

Report
Cluster Development and Training
programme for IAs



Conducted by
Foundation for MSME Clusters,
New Delhi
And
SAARC Development Fund

2nd to 6th July 2018

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Exposure Visit Report



An exposure visit was organized by Foundation of MSME Cluster (FMC), New Delhi for *Cluster Development Training Programme for Implementing Agencies for implementing the project “Promoting Integrated Bamboo Based Enterprise Development among SAARC Countries”* from 2nd July 2018 to 6th July 2018. This event was attended by delegates from 5 SAARC countries, namely, India, Bhutan, Nepal, Bangladesh and Afghanistan, and CEMCA was invited to attend and observe as well.

Field Visit to Kudal, Maharashtra

The first two days of the event comprised of a field visit to Kudal in the Sindhudurg district of Maharashtra to visit the bamboo cluster present there and meet the experts of KONBAC (Konkan Bamboo and Cane Development Centre), which is a Private incorporated that was created in 2004 and is classified as Non-govt company. The other activities involved were to see the Common Facility Centre, Bamboo Plantation, interact with artisans and MSMEs, Business Development Service Providers (BDSPs) and other key stakeholders. Ms. Anupriya Khare, project Associate, CEMCA, went for this visit to observe, record and network with the experts and artisans in Kudal, Maharashtra.



Classroom training

The third day of the event was a classroom training session, held at Einstein Hall, USO House, New Delhi. This was attended by Ms. Sanjogita Mishra, Programme officer, CEMCA and Ms. Anupriya Khare, Project Associate, CEMCA. The first session was taken was Mr. Mukesh Gulati, Advisor, FMC, who began the session by discussing the expectations of all the participants from the 5 SAARC countries present in the room. These expectations from the participant were:

- How to run the programme and CFC's (Success/Failure)
 - Farmers and businesses
 - Horizontal and vertical plantings
- Introduction of new technologies
- How are clusters established
- How to improve the image of bamboo among consumers
- Multiple ways of doing things to overcome problems
- Technologies/Skills related to bamboo
- Sustainability of clusters and its indicators
- Enterprise creation

He then explained that FMC can help with how to run the programme, but not directly with the technical aspects, for which other experts had been engaged for the purpose of this exposure visit. The next step was to give an introduction to Cluster Development and discuss the basics, such as What is a cluster, types of clusters, who are the stakeholders, the interlinkages that exist between them, and what makes a cluster system work and grow. Mr Gulati next discussed the Policy Significance of Clusters, and how there are both Micro



(Enterprise Policy) and Macro (National/ Regional) levels of policy that were commonly known and created, but there is a lack in knowledge about and development of Meso (Cluster Level) policies, which look at Local Economic Systems, BMOs, Local Public Institutions, Service Providers and Local Regulatory Bodies.

The next point of discussion was based on what to expect from a Cluster Initiative, in order to make it successful and sustainable, such as, giving it 3-5 years to become stable, making it process focused and not just infrastructure based and accepting the initial low levels of outputs. Mr Gulati then looked at why there was a need to connect Cluster Development and Bamboo Development in the first place, which was that since most bamboo production happens through the informal sector, which has numerous limitations, based on the region, the kind of bamboo available, the skill of the people, etc. there is about 70-80% wastage of the bamboo. So, the reasons for connecting bamboo development with cluster development were-

1. To reach the maximum potential of bamboo
2. To reassess and upgrade technology that has been used for years
3. Attract government programmes

The next session that was held after a lunch break was conducted by Ms. Sangeeta Agasty, project Manager, FMC, on *Situational Analysis and Resource Mapping*. She explained the basics of SARM, which needs to be conducted to understand the local context, interest of stakeholders and create a need-based plan, to help with the diagnosis of the problem of the cluster and finding specific solutions for them. She also stressed on how it should be undertaken at regular intervals, as it needs constant upgradation.

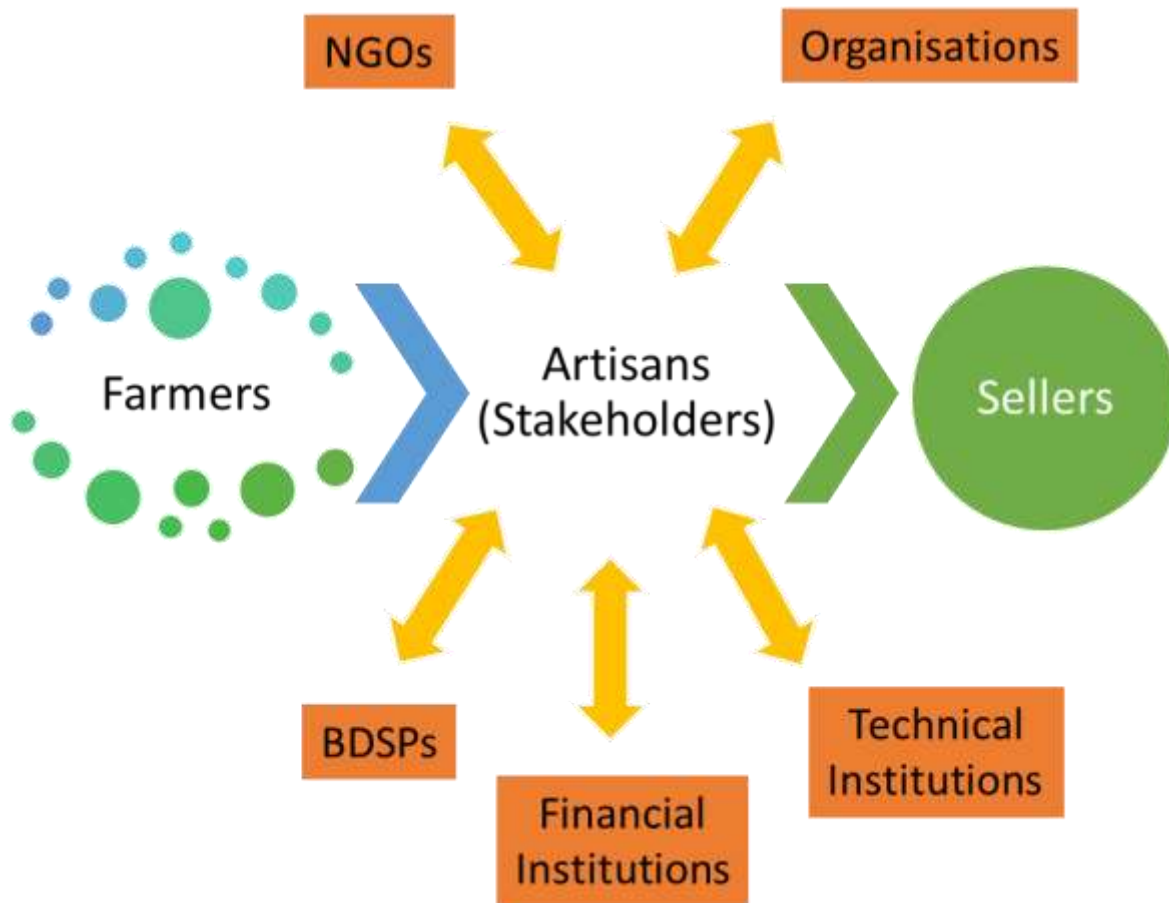
The key guiding principles of SARM are:

- Participation
- Teamwork
- Optimal ignorance: Not influence answers or use prior information
- Triangulation: Crosschecking the information from various sources

The next focus of her presentation was on a Value Chain Ecosystem:



A basic Cluster has these three linkages, to form a basic ecosystem. But by itself, such an ecosystem is not sustainable. To add to these linkages, are needed various other interlinkages, such as NGOs, BDSPs, Financial Institutions, Technical Institutions, Organisations and so on.



Comparing the value chain with benchmark value chain to find out the inefficient points, and optimise the chain is a very important step. Therefore, SARM helps coming up with the vision, which facilitated the creation of strategy, which in turn leads to the formation of a good action plan.



The final session for the day was conducted by Mr. ASK Sharma, General Manager, FMC, on *Business Plan*. Mr Sharma discussed how schemes have been established for artisanal clusters but it is still difficult to penetrate into the industrial clusters. A business plan is prepared for the establishment of common facilities, but for a social enterprise, it is entirely different, and therefore needs its own special attention. To achieve many goals, one plan

needs to be developed that works towards achieving all the necessary visions of the cluster.

The following are the ways in which a CFC/Project be made financially sustainable:

- Leveraging funds
- Skills and constant development of skills
- Generating revenue through
 - User charge model
 - Common brand model

Sustainability also depends upon leadership. Should only the artisans be cultivated, or should all service providers be developed, is an important aspect one needs to focus on when developing a business plan. A good value chain model helps achieve sustainability in the long run as well.

Policy and Institutional Networking Event on Bamboo Enterprise Development Potential in SAARC Region



The fourth day of the exposure visit was a *Policy and Institutional Networking Event on Bamboo Enterprise Development Potential in SAARC Region*, held at Day Jaypee vasant continental, Vasant Vihar, New Delhi. This event was attended by Ms. Sanjogita Mishra, Programme officer, CEMCA and Ms. Anupriya Khare, Project Associate, CEMCA. Ms Ruchita Sanwal, Project support, FMC welcomed everyone and invited Mr. Arun Maira, Chairman, FMC to give the welcome address. He introduced the speakers, gave a description of the discussions to follow, such as generating livelihoods and increasing incomes, enterprise development and clusterisation.

The first address was given by Ms Sarojini Kaul, EU Delegation to India where she discussed how EU is engaged with many SAARC countries. Many Asian countries have not been keeping sustainability in mind and European Union's development agenda is to change that, for which EU is engaged not only with India, but with many SAARC countries as well. The Switch Asia project is looking at sustainable consumption and production and the reduction of partners to promote sustainability. India is a growing economy, and we have to put our best effort to use and reuse integrated resources and redesign them so that resources are

not wasted. EU's past experiences can be used for the current project, as the focus there was on development and generating livelihoods, which can contribute to the current focus on sustainability. Switch Asia I was a very successful endeavour, and the aim of Switch Asia II is to promote sustainability through the creation of better policies, networking and linking projects between countries, and the development of SME's.

The next address was by Dr Rene Van Berkel, UNIDO Representative, Regional office, India. He discussed the cluster development approach that has been adopted up until this point, the past focuses on UNIDO, how we can create inclusive value change and sustainable communities. Since bamboo as an industrial sector is versatile and fast growing, focus that it is now receiving is very important.

This was followed by an address by Mr D N Magar, Chief General Manager, NABARD, who discussed the various focuses on both farm and non-farm sector. He talked about the importance of promoting integrated bamboo-based industries to increase livelihoods and the role of NABARD in making and refining policies to ensure that the benefits reach the ground levels.

The next address was by Dr Sunil Motiwal, CEO, SDF, who talked about SAARC Development Fund, its focuses and his hope for the future and this project. This was followed by an inaugural address by Mr Ram Mishra, Additional Secretary and Development Commissioner, Ministry of MSME, GOI. In his address, Mr Mishra was happy that FMC was chosen by SSARC and EU for this project. He discussed how markets are crucial and there is a need to build an ecosystem where social enterprises have an important role to play, as it is SEs that push people who are poor into having faith in themselves and moving out of the orbit of poverty. He then gave a brief overview of the Ministry of MSME, and his address was followed by a vote of thanks by Dr Tamal Sarkar, Executive Director, FMC. He thanked everyone for gracing the occasion and ended the first part of the day which was followed by tea.

The next session was conducted by Dr B.N. Mohanty, Director, IPIRTI on "Scope of Bamboo based enterprises in SAARC Countries". He looked at the types of bamboo applications and related enterprises in the SAARC region, along with the scope of cross border market development. Since India has 67701 HA forest area for bamboo of which 11361 HA is the bamboo stock that can be used. While china has monopodial bamboo, India is enriched with sympodial bamboo, that can be utilised to generate revenue. Currently India generated only 4.5 million in revenue from the 11.3 HA of bamboo they have, while China is able to generate a revenue of 30 million from the 6 HA of bamboo forest area that they have. This implies that India has a vast potential that is yet untapped. At IPIRTI, bamboo-based technology is slowly advancing, from primary processing, to bamboo mat based (BMB) products, to bamboo strip-based products, to bamboo lumber-based products to advanced bamboo products that are panel products. Based on these IPIRTI has 6 patents for bamboo products.

This discussion was followed by a question and answer session.



The next session was taken by Mr Mukesh Gulati, Executive Trustee and Advisor, FMC on “Social Enterprise (SE) Models to address cluster problems and challenges.” Mr Gulati looked at how for-profit organisations are becoming social enterprises because of their need to be socially conscious. NGOs are becoming a part of the value-added chain in order to promote businesses properly. When all this comes together, it gives rise to a social enterprise. A CFC, according to Mr Gulati has to have some amount of funding from the

private sector. These centres also have to be commercially viable and their benefit must potentially reach everyone. He then gave a brief overview of the different types of SEs and their legal forms to undertake joint activities including management of a CFC and directed all questions to representatives from SDF who know more about the specifics of this topic for SAARC nations.

This session was followed by a two-hour networking lunch, after which there was an internal meeting between all the participating countries, FMC and SDF.

Technical Sessions



The final day of the event was focused on technical sessions. This was attended by Ms. Sanjogita Mishra, Programme officer, CEMCA and Ms. Anupriya Khare, Project Associate, CEMCA. The first 15 minutes were spent recapitulating the last two days and the learnings of those days, which was moderated by Ms Sangeeta Agasty. The first session was then held by Ms Neelam Manjunath, Centre for Green Building Material & Technology on *Bamboo Housing and Construction Materials*. In this session, an introduction was given to market of bamboo

housing and construction material. Ms Manjunath stressed on the need to use eco-friendly substances due to the ecological impact of current materials. Bamboo can solve many such issues and lead to sustainable development. She then discussed some of the issues faced when creating housing, such as lack of safety, a housing deficit in India etc. that can be overcome by using bamboo as a material for construction.

The benefits of bamboo for this purpose are:

- Bamboo can take various types of joints
- Unlike other wood, the hard part of bamboo is outside

She then showed various slides in a ppt of bamboo-based buildings, pavilions, scaffoldings etc, and discussed the various technical aspects of using bamboo as a construction material. Bamboo is called vegetable steel as it has greater tensile strength than even steel. She thus concluded the presentation.

The second session was conducted by Ms. Rebecca Reubens, Rhizome, on *Sustainable Product Design*. The presentation began with looking at how even though bamboo is trickling down to the main market, it doesn't imply that there is development of the people who have been traditionally working with bamboo. We therefore need to combine social, economic, cultural and ecological tenants in order to achieve sustainability. Possible Strategies for doing this are using existing raw materials and labour and adding innovation to that in order to combine all aforementioned four tenants. By using tradition and adding innovation we can get better products.



Ms Reubens then showcased slides in a PPT of how various products have been modified and the techniques that had been used by her and her company Rhizome, to create them.

The third session that was held after tea was conducted by Mr. Sandeep Thang, IFGE, on *Bamboo Furniture, Lifestyle and Crafts*. In this session, Mr Theng discuss the various market opportunities for furniture and how replacing a percentage of the current furniture market with bamboo furniture is needed. There are different types of bamboo furniture:

1. Solid Bamboo Furniture
2. Bamboo Board Furniture
 - a. BMB Furniture
 - b. Glued Board Furniture (Horizontal and Vertical)
 - c. Bamboo Timber Furniture
 - d. Modular Furniture (Bamboo Particle Board and MDF)
3. Contemporary Bamboo Furniture
 - a. Solid bamboo and bamboo board
 - b. Solid bamboo and other materials
 - c. Bamboo board and other materials

As he showed slides for all these types of furniture, he stressed on the fact that bamboo furniture should not be treated as though its different, but instead it should be treated as normal furniture made of any other wood and marketed and promoted in the same way. The session then ended and everyone broke for lunch.



The next session on *Bamboo Plantation and Pre-Processing Technology for Bamboo Products* was conducted by Dr. N. Barathi, Director, Growmore Biotech Ltd. In this session, Dr. Barathi discussed the various types of bamboo, bamboo plantations, better management techniques, methods of better harvesting, grading, seasoning and treatment processes. He looked at the benefits of bamboo as a source not only for handicrafts, furniture or construction, but also for a source of electricity. He discussed innovative uses of bamboo such as bamboo cotton, and the exact ways that bamboo can be cultivated, harvested and utilised for maximum benefits.

The next session was conducted by Mr. Nripal Adhikary, ABARI, on *Engineered Bamboo and its Applications*. He began the session by giving a description of ABARI, which is a socially and environmentally committed research and design firm that examines, encourages, and celebrates the vernacular and traditional materials like bamboo and earth with an aim to promulgate them into contemporary design practices. He then discussed the major challenges to making bamboo mainstream such as Supply Chain, Treatment, Structural Joints and Perception. Mr Adhikary gave an overview of engineered bamboo and its potential applications by giving examples of work done by ABARI after an earthquake destroyed major constructions in Nepal, and quick solutions were required for housing, furniture, major buildings etc.



The day was finally wrapped up with concluding remarks by Dr Tamal Sarkar and Ms Sangeeta Agasty, FMC, and distribution of certificates and a small discussion of the way forward for the implementing agencies.

List of Participants

Afghanistan:

1. Mr. Mohammad Shoaib Durani, Provincial Project Manager in Nangarhar
2. Mr. Shakibullah Raufi, Admin & Finance Officer
3. Mr. Nesar Ahmad, Provincial Project Manager in Kandahar
4. Mr. Mahboob Rahman Arifi, Project Coordinator

Bangladesh:

1. Mr. Qudrat-E-Khoda Md. Naser, Team Leader
2. Mr. Shah Ahsan Habib, Network Development Manager
3. Mr. Md. Robiul Islam, Cluster Development manager-1

Bhutan:

1. Ms. Roseleen Gurung, Project Manager
2. Mr. Passang Tobgay, Network Development Manager, Monggar
3. Mr. Karma Dhendup, Network Development Manager, Zhemgang
4. Mr. Tandin Wangchuk, Project Finance Officer

Nepal:

1. Mr. Nripal Adhikari, Director
2. Mr. Krishna Arjun Baniya, Representative from Government Counterpart
3. Mr. Subash Karki, Coordinator

India:

1. Ms. Sangeeta Agasty, Project Manager
2. Mr. Anijit Bhattacharya, Project Support
3. Ms. Ruchita Sanwal, Project Support
4. Mr. Ratnadeep Kalita, Cluster Development Manager-Ribhoi
5. Mr. Raymond Lyngdoh, CFC Facilitating Partner –Ribhoi

6. Ms. Satabdi Pratikshya, Cluster Development Manager-Dumka

7. Mr. P. Umesh

8. Annie Sneha Herenz, CFC Facilitating Partner -Dumka

9. Ms. Sanjogita Mishra, Project Manager, CEMCA

10. Ms. Anupriya Khare, Project Associate, CEMCA