

# Comprehensive Handloom Cluster Development Scheme (CHCDS)

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**In News:** Since it is not feasible to hold conventional marketing events such as exhibitions, melas, etc. due to COVID-19 pandemic, the Handloom Export Promotion Council (HEPC) took initiative to virtually connect the Handloom Weavers and exporters from different corners of the country with the International Market.

## About CHCDS

- **Ministry:** Ministry of Textile
- **Duration:** The project duration is 5 years
- **Project Approval:** The Detailed Project Report (DPR) shall be considered and approved by the Project Approval And Monitoring Committee .
- **Monitoring :**At the cluster level, the project will be monitored by the Board of Directors of the SPV, which shall also comprise District Magistrate of the area, representative of financial Institution, exporter, designer, State Directorate of Handloom & Textiles, Officer In-charge of Weavers Service Centre and representative of the office of the Development Commissioner (Handlooms). At the Hq. level, each project will be monitored by the Project Approval And Monitoring Committee , chaired by Secretary (Textiles)
- **Eligibility :** MSMEs operating in the Handloom Sector are primarily eligible under the scheme. The clusters as per the provisions mentioned in the document are eligible for the grant.

**The broad objectives of the scheme would be as follows:**

- To empower handloom weavers and build their capacity to enhance competitiveness of their products in the domestic as well as global market in a sustainable and reliant manner;
- To facilitate collectivization of handloom weavers and service provides for procurement, production, marketing and other support activities to promote sustainable growth and diversification;
- To give a proper thrust to design development through creation of design studio and involvement of professional designers,
- To involve professional marketing chains and marketers to identify the items of production to meet the changing demands of the market,
- To provide requisite support/linkages in terms of adequate core & technical infrastructure, technology, product diversification, design development, raw material banks, marketing & promotion, credit, social security and other components that are vital for sustainability of weavers engaged in the handloom sector;
- To provide for development of handloom clusters in an inclusive and holistic manner in an environment of empowered and participative decision making;
- To encourage convergence of schematic assistance and support services from various schemes and programmes of various government and other agencies in the cluster to optimize resource utilization for betterment of the livelihood, quality of life of handloom weavers and increase income level of the weavers.
- Public Private Partnership (PPP) model in the form of collaboration between the Government, beneficiary weavers & their group, financially creditworthy & commercially linked marketing enterprises and the financial Institutions

## **Project Components**

- Diagnostic Study and formulation of Detailed Project Report (DPR)
  - Diagnostic survey of the identified handloom concentrated area is the prime requirement for ascertaining the needs of specific interventions required for making the handloom concentrated area self-sustainable.
- Formation of Consortium/SPV – Mobilization of weavers
  - With introduction of economic reforms through liberalization, privatisation and globalisation, India has entered into a new era of economic development and therefore, formation of Consortium/SPV Empowerment programme for handloom weavers is necessary by making them active entrepreneurs-cum primary stakeholders of development and bringing them to a visible platform
- Technology Up-gradation
  - Design Development and Technology Up-gradation in the handlooms sector is entirely different from that of small-scale industries.
- Corpus for Raw material
  - The handloom industry in India consumes a diverse range of yarns from natural viz. cotton, wool, silk, jute to artificial viz synthetic, cellulose and multiple blends of such yarns to produce different varieties catering to the needs of the different segments of the society both in the domestic and overseas market.
- Credit for working capital
  - Requirement of credit including, margin money, interest subvention, credit guarantee fee etc. in the mega handloom clusters will be met out from Revival, Reform & Restructuring Package for handloom sector
- Market Development
  - Merchandising the Marketing has been recognized as

being central to the growth and development of the handloom sector in India.

- Exports
  - The export of handlooms plays a pivotal role in the Indian economy and accounts for a major foreign exchange earner for the country.

### **Advantages Of The Proposed Scheme**

- Sustenance of employment of weavers in the handloom sector;
- Increase the number of working days in a year;
- Encourage diversification in production to suit the changing market demand both at domestic and international levels;
- Substantial increase in production;
- Reduce the cost of production by way of improvement in infrastructure and augmenting inputs supply;
- Foreign exchange earnings through exports;
- Increase the level of earnings of the handloom weavers;
- Improve standard of living of the handloom weavers.

### **Handloom Export Promotion Council (HEPC)**

- Is a nodal agency constituted under “The Ministry of Textiles
- Aim: To promote exports of all handloom products like fabrics, home furnishings, carpets, floor coverings, etc.
- HEPC was constituted in 1965 with 96 members and its present membership is around 1500 spread all over the country.
- Object: To provide all support and guidance to the Indian Handloom exporters and International buyers for trade promotion and international marketing.
- HEPC organizes / participates in International Trade fairs, Buyer Seller Meets in India and abroad &

seminars.