

2016-17



Annual Report

Sustainable Enterprise Domain (SED)



ENTERPRISE DEVELOPMENT

Mandate

To create green and inclusive business models of micro and small enterprises and self-employment opportunities for communities.

Key Clients

- Implementation Agencies: Collaborations with local organizations working in the enterprise and cluster development space like SSAR, Create, PAHEL, Aman Rural Development Society and Bhagwandas Gramudyog Sansthan
- Government: KVIC, MSME, NABARD
- Business: Husk Power, OMC, FreeSpanz and DESI Power for load development
- Foundation: La Caixa, Rockefeller
- Financial Institutions: Collaboration Microfinancing Institutions like RangDe, Utkarsh, etc. along with lead banks like Bank of Baroda and State Bank of India for individual entrepreneurs and with Yes Bank for group based enterprises. The list of entrepreneurs in pipeline is shared with these FIs to make the loan procurement process hassle free and help the entrepreneurs with documentation and procedural requirements.
- Technology providers: TAISEI, JICA, Esquare, Gangotree, Eco Tech Pvt. Ltd.

Highlights

- A total of 203 enterprises were set up/supported, out of which 86 were green enterprises. And a total of 1570 IGAs were created. These enterprises were established in 5 major sectors – green construction, recycling, rural services, WASH and agri & allied.
- Rs.12.83 crore was invested in the economy by entrepreneurs and influencing a turnover of Rs.6 crore. These enterprises created 640 green and 109 non-green jobs within the local community, generating a total income of Rs.4.05 crore. In total, over 3,552 entrepreneurs were reached out in one year.
- One of the major initiatives in this year has been the formation and incubation of 4 Farmer Producer Organisations (FPOs) for product based cluster development and expanding the scope of current MeD to include a broad spectrum of businesses in light of new opportunities emerging from ground (basically diversification of enterprises), rural services and green construction are the major sectors that are emerging.
- India Micro Enterprise Development Foundation (IMEDF), the social enterprise development vehicle engine, has been empanelled as Nodal Agency (NA) under the Revamped Scheme of Fund for Regeneration of Traditional Industries (SFURTI) of the Ministry of Micro, Small and Medium Enterprises (MSME). Presently TARA is also the Technical Agency (TA) for ZariJooti making cluster in Hissar and handmade paper cluster in Kalpi.

Priority Areas

- **Enterprise Development and cluster development**
 - This vertical promotes the development & expansion of micro and small enterprises through:
 - Provision of Enterprise Support Services- which comprises of knowledge & capacity building support, access to credit, access to technology packaging and marketing & management support
 - Cluster Development (CD) & Value Chain development (VCD)- which comprises of enterprise services, aggregation and product & market development
 - The key sectors of operation are Agri, WASH, RE based business models, Waste to Wealth and Rural services.
- **Last Mile Delivery**
 - This vertical fulfills basic needs of people in the rural market and improves the quality of life of people through:
 - Provision of doorstep access of basic need products and services via a network of micro-franchisees
 - Generation of demand through consistent social marketing
 - This is achieved by creating access to bundles of products and services for village and small town communities by incubating delivery models and by 'supplying' products and services of TARA or other companies that cater to the basic needs of the rural population through an integrated multi-product last mile delivery system.
 - The product mix aims to provide access to water purification, clean cooking, clean energy, and hygiene solutions.
- **Incubation of Business Models**
 - This vertical develops product for rural sector, while also helping other organizations that are looking to enter this market in India through the following services:
 - Product and Technology Validation Services- comprising of Prototype Testing and Product package development
 - Market Entry Services- comprising of Market Research, Business Model Development and Market testing of package
 - The key sectors of operation are Renewable Energy, WASH, Health and Clean cooking solutions.

Practice

Various initiatives to support green and inclusive businesses such as the i-G Preneur and CELAMED initiative have been piloted across different geographies.

Under the i-G PreneurDA group facilitates the establishment of eco-friendly micro and small enterprises (MSEs) through application of readily available technology solutions for green entrepreneurs. The long-term goal of i-G Preneur is to promote entrepreneurship opportunities through application of innovative, eco-friendly technology based solutions and conditioning of required support systems by establishing of a Business Support Service Vehicle (BSSV). The BSSV will essentially connect new generation of green entrepreneurs with other stakeholders in the enterprise ecosystem such as technology providers, investors and market dealers.

The CELAMED initiative was initiated in 2011 under the Smart Power for Rural Development (SPRD) by Smart Power India, to provide load development services to different ESCOs across 60 sites in Uttar Pradesh and Bihar. The approach was to promote productive loads such as new and existing enterprises such that they would prove as fruitful loads for the ESCO as well as contribute to local economic development. This year 31 new enterprises have been setup and 360 commercial loads have been enhanced reaching out to a total of 200 entrepreneurs. Also, in the process load development capacities for 2 NGOs and 1 social marketing agency were built. Alongside, 8 knowledge products and 3 training manuals have been developed, that capture the processes and learning from initiative.

Case Study

Siya Ram Pandey, a man with a calm demeanour in his late 50's, resident of Bheldi village in Bihar is the third generation in his family to carry forward the carpentry skill. He successfully runs a carpentry enterprise called 'Shree Vishwakarma Saw mill' for the past nine years. Aspiring to own a furniture shop and an export-import business of wooden blocks keeps him fuelled to work hard. In spite of surrounded by seven similar carpentry enterprises, Siya Ram's business holds a brand name in the community, serving more than twenty-five customers a day.

Siya Ram lives in a joint family and shoulders the responsibility of twelve members including his wife and two children, a boy and a girl; he joined the family business in 2007 to take it to the next level of profitability and popularity. "To build my business I worked 16 hours a day and tried several promotion techniques like distribution of pamphlets, seasonal discounts and leveraging family contacts to secure repeat customers", says Siya Ram.

"The business grew to some extent but gradually it became stagnant and I was left clueless of what can be done next," says Siya Ram. Given an opportunity by TARA to move out of the mundane and laborious routine, he happily decided to take up TARA's support for business expansion.

Happy with the current eight hour lighting service package for Rs.160/month, he decided to install a combi-planar machine with TARA's support. This machine performs multiple functions like drilling,



grinding and shaping consuming 2.5 units of electricity in an hour. Rs.20,000 of the technology cost was bundled in the tariff package to reduce the risk and financial burden on the business. In this innovative consumer financing mechanism, he pays a base tariff of Rs.6,000 (for 65 units), which includes his remaining instalment and electricity cost (Rs.22/unit upto 70 hours, Rs.25/unit after 70+ hours).

The newly added combi-planar has helped him save time and offer quick delivery of products. He is now able to complete five orders in a day as compared to three in the past. With addition of this equipment and two workers, the revenue of the enterprise has increased by 22% in a span of three months and the profit increased by 20%. This story is yet another example of a passionate entrepreneur and how electricity becomes a means to spark growth of the business.

Siya Ram is already thinking ahead and wants his son to manage this enterprise along with the import-export business in future. "I am continuously figuring out new ideas, a furniture store or import-export of wooded blocks, for my son's brighter future", says Siya Ram.

Piloting Centre of Excellence (CoE) Model for Skilling Girls & Women:

With increasing recognition that women entrepreneurs are the new engines for inclusive and sustainable industrial growth, and are the rising stars of economies in developing countries like India. Yet, today in 2017, women entrepreneurs struggle to take their rightful place in entrepreneurship ecosystem owing to lack of information, linkage and entrepreneurial skills. TARA's experience of working with women entrepreneurs suggests that in order to expand the opportunities for women entrepreneurship, a comprehensive model comprising of information access, skill building and access to enterprise services is required.

Keeping this in preview, TARA in the year 2016 partnered for a pilot '*Creating Opportunities for Employment and Entrepreneurship for Women in India*' - an initiative by IKEA Foundation, United Nations Development Programme (UNDP), IDF state full form – India Development Foundation and Xynteo to bridge information gap for 2500 women and provide entrepreneurship opportunities to 60 women in Delhi-NCR region.

As part of the project, TARA therefore caters to the need of the women entrepreneurs at three stages:

- **Pre training:** Includes bridging information gap by means of mobilization and awareness events.
- **Training:** Interested participants from pre-training phase are provided entrepreneurship (*International Labor Organization Start and Improve Your Business*) – capsule seven day package which aims at increasing the viability of small and micro enterprises, suitable for the environment of developing countries. One of the most important factors here is that unlike traditional training programmes, existing strength of trainee are valued and encouraged.
- **Post training :** The finalized entrepreneurs are provided enterprise support across four main vertices – i) technology linkage, ii) financial linkage, iii)market linkage and iv) capacity building

In the last 6 months information gap has been bridged for over 1000 women, training has been imparted to 120 potential entrepreneurs and over 15 women have setup their enterprises. Alongside, 8 enterprise packages and 2 custom training modules have been developed.

Case study



Vimla Thakur, Tailoring Training Center, Hauz Rani

Vimla Thakur, a 45 year entrepreneur recently started her tailoring training center

Comprehending the high cost of living in Delhi, she always wanted to start something of her own to supplement the family income. She even underwent a formal training on stitching, but never got an opportunity to start her enterprise

After, almost 20 years of her training, when she got in touch with

TARA as part of the UNDP initiative, she discovered the various opportunities that could be taken up by her. Soon she registered

for the training and underwent seven day long GYB-SYB training. With post training counseling and access to marketing channels she has now set up a tailoring training center from her home with an investment of INR 40,000 towards machinery.

Her center has been in operations for 3 months now and she has a student base of 11. With a fee of INR 550 per student (per month for 3month course), she has earned INR 17,000 so far. She already has enrolment for next 20 students and plans to expand her center by adding 6 month courses as well.

Product

- **i-STED(innovation – Science and Technology based Entrepreneurship Development):** With a broad objective of setting up 150 enterprises in the sectors of waste to wealth, building materials, paper recycling and processed fuel and formation of a special purpose vehicle for supporting waste to wealth enterprises, this project covers the areas of CT, SI and ED. Under this project, 8 enterprises have been setup, 37 enterprises strengthened through capacity building, 2 technology partnerships have been established and the project has paved the way for validation of low cost pellet manufacturing technology.
- **Smart Power for Rural Development (SPRD)-India, Load Development Project:** The objective of project is to provide access of clean energy and to provide load development support to ESCOs by Micro-enterprise Development, thereby contributing to local economic development. This project works around areas of CT, BNF, ED and EMP. Under this project, 31 new enterprises have been setup and 360 commercial loads enhanced. 200 entrepreneurs, 2 NGOs and 1 social marketing agency have benefitted from the capacity building initiatives taken under this project. Alongside, 8 knowledge products and 3 training manuals too have been developed as part of the project.
- **Antenna Technologies - Scaling up safe water:** The objective of the project is to scale up the provision of safe drinking water to the BoP using Aqua+. This project works primarily in the area of BNF. While implementing the project, various strategies have been tested out like the Micro

franchise model for creating alternate channels of distribution. Additionally, various social marketing and monitoring and evaluation toolkits have been developed as part of the project. Based on the success of the first phase of the project TARA has also spawned-off a for-profit company called TARAlife Sustainability Solutions Pvt. Ltd. to scale the Aqua+ business in India.

- **Piloting Centre Of Excellence (CoE) Model for Skilling Girls & Women:** The objective of the project is to identify suitable opportunities for women and girls in the area of self-employment, jobs or enterprise development. For this purpose, 5000 women/adolescent girls will be mobilized and a model center of excellence will be set-up to provide information, training and mentoring services to at least 30% of the women mobilized. This project works around the areas of ED and EMP. As part of the project, strategic partnerships have been developed with 2 financial institutions (Dena Bank and Yes Bank). Alongside, linkages have been developed with 4 vocational institutions across Delhi-NCR.
- **Development of Integrated Energy and Revenue Management System:** Millennium Alliance Awards was awarded to TARA for research and development of Integrated Energy and Revenue Management System. The product developed will be used for metering and controlling of energy used by rural consumers. This project focuses on the area of CT. As part of the project IERMS v2.5 and v3.0 were developed and the technology was deployed at pilot sites.

Policy

Research paper on the “Use of Technology Applicability Framework as a tool to assess the scaling-up potential of a water-treatment product like Aqua+” for the 7th Rural Water Supply Network Forum 2016: Reaching the Sustainable Development Goals for Rural Water Supply.

Way forward

In the coming year, Development Alternatives aims to converge multiple expertise, which requires strategic partnerships for project design and implementation. Alongside the existing partnerships with various Implementing Agencies, Corporates, Foundations, Technology partners, Financial Institutions and Government bodies, there is also a ready pipeline of partnerships that are going to be established in the coming days.

Development Alternatives have strategic geographical clusters for action, internal & external tools and systems and strong partnerships and networks, this will feed into strategic action for effective service deliver through IMEDF.

DA Group will have focused geographical intervention in clusters of Eastern UP and Bihar, Bundelkhand and Delhi NCR, and is committed to set up/support 500 enterprises.

We aim to successfully rollout and market validate business models for 24 products and technologies (like IERMS and waste management technologies). 4 Microfranchisee and alternate delivery model will be tested and validated for creating access to BNF (Energy and WASH) products and services

Incubation of an enterprise support engine has also been initiated as commercial special purpose vehicle (IMEDF). IMEDF will provide entrepreneurs/ businesses support services for technical support, financial assistance, market access and building capacities.

We will productize our services by developing and testing digital enterprise service tools, financial packages and business models, and demand creation standard packages for basic needs.

With increased investments from entrepreneurs and increasing interest to avail services, we aim to package services and roll out these packages at target geographies. The team aims to utilize platforms for outreachlike 150 GyanChaupalis, network of on ground service providers and in 30 districts to enhance outreach and scale of delivery. These products and services will be provided at scale through a network of partnerships – 10 market aggregators, network of 120 local support service providers and 5 financial institutions.

EXTRA

Building blocks emerging/or available (recommendations to achieve major outcomes) like tools, formats, relationships, models etc. – that may be capitalized upon and /or be used for enhancing and major outcomes

- To service entrepreneurs, standard monitoring and evaluation tools have been developed
- 12 enterprise packages validated on ground (like pellets, RO filtration), 4 business models have been incubated (community arsenic solutions, paper recycling and product development, RE entrepreneurs/Micro franchisee model)
- Success stories from ground have been captured in the form of enterprise case studies, entrepreneur stories and process case studies from across different sectors and geographies.
- Engagement with key stakeholders have been initiated – aggregators (DEJ+HAAT, Urban clap, IDEA), FIs (Margadrashak, Mudra scheme, Dena Ban, NVLM, RangDe), implementation partners (CREATE, PANI, SAAR, Aman Rural Welfare Society, TA+ CSOs, TLA)
- Diverse portfolio of new projects to develop sector niches (agri, WASH, RE, women led businesses)
- Energy sector is emerging as a BD hotspot for CSR and we have validated proof of concept