



EDI

NEW! EDI-EU PERKS

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Commission

EDI- EUROPEAN UNION PROJECT FOR ECONOMIC REGENERATION OF KACHCHH & SAURASHTRA

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Editorial

Gujarat is an entrepreneur's paradise. Major industrial sectors, like the textiles, chemicals and petrochemicals, pharmaceuticals are progressing rapidly in Gujarat. Interestingly, all these industries to a great extent depend on one of the most scarce natural resource, i.e., water. Though it seems water is in abundance, actually the situation is reverse. The uneven distribution and over exploitation of water have made the resource scarce, costly and beyond the reach of a common person.

A country, which even today has two-thirds of its population dependent on water as a prime resource for agriculture, is facing the brunt of its over exploitation. We are also witnessing how this Natural Capital is being depleted through over-harvesting, development and toxic contamination.

In view of this, there is a need to take steps towards reducing, recycling and reusing waste water within industrial complexes. This takes us to the adoption of the concept of Cleaner Production, which is both a preventive as well as a proactive approach. The Cleaner Production Method provides an important framework for understanding the relationship between environment and industrial economy. It opens up avenues for public participation in decision making that affect the environment.

Doing business with this 'Green Business Perspective' would improve the ability to use public resources like water more efficiently, will help in closing materials cycles, will employ renewable energy methods in production processes and also put into practice green procurement both in technology and raw materials. All these are likely to add value over long-term, emphasizing broader benefit to the community.

Many efforts that value both ecosystems and the stream of benefits they provide are underway and they seek to establish a system wherein this national natural capital is accounted. Confederation of Indian Industries has taken an initiative called "Sustain Water". The project aims at building up a thematic network on Sustainable Policies for Promoting Water Conservation Technologies and Practices.

The challenge, thus, for business today is to provide opportunities for investment in harnessing conservation methods and adopting technology methods which avoid the destruction of scarce resources. It is not too late but time has come when this wealth of nature should be saved from destruction.

By patronizing Green Businesses, one can help reduce waste and protect our environment. It will help us conserve energy, water, and other resources and minimize their wasteful usage. Businesses operating and adopting environment friendly techniques deserve our support.

"We would accomplish many more things if we did not think of them as impossible".

- C. Malesherbes

- Nabarun Sen Gupta
Editor

Important Developments in EDI EU-PERKS Project

Stakeholders' Workshop - Diu

(5-7th September, 2003)

As the project entered its second year, the Stakeholders' Workshop of the year was held at Diu for the Stakeholders of Kachchh. This was during 5th to 7th September 2003. The objective was primarily to create an opportunity for all the Stakeholders to come together and discuss issues having a bearing on the project outcome.

During the first year of the project, credit linkages for trainees came up as a major concern and this workshop intended to provide an opportunity for interaction between NGOs and Bankers as well as other relevant government departments/organizations. Twenty nine participants attended the workshop. They included a four-member team from EDI, 5 NGO representatives, 4 representatives from Government Departments namely the DIC, District Development Office and District Rural Development Agency and a delegation of 16 representatives from nationalized and cooperative banks of the region.

During the 2½ days proceedings, the EDI Project Team made a detailed presentation on the objectives and the areas of activities of EDI-EU PERKS. The presentation also touched upon the first year's activities and the impact generated. For the second year, areas of involvement of banks as well as government organizations were identified. Besides, the role of NGOs and the role of EDI project offices were clearly explained to them. The three-day deliberations involved group discussion on issues focussing on perception of various players, the role of other players, suggestions for improving the inputs and delivery mechanism of the project and expectations of different Stakeholders. The final day was devoted towards preparation of action plan. All the Stakeholders joined hands to prepare this plan.

The important decisions taken in the workshop will strengthen the inputs of the project and will go a long way in achieving the results.

Stakeholders' Workshop - Mt. Abu

(25-28th September, 2003)



Dr. KVSM Krishna, EDI-EU Project Director-Planning addressing the Participants of Stakeholders' Workshop at Mt. Abu. On his left is Mr. Bipin Shah, EDI-EU Project Director-Implementation

The second workshop for Stakeholders from Saurashtra was held at Mt. Abu. A total of 25 participants which included 11

banks, 2 government departments, NGOs and EDI representatives participated in this workshop. The workshop witnessed very active participation from all the Stakeholders, particularly banks and government organizations. The 3-day deliberations resulted in the preparation of joint action plans for implementation of the second year's activities of the project and highlighted the role and contributions of each Stakeholder in these activities.

PERPEUG Partners' Meet at Adipur, Gujarat

(29 September, 2003)

On 29 September, the PERPEUG partners' meet was held at Adipur. All the 11 partners attended the meeting. Mr. Brian O' Neil and Shri Rajiv Mehta, Advisor EU were also present during the deliberations. Review of projects was undertaken. A brief presentation highlighted the results achieved and the activities launched in the second year besides firming up the action plan for the period October-December 2003 of the EDI-EU Project.

Visit of the EU Representatives (30th September)

On September 30th 2003, EU representatives visited a few project locations. The first visit was to village Laiza, in Mandvi where a GEDP was conducted and completed by Medhavi, our partner NGO, during the first phase. A meeting with 20 women participants, who were the leaders of the groups doing business, were organized with Mr. Brian O' Neil and Mr. Rajiv Mehta. The one and a half-hour intensive interaction gave the visiting team insights into certain business aspects being handled by the groups, such as; information on products, production, marketing, internal system of profit sharing, technology inputs.

The team also visited two other small enterprises in Mandvi set up by EDP trainees : one for manufacturing wooden articles and the other for block printing. These two trainees were trained in the first phase EDP of Medhavi at Mandvi. The discussions during this visit centered around issues like working capital requirements, the volume of business, income earned by the entrepreneurs etc.

New Business Opportunity

Cattle Feed

Cattle feed are in great demand in almost all villages of Kachchh and Saurashtra where a significant percentage of the population is involved in cattle rearing. With increasing costs of cattle feed and that of transportation involved in transporting cattle feed from urban locations, an opportunity lies with local units. There is an increase of 10-15 % every year, on transportation cost. Local units could help reduce the costs on all fronts and also enjoy the benefits of high demand in the region.

These units can be established with an investment of Rs. 1,20,000 towards plant and machinery and another Rs 30,000 towards working capital. These units can be started as a group activity. Women members of the SHGs could also start this activity. The technology being simple, with minimum on-the-job training, women can manage the production without any difficulty.

A simple cattle feed can be manufactured from locally available material. This includes Maize Chaff, Cake of Groundnut and processed seeds of 'Prosophis' (called Ganda Baval). The demand being high, earnings are also significant for the members.

The seeds of 'Prosopis Juliflora' are available in plenty during the months of March and June. They could be collected and stored. The collection of these pods could fetch income to the collectors. Presently there is no system of collecting these seeds. Poor women and landless labourers can be involved in collection during these months. The other raw material is also locally available. The residue of the Maize stocks is available in plenty, as maize crop is grown in both Kachchh and Saurashtra. The other raw material is available in Rajkot - a town known for Groundnut Oil Processing

A mini oil mill (to process Prosopis seeds), a hand operated maize chaff cutter and a hand operated press (to make blocks) is the machinery that this unit requires. The cost of hiring a shed and installing three machines will require a capital outlay of Rs 1,20,000. In addition, another expense of Rs 30,000 would help the unit manufacture around 4.5 Tonnes of Feed every month. An amount of Rs 15,000 from the working capital can be kept aside for stocking 'Prosopis' seeds (For an annual production of 30000 Kgs). The three ingredients i.e. Groundnut Cake; Maize Chaff; Proposhis Cake are to be mixed in the ratio of 2:1:1. The production cost of the mix would be within Rs 4.00 per kg (including the cost of raw material and the salary of the employed personnel). This unit can on an average produce 100 Kgs in an eight hour cycle and could be managed by two women members. They could be employed as workers and given salary. The cost of different varieties of cattle feed available in the market ranges between Rs 8-10. These are generally obtained from urban locations, thereby adding some more cost on transportation. On an average a village with a population of 100 cattle units would require around 250-300 Kgs of Cattle feed daily. The production could go up to three quintals everyday if the demand of cattle feed increases.

The cattle feed unit can also be linked with the local Milk Unions and provide cattle feed on credit to the farmers and obtain the money during the disbursement made by the Milk Cooperative Society (once every fortnight).

An amount of Rs 10,000 will be required every month to run such a unit. Another Rs 3000 could be spend for hiring the work force. This unit could be run with a minimum cost of electricity. The most advantageous part of this unit is that it does not create any pollution and gives good profits to the group and the community involved in cattle rearing. In the very first year a profit of Rs 30-60000 can be earned which could be used to pay back the borrowed capital and a part of it can be retained towards profit distribution among the group members.

Success Story

The Garments' Shop in Full Swing

Amritaben Patel, a middle aged lady belongs to the Harijan Community - a marginalised community in Gujarat. She studied upto the 6th standard and then had to give it up due to pressures on her to get married. She has a small family comprising her husband and two sons. Her husband is an electrician and works at a small shop at Anjar. The earthquake devastated her 'pucca' house. The entire family got injured but survived the onslaught. The next few months were days of difficulty for the family. Without the basic minimum requirement for a decent living, the family relied on relief material from food to shelter to clothing. Almost a year went past in the makeshift

relief camp till they ultimately received support from an international agency that offered to build homes if they could provide documents testifying possession of clear land title. This was difficult for them. They got a land at concessional rate from the government by paying Rs. 15,000 and got support from the agency to construct a two room-kitchen unit.

The devastated Anjar had, however, seen by then a host of agencies moving in and motivating women to be on their own. Amritaben was in a dilemma. She knew it well that she was less educated and also had no skills and or even enough money to do something.

The EDI -EU sponsored Entrepreneurship Development Program launched by the local organization attracted her. She met the trainer and realized that this training could open new vistas for her. She joined the 6 weeks' training program. The inputs she received during the training gave her insights into aspects like formulating business ideas, selection of business etc. She also heard about schemes of agencies like DIC and banks.

Finally, she decided to start a garments' shop at her house where she decided to stock and sell outfits for women and kids. This decision was taken because during the market survey she realised that not a single shop dealing with these two products was in her area. Her business started in full swing from day one. She invested Rs. 35,000 in her business. A part of it came from her father and she took a loan of Rs. 20,000 from a private money lender @2.5%p.m. Her application for loan is pending with the DIC. She wants to expand her business and hence has applied for loan of Rs. 1,00,000 so that she can stock good quality material and of different varieties. Her business turnover is to the tune of Rs. 300-500 per day, ensuring an earning on an average of Rs. 1500-2200 per month. She has also purchased a sewing machine and earns around Rs. 1000-1200 per month. She uses this machine to customise readymade garments. This service has given her good business.

She plans to have a good showroom, so that her products can be exhibited. She says that her dream of having her own shop and managing the shop has become a reality today. Amritaben knows that she has miles to travel to give a final shape to her dream and when she mentions this she also gratefully remembers her trainer who made her dream come true.



Participants of Group Entrepreneurship Development Programme exhibiting their products in the Tarnetar Fair, Surendranagar.

The European Union (EU)

The European Union, previously known as the 'European Community' is an institutional framework for the construction of a united Europe. It is a unique, treaty-based, institutional framework that defines and manages economic and political cooperation among its fifteen European member countries. The Union is the largest stage in the process of integration begun in the 1950s by six countries-Belgium, France, Germany, Italy, Luxembourg and the Netherlands - whose leaders signed the original treaties establishing various forms of European integration. While common EU policies have evolved in a number of other sectors since then, the fundamental goal of the Union remains the same: to create an ever closer union among the people of Europe. Presently 15 European countries; are the members of European Union.

Gujarat Earthquake & EU

On the day of the Earthquake the Commissioner for External Relations, European Commission (EC), Mr. Christopher F. Pattern was on his visit to India. Knowing about the tragedy, he not only offered his condolences but also showed his solidarity with the ill-fated people of Gujarat which culminated into an assistance of Euro 100 million (Rs. 400 crores) for relief and rehabilitation efforts in the region. EDI is privileged to be a partner of EU in this effort.

The EDI

Entrepreneurship Development Institute of India (EDI), is an autonomous and not-for-profit Institute set up in 1983, by IDBI, IFCI Ltd., ICICI Ltd., SBI and Government of Gujarat. EDI has been spearheading entrepreneurship movement nationally & internationally through education, research and training.

One of the priority areas for EDI is to identify, motivate, train and create micro and rural entrepreneurs through self-employment and small business development programmes. It is being implemented by about 350 Voluntary Organisations throughout the country. The Institute has completed 13 years of fruitful partnership with NGOs in implementing Micro Enterprise Development Programmes (MEDPs) and other related programmes, particularly in rural areas. The Institute has conducted 610 MEDPs during the decade, training 15,243 rural youths, besides a cadre of 586 Rural Entrepreneur Trainer-Motivators.

The Institute has also been working towards capacity building of NGOs and sensitizing environment and support system. In the programmes on micro-credit, about 100 professionals from NGO sector have been developed to manage credit operations. To facilitate smooth flow of credit, EDI has also been sensitizing bankers, through NGO-BANKER Interface programmes.

Our Partner NGO

Bhagyodaya Vidya Vikas Kelavani Trust

The organization was initiated by a set of youth who believed that the problems the society is currently confronting can be addressed with commitment, dedication and belief. In 1991 the organization got registered as a Public Trust and as a Society. It began to work on the issue of youth particularly to help them develop on their words, behavior and thinking. It focusses on the entire state as its area, however, as a matter of strategy it has decided to concentrate on some specific districts and section. It understands that economic development will remain unsustainable if the Human resources (Manpower) and management systems are not developed and vice versa.

In pursuit of these goals, since its inception, BVVKT has taken up various programs. The notable amongst them is their focus on Entrepreneurship Development. Their role is not just limited to extending help in creation of entrepreneurs but also in most cases, it extends support to newly established enterprises as well. Thrust is also on furthering the process of Women's Empowerment. The Group Entrepreneurship program is carried with women members of the Self-Help Groups. Backward and forward linkages are extended to these women members so that they are in a position to create, manage and successfully run enterprises in a group mode. In addition to these programs, in the past twelve years, the organization has been also engaged in programs like Education, Renewal Energy, Environment Health etc.

Many government departments have also come forward to join hands with BVVKT. It is a partner of EDI and has carried out significant work in programs sponsored by the European Union, Small Industries Development Bank and is also EDI's partner in the programs sponsored by the Ministry of Food Processing, Government of India.

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Environmentally-friendly design of energy-using products

The European Commission proposes a **Directive on the eco-design of energy-using products**, such as electrical and electronic devices or heating equipment.

Products that fulfil the requirements will benefit both businesses and consumers, by facilitating free movement of goods across the EU and by enhancing product quality and environmental protection. By encouraging manufacturers to design products with the environmental impacts in mind throughout their entire life cycle, the Commission implements an integrated product policy and accelerates the move towards improving the environmental performance of energy-using products.

The environmental impacts of energy-using products take various forms, such as energy consumption and related negative contribution to climate change, consumption of materials and natural resources, waste generation and release of hazardous substances.

Eco-design, which means the integration of environmental considerations at the design phase, is arguably the best way to improve the environmental performance of products.

EDI-EU Secretariat

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