CLUSTER DEVELOPMENT
PROJECT PROPOSAL

SUBMITTED BY
RURAL NON FARM DEVELOPMENT AGENCY (RUDA)
JAIPUR
Cluster

“Cluster is a geographically proximate group of inter connected units and associated institutions in a particular field linked by commonalities and complementarities. Cluster encompasses an array of linked industries and other entities important to competition, including governmental and other institutions. Including trade associations.
## Profile

1. **Name of the Cluster**: Dhanau Embroidery Cluster
2. **Area Location**: Barmer district with special reference to:
   - Dhanau
   - Chouhtan
   - Barmer
   - Shiv
3. **Target Group**: Embroidery Artisans
4. **Details of Implementing**: Rural Non Farm Development Agency (RUDA)
5. **Address**: IIIrd Floor, B-Block, Yojna Bhawan, Jaipur.
6. **Project Period**: 3 Years (including One Year of Pilot Project)
7. **Project Cost for Pilot Project**: Rs. 50.00 Lakhs
## Project Area

<table>
<thead>
<tr>
<th>Panchayat Samitti</th>
<th>Village</th>
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</thead>
<tbody>
<tr>
<td>Shiv</td>
<td>Dharvi, Girab, Bhukhapar, Baleva, Fogera, Khaniyani, Lalasar, Ranasar, Gadra Road, Sive.</td>
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<tr>
<td>Barmer</td>
<td>Jesar, Selav, Gagaria, Buthia, Ramsar, Sewara, Bhachawar, Sethrav, Chadi, Bukad.</td>
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<tr>
<td>Chouhtan</td>
<td>Kelnor, Naptara, Dedusar, Dhok, Dhonia, Chouhtan, Bidasar, Dhanau,Alamsar, Itada, Rabasar, Sanwa, Swaroop Ka Tala etc.</td>
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<tr>
<td>Dhori Manna</td>
<td>Dhori Manna, Ranasar Kalan, Buhal, Bhunia, Sopala, Mangta, Lukhu, Bacharau etc.</td>
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</tbody>
</table>
Strategy for the development

- Trust Building through Entry Point Activities.
- Community Mobilization.
- Organizing the Artisans into Groups.
- Assessment of Need.
- Preparation of Training Programmes.
- Execution of Training Programmes.
- Handholding Support.
- Exit Protocol.
Identification of Agencies/Cluster Development Partners

In order to develop the Barmer Embroidery Cluster, Identification of Agencies/Cluster Development Partners will be done. These agencies may be Government Agency or NGO with substantial experience and expertise in conducting such type of programmes.
Types of Trainings

- Training of Trainers (TOTs).
- Skill Augmentation Trainings.
- Design & Product Diversification Trainings.
- Micro Enterprise Management Training (MEMT).
- Business Development Programmes (BDPs).
Other Inputs for the Development

- Orientation Camp.
- Health Camp.
- Community Mobilization and Trust Building.
- Formation of Groups & Producer Companies.
- Marketing Support.
- Exposure Visits & Study Visits.
- Buyer Seller Meets.
- GI Registration.
- Credit Linkages.
Existing Cluster Map

- The Backward and forward linkages are to be strengthened
- There is a lack of Cluster development actor.
- Dhanau artisans are Totally dependent on Mediators resulting in the exploitation.
- No federation exits.
Suggested/Future Cluster Map

1. Organized artisans.
2. Existence of federation.
3. Established backward linkages.
4. Established forward linkages.
5. Supported by marketing and hand holding supporter.
6. Well Established contact with Technical/Service Providing Institution.
7. Resulting in better Quality Product and no Exploitation.
Value Chain Analysis

Presently the artisans are scattered and they have to go for different places for the value addition to their products which not only increases the cost of production but also consumes more time.

After the implementation of the Cluster development programme, all value addition activities will be provided at one place hence the cost of production will be less and the quality will be improved and time is also saved.
Business Development Plan

The business in the cluster shall be carried out in the following manner

- Organized Business.
- Un-organized Business.
- Job Work.
- Technical Mentoring.
Contd. .......

- Formation of Producer Company.
- Appointment of Business Development Agent.
- Marketing through BDA & Producer Company.
- Establishment of Sale Outlets in Jaipur, Delhi etc.
- Wide Publicity.
- Exposure Visits.
- Periodic Meets with Designers.
- Brand Building & GI Registration.
Infrastructure & Common Facilities Proposed

- **Resource Centre** : The Resource Centre shall be a multi purpose building for administration of producer company, display cum sale counter, training block & inventory room. A special CAD centre will also be there.

- **Common Dyeing Facility** : For providing dyed yarn and raw material to the cluster at reasonable price of standard quality, Common Dyeing Facility will be provided.
Financial Aspect

Total Project Cost for the pilot Project : 50.00 Lacs.

The separate proposal including cost estimate with action plan for second and third year will be submitted along with the report of success at Pilot Project.
<table>
<thead>
<tr>
<th>Problems</th>
<th>Suggested Solutions</th>
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<tbody>
<tr>
<td>Procurement of good quality &amp; standard Raw Material</td>
<td>Establishment of Raw Material Bank at District/Block HQ</td>
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<td>Poor Dying Quality</td>
<td>Special training for dyeing &amp; colour fasteners with the help of technical institution like WSC, Textile Committee</td>
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<td>Lack of modern designs</td>
<td>Design development training &amp; establishment of design bank at resource centre</td>
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<td>Lack of entrepreneurship skill</td>
<td>Intensive EDP Training</td>
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<td>Monotones product</td>
<td>Product diversification and intervention of new base cloth like Rayon, Lenin.</td>
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<td>Poor demand in domestic market</td>
<td>Access to the new markets and entry in the global market.</td>
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<td>Lower Wages</td>
<td>Improvement in quality, efficiency, process simplification &amp; elimination in non usable process.</td>
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<td>Exploitation of mediators</td>
<td>Formation of trader SHG &amp; producer companies</td>
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</table>
Advantage & Outcomes of Cluster Approach

- Better & fast colour with variety of colours as per the National & International demand.
- Latest design will be made available.
- Artisans will be converted into entrepreneur with better salesmanship and quality.
- Variety of products, higher product range in choice of product and quality.
- Better earning from entry into the International Market.
- Higher wages, resulting in the increase of standard of living.
- Reduction in exploitation of mediators.
- Better Barbering Power.
- Reduction in Transportation Cost & Other Raw Material Procurement Cost.
Exit Protocol

RUDA would provide handholding support with the help of grass route level NGOs to the clusters initially.

- Once the task of capacity building is over. RUDA shall gradually start withdrawing from the scene so that the micro enterprises resource centre start having the grip of the cluster.

- Cluster development partners will be brought in so that a business linkage is established.

- However RUDA will continue to observe with the help of grass route level NGOs the activities of the cluster and take corrective measures if required from time to time.

- RUDA shall totally withdraw from the scene after the project period over and artisans are made self sustained entrepreneur.
## Calander of Operations

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<td>1</td>
<td>Posting of Staff</td>
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<td>2</td>
<td>Community Workshop</td>
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<td>Health Checkup Camps</td>
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<td>Need Assessment/Analysis</td>
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<td>Capacity Building Trainings</td>
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<td>Market Support</td>
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<td>Marketing Tools</td>
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<td>Federation Building</td>
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<td>Business Development</td>
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## Cost Estimate for the Pilot Project

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Items/Activitave</th>
<th>Amount (in lacs. Rs.)</th>
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<tbody>
<tr>
<td>1.</td>
<td>Expenditure on Entry Point Activity</td>
<td>2.50</td>
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<tr>
<td>2.</td>
<td>Expenditure on Human Resources</td>
<td>6.24</td>
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<td>3.</td>
<td>Office Expenditure</td>
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<td></td>
<td>a. Traveling Expenses</td>
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<td></td>
<td>(i) Hiring of Transport</td>
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<td>(ii) Traveling by Public Transport</td>
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<td>(iii) Boarding Lodging &amp; Communication</td>
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<td></td>
<td>b. Medical Expenses</td>
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<td></td>
<td>c. Sundry Expenses</td>
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<td>4.</td>
<td>Expenditure on Capacity Building</td>
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<td>5.</td>
<td>Expenditure on Marketing Tools</td>
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<td>6.</td>
<td>Expenditure on Business Development</td>
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<td>7.</td>
<td>Expenditure on Administrative Overheads</td>
<td>3.22</td>
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<tr>
<td>8.</td>
<td>Misc. Expenses</td>
<td>1.00</td>
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<td></td>
<td><strong>Total</strong></td>
<td><strong>50.00</strong></td>
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</table>
THANK YOU