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STANDARD OPERATING PROCEDURE for Setting up an ODOP Common Facility Centre

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1. ABBREVIATIONS

ABBREVIATION	DEFINITION
ODOP	One district one product
CFC	Common facility centre
SOP	Standard Operating Procedure
HLC	High Level Committee
DIC	District Industrial Centre
SPV	Special Purpose vehicle
SLC	State Level Committee
SLSC	State Level Steering Committee
DPR	Detailed Project Report
EOI	Expression of Interest
DLC	District Level Committee
DIEPC	District Industrial & Export Promotion Committee

2. Overview

Standard Operating Procedures (SOPs) are essential documents that outline a set of instructions for routine or repetitive activities within an organization. They ensure consistency, quality, and compliance with both technical and quality system requirements, thereby supporting data integrity and adherence to regulations. By providing clear, concise steps, SOPs help reduce variation and improve the overall quality of work. They also serve as valuable tools for personnel training and act as checklists during inspections, enhancing comparability, credibility, and legal defensibility. In essence, SOPs are critical in maintaining uniformity and reliability in organizational processes.

3. ABOUT THE ODOP SCHEME

The scheme provides support for establishing Common Facility Centres (CFCs) for ODOP products in their respective districts, benefiting artisans, manufacturers, and exporters of these products. The One District One Product (ODOP) scheme in India aims to promote balanced regional development and empower traditional industries by focusing on a single product from each district.

The common facilities aim to strengthen the overall value chain of the product, including:

1. Testing Labs
2. Design & Display Centres
3. Technical Research and Development Centres
4. Product Display cum Sales Centres
5. Raw Material Banks/Common Resource Centres
6. Common Production/Processing Centres (for balancing, correcting, or improving production lines that individual units cannot undertake)
7. Common Logistics Centres
8. Information Collection, Analysis, and Dissemination Centres
9. Packaging, Labelling & Barcoding Facilities
10. Other facilities related to the value chain of ODOP products.

4. OBJECTIVES OF CFC

The objective of a CFC in a cluster is to provide shared infrastructure and resources to enhance the productivity, efficiency, and competitiveness of the businesses within the cluster. CFCs aim to facilitate access to advanced technology, machinery, and services that individual enterprises may not afford on their own. By offering common facilities, such as manufacturing equipment, testing labs, and training centres, CFCs help improve product quality, reduce production costs, and foster innovation. Additionally, they support skill development, encourage collaboration, and enable businesses to meet market demands more effectively, thus contributing to the overall growth and sustainability of the cluster.

1. Enhance Productivity and Quality:

Provide advanced tools, machinery, and technology to enhance the productivity and quality of the products.

2. Skill Development and Training:

Offer training programs and skill development workshops to artisans and workers to improve their craftsmanship and adapt to new technologies.

3. Market Access and Branding:

Assist in branding, packaging, and marketing of products to improve market access and competitiveness.

4. Reduce Operational Costs:

Share resources and infrastructure to reduce the operational costs for individual enterprises.

5. Promote Innovation:

Encourage innovation through access to research and development facilities.

6. Ensure Sustainability:

Promote sustainable practices and environmentally friendly production processes.

5. SCOPE OF CFCs:

CFC provide a wide range of services and facilities designed to support and enhance the operations of businesses within a cluster. Key aspects include:

1. Infrastructure and Facilities:

- Establish shared infrastructure such as workshops, testing labs, design centres, and packaging units.

2. Technology Upgradation:

- Equip CFCs with modern machinery and technology to enable the production of high-quality goods.

3. Raw Material Banks:

- Provide storage and supply facilities for raw materials to ensure steady availability and reduce costs.

4. Quality Control and Testing:

- Set up testing laboratories to ensure products meet quality standards and specifications.

5. Research and Development:

- Facilitate R&D activities to innovate and improve products, processes, and packaging.

6. Business Development Services:

- Offer consultancy and business development services, including market analysis, business planning, and financial management.

7. Cluster Development:

- Promote the development of industrial clusters by encouraging cooperation and collaboration among enterprises.

6. Financial Assistance:

- Provide access to financial support and schemes for the upgradation and expansion of production units.

7. Common Marketing and Export Promotion:

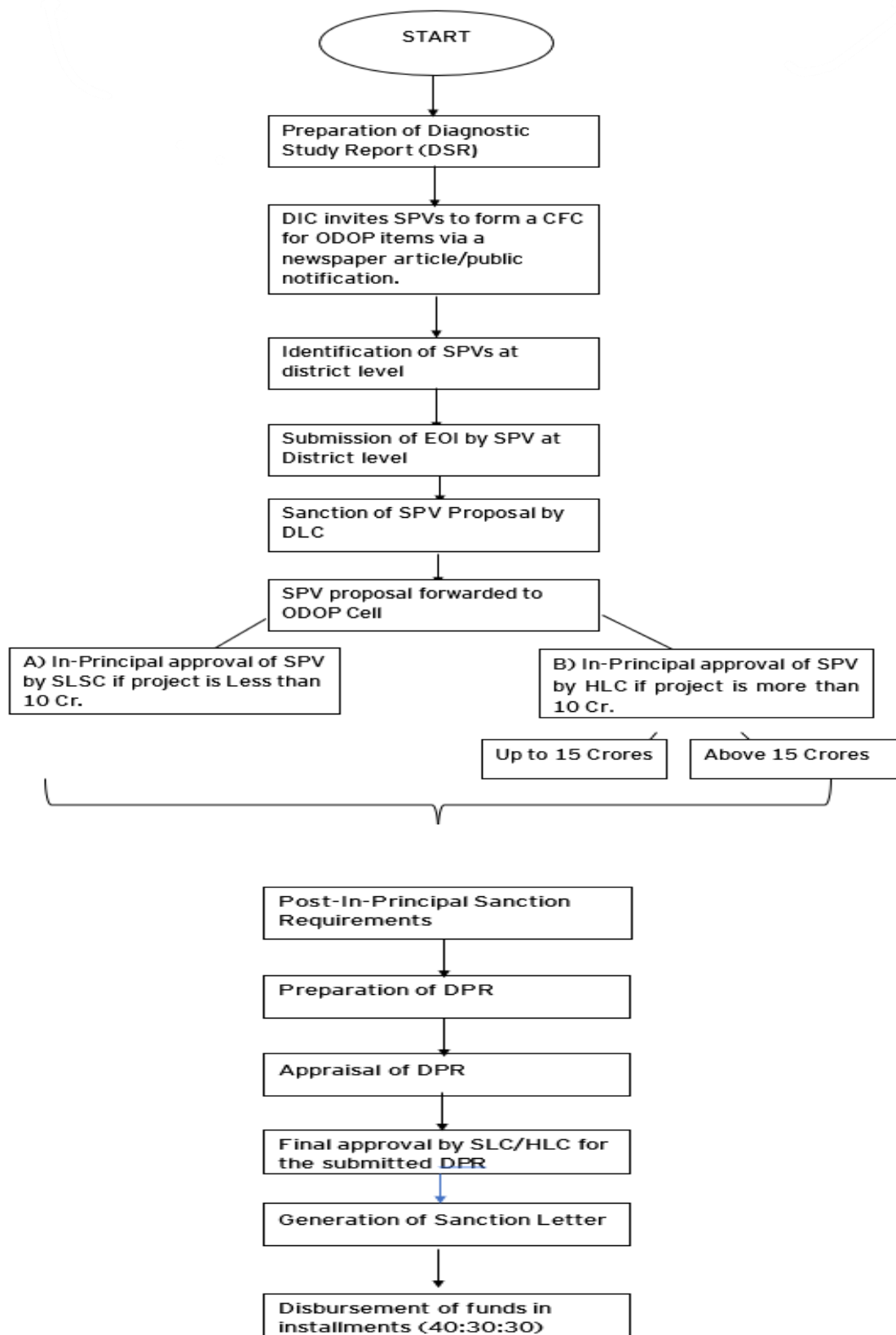
- Develop collective marketing strategies, participate in trade fairs, and explore export opportunities for products.

8. Capacity Building:

- Conduct workshops, seminars, and training programs to build the capacity of artisans and entrepreneurs.

Overall, the aim of CFCs is to provide a comprehensive support system that addresses the diverse needs of businesses/individuals/MSMEs within a cluster, thereby enhancing their overall competitiveness, sustainability, and growth potential.

6. PROCESS FLOW DIAGRAM



7. DETAILED SOP

- A. Preparation of Diagnostic Study Report (DSR)** - The Process of setting ODOP CFC starts from the intervention, which is mentioned in DSR. A Diagnostic Study Report provides a comprehensive analysis of a problem or issue, offering evidence-based insights and practical recommendations for addressing it. The report serves as a valuable tool for decision-makers, helping them to understand the underlying causes of a problem and to develop effective strategies for improvement.

The DSR includes several key chapters, presented to the District Magistrate for review and acceptance of the project. The report begins with an Introduction, followed by an analysis of the Economic Context to set the backdrop. It provides a comprehensive overview About the Project, detailing its scope and objectives. A Baseline Study is conducted to understand the current situation, followed by a Study of Leading Practices that highlights successful models and approaches. The report then presents a Need Assessment and Gap Analysis to identify the critical areas requiring attention. Based on this, Strategic Interventions are proposed to address the identified gaps. An Export Action Plan is outlined to enhance the project's economic potential, followed by a Way Forward section that details the implementation roadmap. The Envisaged Impact chapter projects the expected outcomes and benefits, while the Annexure provides supporting documents and data.

- B. Invitation to SPVs for Establishing CFC for ODOP Items-** District Industrial Centre (DIC) issues a public notification in the newspaper, inviting interested Special Purpose Vehicles (SPVs) to establish a Common Facility Centre (CFC) for interventions suggested in the DSR.

- C. Fill Out the Application Form to Establish a CFC-**

EOI serves as a preliminary step in the procurement or partnership process, helping DIEPC to identify and evaluate potential SPV, and facilitating the

subsequent stages of proposal requests, bidding, or negotiations. Major sections of an EOI includes brief information of Cluster, Information about proposed CFC and information about SPV. Refer to Annexure 1 for the application form required to initiate the process of establishing a Common Facility Centre (CFC). The form is completed with all necessary details and submitted for further perusal.

D. Identification of SPV at district level-

- a. A Special Purpose Vehicle (SPV) shall be established by any of the entities.
- b. The SPV shall consist of a minimum of 20 members. At least two-thirds of the members shall be associated with the ODOP programme.
- c. The SPV must be registered with the appropriate registration authorities.
- d. The SPV must include stakeholders related to the ODOP product and a representative from the state government.
- e. No single member shall hold more than 10% of the total shares of the SPV.
- f. The SPV shall be responsible for the management, operation, and maintenance of the CFC, and no recurrent expenditure shall be borne by the state under the scheme.

E. Submission of EOI by SPV at District level:

EOI (Expression of Interest)- The SPV submits an EOI application to the DIC, indicating their interest to establish a CFC.

F. SPV Pre-feasibility Report:

Responsibility: PMU in collaboration with the SPV, prepares a pre-feasibility report to assess the viability of the proposed SPV and CFC, evaluating the project's economic, technical, and financial feasibility.

G. Sanction of SPV Proposal by DLC

The DIC forwards the SPV's EOI to the DLC meeting for approval, typically within one month.

H. SPV proposal forwarded to ODOP cell-

The SPV proposal, once reviewed and approved by the DLC, is then forwarded to the ODOP cell for further evaluation and processing to ensure that the proposal aligns with the objectives and criteria of the ODOP program before any final decisions are made.

I. In-Principal approval of SPV by SLSC if project is Less than 10 Cr.

S. No	Project Cost	SPV's minimum contribution
1.	Up to 4 Crores	10%
2.	More than 4 Crores and less than 8 Crores	20%
3.	More than 8 Crores and up to 10 Crores	30%

- Responsibility:** The State Level Steering Committee (SLSC) conducts discussion with SPV members to discuss the proposed CFC plan.
- After satisfactory review, SLSC provides in-principal sanction for the project.
- Timeline:** Varies depending on the scheduling of SLSC meetings.

J. In-Principal approval of SPV by HLC if project is more than 10 Cr.

Projects with a total value of more than ₹10.00 crores, related to intentions/natural environment conservation, research, and development, including but not limited to CITP, ZED, R&D, Waste management, Disposal & Sustainable handling of bio-degradable waste, industrial areas/estates, etc., will have a minimum contribution of 40% from the Central Government, and the maximum contribution from the State Government will be 60% or ₹9.00 crores, whichever is less.

K. Post-In-Principal Sanction Requirements:

a. SPV Registration:

- i. Artisans register their SPVs as Producer Companies, Societies, or Section-8 Companies under the Companies Act 2013, with assistance from a Chartered Accountant (CA).
- ii. Timeline: The registration process takes 20-30 days following SLSC approval.

b. SPV Responsibilities: Documents to be provided by SPV include:

- i. **Registered land document in the name of the SPV** - SPV is responsible for providing undisputed land for CFC. The land proposed for the project will be owned by the SPV. The project land can also be taken on lease, but it should be in a government industrial area/industrial park with a minimum lease term of 25 years. The proposed land for the project will not be owned of any SPV member. The proposed land for the project should be in the proximity of ODOP cluster.
- ii. Certificate of Incorporation/Article of Association/Memorandum of Association/Byelaws of the SPV.
- iii. Commitment letter from SPV of their own contribution with proof of payment from each member in the SPV bank account.
- iv. NOC from State Pollution Control Board, if required.
- v. Details of SPV's bank account/mandate form.
- vi. Approved map/layout plan of land proposed for CFC with necessary approvals.
- vii. Three GST quotes of plant, machinery, equipment, fixed assets, etc.
- viii. List of SPV members with required documentation.
- ix. PAS 3 Form along with Challan filed with RoC for shareholding pattern and capital raised.
- x. Affidavit of Directors/Members/Promoters.
- xi. 7No Pendency Affidavit or No Dues Certificate from SPV Promoters/Directors/Members.
- xii. CIBIL of SPV Promoters/Directors.
- xiii. KYC documents of all SPV members.

- xiv. Shareholding agreement between SPV and members.
- xv. Letter of undertaking for utilization of at least 60% of installed capacity of CFC by SPV members.

L. Preparation of Detailed Project Report (DPR):

- Special Purpose Vehicles (SPVs) with the help of PMU prepare a Detailed Project Report (DPR) under the guidance of specialists.
- The DPR analyses the project, assessing current conditions, identifying gaps, and proposing interventions to boost productivity and competitiveness. It includes a national/state sector overview with a SWOT analysis, details the cluster's geographical spread, production processes, and highlights the need for a Common Facility Centre (CFC). Technical aspects of the CFC, including infrastructure, equipment, manpower, and financial summaries, are outlined. The report discusses the Special Purpose Vehicle (SPV) formed for CFC operation and includes a financial feasibility analysis with projections of costs, sales, and sustainability metrics. The implementation framework and a summary of key information and financials are also provided.
- For civil work, machine quotations, and fixed assets, estimates are prepared by competent authorities. Quotations are invited from at least three vendors, and the lowest quotation among them is selected.
- The completed DPR is then presented for review and approval.

M. Appraisal of DPR-

- a. SPV submit DPR to DIEPC.
- b. The ODOP cell forwards the DPR to appraisal agency for appraisal.

N. Final Approval by SLC/HLC for the submitted DPR-

If any issues are identified, the SPV and PMU are responsible for addressing and completing them.

O. Generation of Sanction Letter:

The SLSC issues the final approval and generates the sanction letter for the ODOP CFC scheme, marking the beginning of project implementation.

P. Disbursement of funds in instalments (40:30:30)

The funds will be disbursed in three instalments in a 40:30:30 ratio. The second instalment will be released upon satisfactory utilization of 75% of the first instalment. The third and final instalment will be released upon satisfactory utilization of 75% of the combined total of the first and second instalments. The timeline of CFC completion is two years. A second-party verification will confirm the satisfactory utilization monitoring post operationalization.

8. Annexure:1

Application Form to establish Common Facility Centre (CFC) under "One District One Product" Programme

Application No. (for Office use)	
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1. Brief Information of Cluster				
I. Name of Cluster				
II. Location of Cluster				
III. Main Product				
IV. Name of Enterprises	Micro		Small	
	Medium		Total	
V. Turnover (Rs. In Crores) (for the last 5 years)				
1st Year				
2nd Year				
3rd Year				
4th Year				
5th Year				
VI. Exports (Rs. In Crores) (for the last 5 years)				
1st Year				
2nd Year				
3rd Year				
4th Year				
5th Year				
VII. Employment in Cluster				
VIII. Technology in Cluster				
IX. Whether baseline survey conducted				
X. Main finding of DSR				

XI. Main problem of cluster	
XII. Other Information	
2. Information about proposed CFC	
Description	
I. Justification for CFC	
II. Location of CFC	
III. Land for CFC	
a. Whether land acquired	
b. Title is in name of	
c. Valuation and its basis	
d. Land is sufficient	
e. Change of land use	
f. If on lease, duration of lease	
g. Whether lease is legally tenable	
IV. Total building area (sq. ft)	
V. Rate of construction of building	
VI. Estimated project cost of CFC (in Rs.)	
VII. Main facility proposed	
VIII. Production capacity of CFC	
IX. Major outputs/deliverables of CFC, projected performance of	

cluster after proposed intervention (in terms of production, export/ domestic sales, and direct/indirect employment, etc.)	
X. Pollution clearance required or not	
XI. Manpower in CFC	
XII. Revenue generation mechanism for sustainability of assets (service/user charges to be levied, any other to be specified)	
3. Information about SPV	
Description	
I. Name and Address	
II. Nature of SPV (Company or Society or Trust)	
III. Date of Formation of SPV	
IV. Number of Members	
V. Byelaws or MA or AOA submitted	
VI. Authorized share capital	
VII. Paid up capital as on.....	

VIII. Shareholding pattern	
IX. Commitment letter for contribution	
X. SPV specific A/c	
XI. Trust building of SPV, previous track record of Co-Operative initiatives pursued by SPV members need to be highlighted with support documentation	
XII. Technical institution	
XIII. CFC may be utilized by SPV member(s) as also other(s) in the cluster. However, evidence should be furnished regarding SPV member(s) ability to utilize SPV at least 60 percent of installed capacity.	
XIV. Power requirement for commercial/domestic purpose	
XV. Water utilities	
XVI. Gas/Oil/Other Utilities	

9. Annexure: 2

SPV PRE-FEASIBILITY FORM

District	ODOP Product	Zonal Consultant Name	Zonal Consultant Phone Number

1. SPV Name:

2. Is there a SPV already founded? If yes, please provide the registration date and details of the SPV.

3. SPV legal constitution (Section-8 of the Companies Act 2013/Society/Producer company):

4. Key Member Details - to validate financial and management capability:

S No .	Name & Designation	Education al Qualification	Member in Org	Blood Relation to Org Member	Artisan/ Manufacturer/Trader/ Firm Name	Addres s & Ph No.	Operational since	Turnover/ Net Worth; Exports (2023-24)	Physical Verification Done? (Yes/No)	Zonal Consultant 's Remarks

Note: Please enclose list of all members and related financial documents, Artisan Card, Udyam Registration, Pan card, Aadhar Card, etc.

5. Intervention Details:

DSR Recommendations	SPV - Proposed interventions	Details of any existing CFC in the cluster with similar interventions	Zonal Consultant's Remarks
Hard Interventions			
Soft Interventions			

How were the cluster units operating without the proposed facility in the hard intervention?

6. Project Cost details:

Cost Proposed by SPV	Zonal Consultant's Remarks

7. Land Details

Easy and accessible approach road to Land site with a road-wide so that vehicular activities move comfortably.	Distance of the road from the proposed land to the CFC.	Size of the Land	Land in the Name of - SPV Firm/ SPV Member/ Other	Land Use Conversion (Priority to the Non-agricultural land over agricultural land)	Lease-period (must be a minimum 25 year within an Industrial area/Industrial Park)	Zonal Consultant's Remarks

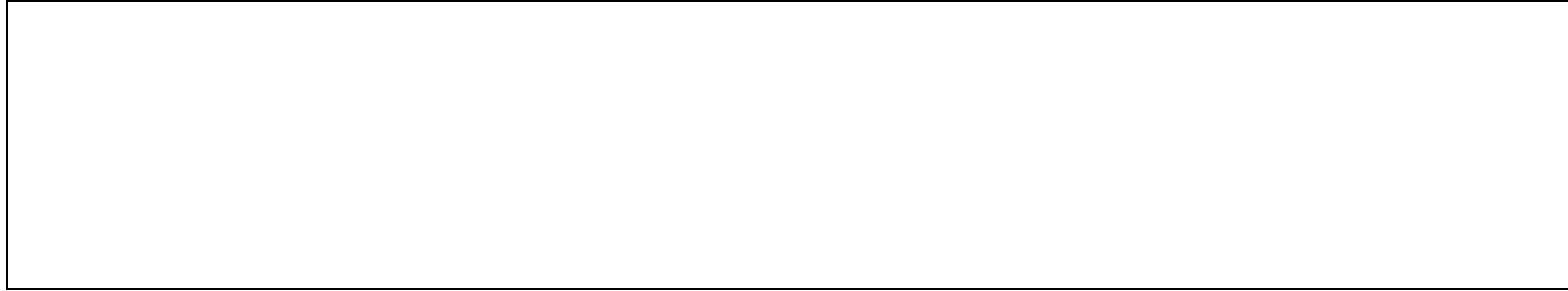
8. Are there any environmental concerns (air, water, land, noise) expected from the production processes at the CFC?



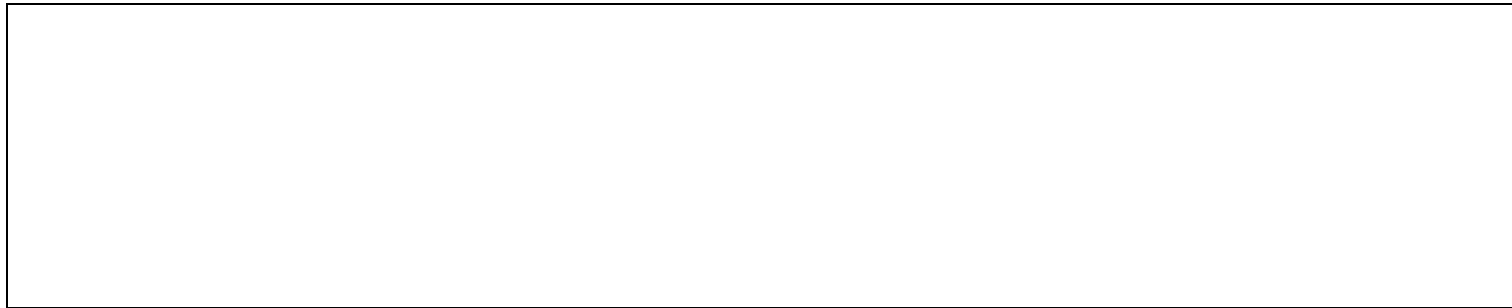
9. What types of waste will be generated at the CFC (solid, liquid, hazardous, etc.)? Are there any recycling or waste minimization plans in place? What is the current process of waste disposal?



10. Are there any geographical constraints that could impact the construction or operation of the CFC (rivers, lakes, forests, etc.)? Are there any issues like water logging and surface water that could impact the CFC in the longer run?



11. What is the current source of raw materials for the cluster units?



12. Is there a reliable and uninterrupted power supply in the proposed location? Type of connection available in the proposed location (household/commercial/industrial) and distance from the proposed location?

13.What is the capacity of the nearby transformer (in kVA)? How far is it from proposed CFC?

14.What is the exact distance from the proposed CFC location to the nearest to the main road?

15.Are there any major transportation hubs (railway stations, airports) near the CFC location? If so, what are their distances?

16.What is the availability and condition of public transportation for artisans to commute to the CFC?

17.How will the Centre's revenue be generated?

18.Is there a display centre required for showcasing the products? (Yes/No) If yes, how will the display centre be managed and maintained?

19. Overall Recommendation:

1. Are SPV members related to ODOP product value chain?
2. Can SPV contribute 10% of the project cost, upfront?
3. Do they have management and financial capacity to run SPV for next 25 years?

20. Pictures of Proposed Land Site with Geotagging: