p>Technical Agency . CORDS (Community organized for research development &amp; services, Kankavali, Dist- Sindhudurg.</p>	<p>CORDS is the Technical agency of the cluster development programme.</p> <ul style="list-style-type: none"> <li>➤ Sensitize and generate awareness in the cluster about the scheme involving all stake holders.</li> <li>➤ TA in consultation with IA shall prepare a business plan for the cluster, taking into account relevant facts and after conducting market survey as may be considered necessary by IA during the implementation.</li> <li>➤ TA will ensure the supply of tools and training and technical support towards the effective function of the cluster and timely completion.</li> <li>➤ T.A. will monitor the programme implementation on a regular basis and guide the CDE and the IA for the smooth implementation of the programme.</li> <li>➤ T.A will also assist the CDE and the IA in the preparation of Action Plans and their validation in the CDCG.</li> <li>➤ T.A. will maintain the list of beneficiaries, programs undertaken for skill development/ capacity building, tools supply, monthly/ seasonal activities of CFC and production &amp; Sales details.</li> <li>➤ TA will also assist IA in product diversification and product development.</li> <li>➤ TA will also assist IA in preparing monthly activity chart and ensure the implementation.</li> <li>➤ T.A will contribute to the Action Plan drawn by IA.</li> </ul>
4	<p>Herbs processing Artisans</p>	<ul style="list-style-type: none"> <li>➤ Herbs collectors are principal stakeholders.</li> <li>➤ They are involved directly in the Herbs collection activities from Gadchiroli area .</li> <li>➤ They are expected to be the active beneficiary and participants in the programme implementation process since beginning.</li> <li>➤ They shall be formed in to groups and involved in different activities as per the need and capacity.</li> <li>➤ Individual accounts shall be open for the SHG.</li> </ul>

  
 13/5/12  
**(M. T. Wakode)**  
**Director (FBI)**



Directorate of Polymer & Chemical  
Based Industry  
KHADI AND VILLAGE INDUSTRIES  
COMMISSION  
Ministry of Micro, Small & Medium

NO: PCBI/VLI/RID-IA-Jalandhar/Part-VI/2017-18/30

Date:- 12.06.2017

To,  
The State Director,  
Khadi & V.I. Commission,  
Chandigarh (Punjab)

**Sub:** Sanction of Fund to the tune of Rs. 100.00 Lakhs for implementation of Jalandhar Sports Goods Cluster under PCBI (Leather Industry) with the Implementing Agency Marigold International Educational Society, Jalandhar, Punjab under KRDP-Reg.

**Ref:** 1. SFC/(V.I) Reso.No. V.I/2016-17/16 dated 27.02.2017  
2. Budget allocation No. BGT/V.I/ALLO/2016-17 dated 27.3.2017.

Sir,

The Standing Finance Committee has sanctioned an amount of Rs.100.00 Lakhs for Implementation of Jalandhar Sports Goods Cluster under PCBI (Leather Industry) In Favour of in favour of Implementing Agency Marigold International Educational Society, Jalandhar, Punjab under KRDP.The detail break up is given as under:-

Particulars	Revised Proposal (Rs. In lakhs)		
	IA Share	NA Share	Total Cost
<b>Hard Intervention</b>			
Common Facility Centre			
Infrastructure Development	5.00	15.00	20.00
Machinery & Equipment	6.04	17.96	24.00
<b>Total (Hard Intervention)</b>	<b>11.04</b>	<b>32.96</b>	<b>44.00</b>
<b>Soft Intervention</b>			
Market Promotion	0.00	8.00	8.00
Product Dev.& Design Development	0.75	2.25	3.00
Capacity Building	0.00	15.00	15.00
<b>Total (Soft Intervention)</b>	<b>0.75</b>	<b>25.25</b>	<b>26.00</b>
<b>Others</b>			
Fee for the Technical Agency (For 2 years)	0.00	6.00	6.00
Management Grant to the Implementing Agency	0.00	5.00	5.00
Cluster Development Executive Expenditure (for 2 years)	0.00	4.00	4.00
Operational Expenditure (Working Capital)	2.00	13.00	15.00
<b>Total (others)</b>	<b>2.00</b>	<b>28.00</b>	<b>30.00</b>
<b>Grant Total</b>	<b>13.79</b>	<b>86.21</b>	<b>100.00</b>

**TERMS AND CONDITIONS FOR COMPLIANCE BY THE State Director, KVIC, Chandigarh, Implementing Agency, Technical Agency before release of Funds under KRDP Programme :-**

1. A agreement (MOU) will be executed between State Director, Chandigarh and Reform Implementing Agency (RIA) & Technical Agency (T.A.) in the prescribed format which may be supplied separately that may be executed on non-judicial stamp paper as per the stamp Act / Rules existing in the respective states before extension of Direct Reform Assistance and fulfillment of conditions laid down there upon

2. KVIC shall extend under assistance under KRDP in kind and / or financial support as required. The State Director shall operate a separate ESCROW account for operation of fund for implementation of this programme and maintain necessary books of accounts and follow the guidelines circulated vide letter No. VIC/ V.I. Clusters under KRDP/ 2014-15 dated 9<sup>th</sup> Sept' 2014.
3. The interest accrued on the amount deposited in the bank, if any, for this programme should be refunded to Central office from time to time under intimation to Director KRDP
4. Since KRDP assistance will be in the form of grants -in-aid, the assets acquired by the institution wholly are substantially out of Government grant shall not be disposed off without obtaining prior approval of KVIC.
5. Procurement of other implements related to the KRDP programme shall be preferably made from the reputed manufacturer/ ensuring the quality, rate reasonableness etc. The purchase terms and conditions should include supply of implements within the stipulated time period.
6. The supply contract/ agreement/ condition must include provision for proper skill development training to the master artisans so that he can be able to handle maintains of the equipment, day to day operational problems etc. the training shall also be organized as per project for the artisan so that the artisan could optimize its utilization and be able to ensure qualitative and quantitative production.
7. The payment shall be made to the suppliers and other parties strictly by Demand Draft / crossed Cheque only.
8. The Institution shall maintain separate record of the details for the assets acquired under this assistance. For procurement of machineries, goods assignment of work, norms prescribed in the GFR shall be followed.
9. The grants in aid shall be utilized for the purpose for which it has been sanctioned and shall not be diverted for any other purpose.
10. The assets created out of the KRDP funds be invariably mortgaged / hypothecated to KVIC as the case may be.
11. Registers of fixed assets, dead stock, etc., should be maintained in the prescribed Performa by the Reform Implementing Agency (RIA).
12. Details of new artisans proposed to be covered and existing artisans in the project are to be maintained and informed to the State / Divisional Offices from time to time.
13. The utilization of KRDP fund is subject to the audit and review by a Chartered accountant acceptable to ADB or internal audit of KVIC.
14. The assets and renovation / construction of work completed shall be made available for inspection by any officials of MSME, Govt. of India or its authorized agents or agencies and KVIC.
15. The project duration will be three years. After completion of the project the institution/Agency must continue the programme in the interest of the artisans and workers of the institution/Agency.
16. The Cluster Development Executive (CDE) and State Director, Chandigarh shall submit the physical & Financial progress report of the project on quarterly basis by 15<sup>th</sup> of month (June Oct., Jan) for the quarter ending 31<sup>st</sup> March, 30<sup>th</sup> June, 30<sup>th</sup> September and 31<sup>st</sup> December covering details



17. The I.A shall appoint a Cluster Development Executive (CDE) for management of day to day activities for implementation of this programme. The required qualification and experience of RIO shall be as prescribed by KVIC. The Cluster Development Executive (CDE) must submit their monthly work report on progress of programme to the Director, State Office, KVIC Chandigarh.
18. In order to monitor and evaluate the programme, a Field Level Execution Committee (FLEC) headed by the State / Divisional Director shall be constituted.
19. The Cluster Development Executive (CDE) and the State Director, Chandigarh should ensure that the minutes of the Field Level execution Committee meeting is prepared and forwarded to Directors (PCBI) and Director (RID) within a week time for speedy implementation of the programme.
20. Within the overall fund sanctioned for this programme under various heads, inter change of heads is permitted as per the need on the recommendation of respective SLBT. Any cost escalation over and above the total sanctioned fund will have to be borne by the IA.
21. A Target should be given to Reform Implementing Agency (RIA) in consonance with Forest Based Industry for achievement of production, sales and employment during the annual SLBT meeting.
22. **State Director, Chandigarh may ensure the following :**
  - A. Implementing of program and release of funds may be regulated as per the laid down procedure and Scheme Guidelines prescribed by the Dte. of V.I.C. vide ref. No. VIC/VI cluster under KRDP/ 2014-15 dt. 9..9.2014.
  - B. Conditions stipulated by the Commissions, should be scrupulously followed by the S.O KVIC, Chandigarh and IA in implementation of the project.
  - C. Construction of Work shed procurement of goods and services, etc. as per GFR norms.
  - D. NGO need to Direct listing with KVIC and follow the procedure as per VIC Circular no. 6/27/VIC/02-03/dated 16. 9. 2002.
  - E. Before releasing the funds to IA, Director, S.O KVIC, Chandigarh may ensure to open the ESCROW account with concerned bank.

(K.J.Bhosale)

DIRECTOR (PCBI)/ Link Officer

**Copy for information and necessary action to:**

1. The Dy. C.E.O (North Zone), KVIC New Delhi.
2. The Dy. C.E.O (V.I.), KVIC Mumbai-56.
3. Secretary, SFC (V.I.), KVIC, Mumbai - 56
4. The Director (RID & New Scheme), KVIC, Mumbai - 56.
5. The Director (Budget), KVIC, Mumbai -56
6. The Director (VIC), KVIC, Mumbai -56
7. Director (Accounts), KVIC, Mumbai-56
8. The Director, CLRI, (T.A.), Chennai (TN)
9. The President/Chairman, Marigold International Educational Society, BX-587, Hoshiarpur Road, Jalandhar, Punjab. **Through:** State Director, State Office, KVIC, Chandigarh.

(K.J.Bhosale)  
DIRECTOR (PCBI)/ link Officer



खादी और ग्रामोद्योग आयोग  
KHADI AND VILLAGE INDUSTRIES  
COMMISSION

सूक्ष्म, लघु और माध्यम उद्यम मंत्रालय, भारत सरकार  
Ministry of Micro, Small & Medium Enterprises,  
Govt. of India,

**HANDMADE PAPER & FIBRE  
INDUSTRY**

HMPFI/20/2/2017-HMPFI-KVIC /191-195

Dated 24-10-2017

To  
**The State Director**  
Khadi & V.I. Commission  
Indra Nagar , Faizabad Road  
**Lucknow**

**Through Digital KVIC**

**Subject- Sanction of fund to the tune of Rs 81.54 Lakhs from KRDP/RID programme( ADB Assistance) for M/ s Shree Bhagwandas Gramodyog Sewa Sansthan Kalpi Distt. Jalaun (U.P.) for Implementation of Handmade Paper cluster Kalpi -reg**

**Ref - 1,SFC Sanction No. V.I. /2017-18/15 dated 17-10-2017  
2,Budget Allocation No. BGT/(V.I.) Reso. No. V.I./2017-18/15 dated 26-09-2017**

Sir,

In pursuance of the DPR/ and related correspondance Action plan received to this office duly recommended by the State Office,KVIC, Lucknow, the FA, CEO has extended the approval of total cost of **Rs 81.54 Lakhs** ( Rs eighty one lakhs fifty four thousand only) comprising Rs 09.16125 (Rs Nine Lakhs sixteen Thousand one hundred twenty five only) as own contribution from the Implementing Agency (I.A.) and **Rs 72.37823** (Rs seventy two lakhs thirty seven thousand eight hundred twenty three only) in favour of **M/s Shree Bhagwandas Gramodyog Sewa Sansthan Kalpi Distt. Jalaun (U.P.) for establishing Handmade Paper cluster Kalpi.**

The motive behind implementing cluster under KRDP in Kalpi is to provide common facility to the Handmade paper units for providing Raw materials on cheaper rates and also to extend the facility to upgrade the skill of the artisans by way of technical skill development for making quality products and increasing efficiency of production for better earning of the artisans.

It has also been stressed upon that the intervention of KRDP assistance the wage income of the artisans should increase and thereby

livelihood level of artisans will enhance and more numbers of artisans will be benefited in the cluster. With the hard intervention for CFC the production should increase.

The Head-wise detail of fund sanction is given as under

**Financial Detail in respect of Soft Intervention**

<b>Soft Interventions</b>				
<b>Sr.No.</b>	<b>Activity</b>	<b>IA Contribution (0% of TC)</b>	<b>NA Contribution (100% of TC)</b>	<b>Total Cost in INR [Lakhs]</b>
	<b>Identification of artisans for training</b>			
1	Identify 200 artisans for training 50 artisans to be trained in 1 <sup>st</sup> year, 75 artisans to be trained in 2 <sup>nd</sup> year and 75 artisans in 3 <sup>rd</sup> year Training period – 40 days per batch Artisans to be paid Rs. 300/- for participation and other expenditures.	0	1057060	1057060
	<b>Total</b>	<b>0</b>	<b>1057060</b>	<b>1057060</b>
	<b>Skill Development and Capacity Building Workshop (training on paper/ paper product development over 3 years)</b>			
2	Training kit @ 2000per kit for 200 artisans	0	400000	400000
	Master trainer's fee @ 500/day for 240 days	0	120000	120000
	<b>Total</b>	<b>0</b>	<b>520000</b>	<b>520000</b>
	<b>Documentation</b>			
3	Monthly Reports - Updates on progress made	0	55000	55000
	<b>Market Linkage</b>			
4	Buyer seller meets - one annually	0	150000	150000
	Develop Promotional Material		50000	50000
	Participation in domestic Exhibitions - twice a year	0	200000	200000
	Study tour for 60 entrepreneurs / artisans – one annually	0	360000	360000
	<b>Total</b>	<b>0</b>	<b>760000</b>	<b>760000</b>
	<b>Grand Total</b>	<b>0</b>	<b>2392060</b>	<b>2392060</b>

## **HARD INTERVENTIONS**

### **Raw Material Bank & Machinerries to be established in CFC**

The I.A has to set up a raw material bank to supply raw materials to the various Handmade Paper units working in the cluster. By the means of the raw material bank, artisans gain an opportunity to develop products with access to market linkages for better income generation and opportunities.

The IA has sufficient constructed area for workshed where proposed and Raw Material bank is to be established. The HMP units located in the cluster are to avail the facility of the Raw Material Bank by IA.

### **DETAIL OF PROJECT COST AND MEANS OF FINANCE**

Sr. No.	Component	IA Share	NA Share	Total Cost in Rs
1	<b>Soft intervention (SI)</b>	0	23,92,060.00	23,92,060.00
2	Hard intervention	9,16,125.00	27,48,375.00	36,64,500.00
3	<b>Cost of IA/SPV</b>	0	14,70,000.00	1470000
4	<b>TA fees</b>	0	<b>6,27,388.00</b>	<b>627388</b>
	<b>Total</b>	<b>9,16,125.00</b>	<b>72,37,823.00</b>	<b>81,53,948.00</b>
	<b>Rounded off</b>			<b>Rs 81.54 Lakhs</b>

The total project cost amounts to **Rs 81.54 Lakhs**. This cost is inclusive of all the project interventions both hard interventions (in the form of Raw Material Bank & machinerries) and soft interventions (in the form of trainings provided to artisans and other manufacturing units and marketing exposure etc.

### **Detail of Implementing Agency Cost**

S. No	Components	IA Contribution (0%)	NA Contribution [100%]	Total Cost in Rs
1	Salary of manager for 36 months @ 20000 p.m.	-	720000	720000
2	Salary of support staff for 36 months	-	410000	410000
	Office establishment expenses for IA [Lump sum amount]			

3	Storage cupboards	-	300000	300000
	Computer and printer			
	Table, Chair			
	Office Stationery			
	Electrical Fittings			
4	Miscellaneous expenses	-	40000	40000
	<b>Total</b>	-	<b>14,70,000</b>	<b>14,70,000</b>

The Implementing Agency has to hire and assign some personnel for the proper functioning of the SPV. This requires a Manager for the efficient handling of the Raw Material Bank and to ensure the training programs run smoothly. This also includes hiring a support staff for safety and security purposes. The cost also includes relevant expenditure for running the establishment including office expenditure, stationary, computer & printer, communication devices, electrical fittings etc.

The total cost for the efficient functioning of the IA amounts to Rs 14.70 lakh.

### **Means Of Finance**

S. No.	Component	Total Cost Amt in Rs
1	Government of India grant	<b>72,37,823.00</b>
2	Implementing Agency Contribution)	<b>9,16,125.00</b>
	<b>Total Project Cost</b>	<b>81,53,948.00</b>
	<b>Rounded Off</b>	<b>81.54 Lakhs</b>

### **Project Phasing**

Phases	Activity	Timeline
<b>Soft Interventions</b>	General awareness, counselling, motivation and trust building	1st & 3rd Quarter, for 3 years
	Skill development and capacity building training program	2nd and 4th Quarter, for 3 years
	Exposure visits- to exhibitions and buyer seller meets.	3rd Quarter, for 3 years
	Promotional initiatives	3rd Quarter, for 3 years
<b>Hard Interventions</b>	Set-up Raw Material Bank	1st Quarter, 1st year
	Craft and design Equipment, Die cutting Machine, Office equipment and stationary	1st Quarter, 1st year

**The Project Cost Breakup is as under**

Sr.No	Particulars	IA Share Amount in Rs	NA Share Amount in Rs	Total Cost Amount in Rs
<b>1</b>	<b>Soft Intervention</b>	<b>0%</b>	<b>100%</b>	
<b>a</b>	Identification of 200 artisans for training	0	10,57,060.00	10,57,060.00
<b>c</b>	Skill Development and Capacity Building Workshop (training on paper/ paper product development across 8 batches over 3 years)	0	5,20,000.00	5,20,000.00
<b>d</b>	Documentation	0	55,000.00	55,000.00
<b>e</b>	Market Linkage	0	76,000.00	76,000.00
	<b>Total- A</b>		<b>23,92,060.00</b>	<b>23,92,060.00</b>
<b>2</b>	<b>Hard Intervention</b>	<b>25%</b>	<b>75%</b>	
<b>a</b>	Raw Material Bank	5,00,000.00	15,00,000.00	20,00,000.00
<b>b</b>	Basic machinery for product development training	4,16,125/-	12,48,375/-	16,64,000.00
	<b>Total- B</b>	<b>9,16,125.00</b>	<b>27,48,375.00</b>	<b>36,64,500.00</b>
<b>3</b>	<b>Cost of IA/SPV</b>	<b>0%</b>	<b>100%</b>	
	<b>Total C</b>	<b>0</b>	<b>14,70,000.00</b>	<b>14,70,000.00</b>
<b>4</b>	<b>TA fees</b>	<b>0%</b>	<b>100%</b>	
	<b>Total- D</b>	<b>0</b>	<b>6,27,388.00</b>	<b>6,27,388.00</b>
	<b>Total (A+B+C+D)</b>	<b>9,16,125.00</b>	<b>72,37,823.00</b>	<b>81,53,945.00</b>
	<b>Total (A+B+C+D) Rounded off</b>			<b>81.54 Lakhs</b>

**TERMS AND CONDITIONS FOR COMPLIANCE BY  
THE STATE OFFICE, KVIC, LUCKNOW, IA, PROGRAMME  
DIRECTOR UNDER KRDP PROGRAMME:-**

1. A agreement will be executed between State Director KVIC Lucknow and Reform Implementing Institution (RII) in the prescribed format which may be supplied separately that may be executed on non-judicial stamp paper as per the stamp Act / Rules existing in the respective states before extension of Direct Reform Assistance and fulfillment of conditions laid down there upon.
2. KVIC shall extend under assistance under KRDP in kind and / or financial support as required. The State Director KVIC Lucknow shall operate a separate ESCROW account for operation of fund for implementation of this programme and maintain necessary books of accounts and follow the guidelines circulated vide letter No. VIC/ V.I. Clusters under KRDP/ 2014-15 dated 9<sup>th</sup> Sept' 2014.
3. The interest accrued on the amount deposited in the bank, if any, for this programme should be refunded to Central office from time to time under intimation to Director KRDP
4. Since KRDP assistance will be in the form of grants -in-aid, the assets acquired by the institution wholly are substantially out of Government grant shall not be disposed off without obtaining prior approval of KVIC.
5. Procurement of other implements related to the KRDP programme shall be preferably made from the reputed manufacturer/ ensuring the quality, rate reasonableness etc. The purchase terms and conditions should include supply of implements within the stipulated time period.
6. The payment shall be made to the suppliers and other parties strictly by Demand Draft / crossed Cheque only.
7. The Institution shall maintain separate record of the details for the assets acquired under this assistance. For procurement of machineries, goods assignment of work, norms prescribed in the GFR shall be followed.
8. The grants in aid shall be utilized for the purpose for which it has been sanctioned and shall not be diverted for any other purpose.
9. The assets created out of the KRDP funds be invariably mortgaged / hypothecated to KVIC as the case may be.
10. Registers of fixed assets, dead stock, etc., should be maintained in the prescribed performa by the Reform Implementing Institution (RII).

11. Details of new artisans proposed to be covered and existing artisans in the project are to be maintained and informed to the State / Divisional Offices from time to time.
12. The utilization of KRDP fund is subject to the audit and review by a Chartered accountant acceptable to ADB or internal audit of KVIC.
13. The assets and renovation / construction of work completed shall be made available for inspection by any officials of MSME, Govt. of India or its authorized agents or agencies and KVIC.
14. The project duration will be three years. After completion of the project the institution must continue the programme in the interest of the artisans and workers of the institution.
15. The Cluster Development Executive (CDE) and State Director KVIC Lucknow shall submit the physical & Financial progress report of the project on quarterly basis by 15<sup>th</sup> April, July, October and January for the quarter ending 31<sup>st</sup> March, 30<sup>th</sup> June, 30<sup>th</sup> September and 31<sup>st</sup> December covering details of the expected outcome and achievements against the target projected in the approved Action plan as per the prescribed format.
16. The I.A shall appoint a Cluster Development Executive (CDE) for management of day to day activities for implementation of this programme and also an IT Assistance (ITA) for handling the IT related works. The required qualification and experience of RIO and ITA shall be as prescribed by KVIC. The Cluster Development Executive (CDE) and IT Assistant must submit their monthly work report on progress of programme to the State Director KVIC Lucknow
17. In order to monitor and evaluate the programme, a Field Level Execution Committee (FLEC) headed by the State / Divisional Director shall be constituted.
18. The Cluster Development Executive (CDE) and the State Director KVIC Lucknow should ensure that the minutes of the Field Level execution Committee meeting is prepared and forwarded to Directors (HMPFI) and Director (RID) within a week time for speedy implementation of the programme.
19. Within the overall fund sanctioned for this programme under various heads, inter change of heads is permitted as per the need on the recommendation of respective SLBT. Any cost escalation over and above the total sanctioned fund will have to be borne by the IA.
20. A Target should be given to Reform Implementing Institution (RII) in consonance with HMPFI for achievement of production, sales and employment during the annual SLBT meeting.



- 21. State Director KVIC Lucknow may ensure the following :**
- Implementing of program and release of funds may be regulated as per the laid down procedure and Scheme Guidelines prescribed by the Dte. of V.I.C. vide ref. No. VIC/VI cluster under KRDP/ 2014-15 dt. 9..9.2014.
  - Conditions stipulated by the Commissions, should be scrupulously followed by the State office KVIC Lucknow and IA in implementation of the project.
  - Procurement of goods and services, etc. as per GFR norms.
  - NGO need to direct list with KVIC and follow the procedure as per VIC Circular no. 6/27/VIC/02-03/dated 16.9.2002.
- 22.** Before releasing the funds to IA, State Director KVIC Lucknow may ensure to open the ESCROW account with concerned bank.

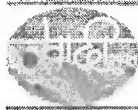
Yours Faithfully

  
24X2017  
**Director HMPFI**

Copy to –

- Dy. CEO (V.I.) for information please.
- Dy CEO (CZ) for information Please.
- Dy. Director I/C (RID/KRDP) Central Office , KVIC, Mumbai for Information please.
- M/S Shree Bhagwandas Gramodyog Sewa Sansthan Kalpi with request to consult State Director , KVIC, Lucknow for organizing the programme successfully.
- Ms. Anushakti Tayade, Sr. manager Aggregation TARA, New Delhi for information and necessary action Pl.

  
24X2017  
**Director HMPFI**



ग्रामोदय, 3 इरला रोड, विले पार्ले (पश्चिम), मुंबई – 400056

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Website: [www.kvic.org.in](http://www.kvic.org.in)