

**COIR BOARD**  
(Ministry of Micro, Small and Medium Enterprises, Govt. of India)  
P.B.No. 1752, M.G. Road, Kochi-16

**INVITATION FOR EXPRESSION OF INTEREST**

Expression of Interest are invited from well established Regional/National level Institutions with proven experience and expertise in the cluster development activities to be empanelled as “Technical Agencies” to provide technical and handholding support for SFURTI Coir Clusters. The Technical Agencies already empanelled by KVIC will be considered by Coir Board. Hence those TAs empanelled by KVIC need not be applied.

The TAs will be shortlisted by Coir Board (Nodal Agency) based on technical evaluation of their proposals, mostly in terms of-

- i. Net worth of the organization;
- ii. Organizational experience in implementing projects of similar nature specially artisans and micro-enterprise based developmental initiatives;
- iii. Competence of personnel and team;
- iv. Geographical presence etc.

The interested agencies may submit EoI with credentials in sealed cover to the Secretary, Coir Board, M G Road, Kochi-682016 on or before 30.06.2020 at 5.00 p.m.

For ToR and further details of the scheme visit our web site [www.coirboard.gov.in](http://www.coirboard.gov.in) or call Toll free No.18004259091.

Kochi,  
03.06.2020

Sd/-  
Secretary, Coir Board

## **Terms of Reference (ToR)**

### **I. Background**

With a view to making the traditional industries more productive and competitive and facilitating their sustainable development, the Govt. of India has announced a scheme for regeneration of traditional industries, by name “**Scheme of Fund for Regeneration of Traditional Industries (SFURTI)**” which is a Central Sector Scheme. The Scheme is implemented by the Ministry of Micro, Small and Medium Enterprises (MSME) and its organizations (Khadi and Village Industries Commission-KVIC and Coir Board), in collaboration with State Governments, their organizations and non-governmental organizations.

This scheme, therefore, will support MSMEs in provisioning of Infrastructure for their development through following 2 components:

(a)	Scheme of Funds for Regeneration of Traditional Industries (SFURTI).
(b)	Micro and Small Enterprises-Cluster Development Programme (MSE-CDP)

These components are having objective of providing infrastructure facilities for growth of MSMEs.

### **2 OBJECTIVES OF SFURTI SCHEME**

The objectives of the Scheme are as follows:

- i. To organize the traditional industries and artisans into clusters to make them competitive and provide support for their long term sustainability and economy of scale;
- ii. To provide sustained employment for traditional industry artisans and rural entrepreneurs;

- iii. To enhance marketability of products of such clusters by providing support for new products, design intervention and improved packaging and also the improvement of marketing infrastructure;
- iv. To equip traditional artisans of the associated clusters with the improved skills and capabilities through training and exposure visits;
- v. To make provision for common facilities and improved tools and equipment for artisans to promote optimum utilization of infrastructure facilities;
- vi. To strengthen the cluster governance systems with the active participation of the stakeholders, so that they are able to gauge the emerging challenges and opportunities and respond to them in a coherent manner;
- vii. To build up innovated and traditional skills, improved technologies, advanced processes, market intelligence and new models of public-private partnerships, so as to gradually replicate similar models of cluster-based regenerated traditional industries;
- viii. To look for setting up of multi-product cluster with integrated value chain and a strong market driven approach for viability and long term sustainability of the cluster;
- ix. To ensure convergence from the design stage with each activity of the cluster formation and operations thereof.
- x. To identify and understand cluster's target customers, understand their needs and aspirations and develop and present product lines to meet the requirement. Substantial focus should be on the buyer segment that places a premium on natural, eco-friendly, ethically sourced and the uniqueness of the Khadi and Village and Industries products.
- xi. To develop specific product lines out of the currently offered diversified basket of heterogeneous products based on the understanding of the target consumer segment. A brand unification exercise also needs to be done to maximize the value.
- xii. To make a paradigm shift from a supply driven selling model to a market driven model with the right branding, focus product mix and correct positioning and right pricing to make the offering holistic and optimal for each of the focus categories.
- xiii. To tap the E-Commerce as a major marketing channel given the outreach and the growing market penetration of E-Commerce, there is a need to devise a quick strategy to make its presence felt in the E-Retail space.

- xiv. To make substantial investment in the area of product design and quality improvement. There is a need to standardize the quality of inputs and processes so that the products meet the quality benchmarks. Research need to be done to develop new textures and finishes to cater to the prevailing market trends.

### **3 PROJECT INTERVENTIONS**

The Scheme would cover three types of interventions namely '**soft interventions**', '**hard interventions**' and '**thematic interventions**'.

#### **3.1 Soft Interventions**

Soft Interventions under the project would consist of activities such as

- i. General awareness, counselling, motivation and trust building;
- ii. Skill development and capacity building/ for the entire value chain different skills need to be imparted;
- iii. Institution development;
- iv. Exposure visits;
- v. Market promotion initiatives;
- vi. Design and product development;
- vii. Participation in seminars, workshops and training programmes on technology up-gradation, etc.

#### **3.2 Hard Interventions**

Hard interventions will include creation of following facilities:

- i. Multiple facilities for multiple products and packaging wherever needed;
- ii. Common facility centres (CFCs);
- iii. Raw material banks (RMBs);
- iv. Up-gradation of production infrastructure;
- v. Tools and technological up-gradation such as charkha up-gradation, tool-kit distribution, etc.
- vi. Warehousing facility;
- vii. Training Center;
- viii. Value addition and processing center/multi-products.

**Note:** The assistance for raw material bank (RMB) shall be leveraged with financial institution for enhanced credit.

### **3.3 Thematic interventions**

In addition to the above mentioned hard components and soft components, the scheme will also support cross-cutting thematic interventions at the sector level including several clusters in the same sector with emphasis on both domestic and international markets. These will primarily include:

- i. Brand building and promotion campaign
- ii. New media marketing
- iii. e-Commerce initiatives
- iv. Innovation
- v. Research & development initiatives
- vi. Developing institutional linkages with the existing & proposed clusters.

**Note:** These interventions are illustrative in nature and the project may cover any of the other felt needs of the cluster (as detailed in the DPR and approved by SSC), that will enable the cluster enterprises in improving their competitiveness.

## **4. INSTITUTIONAL ARRANGEMENT**

Given the challenges and wide geographical coverage of the Scheme, an efficient scheme management structure and delivery mechanism has been proposed.

### **4.1 Scheme Steering Committee (SSC)**

The Ministry of Micro, Small and Medium Enterprises (MSME) will be the coordinating Ministry providing overall policy, coordination and management support to the Scheme. A Scheme Steering Committee (SSC) will be constituted under the chairmanship of Secretary (MSME). The SSC will consider the proposals of clusters and the Implementing Agencies (IAs) submitted by Nodal Agencies (NAs) and shall extend approval to the cluster proposals. The cluster proposals will include the details of Technical Agency (TA) and Implementing Agencies (IAs) proposed by Nodal Agencies (NAs).

### **4.2 Nodal Agencies (NAs)**

Coir Board is the Nodal Agency for Coir based Clusters.

### **4.3 Technical Agency (TA)**

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

### **4.3.2 Role of the TAs:**

The role and responsibility of TAs includes the following:

- i. Sensitization and awareness generation in the clusters about the scheme.
- ii. Identification of potential IAs.
- iii. To identify focus products and product mix for the Cluster for domestic and export markets. That may also include multi products in the cluster and creating linkages with other available network of cluster in the adjoining Primary Cluster within the given budgetary allocation and as per approval of DPR.
- iv. Preparation of comprehensive DPRs for final approval of SSC containing the following details, namely,- business model for self-sustenance, skill up-gradation of artisans, acquiring of new skills, setting up of physical and financial outcome targets for the project, proposed percentage enhancement of productivity and earnings of the artisans, brand building, product segmentation, promotion and advertising through regular publicity modes and participation in fairs and exhibitions, exploring possible export avenues with clear targets etc .
- v. Assisting the identified IA in establishment and structuring the project specific SPV.
- vi. Assist the NAs/SSC in examining the proposals for approval.

vii. TA will assist the IA in formulating plans, getting approvals, obtaining clearances from statutory institutions, identifying suitable technologies/equipment for value addition of the products and will assist the IA in setting up of CFCs after identification of land by the IA. More than one CFC is also permitted provided demand is justified for bringing higher productivity in the cluster. TA will assist IAs in selection of agencies / experts for various services and in developing suitable operational framework for various interventions and would also assist in periodic monitoring of the progress of the projects and disbursement of funds and finally the TA would formulate a Sustainability Roadmap for the Cluster detailing the exit strategy for the IA and the plan for business operations of the cluster beyond the project duration.

viii. TA to put in place a suitable business plan detailing the revenue model based on appropriate user fee, mechanism to collect it to enable the SPV to achieve the projected outcomes in terms of productivity, sales, employment, wages enhancement, overall income of the Cluster as projected in the DPR.

ix. TA should assist the IA/ SPV in engagement of a Design House/Designer with appropriate terms of reference and detailed scope of work for extending appropriate input of design, product processing, product development and proper packaging in consultation with NA, IA and other stake holders.

x. To assist the IA/ SPV in engagement of Business Development Services (BDS) providers, out sourcing/improving tools and equipment, developing strategies & best practices for credit linkage as far as possible.

xi. TA would advice IA/CDE for making plans for procurement of raw materials along with various micro and macro level tools and machineries and other processes as identified and mentioned under DPR. Tools/Kits and Charkhas/Implements may also be distributed among artisans as a part of Cluster Level Intervention as per DPR. TA should assist the IA in establishing a proper, appropriate and transparent system duly examined and vetted by the Cluster Level Committee for distribution of tools/ kits/ charkhas/ implements among artisans.

xii. TA will draw up a marketing strategy and detailed plan in consultation with NA and IA in regard to the following:

- a) Product development
- b) Packaging
- c) Product pricing
- d) Product positioning and promotion
- e) Product mix/ diversification
- f) Dealer/Distributor Network under offline marketing mode
- g) Tapping e-commerce for online marketing.
- h) Determining supply chain and logistics
- i) Ensuring quality of product and standardization
- j) Tapping the export potential through appropriate interventions

xiii. Miscellaneous activities that need to be ensured by I.A. shall require close supervision by TA:

- a) Awareness and exposure visit of artisans.
- b) Mandatory opening of Bank Account by Artisans under Jan Dhan Yojana.
- c) Health insurance of all the artisans under the cluster as applicable under KVIC rules (Jana Shree Bima Yojana & Rashtriya Swasthya Bima Yojana wherever applicable).
- d) Enrolling under Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) which will offer a renewable one-year life cover of Rs.2 lakh to all savings bank account holders in the age group of 18-50 years, covering death due to any reason, for a premium of Rs.330 per annum or as applicable.
- e) Enrolling under the Pradhan Mantri Suraksha Bima Yojana (PMSBY) which will offer a renewable one-year accidental death-cum-disability cover of Rs.2 lakh for partial/permanent disability to all savings bank account holders in the age group of 18-70 years for a premium of Rs.12 per annum per subscriber or as applicable.
- f) Issue of Aadhaar based Identity card to artisans mentioning the benefits, privileges, rights as well as their specific responsibilities along with necessary undertakings in regard to the implementation of the programme.
- g) The Atal Pension Yojana (APY) will focus on the unorganized sector and provide subscribers a fixed minimum pension of Rs.1,000, Rs.2,000, Rs.3,000, Rs.4,000 or Rs.5,000 per month, starting at the age of 60 years, depending on the contribution option exercised on entering at an age between 18 and 40 years. Pension and similar other financial benefits as applicable to be provided adhaar linked.



h) Periodic training of Artisans.

i) Self Help Groups (SHGs) members may also be extended to these general and miscellaneous supports as extended to the artisans under Cluster Programme.

xiv. TA shall assist IA/SPV in organizing and planning Business Development Strategies, buyer-seller meet and implementation of thematic intervention focusing on branding, e-marketing, new media marketing, innovation, research and development etc. for smooth running of Clusters.

xv. Assisting the SPV in mobilizing additional funds for the project. This would involve preparation of proposals under relevant schemes of the Government apart from tying up loans from the banks.

xvi. TA shall facilitate linkages between the SPV and various other stakeholders, particularly the Government organizations, buyers and financial institutions.

xvii. TA will facilitate in the identification of suitable Technical Consultants in designing appropriate technologies for the cluster within the allocation ceiling for the respective type of cluster.

xviii. TA will plan out in consultation with NA to frame the training requirement of artisans and stake holders and grouping their requirements as per the need of the clusters. Accordingly, the TA will assist in the identification of training institutions will be done in defining the courses duration, fees and other necessary requirement as per the cluster.

xix. Assist the NA for seeking and obtaining approval if any from the State Governments/UTs before submission of DPR to the SSC for final approval.

xx. TA shall create appropriate system for online reporting of progress reports to Nodal Agency and to the Ministry of MSME on monthly and quarterly basis.

xxi. Any other work assigned from time to time by the NA, Ministry of MSME, for timely completion of project, any changes in nature of intervention, any sorts of addition/alternation in the implementation programme, etc. that may come at any point of time during the project period should very well be considered by TA for execution without any additional cost.

xxii. At the end of the Project, TA shall prepare proper documentation covering the entire activities, preparation of case studies and photo/video documentation along with an end-project report articulating the outcomes in terms of

productivity and sales. Listing out the outcomes achieved against the targets fixed at the beginning of the project will also be done.

xxiii. Formulate an exit strategy for the IA and prepare a sustainability roadmap for the Cluster with a business plan for the next five years beyond the project duration.

xxiv. Empanelled TAs are permitted to identify suitable IA.

xxv. TA shall have to act diligently to ensure compliance to all Rules and Regulations, as required for the proposals at the DPR stage in order to obtain final approval from the SSC.

4.4. The fee will be paid by the NA to the TA on per cluster basis; the scheme will encourage a success fee based model, linked to milestones achieved.

### ***5.3 Engagement and appointment of TAs***

As a large number of clusters located in various parts of the country, need to be covered under the program in a time-bound manner; it is required to empanel as many technically competent cluster development organizations as possible, as a pool of Technical Agencies (TAs) to assist in the implementation of the projects.

**5.3.1** The TAs will be shortlisted by NA based on technical evaluation of their proposals, mostly in terms of-

- i. Net worth of the organization;
- ii. Organizational experience in implementing projects of similar nature specially artisans and micro-enterprise based developmental initiatives;
- iii. Competence of personnel and team;
- iv. Geographical presence; and
- v. Any other parameter as deemed fit by the NA/SSC.

Based on the above criteria, TAs would be appointed and assigned to specific clusters. Any other eligible institution may approach the Ministry of MSME or any of the Nodal Agencies for enrolment as a TA and the SSC shall be the final authority for due approval of the proposal for appointing any institution with eligibility and competence. It may be noted that TAs will be grouped at the cluster

level whereby a single TA can be assigned to multiple clusters, not exceeding 50 clusters per TA.

## 6 FINANCIAL ASSISTANCE

6.1 The cost of project shall include hard interventions and soft interventions. The project cost shall also include the cost of services of a professional TA and costs incurred by the IA for engaging a competent CDE and other administrative expenses incurred by the TA.

**6.2** The financial assistance provided for any specific project shall be subject to a maximum of Rs.5 (Five) crore.

Type of clusters	Per Cluster Budget Limit
Regular Clusters (upto 500 artisans)	Rs.2.50 crore
Major Clusters (more than 500 artisans)	Rs.5.00 crore

### 5.3 The funding pattern under the Scheme will be as under:

	Project Intervention	Scheme Funding	Financial Limit	IA Share
A	Cluster Interventions			
A1	Soft Interventions including skill trainings, capacity building, design development	100%	10% of the amount of Hard Intervention (HI) or Rs. 25 lakh, whichever is less.	Nil
A2	Hard Interventions (HI) including CFCs, RMBs, training centres, etc. *	90%	-	10% of Hard Intervention as own contribution in cash.
B	Cost of TA	100%	8% of the amount of Hard Intervention (HI) or Rs. 30 lakh,	Nil

			whichever is less.		
C	Cost <sup>1</sup> of IA/SPV including CDE #	100%	8% of the amount of Hard Intervention (HI) or Rs. 20 lakh, whichever is less		Nil

\*95%:5% in case of North Eastern Region (NER), J&K and hilly states.  
(IA/SPV may deposit their share in a phased manner with minimum 25% in a single installment as per the satisfaction of NA.)

# This includes remuneration of Cluster Development Executive (CDE) and other expenses incidental for a period of 3 years.

## **7 Technical criteria**

The Board's requirements to become eligible for TA are as follows:

- Should have proven and demonstrable experience, expertise and resource in providing consultancy/ supervisory services for holistic and integrated development of clusters.
- Should have experience of working and development of the Coir or similar MSME sector.
- Should have experience of cluster development approach.
- Should have professionals with expertise in Coir/Similar textiles Industry, legal , company secretariat, project financing, infrastructure planning, capacity building, technology up-gradation, market development, institutional development, etc

- Should have reasonable experience in areas relating to arrangement of finance management of clusters, interaction with the Central and State Governments, etc
- Should have either pan India presence or strong presence in the Cluster State/Area

**Note:** The agency should furnish the relevant documents in support of the above along with the EoI.

## **8 Selection Process**

The TA shall be selected through Expression of Interest (EoI) with credentials in sealed cover to the Secretary, Coir Board, Coir House, M G Road, Kochi-16.

## **9 General terms and conditions of the work**

The selected Agency has to sign an Agreement with Coir Board for rendering satisfactory services and implantation of the clusters in a time bound manner.

The following terms & conditions shall apply in connection with the submission of EoI:

1. The SFURTI Guidelines will be a part of the ToR.
2. The Invitation for EoI is not an offer and is issued with no commitment. Coir Board reserves the right to withdraw the Invitation and change or vary any part thereof at any stage. Coir Board also reserves the right to disqualify any EoI, should it be so necessary at any stage.
3. Coir Board reserves the right to withdraw this Invitation of EoI if it determines that such action is in the best interest of the Board.
4. Timing and sequence of events resulting from this Invitation shall ultimately be determined by Coir Board.
5. The applicant shall have no claims whatsoever against Coir Board arising out of, or relating to this Invitation of EoI or these procedures (other than those arising under a definitive service agreement with the applicant in accordance with the terms thereof).
6. Applicant who are found to canvass, influence or attempt to influence in any manner the qualification or selection process shall be disqualified from the process at any stage.
7. By submitting a proposal, each applicant shall be deemed to acknowledge that it has carefully read all the conditions and limitations.

8. The applicant's proposals in the EoI document will be evaluated as per the requirements specified in the Invitation of EoI and adopting the qualification criteria spelt out in this Invitation.
9. Coir Board reserves the right to short list the parties responding to this notice on the basis of the evaluation of the EoI. Submission of more than one EoI by the same party will be a disqualification.
10. The firm may be **blacklisted** for further business with Coir Board owing to non performance of satisfactory and timely service.

#### **10. Mode of submission of Expression of interests**

**Documents in electronic form will not be accepted.** The EoI along with all credentials in sealed envelope superscribing the title "**Expression of Interest as Technical Agency for SFURTI**" should be submitted to The Secretary, Coir Board , "Coir House, M.G,Road, Cochin- 682016.

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