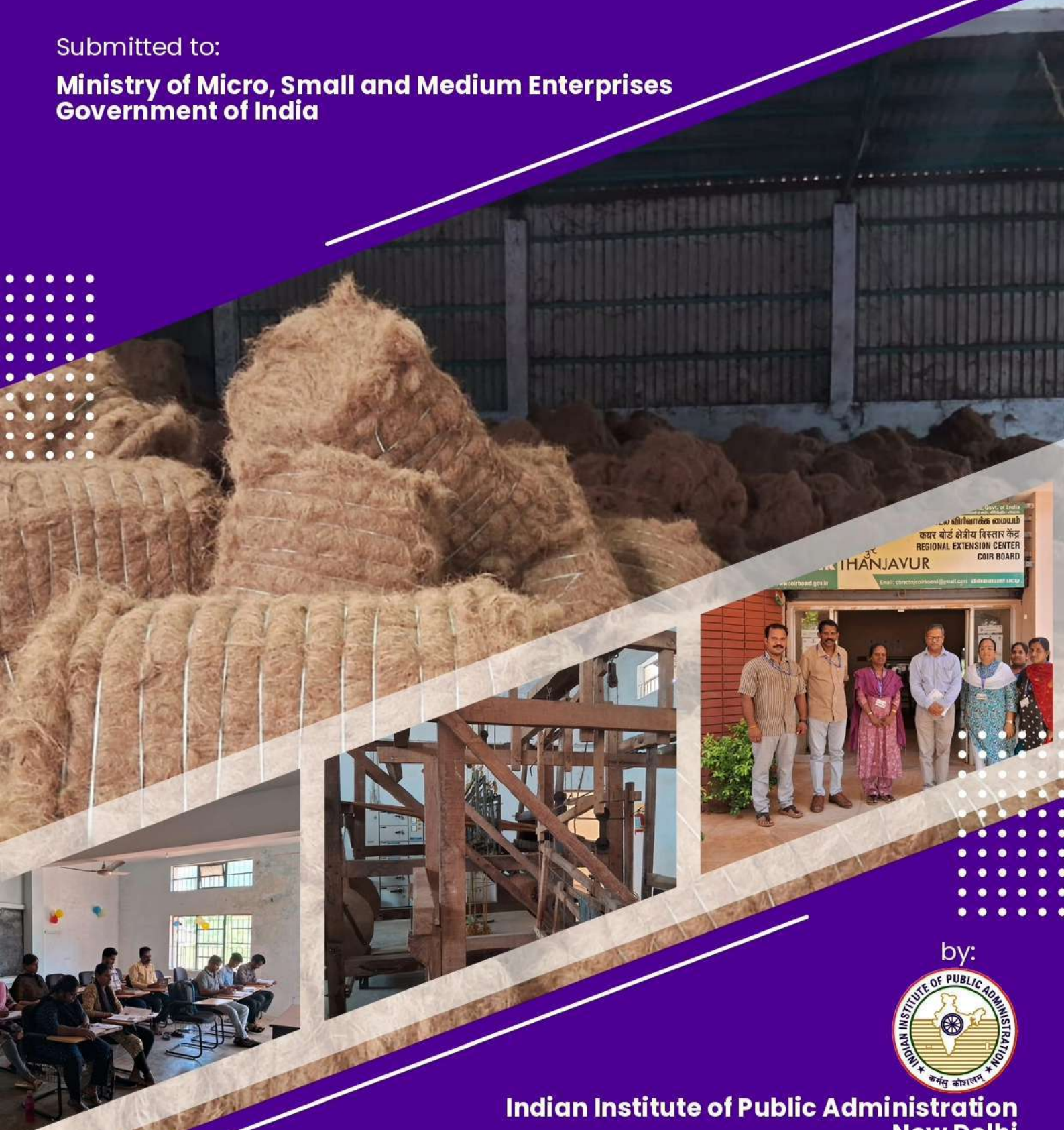


Evaluation Study of Coir Vikas Yojana (CVY)

Submitted to:

**Ministry of Micro, Small and Medium Enterprises
Government of India**



by:



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Executive Summary

The Coir Vikas Yojana (CVY) has historically been a vital source of rural employment and entrepreneurship, especially for women. This scheme consolidates various previous initiatives focusing on skill development, technological modernization, market expansion, infrastructure development, and socio-economic empowerment of artisans and micro-enterprises involved in coir production.

The importance of the sector is underscored by its considerable potential to promote sustainable and eco-friendly products both domestically and internationally, supported by India's position as the largest producer and exporter of coir and coir products globally.

1. Terms of Reference for the Study

The objectives of the evaluation study as per the ToR, given by the Ministry of MSME, are:

- To assess the effectiveness of the scheme in terms of achieving its intended objectives as per the scheme guidelines, focusing on output, outcome, and impact indicators.
- To systematically evaluate the scheme using the REESI+E+C framework, ensuring that the CVY's objectives, design, and implementation are aligned with national development priorities and best practices, and that they effectively address the needs of the coir sector and its beneficiaries.

a. Relevance

1. To study the appropriateness of the scheme's design and its components to achieve the stated objectives.
2. To assess the conformity of the scheme with best practices in vogue.
3. To assess the relevance of mechanisms/modalities in place to identify leakages.

b. Effectiveness

4. To assess the outputs achieved against the targets set and inputs made, and identify scheme processes leading to successes and failures.
5. To assess the effectiveness of the Coir Board's activities (such as R&D, training, modernization, marketing, etc.) and identify factors contributing to sub-optimal performance.

c. Efficiency

6. To assess the cost-effectiveness of interventions under the scheme.
7. To evaluate the timeliness and adequacy of fund/resource utilization.
8. To identify any administrative or procedural bottlenecks in the implementation process.

d. Sustainability

9. To evaluate the likelihood that scheme outcomes and outputs will be maintained over a meaningful timeframe.
10. To assess the three dimensions of sustainability: financial, institutional, and environmental.
11. To identify factors supporting or hindering the persistence of results from scheme implementation.

e. Impact

12. To assess the extent to which the intervention has generated or is expected to generate significant positive or negative, intended or unintended, higher-level effects.
13. To evaluate the broader effects of the scheme on beneficiaries, communities, and the coir sector.

f. Equity

14. To evaluate the inclusiveness of scheme benefits, especially for women and marginalized groups.
15. To assess whether access to scheme benefits is equitable across different regions and communities.

g. Coherence

16. To examine the extent to which other interventions (particularly policies) support or complement the scheme, and vice versa.
 17. To assess the alignment and synergy of the scheme with other government initiatives and Programmes (such as SFURTI, PMEGP etc.).
- To assess adequacy of the institutional capacity, organizational structure, and operational effectiveness of the Coir Board as the implementing agency for CVY, including its ability to plan, coordinate, monitor, and deliver scheme components efficiently across regions.

- To assess the impact of the scheme on coir workers, artisans, and micro and small enterprises, with focus on income enhancement, livelihood security and empowerment of marginalized communities.
- To assess the scheme's effectiveness across key cross-sectional areas like transparency, employment, gender inclusion, support for SC/ST groups, technology use, innovation, behavioral change, research, collaboration with other Programmes, stakeholder participation, and social inclusion.
- To evaluate the coir value chain by identifying its stages, stakeholders, value addition, and challenges at each stage, assess the Coir Board's role in addressing these challenges, and recommend ways to maximize the scheme's impact across the value chain.
- To analyze whether the scheme should continue in its current form, be modified, scaled up or down, or discontinued, and to recommend necessary changes for more effective future implementation.
- To identify and showcase best practices under each component of the scheme, providing evidence-based examples that can inform future policy and implementation strategies.
- To comprehensively evaluate the implementation and impact of the Coir Vikas Yojana (CVY), and provide actionable recommendations for improvement in the Scheme.

2. Methodology

- This is an exploratory study.
- The focus is on process evaluation, performance assessment and the impact assessment. Process evaluation makes an assessment of adequacy of the delivery mechanism to meet the diverse needs of the diverse stakeholders. Performance assessment is with respect to achievement of physical and financial targets and in terms of as to what extent the scheme has been able to achieve its objectives. Impact assessment has been analysed in terms of the outcomes, i.e. how the scheme has affected various stakeholders.
- Both primary and secondary data have been used. Primary data has been gathered through canvassing structured questionnaires among beneficiaries, Focus Group Discussions (FGDs), and Key Informant Interviews (KIIs) as mentioned in the ToR

also. The States identified for collection of data were Andhra Pradesh, Assam, Karnataka, Kerala, Maharashtra, Odisha, Tamil Nadu and West Bengal. From south zone, 4 states were selected because coir products are majorly produced there.

- The sample of beneficiaries was decided keeping in view the recommended guidelines and two considerations namely regional representation and coverage of beneficiaries. Samples were in the ratio as shown in the table given below:

Distribution of Respondents Component-wise and state-wise

State	Sample size	Scheme Components				
		Science & Technology	Skill upgradation & Mahila Coir Yojana	Export Market Promotion	Domestic Market Promotion	TIRFS S
Andhra Pradesh	38	1	29	4	1	3
Assam	62	2	48	6	1	5
Karnataka	35	1	28	3	1	2
Kerala	330	8	262	31	2	27
Maharashtra	56	1	44	5	1	5
Odisha	65	2	51	6	1	5
Tamil Nadu	84	2	66	8	1	7
West Bengal	30	1	23	3	1	2
Total	700	18	551	66	9	56

- Secondary data has been collected through review of annual reports, various study reports, and other relevant documents from the Ministry and the Coir Board.
- The study covers the beneficiaries who availed the benefits during the period 2021-22 to 2024-25 as per the ToR, but includes some more years where relevant.

3. Key Findings

I. The Scheme

- As per the guidelines, there are seven components of the scheme. However, proposal submitted before the SFC, 2021 removed the CITUS (Coir Industry Technology Upgradation Scheme) component.
- Welfare Measures primarily concentrating on insurance scheme, has now been discontinued as a component.

- The guidelines have a lot of overlapping and often having superfluous objectives.

II. Implementation of the Scheme

- The Ministry is responsible for overall policy direction, funding and monitoring of the scheme.
- Coir Board is the nodal agency for the implementation of the CVY. It consists of 40 members, which appears to be unwieldy. The Board had its last meeting in May, 2022.
- More than 50% of the funds under the scheme are used for the establishment costs.
- The number of activities have declined in the last two years. The expenditure on various components in 2024-25 was less than half of the expenditure incurred on similar activities in the previous year.
- Various offices of the Board are facing the problem of shortage of manpower. The officials at the Board office in Kochi informed that several sanctioned posts were never filled and lapsed subsequently.
- Annual Plan of the scheme which is the aggregation of plans submitted by the ROs and the other offices like CCRI and CICT, is prepared by the Coir Board for each of the components, wherein the targets are also fixed. Based on the plan, the Ministry of MSME makes allocation for the scheme.

III. Performance Assessment

a) Science & Technology (S&T)

- Central Coir Research Institute (CCRI) and the Central Institute of Coir Technology (CICT) carry out extensive research and development activities aimed at modernizing the coir industry. Their work focuses on upgrading production processes, developing new machinery and equipment, creating diversified and eco-friendly products, and promoting technology transfer, incubation, as well as testing and certification services.
- S&T activities reflect a gradual decline in both targets and achievements across most sub-components. One reason is that the allocation has decreased for research activities and the other could be low awareness among intended

beneficiaries. Financing and installation of machinery emerged as the two most cited bottlenecks for beneficiaries.

b) Skill Upgradation & Mahila Coir Yojana

- It underpins the sector's long-term competitiveness by investing directly in its artisans, technicians and potential entrepreneurs.
- The emphasis is on imparting product-specific skills especially in value-added products (VAP) and spinning/weaving under the women-oriented Mahila Coir Yojana, alongside structured certifications at NSQF Levels 3 and 4 and Entrepreneurship Development Programmes (EDPs) that encourage business creation.
- Only 18% respondents reported applying their new skills in work. However, 76% artisans did receive stipends, and 27% reported income increases. This highlights that while training coverage is high, post-training skill-application opportunities remain limited. Overall, they were satisfied with the training.
- The SU & MCY component has delivered broad coverage, consistent target achievement, and deep social inclusion. Quantitatively, it has built a cadre of over 28,000 trained individuals in five years, with women getting a substantive share. The qualitative picture, however, shows that training alone cannot guarantee livelihood gains in the absence of equipment, finance, and market linkages.

c) Export Market Promotion

- The 2024-25 data shows over 71 percent of total export value came from coir pith and fibre bulk commodities with limited value addition. High-margin goods like tufted and handloom mats still have smaller export volumes. As a result, even when tonnage remains stable or rising, total earnings are vulnerable to price drops in these bulk segments.
- The sector faces global competition from synthetic and jute substitutes, higher shipping costs, and uneven demand in Europe and East Asia.
- The rise in Coir Fibre, Handloom Mats, and Coir Pith exports suggests stable demand from both traditional and new export markets.
- The United States is consistently India's largest coir market by value.

- Geographic concentration and low SC/ST participation under EMP IC support suggest that the benefits are accruing largely to established players in traditional hubs. Entrepreneur from Kerala and Tamil Nadu have benefited most.
- Exporters' Registration volumes are steady, but new registrations are being obtained primarily by exporters from Tamil Nadu and Kerala. Renewals far exceed new entries, suggesting the exporter base is static rather than expanding rapidly.
- There is a need for better targeting of interventions to ensure that the interventions translate into tangible market or product gains.
- Participation in overseas fairs was unanimously valued for product exposure and networking. However, many beneficiaries faced reimbursement delays of 2–4 months, forcing them to cover travel, stall, and logistics costs upfront.
- IC scheme has consistently approved long established exhibition/ fairs only under the IC scheme. India is exporting to more than 120 countries because of the private initiative of the bigger unit owners.

d) Domestic Market Promotion (DMP)

- This component is the Coir Board's primary mechanism for stimulating and sustaining demand within the Indian market. A vibrant internal market provides steady, year-round orders to coir producers, buffers them against external shocks, and creates livelihood opportunities across all producing states.
- The combined showroom network runs at a significant operating loss — averaging around ₹ -740 lakh annually. High salary, rent, and overhead costs consume far more than direct revenue from showroom sales.
- A large part of these sales from showrooms is institutional.
- Tamil Nadu and Kerala make up four-fifths of all beneficiaries where cooperative societies have received assistance under the scheme. Very little MDA was availed by societies in other states.
- Very small number of beneficiaries has been provided assistance to participate in DMP Exhibitions.
- The data shows DMP is strong on visibility but weaker on inclusion (geographic and institutional) and sales conversion support.

e) Trade & Industry Related Functional Support Services

- TIRFSS is concerned with improving the “ecosystem” including knowledge management, ICT upgrades, support infrastructure, and most critically, ongoing HRD training for both workers and officials.
- The expenditure on information management (including IT platforms, MIS systems, and digital recordkeeping) has risen sharply, reflecting the Board’s ongoing effort to digitalise scheme tracking, beneficiary data, and supply chain information.
- Infrastructure creation also saw a surge in 2023-24, likely for office upgrades or new regional extension centres.
- HRD training, forms only a modest fraction of annual outlay suggesting that the main emphasis within TIRFSS is on building central and regional service delivery capacity.
- Primary survey and FGD participants who attended TIRFSS-sponsored trainings generally expressed satisfaction with the knowledge gained, especially around updated BIS/Eco mark standards, safe machinery use, and basic digital skills. Supervisors and master trainers appreciated the opportunity to refresh their skills, particularly in topics such as eco-friendly practices, quality certification, and new production technologies.

4. Overall Assessment

a) Relevance

- There is steady production of coir in India, with output ranging between approximately 11.6 lakh to 13.4 lakh metric tonnes annually from 2020-21 to 2024-25.
- The coir industry supports approximately 7.4 lakh rural workers, predominantly women. It plays a critical role in rural employment, women’s economic empowerment, and sustaining livelihoods across major coconut-producing states.
- The emergence of new value-added coir products, such as geotextiles and composites, represents potential pathways for enhancing export competitiveness.

- CVY advances critical national development priorities by promoting rural employment, economic empowerment of women, and decent work with sustained economic growth. The scheme's emphasis on skill development, entrepreneurship, and cluster development supports small and micro enterprises, ensuring inclusive rural economic growth.
- Primary survey insights show over 85% of artisans and trainers rate CVY as useful or extremely useful, particularly appreciating the home-based income opportunities supported under the Mahila Coir Yojana.
- From the perspective of the scheme the design of the scheme is very complex.

b) Effectiveness

- EMP facilitated over 120 international exhibitions and buyer-seller meets, enhancing product visibility and market linkages. Quality assurance under the Science & Technology component strengthened export credibility through product certification, which alone accounted for 92% of S&T revenue.
- Skill development under the Skill Upgradation & Mahila Coir Yojana (SU & MCY) represents one of CVY's most visible and impactful achievements. Between 2020–25, the scheme trained 28,263 beneficiaries, of whom approximately 80% were women, directly contributing to SDG 5 (Gender Equality) and SDG 8 (Decent Work and Economic Growth).
- Through EMP interventions, Indian coir products have established a robust presence in more than 120 markets globally.
- While international trade fairs and delegations greatly boosted exposure, follow-up conversion to long-term contracts remains limited, particularly for exporters outside the southern states.

c) Efficiency

- Across the five years, the CVY has consistently spent nearly all funds released, which points to strong capacity in using budgeted resources, but it may be noted that the targets were fixed on the lower side.
- The breakdown of the budget shows a heavy tilt toward administrative overheads. Salaries & Establishment alone absorbed more than the combined total of all other programmatic heads.

- Among Programme spends, Domestic Market Promotion took the largest slice, indicating a priority for marketing and visibility, while core innovation work under Science & Technology received relatively less and shrank sharply over time.

d) Sustainability

- The CVY actively promotes environmental sustainability through adoption of eco-friendly technologies and the use of natural, biodegradable raw materials.
- The practices in Coir industry support the circular economy principles and align with Sustainable Development Goals (SDGs) 12 and 13 on responsible production and climate action.
- Economic sustainability remains moderate. While initial training under Skill Upgradation and Mahila Coir Yojana has been effective—with over half of beneficiaries adopting eco-friendly methods—only 18% continue to apply these skills post-training, signaling a risk of reduced economic durability.
- Around 60–70% of trainees did not achieve sustained income growth, while those with increased earnings mostly reported modest and often seasonal gains of ₹1,000–₹6,000/month.
- States like Assam, Maharashtra and Odisha report early cessation of coir activities by beneficiaries post-training due to inadequate support systems.
- Institutionally, the Coir Board serves as the primary implementing agency. However, challenges such as delays in Coir Board reconstitution, limited staffing, and variable capacity at the regional and sub-regional centers hinder full institutional resilience and expansion into new regions.

e) Impact

- The primary survey reveals only about 11% awareness among artisans of the S&T innovations, limiting broader sectoral diffusion and consequent impact.
- The scheme has had a transformative effect on women's participation and confidence, with many acknowledging CVY's role in enhancing livelihoods and social status. However, sustained employability and income gains were reported by around 18% of women, highlighting some limitations in converting opportunity into lasting economic independence.
- Employment in the coir sector grew modestly from 740,834 workers in 2020-21 to 750,089 in 2023-24, a net increase of 9,255 jobs or 1.2%.

- Figures suggest that CVY's primary employment impact has been protective—maintaining employment levels—rather than expansive.

f) Coherence

- 40 SFURTI clusters for coir manufacturing have been established till now. Together, CVY and SFURTI build competitive, resilient coir clusters that are better equipped to offer sustainable employment and scale market linkages.
- The Prime Minister's Employment Generation Programme (PMEGP) also plays a significant role within CVY's framework by providing margin money subsidies to coir entrepreneurs, especially women, to establish and sustain micro-enterprises.
- However, because of the cost of machinery, the ceiling of Rs. 50 lakhs works as barrier.

g) Equity

- Geographic equity is comparatively weak, because major activities under CVY are centred in the southern states, while there are 14 states identified for coir production related activities.
- While the Mahila Coir Yojana effectively targets rural women, the share of women trainees has gradually declined over the years, calling for renewed emphasis on outreach and tailored support.
- The figure shows that SC beneficiaries constitute 29.63% of trainees, a significant proportion reflecting CVY's reach among disadvantaged groups. ST participation remains very low at 5.13%, despite the presence of tribal-dominated coconut belts in Odisha, Northeast India, and Maharashtra.
- Many SC/ST women, though trained, often face challenges continuing work post-training due to lack of equipment, capital, or market connections. Some also withdraw due to household constraints.

5. Key Challenges

- The delay in re-constitution of the Coir Board has resulted in reduced focused attention on the sector and has impacted faster decision making.

- Scheme's visibility and the ability to respond quickly to artisan queries or grievances are limited.
- Over 54% of CVY resources are absorbed by salaries and establishment expenses, leaving comparatively less for the scheme activities.
- From a market angle, the product mix is still weighted toward low-margin by-products such as fibre and pith, which dominate both domestic and export streams.
- Higher-value geo-textiles, composites, and design-led décor products remain a small portion of total output and exports.
- Declining investment in S&T (an 83% decrease over five years) particularly constrains the scheme's ability to sustain sector-wide productivity gains and modernisation.
- The selection of the beneficiaries under different components appeared to be very opaque.
- Although CVY offers value-added product (VAP) and Mahila Coir Yojana (MCY) training, the Programmes are repetitive skill modules year after year. Very few Programmes introduce advanced or diversified skills such as product design innovation, digital marketing, coir-based composites, or eco-certifications limiting artisans' ability to compete in evolving markets.
- Globally, Indian exporters face growing competition from Sri Lanka, Vietnam, and China, especially from cheaper synthetic substitutes.
- Many small producers and exporters highlighted that transporting bulky, low-value coir products over long distances to markets or ports can cost more than the margin they earn per unit.
- Chronic showroom losses are not sustainable.
- While Andhra Pradesh, Tamil Nadu and Kerala have stable fibre supply, states like Odisha, WB, and NE face irregular raw material availability due to lower local coconut production and poor fibre extraction Infrastructure.
- Coir related information like potential markets, new coir products, dates and location of training Programmes, etc. is maintained by the office of the Coir Board. However, these are not easily available to the various concerned stakeholders post-training.

- The main barriers for artisans are lack of affordable credit, bulk orders, seasonality, and dependence on traditional low-margin products.
- Without strong market linkages, skill acquisition often fails to translate into higher earnings.

Other Findings

- Integration with related schemes like SFURTI and PMEGP exists but needs strengthening for better synergies.
- Technical and infrastructure gaps persist in eastern and northeastern states.
- The coir industry is labour-intensive and critical for rural employment, especially for women and marginalized groups.

6. Recommendations

Based on the detailed analysis, the following recommendations have been proposed:

6.1. Coir Sector Development

6.1.1. A comprehensive roadmap for development of the Coir Sector and strategy for its implementation needs to be planned in the light of emerging domestic and global scenario.

6.1.2. Introduce an Enterprise Formation and Graduation Pathway.

6.1.3. Provide Targeted, Capped Financial Support for Enterprise and Technology Upgradation.

6.2. Product Development & Technology Upgradation

6.2.1. Product development needs to be emphasised and prioritised in the scheme.

6.2.2. The Ministry may provide adequate funding and requisite staff at CCRI and CICT to make them vibrant institutions.

6.2.3. CCRI and CICT may collaborate with external agency for identifying potential areas of research for product development.

6.2.4. Dedicated "Chairs" may be established in premier academic institutions.

6.3. Skilling

6.3.1. Scope of training needs to be expanded.

6.4. Infrastructure Support

- 6.4.1. Raw material access needs to be improved in non-coconut producing states.
- 6.4.2. Measures need to be taken to reduce the impact of transportation cost.
- 6.4.3. A survey of Coir enterprises and Coir workers / artisans needs to be carried out.
- 6.4.4. Monitoring, MIS, and grievance redress in real-time need to be integrated.

6.5. Handholding

- 6.5.1. Trainees after their training need to be supported with measures to ensure credit and market access to them.
- 6.5.2. Periodic market research needs to be carried out.
- 6.5.3. Measures are needed to ensure steady domestic demand.
- 6.5.4. Exporters need to be equipped to match global competition.

6.6. Process Reengineering

- 6.6.1. Coir Sector Governance needs Restructuring.
- 6.6.2. The guidelines of the scheme need to be modified.
- 6.6.3. Adequate staff needs to be appointed to strengthen inter-departmental communication and effective implementation of the scheme.
- 6.6.4. Persistent loss-making showrooms may be closed, while newer methods like Digital Marketing may be promoted.
- 6.6.5. The mechanism of beneficiary screening & selection needs to be redesigned.
- 6.6.6. R&D project approval processes need to be made more robust.
- 6.6.7. Geographic coverage of the exporters needs to be expanded for export market opportunities.