

Indian Footwear and Leather Development Programme (IFLDP) approved for continuation with an outlay of Rs. 1700 Crore

Sustainable Technology and Environmental Promotion to receive big boost under the Indian Footwear and Leather Development Programme(IFLDP)

Renewed focus to be placed on integrated development of the leather sector

IFLDP to enable the creation of world-class infrastructure to cater to the domestic market and exports

10 Indian footwear design studios to be developed under IFLDP

Brand Promotion of Indian Brands in Leather and Footwear Sector to be one of the major focus areas

From 2017-2020, IFLDP succeeds in skilling more than 3.24 lakh persons

Indian Footwear and Leather Development Programme (IFLDP) (erstwhile IFLADP) has been approved for continuation from 2021-22 with an approved financial outlay of Rs. 1700 crore. IFLDP has been approved by the Union Cabinet on 19.01.2022 as continuation of the erstwhile IFLADP till 31.03.2026 or till further review, whichever is earlier.

Indian Footwear and Leather Development Programme(IFLDP) aims at development of infrastructure for the leather sector, address environmental concerns specific to the leather sector, facilitate additional investments, employment generation and increase in production.

1. The following sub-schemes have been approved under IFLDP during 2021-26:-

(i) Sustainable Technology and Environmental Promotion (proposed outlay Rs.500 crore):- Special Purpose Vehicle constituted for each CETP would be provided assistance @ 80% of the total project cost for Northeastern Areas with industry's/beneficiary share to be 20% of the project cost and @ 70% of the total project cost for other areas with industry's/beneficiary share to be 30% of the project cost with a limit of Rs.200 crore.

(ii) Integrated Development of Leather Sector (IDLS) sub-scheme (proposed outlay Rs.500 crore):- Assistance would be provided to the sectoral units for their modernization/capacity expansion/technology upgradation on or after 01.01.2020 @30% to MSME units and 20% to other units. Financial assistance is being proposed to North Eastern Areas also @40% of cost of plant & machinery to MSME units and 30% of the same to other units with additional 5% financial assistance for the domestically manufactured plant and machinery. Maximum assistance will be provided upto Rs.15 crore per product line keeping in view 5 times increase in upper limit of investment in Plant and Machinery by MSME

(iii) Establishment of Institutional Facilities (proposed outlay Rs.200 crore):- Setting up of International Testing Centre, Sports Complex, replacement of conventional light fixtures with LED lights and construction of girls hostel in FDDI campuses are planned.

(iv) Mega Leather Footwear and Accessories Cluster Development (MLFACD) sub-scheme (proposed outlay Rs.300 crore):- The sub-scheme aims at world-class infrastructure and to integrate the production chain in a manner that caters to the business needs of the leather and footwear industry so as to cater to the domestic market and exports.

Graded assistance is proposed to be provided @50% of the project cost or @70% of the project cost in Northeastern areas, for land development, core infrastructure, HRD and social infrastructure, production facilities including ready to use sheds with plug and play facility, R&D support and export services excluding cost of land with maximum Government assistance being limited to Rs. 125 crore.

(v) Brand Promotion of Indian Brands in Leather and Footwear Sector (proposed outlay Rs.100 crore):- The GoI assistance is proposed to be 50% of total project cost subject to limit of Rs 10 crore for each brand in next three year to promote 10 Indian brands in the International Market in 3 years. The designated agency to implement the sub-scheme is being proposed to be selected amongst institutes like NID, NIFT, IBEF, IIFT or Institutes of similar standing.

(vi) Development of Design Studios (proposed outlay Rs.100 crore):- This is a new sub-scheme. Assistance would be provided to develop 10 Indian design studio. The studios will promote marketing/export linkages, facilitates buyer- seller meets, display designs to international buyers and work as interface for the trade fairs. Design Studios will be kind of 'one-stop- shop' providing a wide range of services: design, technical support, quality control etc. Institutes like FDDI, CLRI, NID, NIFT, IBEF, IIFT or institutes of similar standing or any large units of the industry or group of industry would be the implementing agencies.

2. Total approved outlay (Component –wise and Year-wise)

(Rs. In crore)

Sl. No.	Name of Sub-scheme	2021-22	2022-23	2023-24	2024-25	2025-26	Total (upto 2021-26)
1	Mega Leather Footwear and Accessories Cluster Development(MLFACD)	50.00	50.00	50.00	50.00	100.00	300.00
2.	Integrated Development of Leather Sector (IDLS)	100.00	100.00	100.00	100.00	100.00	500.00
3.	Sustainable Technology and Environmental Promotion (STEP)	140.00	100.00	100.00	100.00	60.00	500.00
4.	Promotion of Indian Brands in Leather and Footwear Sector	16.00	24.00	33.00	18.00	9.00	100.00
5.	Development of Design Studios	16.00	24.00	33.00	18.00	9.00	100.00
6.	Establishment of Institutional Facilities	90.00	25.00	25.00	30.00	30.00	200.00
	Total	412.00	323.00	341.00	316.00	308.00	1700.00

4. Achievements of erstwhile IFLADP 2017-21

The sub-scheme wise details of activities undertaken under erstwhile IFLADP (as on date) is summarized as below:-

(a) Human Resource Development sub-scheme-During the period 2017-18 to 2019-20, primary skill development training has been provided to 3,24,722 unemployed persons and 2,60,880 trainees provided placement in leather & footwear sector. 12947 workers were provided skill upgradation training in 2019-20.No training could be conducted during 2020-21 due to COVID-19 Pandemic.

(b) Integrated Development of Leather Sector-During the period 2017-18 to 2020-21, financial assistance amounting to Rs. 307.84 crore provided for modernization and technology up-gradation of 714 units in leather & footwear sector.

(C) Mega Leather Footwear and Accessories Clusters sub-scheme-The Department has approved the project for setting up of MLFAC at Calcutta Leather Complex, Bantala, Kolkata with project cost of Rs. 178.84 crore and GoI assistance of Rs. 89.42 crore. 'In-principle' approval has been accorded for the proposal for setting up of MLFAC at Ramaipur, Kanpur Nagar, Uttar Pradesh with tentative proposed cost of Rs. 451 crore.

(d) Leather Technology Innovation and Environmental Issues sub-scheme- Approval has been accorded for upgradation of twelve Common Effluent Treatment Plants (CETPs) at Dindigul, Ranipet, Ambur, Vaniyambadi, Vellore, Pallavaram, Trichy, Erode districts of Tamil Nadu, Jalandhar (Punjab) and Bantala (Kolkata). As on date, financial assistance amounting to Rs. 132 crore has been released in respect of ten CETP projects with total GOI assistance of Rs.284 crore. Rs.152 crore is the committed liability which would be released in the coming years.

(e) Establishment of Institutional Facilities sub-scheme- Approval has been granted for up-gradation of seven Footwear Design and Development Institute (FDDI) campuses located at Noida, Chennai, Hyderabad, Jodhpur, Patna, Kolkata and Rohtak into Centres for Excellence (CoEs) with total project cost of Rs. 129.62 crore. First installment of funds amounting to Rs 38.88 crore (30% of total project cost) has been released to Footwear Design and Development Institute. Rs.90.76 crore is the committed liability which would be released in the coming years.

(f) Promotion of Indian Brands in Leather and Footwear Sector- Five applications for financial assistance were received by the Department. The 'Designated Agency' for evaluation of proposals could not be appointed as no specific criteria were mentioned in the guidelines and hence the scheme could not take off.

(g) Additional Employment Incentive in Leather, Footwear and Accessories sector

An online portal has been implemented for receiving applications. Total 48 applications have been received under the sub-scheme by the implementing agency i.e. Footwear Design and Development Institute (FDDI).

After physical inspection and financial vetting, reimbursement of Rs. 92,27,971/- in respect of eligible 48 units/applications has been released to FDDI.

5. Impact of erstwhile IFLADP

The programme has a direct benefit towards quality employment generation especially for women, skill development, decent work, making the industry more environment friendly and prompting sustainable production system. The leather clusters located in different parts of the country have accrued benefit in terms of reduction of poverty, gender equality, sector specific skill/education, etc., thus touching many of the Sustainable Development Goals (SDGs). Most of the National Development Plans (NDP) also align with the SDGs. NDPs such as economic growth, reduction in poverty, generation of employment, quality education/skills, gender equality, good health and well-being, infrastructure development, affordable and clean energy and other environmental benefits are well-served by the IFLAD Programme.

DJN/MS

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