

Scheme for Integrated Textile Parks Scheme (SITP) A Discussion Paper



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Key Facts

- India is the world's second largest producer of textiles after China. The Textile Industry occupies a vital place in the Indian economy, contributing to 14% of the total industrial production, about 30% of total exports, and 13.50% of the total export earnings¹.
- The textile Industry is also a valuable employment generator providing direct employment to over 38 million persons thereby making it the second largest employment providing sector after agriculture². It contributes to 21% of the total employment generated in the country's economy. In addition, indirect employment including the manpower engaged in agricultural based raw material production like cotton and related trade and handling can be further stated to be around another 60 million³.
- Realising the criticality of the textile industry in the Indian economy, and an urgent need for a revamping of its policies, the Ministry of Textiles, undertook a review of its schemes and promulgated a new and more comprehensive 'Scheme for Integrated Textiles Parks (SITP)' in 2005.
- The Scheme integrates the earlier formulated Apparel Parks for Exports Schemes (APES) and the Textiles Centre Infrastructure Development Scheme (TCIDS) with the introduction of new features, the highlight being the industry being given the prominence in its management and promotion over the state government as against in the earlier formulated schemes.
- Industry associations/groups are the main promoters of the ITPs. Special Purpose Vehicles (SPVs) developed under the scheme possess an operational autonomy so as not to become surrogate public sector enterprises or be controlled by centra or state governments.
- The Scheme also provides for the fund provision in 'advance' as installments, which was not so in earlier schemes which only provided for a process of 'reimbursements'.
- The scheme facilitates an easy funding in three installments- a.) first installment of 30% as advance, b.) two additional installments of 30% and the c.) last remaining 10% after the completion of the project and the initiation of at least 1/4th of the total production capacity of the park.
- The National Policy on Safety, Health and Environment at Workplace was declared in February 2009 seeking to cover the formal and informal sectors. The policy does not have detailed guidelines to enable enforcement of health and safety at workplace.
- The ITPs may also be set up in the Special Economic Zones (SEZs), in which case the special provisions of SEZs would be applicable for them⁴.
- Each integrated textile park is proposed to normally have at least 50 units with a total estimated investment of Rs. 750 crore, and on average, shall provide employment to 20,000 persons. It is thus estimated at the time of initiation that the scheme would facilitate creation of 5 lakh new jobs.
- As on date, 40 ITPs were sanctioned under the scheme, and 7 parks have so far been inaugurated.

¹<http://www.fibre2fashion.com/industry-article/2/104/indian-textile-industry-an-overview1.asp>

²http://planningcommission.nic.in/plans/stateplan/upsdr/vol-2/Chap_b3.pdf

³<http://www.oppapers.com/essays/Textile-Industry-In-India/714304>

⁴<http://www.ap-apparelpark.com/SITP.pdf>

- The total budget outlay for the SITP scheme during the financial year 2012-13 is Rs. 132 crore which is about 1.9% of the total budget outlay of the Ministry of Textiles⁵.
- Including the budget outlay for 2012-13, Rs. 2400 crores have been allocated to the scheme since its inception in 2005⁶.

Background

- Obsolete technologies and lack of productive economies have been persistent impediments to the productivity, quality and cost effectiveness in the textile sector, despite it having a distinctive and inherent advantage in being resource surplus, and an exposure to progressive technologies. Infrastructural and policy bottlenecks in addition have further obstructed the smooth progress of the sector.
- Multi Fibre Agreement that expired in 2004, provided an impetus in providing an international market to the textiles and handicrafts produced in the developing countries. Realizing the importance of the industry in the country's economy and to exploit the inherent advantage presented by the post Multi Fibre Arrangement scenario, the Apparel Parks for Exports Schemes (APES) and the Textiles Centre Infrastructure Development Scheme (TCIDS) were launched in 2002.
- Where the objective of APES was to create exclusive export zones of apparel manufacturing, TCIDS targeted modernization and filling in of the gaps in the existing infrastructure at the major textiles centers, so as to remove the impediments in production.
- Under the APES scheme, the Central Government provided a grant of up to 75% or Rs 10 crore of capital expenditure incurred by the state government on the infrastructural facilities of the apparel parks, while the remaining 25% is borne by the agency. Under the TCIDS scheme up to 50% (maximum Rs 20 crore) of the critical components of the project was provided.
- A government study initiated to examine the implementation of these schemes further concluded that the programmes/schemes have not been successful in evoking adequate interest among the entrepreneurs. It was further noted that "There was a design defect in these schemes as these were implemented on the initiative of state governments without the assurance of interest among entrepreneurs".
- Therefore, both the Apparel Park and the TCIDS schemes were subsumed into a new scheme called the 'Scheme for Integrated Textile Park' in 2005.
- Public Private Partnership (PPP) model has served the foundation model in the formulation of the scheme.

The Scheme and its Objectives

- The SITP scheme was promulgated to effectively address the infrastructure needs of the textile industry. The Scheme targets industrial clusters/locations with high growth potential, requiring strategic interventions through providing world class infrastructure support. Besides increasing the subsidies provided under the earlier schemes (TCIDS), the parks set up under this scheme would incorporate facilities for spinning, sizing, texturing, weaving, processing, apparels and embellishments. Infrastructure facilities like compound walls, communication lines, warehousing facilities, raw material depots, canteens, workers' hostels, etc are also covered under SITP. Captive power plants to address the power needs of the units have also been included, which were not there under the TCIDS and APES⁷.

⁵indiabudget.nic.in/ub2012-13/eb/po.doc

⁶Outcome Budgets, Ministry of Textiles from 2005-06 to 2011-12

⁷<http://www.expresstextile.com/20050930/perspectives01.shtml>

- The project cost will cover common infrastructure and buildings for production/support activities (including textiles engineering, accessories, packaging), depending on the needs of the ITP.
- The primary objective of the SITP is to provide industry with world class infrastructure facilities for setting up their textile units. The scheme would further facilitate textile units to meet international environmental and social standards.
- This scheme also seeks to create new textile parks of international standards at potential growth centres, for which it envisages engaging a panel of professional agencies for project identification and execution.
- The aggregate investment in the land, factory buildings and Plant and Machinery by the entrepreneurs in a park shall be at least twice the cost of common infrastructure proposed for the park.
- The ITPs may also be set up in the Special Economic Zones (SEZ), in which case the special provisions of SEZ's would be applicable to them. An ITP may also be declared as SEZ with a proposal to the Ministry of Commerce and Industry.
- The Scheme is coterminous with the 11th Plan period (2007-12).
- 30 projects were sanctioned under the Tenth Five Year Plan and can be classified state wise as: Andhra Pradesh (4), Gujarat (7), Maharashtra (6), Tamil Nadu (6), Rajasthan (4), Karnataka (1), Punjab (1) and West Bengal (1). These parks set up till 2008 with an additional investment of Rs. 15,434.60 crore, were expected to generate an annual production of Rs. 23,600 crore, and create more than half a million new jobs⁸. The list of the parks established so far under the scheme is provided under Annexure 1

Process, Policies and Directives

- The Ministry of Textiles will implement the SITP through Special Purpose Vehicles (SPVs).
- Industry associations/groups are to be the main promoters of the ITPs.
- The Government's support under the scheme by way of grant or equity will be limited to 40% of the project cost subject to a ceiling of Rs. 40 crore, and this could be given as grant or equity to the SPV. However, the combined equity stake of the Central Government/State Government/State Industrial Development Corporation would not exceed 49%.
- While 30% of the total Central Government share will be released in advance immediately after approval of the project by the Project Approval Committee (PAC), the second installment of 30% would be released after utilization of the first installment and after proportionate expenditure has been incurred by the SPV and a utilization certificate for the same has been submitted by the SPV.
- The third installment of 30% would also be released in a similar manner.
- The remaining 10% of the Central Government share will be released after the successful completion of the project and after 25% of the units in the ITP have started their production. The SPV will further need to submit a utilization certification of the third installment while availing the last installment.

⁸www.indiantextilejournal.com/Content/november2007viewpoint.as

Structure and Component of the Integrated Textile Parks

- At each ITP, there would be a separate **Special Purpose Vehicle (SPV)** formed with the representation of local Industry, Financial Institutions, and the State and Central Governments. SPV shall invariably be a corporate body registered under the Companies Act and would conceptualize, formulate, achieve and implement financials, and manage the park infrastructure.
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- **Ministry of Textiles** shall also appoint a panel of professional agencies, having a considerable experience and expertise in the area of infrastructure development, as Project Management Consultants (PMCs) for implementing the Scheme, and who would be responsible for the speedy and timely implementation of the Projects in a transparent and professional manner including the monitoring and submission of periodical reports to the Ministry of Textiles.
- **The respective State Governments** function to provide all the requisite clearances, wherever needed, for setting up the ITP and also the necessary assistance for Power, Water and other utilities to the ITP, besides providing a flexible and a conducive environment for workforce and consider special facilities like exemption of stamp duty etc. for the units located in the ITP. The State Governments role is further highlighted in ensuring synergies between other related schemes for overall effectiveness and efficiency of the project.
- The project proposals shall be considered and sanctioned by a **Project Approval Committee** headed by the Secretary (Textiles).
- **Project Formulation:** The project proposal shall be formulated by a PMC after conducting a diagnostic study of the requirements of common facility and infrastructure in the specific location and based on demand and potentiality. The ongoing projects sanctioned under the TCIDS/APES will continue to be provided Government assistance, as per the provisions of the respective scheme, out of the budget provision for SITP.

Funding Pattern

- The total project cost shall be funded through a mix of Equity/Grant from the Ministry of Textiles, State Government, State Industrial Development Corporation, Industry & Project Management Consultant and Loan from Banks/ Financial Institutions.
- However, GOI support will be provided @ 90% of the project cost subject to a ceiling of Rs. 40 crore for first two projects in the States of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Tripura, Sikkim and Jammu & Kashmir.
- Release of Funds: The following schedule will be adopted for release of GOI share to the SPV.
- 30% of the total GOI share in advance immediately after approval of the project by PAC. However, before the 1st installment is released, it would be seen that the project has been appraised by the Financial Institution as a bankable project and the land for the ITP has been procured by the SPV.
- 30% of the total GOI share after the utilization of the 1st installment and after the proportionate expenditure (i.e. 30% of the share of SPV) has been incurred by the SPV. Utilization Certificate (UC) of the 1st installment shall be submitted by the SPV at the time of making claim for the 2nd installment.
- 10% will be released after successful completion of the project and after 25% of the units in ITP have started their production. The UC of the 3rd installment shall also be submitted by the SPV at the time of making claim for the final installment.

- User charges would be fixed for various facilities and services by SPV. There shall be full recovery of Operational & Maintenance (O&M) costs through user charges.
- The recovery by way of lease rentals shall accrue to the SPV for plough back for future expansion.

The Parks

Progress

In the 10th Five Year Plan, 30 Integrated Textile Parks were sanctioned under the SITP. The Government then decided to continue the Scheme for Integrated Textiles Park (SITP) during the 11th Five Year Plan and sanctioned 10 additional parks taking the tally to 40 textile parks, when a notification was issued by Government with a sanction of additional 21 parks out of a list of 55 proposals received by it. These parks are sanctioned in different states of India in two stages as under:

Stage-1 Andhra Pradesh (5), Gujarat (7), Karnataka (1), Madhya Pradesh (1), Maharashtra (9), Punjab (3) Rajasthan (5), Tamil Nadu (8), and West Bengal (1).

The ministry approved 40 projects costing Rs. 4133.09 crore and sanctioned grant for it under SITP of Rs. 1419.69. Out of the 40 projects approved under the SITP, 25 are operational across the country. (Annexure 1)

Stage-2 Maharashtra (6), Rajasthan (4), Tamil Nadu (2), Andhra Pradesh (2), Uttar Pradesh (1), Gujarat (1), Tripura (1), Himachal Pradesh (1), Karnataka (1), Jammu & Kashmir (1), West Bengal (1).

The new parks are going to be set-up over a period of 36 months with a development cost of Rs. 2100 crore; would attract an investment of over 9000 crores generating an employment of five lakh workers⁹.

The guidelines of the scheme do not provide for special emphasis for any activity. However two handloom parks for the Ikat Handloom products in Andhra Pradesh and Kanchipuram Handloom Silk park in Tamil Nadu, and also a Block Printing park at Bagru-Rajasthan were sanctioned under the scheme. However, amongst these three activity based parks, only Pochampally Handloom Park could be commissioned so far (in November 2008), while Jaipur Integrated Texcraft Park at Bagru is expected to be commissioned by October 2012 and Kanchipuram Handloom Silk Park is projected to be commissioned by June 2013.

Formal inauguration of following parks has taken place so far -

- Pochampally Handloom Park was inaugurated in November 2008
- The Gujarat Eco Textile Park, at Surat, Gujarat inaugurated on Sept. 9, 2009
- Kannur Textile Park was inaugurated on 16 April 2010
- The Brandix India Apparel City Textile Park, Vishakhapatnam on May 3, 2010
- Doddabalapur Park near Bangalore was inaugurated on 2nd July 2010
- Madurai Integrated Textile Park was inaugurated on 18 Dec. 2010
- Karur Textile Park was inaugurated on 26 Feb. 2011

Out of the above list of commissioned and/or ready textile parks, most relevant parks for Switch Asia project which have similar characteristics in terms of processing of textiles & technology applied are:-

⁹<http://pib.nic.in/newsite/erelease.aspx?relid=76869>

Jaipur Integrated Texcraft Park Pvt. Ltd.	Bagru, Rajasthan	Hand Block, Screen Printing, Garmenting, Made-ups
Madurai Integrated Textile Park Ltd.	Madurai, T.N.	Composite Park comprising of Weaving, Processing & Garmenting.
Karur Integrated Textile Park	Karur, T.N.	Weaving and made up units for Home Textiles
Baramati Hi Tech Textile Park Ltd.	Baramati, Maharashtra	Garmenting, Technical Textile & Home furnishing.
Gujarat Eco Textile Park Ltd.	Surat, Gujarat	Weaving, Processing & Technical Textiles.
Mundra SEZ Textile & Apparel Park Ltd.	Kutch, Gujarat	Spinning, Weaving, Garmenting, Technical Textiles & Composite Units.
Pochampally Handloom Park Ltd.	Pochampally, A.P.	Handloom Weaving including Yarn Processing, Dyeing, Preparatory, etc.
Brandix India Apparel City Private Ltd.	Vishakhapatnam, A.P.	Spinning, Yarn Processing (Dyeing, Weaving Preparatory etc), Fabric Processing, Apparel Manufacturing
Doddabalapur Integrated Textile Park	Doddabalapur, Karnataka	Weaving, Sizing, Warping, Garmenting.

Some Case Studies from the Parks

The Consultant appointed by Traidcraft Exchange visited the Jaipur Tex-weaving Park Ltd. at Kishangarh (Ajmer), Gujarat Eco-Textile Park at Surat, Karur Integrated Textile Park Ltd. at Karur (Coimbatore), Dodaballapur Integrated Textile Park at Bangalore and Pochampally Handloom Park Ltd. at Pochampally (A.P.) over a period of 2.5 months and found the following good practices in some of the parks. Structured case studies would be further developed on these good practices.

Karur Textile Park, Coimbatore:

The Karur Textile Park Limited (KTPL) was inaugurated in March 2011 and became fully operational in June 2011. Established with an objective to make it a unique export zone for home textiles, the Rs 1.3 billion project is a highly sophisticated one and is one of the first of its kind in the country. The textile park generates direct employment for over 4,000 workers and indirect employment for 10,000 people. The park provides for a comprehensive infrastructure and social welfare facilities which includes a captive 5 MW grid connected wind power project which not only supplies power to the park units but also generates surplus, rain water harvesting mechanism, water aquifer recharging, effluent treatment (ETP) and water recycling plant with advanced drip irrigation system for plants in the park. The park also implements a comprehensive HR policy which provides for recruitment, training, and skill enhancement of the workers and their families through technical trainings. Social security/welfare benefits like provident fund (PF), free medication, crèche facilities, subsidized food and free transport facility are also provided to all in the park.

Dodaballapur Integrated Textile Park, Bangalore:

The Rs. 250-crore Dodaballapur Integrated Textile Park (DITPL) is designated as the first organized eco-friendly textile park in Karnataka and is expected to become one of the country's important powerloom cluster. The park comprises of 85 traditional handloom and powerloom manufacturing units earlier located inside the Bengaluru city. The park was inaugurated in July 2010 and provides for high end facilities like dyeing, warping (72,000 million tonne capacity), sizing (2,800 million tonne capacity) units and latest rapiers and jet-looms. The park is situated as a separate entity inside the larger Apparel Park having a operational Combined Effluent Treatment Plant (CETP) of 5 million litres/day capacity. The park seeks for optimum utilization of Central and State government schemes/incentives. The component units have even floated a private limited company for joint marketing to cater for domestic market.

Pochampally Handloom Park Limited:

With an aim to modernize the traditional Ikat weaving, the park with 38 promoters/shareholders had formed a private limited company to float the park. The park with 2000 plus looms under one roof has a capacity of producing 40 lakh metres of cotton and silk fabrics per annum. The park focuses on promoting indigenous technology and R&D to modernize operations through establishing synergies with government schemes such as Swarn Jayanti Gram Swarajgar Yojana (SGSY) to create a trained and skilled work force. The park has also developed a large in-house facility and 100% placement with a minimum assured income. The park also targets building a brand for domestic market to tap corporate gifting segment other than the retail markets concurrent with design up-gradation. The park also provides for the efficient employee friendly atmosphere for enhanced production. The promoters of the park hope to leverage on the GI mark to secure contracts for direct exports from the park and also to create awareness on Intellectual Property Rights for the weavers.

Gujarat Eco-textile park (GETP), Surat:

GETP is one of the 1st state-of-the-art eco-textile parks in India approved under the SITP scheme with focus on environment issues and is promoted by the Luthra Group of Companies. The park is expected to generate a turnover of Rs. 850 crore and provide employment to about 25000 people, when fully operational. The park became operational in a record time of less than three years. The Surat Textile Park is having a state of art centre of excellence for technical textiles units, processing units, high-tech weaving units, embroidery units and composite units. Infrastructural highlights includes a large eco-friendly (fuel conserving) Sequential Batch Reactor CETP with 60 mld capacity, 12 MW gas based captive power plant with subsidized power (@Rs.5.30 per unit as opposed to @Rs.7.80 per unit elsewhere) with steam cogeneration, rainwater harvesting at park and units level and also a water supply and storm water drainage system.

Gaps and Recommendations

Gaps

The SITP scheme in its essence and principle has been conceptualized in an effective manner and in its course of implementation has highlighted its suitability and amenability to the promotion of an organized and an integrated production platform for the textile sector. However, the scheme also has certain gaps and lacunae which if addressed would make this scheme a very effective tool to promote textile production in India to higher echelons. These gaps have been identified both at the policy level and the implementation level through discussions with the various stakeholders and are provided as under their respective categories.

Gaps at the Policy Levels:

Inadequate Support for Infrastructure for the Small and Medium Level Enterprises: The SITP scheme provides for the government grant of 40% with a ceiling of Rs. 40 crores towards the infrastructure costs. This support is provided without any regard to the variance among the sectors and their production capacities. The remaining 60% of the operation costs are to be borne by the units. These operation costs where on one hand can be met easily by the large units and/or the powerloom units given their high production capacities, on the other the small and the medium enterprises remain wanting in meeting these costs, and hence resort to loans, thrusting upon themselves an additional financial burden. This is one of the major lacuna which is identified and is preventing the small and medium enterprises to make adequate use of the scheme.

Inadequate marketing support: The SITP scheme in its current format is oriented only towards the development and establishing necessary infrastructure. This has inadvertently led to ignoring of the market linkages which should have formed an inherent component of the scheme. It is also felt that the SITP products should be promoted in Government procurement programs over and above usual MSME products. This will work as an incentive for those M/SMEs that have organized themselves under a common umbrella under the scheme while incurring extra costs on logistics, manpower and overheads for relocating away from the urban settlements. It will also go a long way to attract thousands of unorganized entrepreneurs (as a major chunk of M/SMEs are working in informal sector with compromising work conditions, causing pollution and many hazards) and laborers to organize and modernize themselves.

Inadequate for Capacity Building / Skill and technological enhancement & Research and Innovations: The SITP scheme has an inherent lacuna of being highly wanting in the sphere of providing avenues for the workers, SMEs for undertaking skill and capacity building, promoting their exposure to new and innovative technologies and in facilitating the development of such technologies so as to establish a regressive relationship between the production and the costs. This could have otherwise contributed immensely to increase not only the efficiency but also the qualitative and the quantitative enhancement of the production capacity. The scheme may also use the provisions to promote the adoption of new environmentally friendly technologies like low cost effluent treatment technology, adoption of renewable energy sources like Solar and wind energy and rain water harvesting etc. Provisions for identification and promotion of the traditional skills and indigenous knowledge of the weavers and artisans are also distinctively missing from the scheme provisions.

Inadequate incentives to facilitate the relocation of the industrial units: The scheme though has been very effective on ground in generating an interest for inclusion among the SMEs and the industrial units, yet is silent on the provisions and possible mechanisms to attract the proactive and an enthusiastic participation of the MSMEs for inclusion in the parks.

Gaps and Bottlenecks at the Implementation Level

Statutory Delays: Statutory delays form a major bottleneck of this scheme where the lack of coordination between the Central and the State governments, the requirement of multiple clearances and the inordinate delays in getting them has drastically obstructed the smooth implementation of the scheme. Moreover, the absence of uniform standards between the Central and the State governments further adds to the woes of the units interested in becoming a part of the scheme. An example of a Textile park in West Bengal would be worth mentioning to highlight this aspect. Though the standard timelines envisage getting all the clearances within 6 months, yet this park though envisaged in 1996, could not take practical shape even till 2005, and the production in the park is yet to start. Such kind of delays not only frustrate the MSMEs on one hand, but also promotes adoption of corrupt practices on the other.

Inadequate monitoring mechanism: In the absence of a regular monitoring mechanism for overseeing the progress of ITPs, many of these large infrastructural projects have been experiencing delays in commissioning causing all kinds of hardships to members involved while also escalating the project costs manifold. In addition to this there is a significant overlap with state authorities under whose jurisdiction the ITPs fall.

Inadequate to ensure the viability in working of the units participating in the scheme: As already indicated above, the lack of sector specific approach and the respective provisions for financial support has affected the structural viability and the operational sustainability of the units integrated under the scheme. Though this is a major lacuna at the policy level, yet its effects are more pronounced at the implementation level.

Individualistic tendencies among MSMEs: MSMEs at large are reluctant to share and interact with fellow MSMEs for the fear of losing their strengths to competitors. This is perhaps the reason that cluster and/or consortium approach is not very popular amongst the M/SMEs. The scheme offers an opportunity for these enterprises to come together and set examples in terms of forming consortia for many types of joint operations like procurement of inputs, skill training of manpower, marketing etc. While on one hand this measure can reduce costs of operations for all, on the other this can provide them with unseen opportunities which can be exploited together. A need is felt for a catalytic organization to sensitize MSMEs and do institution building to reap group advantages.

Recommendations

Following may be some of the steps which may be adopted in the policy and the implementation level to not only enhance the efficiency of the scheme, but also to envisage a proactive participation of the MSMEs -

- Adequate financial support should be provided to the Handicrafts and the Handlooms sector. So far out of the total 40 parks only 1 park is dedicated to the Handicrafts and 1 park to the Handlooms sector. The financial support for infrastructure may accordingly be modified to suit various sectors and in accordance with their production capacities and thus could be as:
 - a.) 40% for the larger units and the infrastructure
 - b.) 60% for the powerloom sector, and
 - c.) 70% for the Handloom and the Handicrafts sector
- 5% of the total financial allocations should be set aside as the fund support for facilitating market linkages and to develop the capacities of the MSMEs in meeting the challenges of the immensely competitive market oriented economy.
- 10% of the total allocations under the infrastructural support should be set aside as 'Innovation Development Fund' not only to promote R&D, but also for the skill enhancement of the artisans and the SMEs. This should also have a explicit component for promoting and developing the traditional and indigenous knowledge of the artisans and the weavers communities. The industry further stands to diversify in design to ensure quality output and technological advancement. The scheme should provide provisions to facilitate qualitative investment in research and development to develop new products, reduce transaction costs, reduce per unit costs and finally to improve its raw material base.
- Promoting and setting up efficient e-governance mechanism for project evaluation, approval appraisal, to avoid statutory delays. Adoption of a similar transparent accessible and time-bound IT-based consent management system may also be adopted.
- There exists a stark variance between the standards prescribed at the Central level and the State level. Establishing uniformity in the prescribed standards and procedures advocated for environmental compliance of the proposed projects at the Central and the state levels could be the main tool for ensuring efficacy in not only project management but also the project implementation. This standardization may also be adopted with regards to the documentation with specific provisions for regional applicability.

- Facilitating and forging partnerships – in equity, technology and distribution in overseas markets. The newer nuances of global apparel trade demand joint control of brand positioning, distributing and quality assurance systems.
- It is essential that the new consumer demands and expectations coupled with new techniques be extended to the market. E-commerce will unleash further new possibilities. This will demand a new mindset to eliminate wastes, delays, and avoidable transaction costs. Effective entrepreneur-friendly institutional support will need to be extended by the Government, business and umbrella organisations.

The Way Forward

The SITP scheme has been an effective step in the right direction developed as a suitable and amenable tool to address the needs of the MSMEs and the larger units alike besides generating a substantial employment source for the artisans and the weavers apart from ensuring a sustained income resource. This scheme has also been very effective in comprehensively addressing the bottlenecks being faced by the Indian textile industry.

A comparative analysis of the SITP scheme with the other cluster level schemes goes on to highlight the efficacy of the scheme in attracting the participation of the units. The efficiency of the scheme is further reflected that though the allocations in the SITP scheme is far less than the other comparable schemes, yet it has been able to meet its objectives effectively with regards to envisaging proactive participation, attracting investments from the industry, higher leverages from the governments, and in advocating and ensuring an effective 'Public-Private Partnership' module, even at the time of economic recession of 2008-10 and land constraints. A table on Comparative analysis of the different schemes is appended as Annexure 2. SITP scheme has been an exemplary illustration of a 'USER DRIVEN' approach, with the ownership of the industry and autonomy to the MSMEs.

Despite the inherent positivity of the existing SITP scheme, there are certain areas which may be improved as the way forward.

The scheme could adopt a thematic approach with specific focus on facilitating Processing (gaining concordance between the units inside and outside the parks), an increased emphasis on the Handicrafts and the Handloom sectors and to expand the Power loom sector with better infrastructure. The implementation of the scheme should also be made objective and target oriented towards developing capacities, prompting research and innovations and establishing effective and sustainable market linkages. At large the MSME communities seem to be unaware of their own strengths and also about the opportunities available in terms of increasing their competitiveness, efficiency and appeal of their goods. All this can be achieved through focusing on 'Sustainability' in every aspect of their operations.

An independent allocation as 'Innovation Development Fund' could also work wonders for a rapid advancement of the scheme. In addition to sensitizing MSMEs and building their capacities to reap advantages of the well conceived scheme of SITPs, the project can also play an effective role by advocating the cause of MSME development to the Government. It would further ensure innumerable opportunities for generating mass awareness about sustainable textiles by sensitizing consumers to demand products that are made by practicing sustainable production techniques, thus causing least damage to the environment and to the mankind/society at large.

These steps would go a long way in ensuring the progression of not only the scheme but also revolutionize the Indian Textile sector for better.

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