

INTER-REGIONAL CENTRE FOR ENTREPRENEURSHIP AND INVESTMENT TRAINING

Created with the support of:



United Nations
Industrial Development
Organization



Government
of
India

International Training Programme on Industrial Project Preparation

13th and Appraisal

With Special Focus on

Fruit and Vegetable Processing Sector

December 2 - 20, 2002

At Mysore, Karnataka



Entrepreneurship Development Institute of India
Ahmedabad, Gujarat, India

Programme Rationale:

In developing countries, only a small fraction of domestic production of fruits and vegetables is processed despite the fact that tremendous potential exists for global marketing. The technology for the sub-sector is increasingly turning out into a system technology involving integration of all aggregates starting right from raw material, selection & grading and going upto efficient utilization of utilities.

The technologies in vogue for fruit and vegetable processing range from traditional sun drying to sophisticated techniques of spray drying, freeze drying and concentration. Preservation of fruit products through canning has become fairly common and is being undertaken even in small scale sector utilizing appropriate technology.

Driven by consumer needs and appropriate technologies the sub-sector will continue to grow and change. Thus, adding value to locally available raw materials through processing involves careful assessment of markets and technologies. UNIDO studies reveal that skills for a systematic approach to project formulation is a major constraint in tapping opportunities and taking judicious investment decisions.

Responding to the situation, a training programme on **Industrial Project Preparation and Appraisal (IPPA)** with a special focus on **Fruit and Vegetable Processing Sector** has been planned.

The programme is offered by the **Inter-Regional Centre (IRC) for Entrepreneurship and Investment Training** created by United Nations Industrial Development Organization (UNIDO) and Government of India at Entrepreneurship Development Institute of India (EDI). This is the thirteenth programme in the series.

Objectives:

- Help potential/ existing entrepreneurs acquire enhanced appreciation of the intricacies involved in promoting investment projects in the sector.
- Enhance knowledge and skills of participants in preparation and appraisal of Industrial Investment Projects in agro-processing in general and fruit & vegetable processing projects in particular.
- Facilitate experience sharing among participants in the area of '**Project Development Cycle**'.
- Generate awareness on issues involved in export marketing of processed fruit and vegetable products
- Increase awareness level of the participants in the area of appropriate technology/equipments.
- Equip the participants with an understanding of techno-commercial aspects of the sector.
- Help the participants identify and understand critical issues involved in promoting, formulating and appraising projects for processing fruits and vegetables basically oriented towards exports.

Participation:

The training programme will accommodate 20 participants.

Entrepreneurs/ Corporate planners/ Managers planning to initiate/ expand/ diversify into enterprises in fruit and vegetable processing sector will find the programme useful.

Further, nominations are invited from the following **institutions engaged in promoting projects** in the sector:

- Development Financial Institutions
- Commercial Banks
- Private and Parastatal Project Consultancy Organizations
- Government Institutions engaged in Industrial Project Preparation and Appraisal
- Export Processing Zones

Each of the above institutions can nominate 2 to 3 Officers possessing a University Degree in Engineering / Economics / Business Administration / Commerce Persons with professional.

qualification and at least 3 years of hands-on-experience in the field of Industrial Project Preparation, Appraisal and Investment Decision-Making.can also apply.

The participants need not possess technical qualification in Agro-processing sector. Working knowledge of English is a must

Benefits to the Participants

On completion of the training programme, the participants will be able to:

- Establish networking with Indian technology providers, machinery suppliers and enterprises. Immediately on conclusion of the Training Programme, efforts will be made to facilitate one-to-one interaction between participating companies & institutions and technology providers, machinery suppliers as also relevant enterprises. Advance intimation is required for this purpose. The participants wanting to avail this facility have to meet the expenses of travel, board & lodging for the duration of their stay beyond the conclusion of the training programme i.e., December 20, 2002
- Understand the emerging trends in the agro-processing sector; market-related issues pertaining to export of fruit and vegetable processed products; and parameters for technology choice keeping in view the emerging scenario in the sector
- Apply such knowledge in the process of decision making to various aspects of project life cycle
- Identify data requirements and analyse their suitability for preparation of Industrial Feasibility Studies
- Discuss the stages of feasibility report preparation, understand and practically apply various techniques used;
- Integrate the data gathered into a full-fledged feasibility study
- Carry out computer supported comprehensive appraisal of financial viability of projects through Computer Model for Feasibility Analysis and Reporting (COMFAR III Expert), a UNIDO-developed software.
- Understand the process of assessing a promoter on entrepreneurial competencies and take rational industrial investment decisions.

The programme offers a unique opportunity to the participants in understanding critical issues involved in project preparation, appraisal and promotion of manufacturing ventures in the fruit and vegetable processing sector. The knowledge and skills acquired during the programme - especially those pertaining to financial analysis and COMFAR III Expert are applicable to any industrial sector.

Duration and Venue

The programme is scheduled during December 2 - 20, 2002. The programme will be organised in the city of Mysore, which is around 140 kms. away from Bangalore, Karnataka, India. Mysore houses the Central Food Technological Research Institute (CFTRI), the premier Government of India institute in the area of food processing research. Apart from this, there are other institutions of excellence in the vicinity of Mysore and Bangalore. Mysore is an internationally acclaimed tourist destination as well and hence well connected by road and rail. Bangalore International Airport is the nearest air link.

Course Content

Module I: Project Development Cycle

- An overview of:
 - Project Development Cycle
 - Opportunity mapping in agro-processing sector
 - Preparation of feasibility studies and their appraisal

Module II: Market Analysis

- Introduction
 - Market Analysis for agro processing Projects: An overview
 - Concept of demand
 - Seasonal and cyclical characters in demand
 - Information needs for market assessment
 - Current status of sector

- Demand side:
 - Major importing countries and their profile
 - Necessary and sufficient conditions to access/ penetrate the markets for a given product group
- Supply side:
 - Key exporting countries
 - Their competitive advantages
- Competition:
 - Key market segments and their characteristics (with reference to pre-identified product groups and focus on exports)
 - Nature / basis of competition
- Market environment
 - Trade regulations
 - Dynamics involved in world trade in processed fruits and vegetables (going beyond WTO)
 - Market access to major importing countries: Key issues
- Product mix decisions : Factors to be considered
- Pricing : Strategies, prevalent practices, factors to be considered
- Market assessment (MA):
 - Key steps in MA
 - Forecasting sales revenue: An overview
 - Information sources (web-based)
 - Identifying, assessing and briefing market research organizations for primary data collection
 - Key areas of concern in market assessment

Module III: Technical Analysis

- Technical appraisal of agro-processing projects: Critical issues
- Issues involved in project and product selection
- Production process:
 - Basic steps
 - Flow charts - line balancing
- Technology/ machinery options (with respect to each stage in the production process)
- Impact of new technology on agro-processing sector
- Parameters for technology assessment
- Machinery configuration (issues pertaining to specialization versus flexibility)
- Waste reduction
- Factors influencing productivity
- Checklist for use by an Appraisal Officer
- Quality parameters
 - What they are:
 - Current practices (in setting standards and measuring them)
 - Factors to look into from appraisal angle
- Project Implementation
 - Selection of Consultants
 - Scheduling and monitoring

Module IV: Environmental Impact Analysis (EIA)

- Introduction
 - EIA and its importance in the context of preserving the environment
- Types of wastes/ pollutants in a typical agro-processing industry
- Disposal of wastes (Pollution control measures)
- Checklist for EIA

Module V: Financial Analysis

- Project cost and means of finance
- Cost of capital
- Working capital assessment
- Financial statements
- Financial appraisal techniques
- Breakeven and sensitivity analysis
- Impact of inflation on financial appraisal

Module VI : Computer Model for Feasibility Analysis and Reporting (COMFAR III Expert)

- An overview of COMFAR III Expert
- Structure of COMFAR III Expert
- Data entry system
- Sensitivity analysis using COMFAR III Expert
- Report generation and graphic presentation
- Demonstration and practice sessions

Module VII: Entrepreneurial Assessment

- Entrepreneurial Competencies : Awareness and importance of assessing promoter's capabilities
- Assessing Entrepreneurial Competencies : Exposure to Focused Behavioural Event Interview (FBEI) Technique

Module VIII: Industrial Visits

- Visits to Industrial units

Financial and Administrative Arrangements for the Participants

The cost of participation is US\$ 1890 (US Dollars One thousand eight hundred and ninety only) payable once the nomination is accepted. This subsidized fee covers :

- Tuition fee, cost of course material and computer facilities
- Full board & lodging facilities (single occupancy, air-conditioned)
- Out-of-pocket allowance @ Rs. 384/- per day to cover incidentals

Travel cost between the participants' home country and Mysore (India) is to be borne by participants or their sponsoring organizations.

Fellowships to cover participation fee and/or transport cost may be available for participants from developing countries through development projects sponsored by United Nations Agencies, international or regional funding bodies, bilateral technical cooperation agencies, governments or private enterprises. Candidates are encouraged to contact these organizations and agencies in their countries to enquire about the availability of grant.

The United Nations Industrial Development Organization and the host institution will not assume any responsibility for:

- Costs incurred by participants with respect to any insurance, medical bills or hospitalisation fees as well as incidental costs to travel (Passport, VISA, local travel in home country)
- Compensation in the event of death, disability or illness of participant

Note:

Participants are strongly advised not to have any of their family members accompany them since there will be no accommodation available for family members. The programme organisers of the training programme will not be liable for any expenses incurred by dependents.

Candidates must duly fill-in the attached nomination form and send it **not later than October 31st**, at the following addresses:

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About EDI

Entrepreneurship Development Institute of India (EDI) is an autonomous, not-for-profit institution sponsored by all-India financial institutions. viz. Industrial Development Bank of India (IDBI), Industrial Credit & Investment Corporation of India (ICICI), Industrial Finance Corporation of India (IFCI) and State Bank of India (SBI). It is now an acknowledged National Resource Institution committed to investment promotion, entrepreneurship education, training and research. Its efforts in spearheading entrepreneurship movement in India and other developing countries has led to emergence of a range of training programmes and workshops in the area of investment promotion and entrepreneurship development.

Recognizing the contribution, the Institute has received support from the World Bank, UNIDO, ILO, Commonwealth Secretariat and several other international agencies. The Institute's international activities cover a range of entrepreneurship and investment promotion related training programmes and workshops. Ever since 1983, the Institute has interacted with 30 developing countries helping them build institutional capabilities for industrial development. So far, over 700 professionals from developing countries have benefited from EDI's capacity building programmes including the one on Industrial Project Preparation and Appraisal.

The EDI Inter-Regional Centre (IRC), created with the support of UNIDO and Govt. of India is the result of UNIDO's strategic thinking that innovative methodologies should be transferred to the developing world through regional institutions with proven skills in the area of entrepreneurship and investment promotion. IRC's mission is to develop and strengthen indigenous capacities of selected developing countries in Asia, Africa and Arab regions for investment promotion and entrepreneurship development leading to accelerated industrial development and globalisation of economies.

EDI has provided technical assistance through UNIDO in the setting up of exclusive institutions for investment promotion and entrepreneurship development in Mozambique, Bahrain and Saudi Arabia.

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