

SFURTI

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SFURTI – Scheme of Fund for Regeneration of Traditional Industries

Source: *Press Information Bureau*

It was launched by The Ministry of Micro Small and Medium Enterprises (MSME) in the year 2005 with a view to **promote Cluster development.**

As per the revised guidelines, the following schemes are being merged into SFURTI:

1. The Scheme for Enhancing Productivity and Competitiveness of Khadi Industry and Artisans
2. The Scheme for Product Development, Design Intervention and Packaging (PRODIP)
3. The Scheme for Rural Industries Service Center (RISC) and
4. Other small interventions like Ready Warp Units, Ready to Wear Mission, etc

Objectives of the scheme

- 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;
- To provide sustained employment for traditional industry artisans and rural entrepreneurs;
- 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;
- To equip traditional artisans of the associated clusters with the improved skills and capabilities through training and exposure visits;

- To make provision for common facilities and improved tools and equipment for artisans to promote optimum utilization of infrastructure facilities;
- 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;
- 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
- 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;
- To ensure convergence from the design stage with each activity of the cluster formation and operations thereof.
- To identify and understand cluster's target customers, understand their needs and aspirations and develop and present product lines to meet the requirement. Substantial focus should be on the buyer segment that places a premium on natural, eco-friendly, ethically sourced and the uniqueness of the Khadi and VI products.
- 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.
- 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.
- 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.

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

Criteria for Selection of Clusters

- The selection of clusters will be based on their geographical concentration which should be around 500 beneficiary families of artisans/micro enterprises, suppliers of raw materials, traders, service providers, etc., located within one or two revenue sub-divisions in a District (or in contiguous Districts).
- The clusters would be from khadi, coir and village industries, including leather and pottery.
- The potential for growth in production and generation of employment opportunities will also be considered in selecting clusters under SFURTI.
- The geographical distribution of the clusters throughout the country, with at least 10 per cent located in the North Eastern region, will also be kept in view while selecting clusters

Nodal Agencies for the scheme are;

- Khadi and Village Industries Commission – for Khadi and Village Industry clusters
- Coir Board – Coir based clusters

Implementing agencies:

Implementing Agencies (IAs) would be

- Non-Government organizations (NGOs).
- Institutions of the Central and State Governments and

- semi – Government institutions,
- Field functionaries of State and Central Govt.
 - Panchayati Raj institutions (PRIs), etc. with suitable expertise to undertake cluster development.

One IA will be assigned for only one cluster (unless it is an agency with State – wide coverage). The selection of IAs, based on their regional reputation and experience of working at the grass – roots level, will be done by the Nodal Agencies (NAs), on the basis of transparent criteria