

Assessment of Social Enterprises Working with Women-led Cooperatives in India to Scale up Women's Entrepreneurship



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The underlying assumptions and estimates are materially dependent on the feedback received from stakeholder interviews. Readers are cautioned that, since these projections and other estimates and conclusions are based upon assumptions about future events and conditions, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.

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Acronyms

B2B	business-to-business
B2C	business-to-consumer
CSC	Common Services Centre
CEO	chief executive officer
CMRC	Community Managed Resource Centre
EU	European Union
FPC	Farmer Producing Company
FPO	Farmer Producer Organization
GSP	Generalized System of Preferences
ITC	International Trade Centre
KPI	key performance indicators
MACS	Mutually Aided Cooperative Society
MEIS	Merchandise Exports from India Scheme
MSME	micro, small and medium enterprise
NABARD	National Bank for Agriculture and Rural Development
NBFC	Non Banking Financial Corporation
NCUI	National Cooperative Union of India
NGO	non-governmental organization
R&D	research and development
SHG	self-help group
SFAC	Small Farmers Agribusiness Consortium
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
VLE	Village Level Entrepreneur

1. Introduction

In the post-independence period, India has seen a huge growth in cooperative societies, mainly in the farming sector. The country has networks of cooperatives at the local, regional, state and national levels that assist in agricultural marketing. The cooperative movement in the dairy and sugarcane sectors is very well entrenched and has resulted in significant economic gains across the entire value chain. Cooperatives have also emerged to support both other agriculture products – staples and fresh produce – and non-farm related activities in rural areas. In a country where over 65 percent of the population is rural, cooperatives which are based on the values of self-help, democracy, equality and trust play a great role in mobilizing communities and providing impetus to income-generating activities benefitting the weaker sections such as small and marginal farmers, artisans, weavers, etc.

The cooperative movement in India is one of the largest in the world and can be traced as far back as 1904 when the Cooperative Society Act was passed. However, it was only after the government appointed the cooperative planning committee in 1945, the societies gained in strength and vigour. There are currently over 83.3 million¹ cooperatives spread across sectors, including credit, agriculture, sugar, marketing, consumer, dairy, handloom, handicrafts, fisheries, labour and housing, serving over 270 million people².

In addition to cooperatives, India has seen various other forms of collectivization, be it the informal self-help groups (SHGs) or the more formal and business-oriented Mutually Aided Cooperative Societies (MACS) and Farmer Producer Organizations (FPOs). SHGs are membership-based village-level organizations or sub-

groups whose members provide mutual support to each other in achieving collective goals. Their main aim is to support savings and thrift; they can eventually launch into other micro-enterprises. Given the considerable financial involvement of the government, the ownership, management and controls of cooperatives do not rest fully with their members. As a result, MACS or 'self-reliant cooperatives' were formed as autonomous associations of persons united voluntarily to meet their common need through a jointly owned and democratically controlled enterprise. A key feature of the MACS Act (1995) is that government capital is prohibited, and these societies rely on capital raised through their own efforts. However, the uptake of this form of collectivization has been slow, primarily due to the inability of organizations to raise sufficient funds. As a result, producer companies were enacted as legal entities under the Indian Companies Act 1956 to provide more autonomy to cooperatives and aid in credit flow to them. Producer companies can improve bargaining power, net income and quality of life of marginal producers in the country.

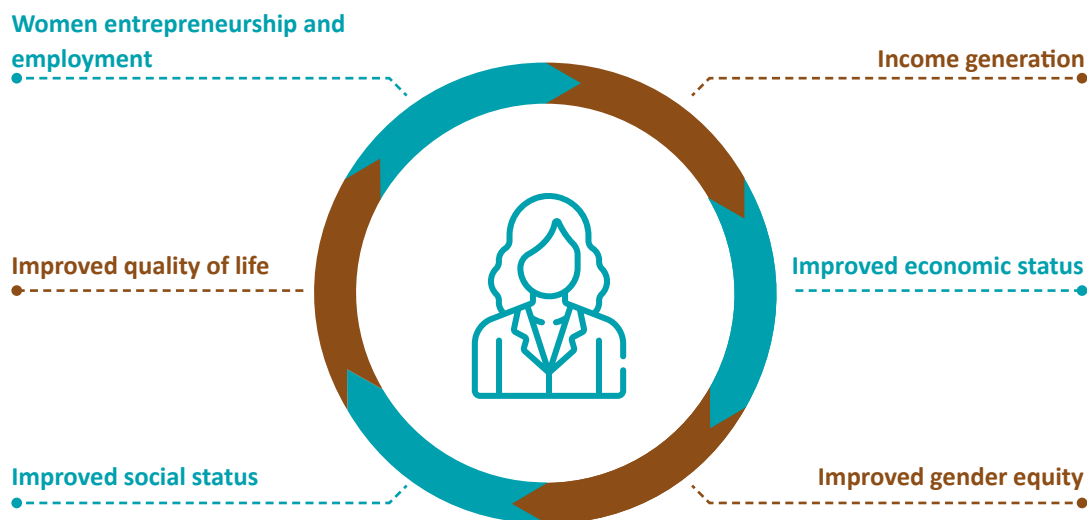
Collectivization can play a vital role in enhancing the economic and social well-being of women who usually feel oppressed by the patriarchal set up of the country. Basis available National Cooperative Union of India (NCUI) statistics, the share of women's cooperatives in the total cooperatives in India stood at 2 percent in 2009. There were over 11,000 women's cooperatives, with a total membership of over 1 million³. However, over the years, participation of women in cooperatives has been increasing in India as well as globally. An online survey conducted by the International Labour Organization and the International Cooperative Alliance shows

¹ NCUI Statistics, 2016.

² NCUI Statistics, 2016.

³ NCUI Statistics, 2009.

Figure 1: Social change and economic development of women through cooperative



75 percent of survey respondents felt that women’s participation in cooperatives had increased over the past 20 years. Both cooperatives and producer companies have benefitted rural poor in general and women in particular, by providing them with a collective action platform to empower themselves. They help members develop skills, attract credit, produce quality products and earn regular incomes. Owing to its growth potential, the cooperative model could be scaled to boost women entrepreneurship in India. This will not only enable women to lead better lives but also have an impact on their families and the community at large.

In terms of current levels of women’s participation in the labour force, over 65 percent of the total female workers in India are engaged in agriculture⁴. Additionally, over 70 percent of the total handloom sector comprises women weavers and allied workers⁵. There are about 58.5 million micro, small and medium enterprises (MSMEs) in India, of which 8.05 million (13.76 percent) are run by women entrepreneurs⁶. The total number of workers engaged in women-owned and -run establishments were 13.48 million, which is 10.24 percent of the total number of workers engaged in India in different economic activities⁷. Of the total MSMEs in India, 13 million operate in the agriculture sector, providing employment to 22.9 million people, while 1.87 million operate in the handloom/handicraft sector, with 4.2 million people employed⁸.

The Government of India realizes that such enterprises have the potential to revive industries and make them sustainable while also promoting women’s entrepreneurship in the country.

The Government of India has enacted various schemes across sectors covering all important aspects of value chains. There are policies that provide subsidies for raw materials and inputs, facilitate aggregation of both farmers and artisans, enable setting up of infrastructure and assist in the marketing of products and produce. In addition to this, **financial institutions** such as The National Bank for Agriculture and Rural Development (NABARD) and societies such as Small Farmers Agribusiness Consortium (SFAC) act as implementing agencies for the schemes and provide financial and institutional support. Some of the new age Non Banking Financial Corporations (NBFCs) recognize the importance of adopting a holistic approach to support the credit needs of cooperatives. Such NBFCs contribute towards building capacities of cooperative organizations with a long-term objective of making the producer companies and cooperatives eligible for borrowing. The role of **development agencies** has also evolved over time. Instead of working solely with public institutions and deploying funds directly to programmes at the grass-root level, they are focusing more on partnering with private entities to deliver development programmes.

4 <https://www.dailypioneer.com/2018/india/75--women---s-participation-in-production-of-major-crops.html>

5 <https://www.unnatisilks.com/blog/its-2018-when-will-india-acknowledge-the-role-of-our-women-weavers/>

6 Sixth Economic Census of India.

7 Ibid.

8 Ibid.

Efforts made by the central and state governments have been considerably complemented by for-profit social enterprises. These enterprises have been one of the key enablers in scaling up women's cooperatives in India by providing technical and financial support.

These social enterprises recognize the enormous potential of farm and non-farm producer groups and provide effective forward and backward linkages. They seek to serve the dual objectives of providing livelihood opportunities in rural India as well as meeting market demand for traditional Indian products and organic produce. These enterprises help build capacities by providing skill-based training, design inputs and other inputs to align production with market requirements. They also work closely with the cooperatives to control quality of final produce and provide avenues for marketing the final product through linkages with market facing entities.

According to a survey conducted by the British Council⁹, 24 percent of social enterprises in India is led by women, which is a much better gender ratio than the MSMEs have, as mentioned above. Twenty-eight percent of these enterprises work in the agriculture, fisheries and dairy sector with 17 percent of them working in the non-farm livelihood space. The most prominent sectors of activity for women-led social enterprises are skills development (55 percent), followed by education (29 percent) and non-farm livelihoods (26 percent)¹⁰. Many of the social enterprises work extensively with women due to the traditional involvement of women in the sector, as well as due to favourable past experiences while working with cooperatives that have women as producers and professional managers. These enterprises

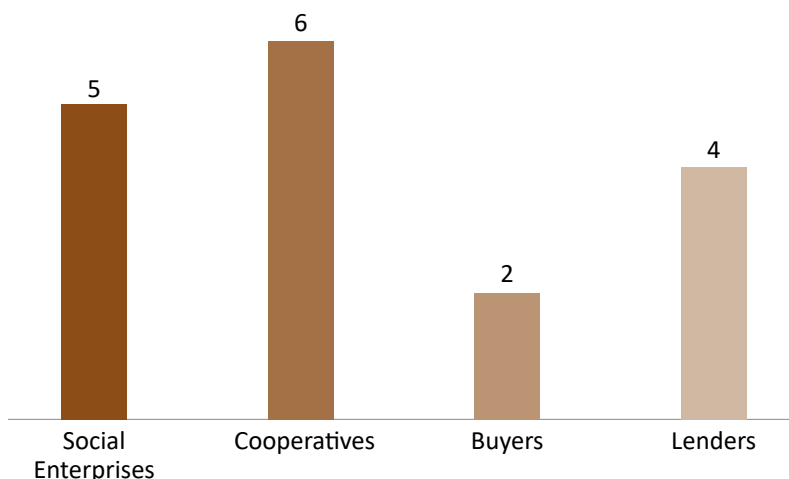
provide other benefits such as credit facilitation, transportation services, enabling education for their children, etc., to further empower and motivate women's groups.

Despite of the work done so far, various barriers continue to exist in promoting women's entrepreneurship at scale. The inputs and techniques of producer groups continue to remain traditional and not in line with evolving market requirements, with overall technology uptake being low in both farm and non-farm sectors. Producer groups across sectors are not equipped to operate efficiently or even to scale their businesses due to the lack of basic infrastructure closer to source. Access to finance is one of the biggest bottlenecks in sustaining as well as growing business operations. As a result, scaling up is a major challenge -- social enterprises are only able to impact a select set of producers given the end-to-end and in-depth support needed.

In addition to these economic factors, various challenges exist at a socio-cultural level. Even as women are heavily involved in labour-intensive activities, their representation in cooperatives and producer companies is not reflective of the fact and they are not a part of key decision-making activities for their businesses. Given the limited capacity of social enterprises and diversity and complexity of challenges faced, a multi-stakeholder approach is needed to scale women entrepreneurship in India and promote the ecosystem as a whole.

The objective of this study is to understand market dynamics for social enterprises and women cooperatives/producer companies in the agriculture as well as handlooms and handicrafts sectors and the

Figure 2: Primary research respondents



⁹ The state of social enterprise in India, British Council, 2016.

¹⁰ Ibid.

challenges faced by them as well as latent opportunities that remain untapped due to the lack of an enabling ecosystem. Insights from this study are to be used by the United Nations Development Programme (UNDP) to implement targeted interventions to promote women's entrepreneurship in the country.

This report incorporates findings from our in-depth interviews with 17 players across both the farm (agriculture) and non-farm (handloom and handicraft) value chains, ranging from social enterprises, cooperatives/producer companies, buyers as well as financing institutions. We engaged with our respondents to consider various facets, interventions and challenges that need to be addressed to enable the cooperative movement to reach maturity by assisting women entrepreneurs at scale. This was corroborated with secondary research to understand the opportunities for intervening and the potential for impact.

With the assistance of UNDP, we also conducted a workshop that convened over 30 representatives of different facets of the cooperative movement (farmers, social enterprises focussed on the farm sector, social enterprises focussed on the handloom sector, financial institutions as well as corporates). At the workshop, we validated our initial findings and discussed potential interventions that could be adopted.

The rest of this report outlines our research findings which form the base for identifying and designing interventions for women entrepreneurs across both the agriculture and handloom and handicraft sectors.

- Section 2 details the overall approach followed for this project;
- Section 3 provides specifics of the methodology used to shortlist social enterprises for the study, from a list of men- and women-led social enterprises;
- Section 4 of the report highlights the role played by social enterprises along with the challenges they face in dealing with cooperatives/producer organizations;
- Section 5 details the perspective of the cooperatives in this regard;
- Section 6 categorizes key areas of intervention opportunities along with potential for impact on promoting women's entrepreneurship in the country;
- Given that global market connect is key in being able to create this impact, section 7 of the report talks about the readiness of social enterprises in connecting cooperatives to global markets; and
- Section 8 then details strategy and design of a programme in impacting 100,000 women producers.



2. Approach and methodology

Intellectap has carried out this study in three phases: (i) project design; (ii) assessment and analysis of social enterprises and women cooperatives in India; and (iii)

final report and programme design preparation. Figure 3 showcases the phase-wise approach used for the study.

Figure 3: Approach and methodology

Phase	Phase 1 project design	Phase 2 Assessment and analysis of social enterprises and women cooperatives in India	Phase 3 Final report and program design preparation
Timeline	1 week	3 weeks	2-3 weeks
Key activities	<p>Project planning and design</p> <ul style="list-style-type: none"> Finalize research methodology and work plan with milestones and review points <p>Design research framework</p> <ul style="list-style-type: none"> Identify quantitative and qualitative aspects to be covered during secondary and primary research Identify sources of secondary research Conduct literature review to map market dynamics of social enterprises supporting women cooperatives along with enablers and challenges being faced <p>Create database for primary research</p> <ul style="list-style-type: none"> Prepare a database of social enterprises, women-led cooperatives and select buyers in the value chain Design interview guides for each category of value chain players 	<p>Conduct secondary and on-call primary research</p> <p>With Social enterprises (5-6)</p> <ul style="list-style-type: none"> Operational model of social enterprises with women cooperatives and their Go-To-Market models Business and performance data (if available) Enablers as well as market and institutional gaps Impact potential of social enterprises on women empowerment through cooperative model, and intervention opportunities to scale women entrepreneurs Readiness to be connected to global markets <p>With women-led cooperatives (10-12)</p> <ul style="list-style-type: none"> Employment generated and other social impact Availability of targeted financial & non-financial support Challenges faced by women led cooperative to scale and demand for specific support interventions. <p>With buyers (3-4)</p> <ul style="list-style-type: none"> Engagement model with social enterprises/women cooperatives along with challenges faced and support provided down the value chain 	<p>Conduct stakeholder consultation workshop</p> <ul style="list-style-type: none"> Identify key stakeholders including social enterprises, women led cooperatives, buyers, financial institutions etc. Organize workshop for validation and dissemination of study findings Gather stakeholder feedback <p>Prepare a public facing report</p> <ul style="list-style-type: none"> Create draft report based on the insights generated from research and stakeholder workshop Incorporate feedback to finalize report Submission of final report to UNDP <p>Build program design document</p> <ul style="list-style-type: none"> Set of finalized interventions with timelines, budgets along with potential risks and mitigation strategies
Major outputs	<ul style="list-style-type: none"> Finalized work plan with milestones and review points List of social enterprises (list of women cooperatives and buyers to be finalized in discussion with social enterprises) Interview guides for primary research 	<ul style="list-style-type: none"> Internal analysis of findings from primary and secondary research on qualitative and quantitative indicators for social enterprises and women cooperatives in India, their challenges and support interventions required to scale them 	<ul style="list-style-type: none"> Public facing report on the "Assessment of social enterprises supporting women cooperatives and their potential for scaling women entrepreneurship in India" Program design document

Phase 1: Project design

In this phase, the methodology of the study was finalized along with a work plan including activities and milestones. We curated a database of male- and female-led social enterprises across sectors which was used to shortlist enterprises for primary research and methodology which has been explained in section 3. We prepared interview guides¹¹ for these shortlisted social enterprises as well as the cooperatives and buyers they work with. We also interacted with lenders to understand their perspective on financing social enterprises and cooperatives. In all, we spoke to 17 players across the value chain for both farm as well as non-farm sectors¹².

Phase 2: Assessment and analysis of social enterprises and women cooperatives in India

Phase 2 included secondary and on-call primary research to understand the engagement model of social enterprises with women cooperatives, their challenges as well as readiness to be connected to global markets.

We also tried to understand the impact potential of social enterprises on women's empowerment through the cooperative model along with opportunities for intervention across the value chain. We connected with cooperatives/producer companies to understand the current support being received from social enterprises along with challenges that still remain. The team also gathered the demand side perspective by interacting with select buyers to understand their engagement model with social enterprises/cooperatives, challenges faced while working with these groups along with support provided (if any) to them.

Phase 3: Final report and programme design preparation

The last and final phase of the study began with a stakeholder validation workshop at the UNDP office in Delhi. Findings from phase 2 were disseminated to stakeholders from across the farm and non-farm value chains¹³. The workshop was also used to identify interventions needed to resolve challenges being faced by social enterprises and cooperatives¹⁴.



¹¹ Interview guides for social enterprises, cooperatives and buyers included in annexure 2.

¹² List of primary interviews included in annexure 3.

¹³ List of attendees for the workshop included in annexure 4.

¹⁴ Brief report on the 'stakeholder validation workshop' included in annexure 5.

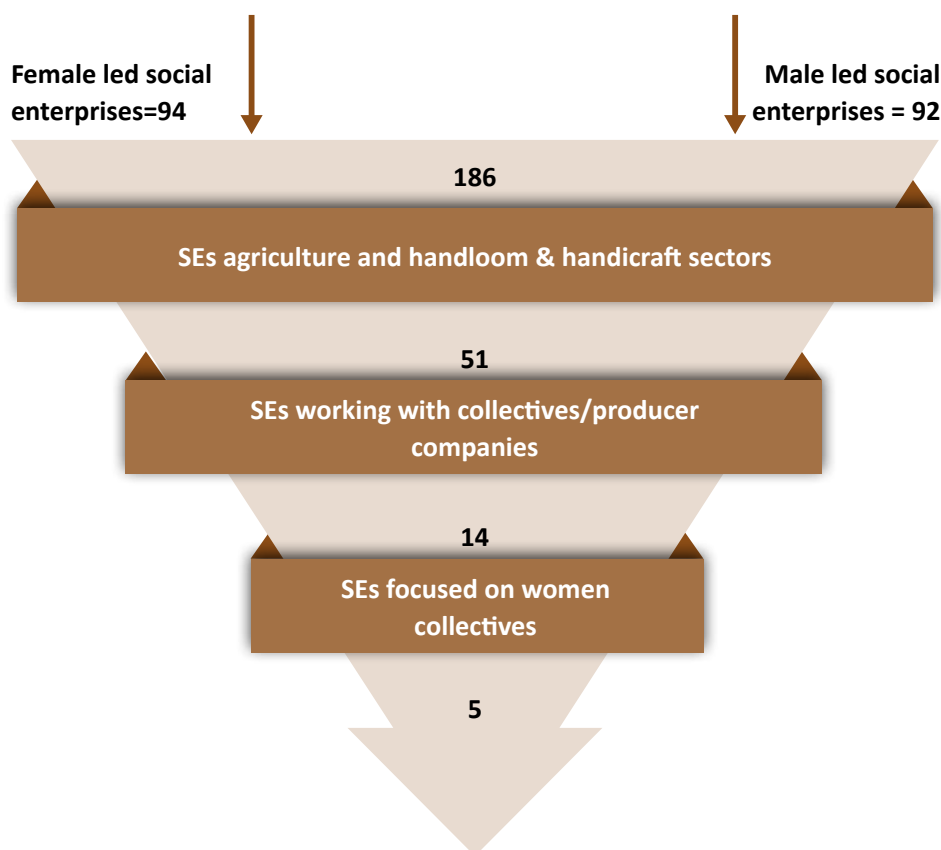
3. Identification of social enterprises for the study

Intellectap has used a stage-based elimination approach to identify select social enterprises that have been working with women-focused cooperatives across the farm (agriculture and allied activities) and non-farm (handloom and handicraft) value chains. Figure 4 details the various levels of filtration used to identify social enterprises for this study.

Intellectap curated a database of ~190 social enterprises¹⁵ (with leadership representation of both genders) across

sectors. The first level of filter was used to identify 51 enterprises working in the agriculture and handloom and handicraft sectors. Interactions with cooperatives/producer companies were used as the second level of filter to obtain a list of 14 social enterprises. Of these, five social enterprises were shortlisted basis their work with women cooperatives, in particular, which also had reasonable scale (in terms of reach and revenue). Figure 4 outlines the methodology used to shortlist social enterprises for the study.

Figure 4: Methodology for selection of social enterprises



¹⁵ List of male- and female-led social enterprises included in annexure 6.

4. Perspective of Social Enterprises

Role of social enterprises in the agriculture value chain





Agriculture in India has been characterized by the existence of informal value chains where a majority of small and marginal farmers are not able to leverage collective bargaining for sourcing inputs, and rely on local moneylenders for credit and are completely dependent on middlemen for getting their produce to the market. Over time, a number of social enterprises have emerged as key enablers in the agricultural ecosystem, providing inputs across the value chain. They provide access to high quality inputs, share knowledge of good agricultural practices, and assist farmers in reducing post-harvest losses, thus increasing farm productivity, overall income realisation on their produce as well as enhancing market connectivity. Figure 5

outlines services provided and outcomes achieved by social enterprises across value chain stages.

Firms such as Dhanuka Agritech and Ulink Organics provide quality seeds and agri-chemicals while others such as Agrosaw provide farm equipment, leading to improved farm productivity and income. Social enterprises also provide cultivation support resources such as harvesting and irrigation equipment for increasing crop yield. Enterprises such as EM3 and Oxen Farm Solutions are adopting the ‘farming-as-a-service’ model which reduces the need for heavy capital expenditure on machinery, equipment, etc., across the value chain.

Some enterprises, such as Basix Krishi Samruddhi, focus on creating community driven business channels.

Figure 5: Role of social enterprises across agriculture value chain

	Pre Harvest	Harvest	Post Harvest	Market Linkage
Service	<ul style="list-style-type: none"> Provide inputs innovative models like “farming-as-a-service” 	<ul style="list-style-type: none"> Provide cultivation support 	<ul style="list-style-type: none"> Storage and processing solutions Collateral management Agri-logistics 	<ul style="list-style-type: none"> Linking bulk buyers to farmer group Provide information and advisory support
Outcomes achieved	<ul style="list-style-type: none"> Improved farm productivity Improved income 	<ul style="list-style-type: none"> Increased crop yield Reduced water use 	<ul style="list-style-type: none"> Minimized post harvest losses Enabled farm to market linkage 	<ul style="list-style-type: none"> Increased market understanding Better market connectivity 
SEs	Dhanuka Agritech, Ulink Organics, Agrosaw, EM3, Oxen Farm Solutions	GreenMax Technology, Zamindara Farm Solutions	Arya, StarAgri, WayCool, Freshleafy	VegFru, Family, EkGaon Technoloies, Moksha Yug Access, DeHaat

They engage with communities by first building their capacities and then providing them with services across value chains, with special focus on productivity enhancement, risk mitigation strategies and alternate market linkages¹⁶.

A number of enterprises are also focussed on improving post-harvest management of produce. A study on social enterprises carried out by Intelicap estimates that ~30 percent of agri-enterprises are engaged in offering loss-reduction solutions, processing facilities and innovative storage and financing mechanisms to farmers. Over 22 percent of enterprises support farmers with market linkages, providing either digital marketplaces – such as those provided by VegFru and Farmily – or direct-to-consumer linkages that facilitate purchase and sale of produce such as the solutions offered by enterprises like Moksha Yug Access and DeHaat.

Another enterprise, Arya Collateral, is a value chain integrator that leverages different stakeholders and connects them to put in place a delivery architecture to provide post-harvest services in an integrated manner. Their services range from aggregating the produce, warehousing and processing to enabling financing (through their subsidiary Aryadhan) as well as linking FPOs with their network of large buyers¹⁷. By providing these services, social enterprises help reduce post-harvest losses, improve realizations, enable better connectivity and improve the market understanding of farmers.

Social enterprises recognize that women in India play a major role in the agriculture value chain, particularly in the farming community. These enterprises treat women as integral to their programmes across the value chain. Some of them even prefer to work with women, providing training, facilitating access to credit as well as market linkage support to them. Many social enterprises that we spoke to indicated a preference for working with FPOs set up by women stakeholders citing a variety of reasons that result in more efficient operations of such FPOs.

Role of social enterprises in the handloom and handicraft value chain

The sector is considered an important component of the Indian economy as it is one of the largest employment generators, after only agriculture. While agriculture is

seasonal and is often affected by fluctuation of prices, non-farm activities present an opportunity to harness regular incomes and gain from traditional skills that have been passed down through generations. This combined with low capital investment and high potential for handloom/handicraft exports makes a compelling case for increasing focus on the sector and women artisans. The handloom and handicraft sector is extremely heterogeneous in nature. Unlike agriculture, it consists of various sub-sectors such as textiles, carpets, home furnishings, accessories, etc., each demanding different skill sets as well as infrastructural requirements. For this study, we have focussed on and interacted with participants in the apparel and home furnishing value chain.

Unlike in agriculture, **social enterprises** in the handloom and handicraft value chain play not just an enabling role but also provide core skill-based services. Given that fashion designs and other trends continue to evolve at a relatively rapid pace, a lot of handholding is required to enable artisans with traditional skillsets to adapt and meet changing consumer requirements. Social enterprises play a key role in bridging this gap and also in aggregating supply from multiple producers to address the bulk purchasing requirements of large buyers. These enterprises also ensure that the products produced by the artisans meet the quality standards expected by the market. These enterprises thus need to invest considerable time and resources in capacity building of artisans.

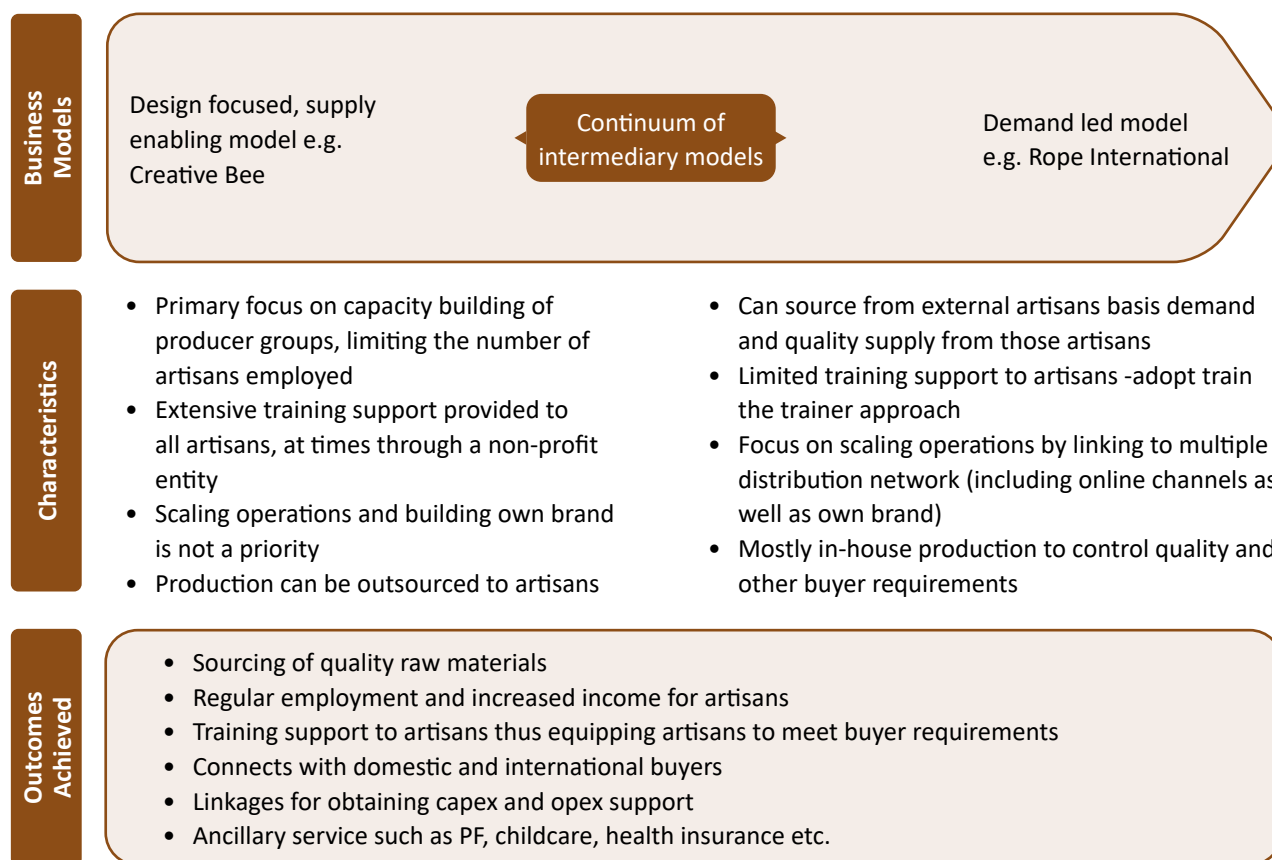
This has led to emergence of social enterprises that have adopted significantly differing business models across the value chain. Some enterprises chose to focus primarily on capacity building of all their artisans with less focus on scaling operations and building their own brand while others concentrated on scaling their operations by training a few master artisans who then provide support to other artisans in villages basis buyer requirements. Figure 6 showcases a continuum of business models adopted by social enterprises, with details on models at the two ends of this continuum highlighted.

For instance, Creative Bee started as a design consultancy and later expanded to production of designer textiles with a focus on empowering rural artisans. For this purpose, it also started a not-for-profit arm focused on skill training and production of crafts.

¹⁶ Please refer annexure 1 for a detailed case study on Basix Krishi Samrudhhi.

¹⁷ Please refer to annexure 1 for a detailed case study on Arya Collateral.

Figure 6: Business models across handloom and handicraft value chain



Creative Bee analyzes market trends and works with the artisans to produce different kinds of textiles adopting a hub-and-spoke model. Basic production is done by artisans' at their homes using handlooms but these are finished in a centralized dyeing facility owned by the enterprise. Rope International, on the other hand, follows a factory-led model, which acts as the focal point for both production and connecting with end buyers. It employs artisans in its factory who carry out significant value addition inhouse. Some of these artisans also work as master trainers to assist all external artisans who have been specifically identified and trained. This is done to ensure quality and increase productivity. There are other enterprises such as Industree which focus on building artisan cooperatives and equipping them with skill-based training and professional management services. Their focus is on building demand-led sustainable enterprises conducive to women in farm as well as non-farm value chains¹⁸.

Social enterprises have been able to collectivize women into productive weaver groups and train them on essential trade skills to meet market requirements.

They are in a position to provide them quality raw materials, market and design information, linkages with domestic and international buyers (through brick and mortar retail, online channels, trade fairs, etc.) as well as financial institutions to obtain credit for working capital and capital expenditures. Some of them also offer ancillary services such as day-care centres for children of artisans, provident fund, health insurance, etc.

Challenges faced by social enterprises

Even as social enterprises have been able to collectivize artisans as well as farmers to an extent, they continue to face obstacles in dealing with them. A key obstacle to effective collectivization is the **absence of availability of professional management**. Interactions with the study participants indicate that only ~10 percent of the producer companies is actively managed by professionals and only a small percentage is financially viable. The presence of professional management enables the articulation and pursuance of a clear objective to enhance the livelihood of the organization's

¹⁸ Please refer annexure 1 for case studies on Creative Bee, Rope International and Industree.

stakeholders. Professional managers are also able to communicate the business model to other participants and establish governance mechanisms that result in better access to credit, inputs as well as in output aggregation. The experience of the cooperative movement in the dairy sector is a clear example of the value added by committed and experienced professional leaders.

Another key obstacle for social enterprises is the **significant gap between the needs of their buyers and the quantity and quality of supply from the cooperatives**. In the case of handloom, even though artisans are gradually becoming aware of the demand for their craft, their skills continue to be purely traditional and not geared to volume production. Buyers in the domestic and international markets are looking at traditional craft with a touch of modernity to be delivered in large quantities with a certain standard of quality. Currently, most rural artisans are able to deliver small orders and fail to comply with buyer requirements of quality and timelines, thus limiting their scale. This leads to a trust gap between the buyer and producer groups, in the absence of an intermediary social enterprise. Similarly, given that farmers mostly do not sell directly and various intermediaries work as a bridge to take their produce to market, there is significant gap between the market need and the farmer's produce. Additionally, the importance of traceability has been increasing with consumers wanting to make informed choices around where their foods come from, how it

was farmed and sourced, what went into it, and who played what role along the way. As a result, linking farmers to consumers has become essential so as to ensure transparency along the value chain, a role that agri enterprises have been playing. Both the lack of professional management of cooperatives and the supply-demand gap lead social enterprises to invest considerable amount of their time and resources towards building capacities of the cooperatives.

Another challenge common to both farm and non-farm value chains is the **lack of basic infrastructure**. In case of agriculture, it is the lack of infrastructure near the source such as warehouses and cold chain facilities to store and process the produce. There is also a lack of low cost and adequate transportation facilities, which can also integrate shelf-life extension technologies so as to deliver produce from the farm gate to the buyer. Lack of such infrastructure leads to severe post-harvest losses as well as farmers relying on multiple stakeholders while taking their produce to market, thus leading to thinner margins. In the case of handloom and handicraft sector, there is a lack of basic infrastructure such as common working sheds with looms, dyeing and starching facilities close to the artisans' areas of operations. Facilities that are provided by state governments are centralized in nature and most artisans find it difficult to access them. This has led to social enterprises investing in inhouse facilities and also, at times, bearing the cost of moving artisans from their villages to these centres.



5. Perspective of Cooperatives

A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise. These enterprises are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. Cooperatives are guided by certain principles so as to put their values into practice¹⁹.

Voluntary and open membership: Cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

Democratic member control: Cooperatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary cooperatives, members have equal voting rights (one member, one vote) and cooperatives at other levels are also organized in a democratic manner.

Member economic participation: Members contribute equitably to, and democratically control, the capital of their cooperative. At least a part of that capital is usually the common property of the cooperative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. They allocate surpluses for any or all of the following purposes: developing their cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

Autonomy and independence: Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

Education, training and information: Cooperatives provide education and training for their members, elected representatives, managers and employees so they can contribute effectively to the development of the cooperatives. They inform the general public – particularly young people and opinion leaders – about the nature and benefits of cooperation.

Cooperation among cooperatives: Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

Concern for community: Cooperatives work for the sustainable development of their communities through policies approved by their members.

However, cooperatives in India face various challenges due to their inherent nature which result in highly ineffective functioning. Given the considerable financial involvement of the government, the ownership, management and controls of cooperatives do not rest fully with their members. As a result of excessive bureaucratization and dependence on government funding and subsidies, cooperatives in India are not necessarily autonomous and have failed to induce self-help, which is a key cooperative value. There is no provision for infusing external equity in a cooperative

¹⁹ NCUI, <https://ncui.coop/cooperative-definition-principles/>

and their borrowing power is also restricted. This makes it further difficult for the cooperatives to be financially strong. Additionally, the principle of democratic member control often leads to delays in decision making, thus hampering operations of a cooperative. Various other challenges faced by cooperatives have been explained later in this section.

As discussed in Section 4, social enterprises have been providing end-to-end support across both farm and non-farm value chains and creating significant impact by guaranteeing regular employment to members of their producer groups. Agri-enterprises have been able to help upgrade technical skills and knowledge of FPO members as well as provide quality seeds, agri-chemicals, farm equipment in addition to post-harvest infrastructure facilities. They have also enabled increased market knowledge as well as connectivity. FPOs that have an active professional management (e.g., a chief executive officer (CEO)) in place are also able to help members leverage existing government programmes and schemes.

In the case of handloom and handicraft, the role played by social enterprises not only entails enabling services as provided in the agriculture sector, but also involves core skill building activities. Given that design trends and other such market preferences evolve at a fast pace, social enterprises have been investing considerable time and resources in capacity building of artisans and ensuring that production is compliant with the requirements of domestic and international buyers.

Even as enabling entities continue to support players across the value chain, producer groups face a multitude of challenges to scale up, thus calling for an integrated approach to solving them. Some challenges are inherent to the nature of the organization structure they operate with, while others exist as part of the public and social environment of the country. Broadly, these can be categorized under business, value chain and ecosystem challenges.

Business challenges

Business challenges refer to the challenges associated with setting up and running an effective organizational mechanism to increase the ability of the producers to align themselves to market trends and meet market demand, thus increasing the share of economic value that accrues to producers.

1. Most farmers/artisans are still not part of a cooperative or producer company and have significantly **low bargaining power** while procuring

inputs as well as buyer orders. It is therefore important to collectivize them and consolidate their offerings for the market while ensuring the quality of the produce. For this to happen, **producers need to trust the concept of collectivization** and be willing to contribute their produce to a cooperative/producer company;

2. **Lack of motivation** among farmers results in their continuing to use low quality inputs and old techniques, thus impacting farm productivity as well as income. Such low quality produce is rejected by large retail chains;
3. Additionally, technology uptake is still low in the sector and **farmers require some level of handholding** before they begin to rely on data and information and communication technology to plan, manage, and execute farm-level activities; and
4. Even in the presence of a professional management, **FPOs/producer companies are unable to provide adequate ancillary services** such as social security benefits, health insurance, child care facilities and support in education of members' children, which can increase motivation of existing as well as potential women members.

Value chain challenges

Changes in operations of producer companies cannot happen without simultaneous improvements in the value chain.

1. Most rural areas suffer from **insufficient electricity supply** which has been cited as a major challenge by FPOs that affects productivity;
2. Over the years, mechanization of agriculture has resulted in confinement of women to traditional roles such as winnowing, harvesting, sowing seeds and rearing livestock, which are low paying. Most initiatives to introduce equipment with new technology focus on male farmers. The design of such agricultural equipment is less suited to be used by women. This discourages women farmers from taking up extra responsibilities at the farm and their role continues to remain limited;
3. Additionally, the **existence of middlemen** and traders leads to reduced realizations for farmers. In the absence of overall market knowledge, price information and adequate storage facilities, farmers are left with no choice but to sell in bulk at prices quoted by the middlemen; and
4. A unique challenge to the handloom sector is the **emergence of power loom**. The use of power loom is rendering many artisans unemployed. Handloom artisans need support to take their produce to markets in a way that enables buyers to recognize the difference between handloom and powerloom

products and are willing to pay a premium for handmade produce.

Ecosystem challenges

Given the unorganized nature of most farming and handloom activity, the support ecosystem has also evolved slowly.

1. Even as financial institutions are offering credit support and government schemes exist for availing of subsidies, the **systems and processes in place are very complicated** thus making it difficult for artisans to leverage them. While many state governments have announced subsidies on purchase of cotton, wool and silk yarns, dyes and chemicals by weavers and their cooperative societies, anecdotal evidence suggests that the portal/process to access these subsidies is very complex thus resulting in artisans being unable to leverage this scheme²⁰. Additionally, government schemes for the handloom and handicraft sector are wide-ranging with no granular focus and are thus not aligned to institutional and credit needs of different sub-sectors;
2. **Lack of awareness of relevant schemes and subsidies** among farmers was cited as an issue by FPOs. FPOs that have a capable and motivated CEO in place are able to regularly inform their members about relevant central/state government schemes. However, those that lack such a professional management layer may face information gaps as a key challenge. At times, farmers do not understand

the technical benefits ensuing from various schemes and subsidies which leads them to not leverage schemes despite being aware of them. In the case of the handloom and handicraft sector, many artisans are also not aware of the benefits available for them;

3. **Lack of access to innovative finance** has been observed as one of the most significant deterrents to sustenance and scale up of business operations. There is a dearth of financial offerings that have been designed keeping in mind the seasonal nature of agriculture produce and aligned with the cash flow cycles of the FPOs. The unavailability of financial records makes it difficult for an FPO to avail of loans from financial institutions; and
4. Another ecosystem challenge is the **social and economic status of women farmers** which is not at par with their male counterparts. Women participate in agriculture as unpaid subsistence labour and are not recognized as farmers owing to the land titles being registered under the names of male family members. All decision making activities are still carried out by men. As an increasing number of men migrate to work in the cities, women work as farmers on the field while receiving lower wages, 22 percent less than male farmers²¹. Similar to agriculture, discriminatory socio-economic norms plague women artisans. Even though they form the majority of the workforce and carry out most of the core skill-based activities such as weaving and dyeing, men take up a more external facing role. Women continue to be isolated from interactions between their business and external entities as well as from all decision making activities.



²⁰ Primary interview.

²¹ Pocket Book of Agricultural Statistics, 2017. Department of Agriculture Cooperation & Farmers Welfare.

6. Opportunities for Interventions to Scale and Promote Women Entrepreneurship and their Potential for Impact

As has been seen in Section 5, the key challenges being faced by producer groups in the agriculture and handloom and handicraft value chains can be categorized into three distinct types, i.e., business, value chain and ecosystem. Opportunities for interventions to scale up women's entrepreneurship in the country can also be aligned to these areas and interventions can be designed to address one or more of the challenges. However, not all areas can be addressed by a single player alone. The sheer diversity and complexity of these aspects will need multiple ecosystem players to collaborate and design interventions for scaling producer group operations and promoting women's entrepreneurship in the country. Figure 7 provides a diagrammatic representation of the three areas of intervention opportunities.

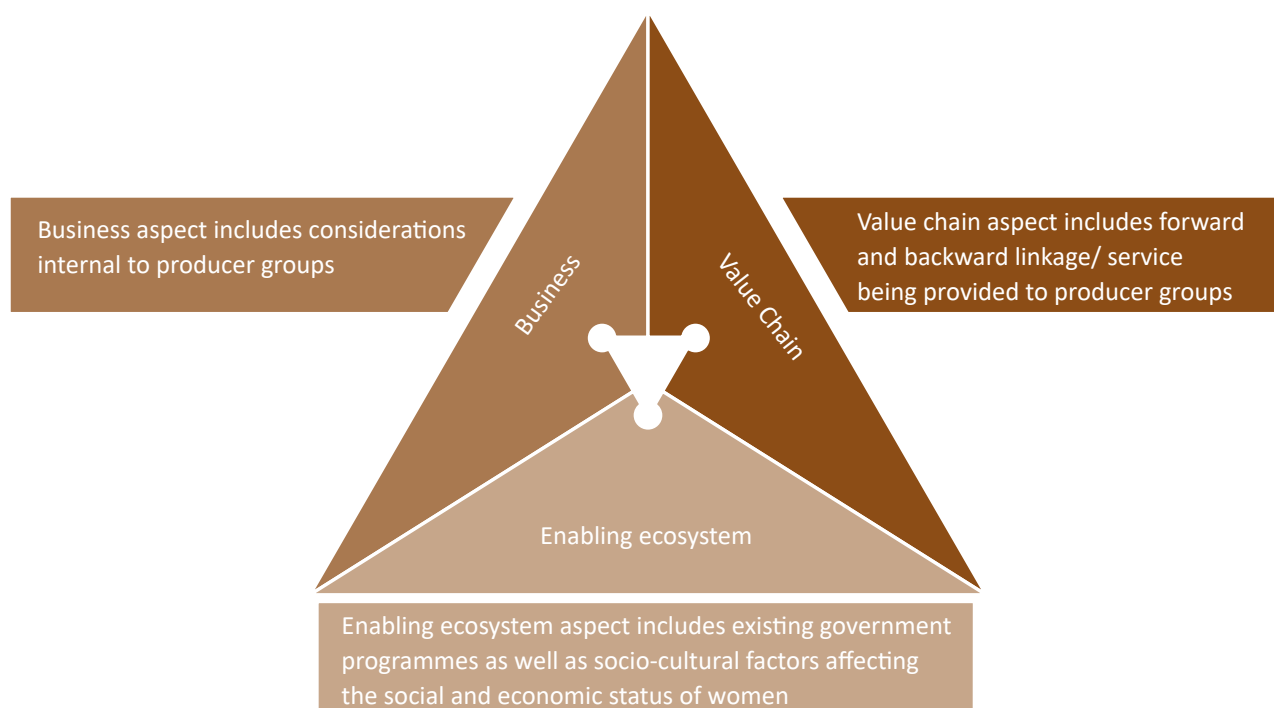
An intervention can look to impact the 13 million MSMEs across the agriculture sector and 2 million across the textiles industry in India²². Potential for impact that can be created in each of these intervention areas has been detailed here.

Business-related Intervention Opportunities and Potential for Impact

The business-related interventions include activities internal to producer groups, which are more in control of the cooperatives and producer companies.

A professional management layer including senior

Figure 7: Areas of intervention opportunities



²² Sixth economic census of India.

management as well as functional resources has been observed to be critical for enabling better governance of the cooperatives and producer companies. This layer can help build the capacity of producer members to run their business more efficiently, instil a profit motive (in many cases, the need for profit is still not well understood), increase motivation to innovate, enhance ability to access credit, improve aggregation of produce and better processing capabilities. All of the above could assist cooperatives and producer companies to obtain a greater share of the economic value.

Another key area to intervene is the **upgradation of skills and knowledge of producer members** to achieve business growth. Usage of quality inputs and upgraded techniques will help increase production as well as overall income of producers. Increased awareness about market requirements can increase the producer's overall participation in the market and also enable them to work more closely with the market to an extent. Knowledge about existing government programmes and schemes is critical for them to be more competitive in the market and drive overall business growth.

Uptake of technology within the producer organization to plan, manage and execute day-to-day activities is essential to scale up business operations. Strengthening of internal systems and processes through technology upgradation has the potential to reduce redundancy and prevent duplication of tasks, ensure seamless and consistent communication within departments as well as help in communication with respect to evolving market requirements and increasing market connectivity.

Provision of ancillary services such as social security benefits, health insurance, child care facilities and support in education of members' children can be a significant factor in not only increasing the stickiness of existing women members but also act as a motivating factor for additional women to join the cooperatives and producer companies.

Value Chain-related Intervention Opportunities and Potential for Impact

Value chain-related interventions include forward and backward linkages/services being provided to producer groups. These activities are external to cooperatives and producer companies for which they are dependent on other players in the value chain.

Ensuring availability of inputs and infrastructure such as quality raw material, upgraded machinery, common

processing and storage facilities in a decentralized manner will enable producers to add more value at the source, thus meeting market requirements to an extent. This will also help eliminate multiple layers of middlemen, eventually leading to better realization for producers. Additionally, **improved design of agricultural equipment and machinery** keeping in mind women and the activities performed by them will not only reduce their drudgery but also enable them to take up additional and more strategic tasks in the operations of a cooperative.

Providing access to different markets enables inclusion of producer groups in a formal economy while increasing their exposure to a larger client base through multiple distribution channels. This, in turn, increases their income and helps the business scale up. Connecting producer groups to global markets has its own set of advantages. Even as international brands have multiple compliance requirements, they not only ensure minimum wages for producers but are also open to giving a premium for, say, sustainable clothing. As a result, artisan incomes from international clients are four times that of their incomes from Indian brands.

Enabling Ecosystem-Related Intervention Opportunities and Potential for Impact

Enabling ecosystem interventions can be centred on **government programmes** as well as overall socio-cultural factors affecting the social and economic status of women.

Large-scale impact can be created if **government policies are designed such that systems and processes are simple** enough for producer groups to avail of the relevant benefits and if they are **implemented in a decentralized manner** so as to make them available to reasonably sized producer clusters.

It is also important to ensure that not only are farmers/-artisans aware about various schemes and subsidies they can leverage but also understand details of benefits that accrue from these schemes. This will enable producers to be more proactive in leveraging government schemes thus meeting their business needs to an extent.

One of the most critical intervention areas in scaling operations of producer groups is **enabling access to funding** in order to meet their capex as well as working capital requirements. Availability of creative financing options for producer groups can lead to multiple benefits in the areas of business inputs, operations as

well as linkages to market. There is a need for building customized financial products and services for producer groups, in different stages of their maturity.

Efforts will also need to be made to improve the **social and economic status of women** in rural India. This will lead to increased participation of women in mainstream activities thus enabling businesses to run more professionally.

Thus, social enterprises, in partnership with various ecosystem stakeholders, can make a significant impact in scaling up and promoting women's entrepreneurship in the country by intervening at a business, value chain as well as ecosystem level.



7. Readiness of Social Enterprises to be Connected to the Global Market

One of the ways in which social enterprises can realize the potential of the cooperative model in promoting women's entrepreneurship is by connecting them to global markets. In doing so, social enterprises are not only bridging the gap between international buyers and domestic producers, but are also able to expand their own horizons by way of increasing their social impact as well as economic sustainability. Given that international buyers encourage sustainable sourcing and are willing to pay a premium for it, social enterprises are able to considerably increase their (and, in turn, the cooperatives') earning capacity. Social enterprises are also able to utilize learnings from one market/country in another, thus developing agility in their business models by way of working with buyers across different countries and cultures.

However, enterprises across both the agriculture and handloom and handicraft sectors face challenges in exporting the produce to countries outside India. These challenges are in addition to the barriers to domestic market connectivity, as mentioned in the sections above.

Export-related Challenges

Even as there is considerable demand for **handloom products** globally, India has still not been able to position itself well in the international market. This is reflected in exports registering a decline in each year over the period of FY2014 to FY2018²³.

- Economic slowdown in the US and the European Union (EU) (top countries for exports) has adversely affected demand for handloom;

- Competition from other countries is a key reason for the decline in exports. For example, India faces duty disadvantages compared to competing countries such as Bangladesh and Pakistan which have zero duty access under Least Developed Countries/ Generalized System of Preferences (GSP)+ status under the EU GSP Scheme. Turkey, which has a well-developed textiles and apparel industry, has inherent advantages of zero duty access to EU, and logistic advantages due to proximity to the EU market. This preferential access being given to other fabric producing countries by EU is making Indian exports uncompetitive²⁴;
- Other challenges include fast changing consumer preferences and high production costs; and
- Though there is excess production capacity in the spinning sector, surplus cotton yarn is not being exported as it is not included in the 3 percent interest equalization scheme and Merchandise Exports from India Scheme (MEIS)²⁵.

Indian exports of **fresh and processed food products** to a number of developed and developing country markets including the US, EU, Vietnam, etc., are also facing challenges.

- Indian exporters are unable to comply with food safety and health standards (such as sanitary and phytosanitary measures²⁶) followed by developed countries, and is thus facing import refusals. Data on import refusals from different countries indicate that food products are rejected due to several reasons. These include pest infestations in the product, presence of ingredients or chemicals which are banned by the importing country's national food law, presence of chemical residues in excess of the

²³ EXIM Bank working paper no. 80, Indian handloom industry: potential and prospects, September 2018

²⁴ Working paper on reviving and accelerating India's exports, Department of Economic Affairs, Ministry of Finance, Government of India.

²⁵ Ibid.

²⁶ According to the World Trade Organization's agreement on the application of Sanitary and Phytosanitary Measures (known as the "SPS Agreement"), every country has the right to set and implement food safety and health standards provided they are based on scientific justification and are implemented to protect human, animal or plant life.

prescribed limits, and food contamination due to germination of bacteria, etc.²⁷. This non-compliance is partly due to issues within the Indian market related to agricultural practices followed, fragmented nature of the supply chain and out-dated technologies still being used in the country.

Some cross-cutting export-related challenges²⁸ include:

- Transport and export infrastructure: In India, ports charges are very high even though port infrastructure and services are qualitatively inferior compared to many developed and developing countries; and
- There are some classification issues such as India's Harmonized System Classification not matching with those of importing countries after the sixth digit under Comprehensive Agreements such as India Association of Southeast Asian Nations Free Trade Area, India Japan Comprehensive Economic Partnership Agreement, and India South Korea Comprehensive Economic Cooperation Agreement. Not just the classification but also the description varies from country to country. Since tariff preferences are given for national tariff lines, these issues need to be resolved.

Measures Undertaken by Enabling Entities to Promote International Trade

The Government of India has established the institutional framework and implemented various policy measures over the years to make Indian exports more competitive. In the Foreign Trade Policy 2015-2020, the government has focused on extending various incentives to promote exports of agricultural as well as handloom products. It also released the Agriculture Export Policy in 2018 which aims to double agricultural exports from the present ~US\$30+ billion to ~US\$60+ billion by 2022²⁹. The policy specifically aims to provide an institutional mechanism for pursuing market access, tackling barriers and dealing with sanitary and phytosanitary issues. Export incentives for handloom products sold through online portals have recently been increased (from INR 25,000 to INR 500,000 per consignment³⁰) under MEIS.

Exim Bank, through its grassroots initiatives, supports globalization of enterprises based out of rural India. It has been supporting and assisting rural artisans and

craftspersons of handicraft products to gain domestic as well as international presence by organizing skill building and training workshops. It also provides market advisory services, thus creating and enhancing export capabilities of Indian firms. Exim Bank leverages its international standing, knowledge and established institutional linkages, coupled with its physical presence and e-marketing efforts, to support Indian companies in their marketing initiatives. It also helps enterprises in their globalization efforts by assisting in locating overseas distributor(s)/buyer(s)/partner(s) for their products and services.

It uses its portal 'Exim Mitra' to work with multilateral and regional banks and financial institutions so as to promote trade between India and the rest of the world. Exim Bank has been both a catalyst and a key player in the promotion of cross border trade and investment. Exim Mitra is an endeavour to boost the on-going efforts to reduce the asymmetry in information and ensure availability of trade finance and credit insurance facilities to MSME entrepreneurs.

Exim Bank establishes multiple institutional linkages with organizations such as UNDP. UNDP and Exim Bank have entered into an agreement to finance capacity building of MSMEs in North East India to enhance their export competitiveness. The project aims to create stronger MSMEs in the Northeast Region to boost exports, generate employment and provide livelihood opportunities, especially for the youth and women. Other new initiatives of Exim Bank include a Market Outreach Programme called E-MOP to promote India's international trade and investment in emerging markets in sunrise sectors, providing value addition for Indian enterprises.

Various initiatives are also being undertaken by **global organizations** to support social enterprises, particularly those run by women entrepreneurs, by connecting them to international markets.

International Trade Centre (ITC) is the joint agency of the United Nations and the World Trade Organization and is the only international agency fully dedicated to the development of MSMEs. It works with various partners to strengthen the competitiveness of MSME exporters, helping build vibrant, sustainable export

²⁷ Indian Council for Research on International Economic Relations, September 2017. India's Exports of Food Products: Food Safety Related Issues and Way Forward.

²⁸ Working paper on reviving and accelerating India's exports, Department of Economic Affairs, Ministry of Finance, Government of India.

²⁹ Agriculture export policy document, Department of Commerce, Ministry of Commerce and Industry, Government of India.

³⁰ <https://economictimes.indiatimes.com/small-biz/policy-trends/govt-ups-incentives-for-handloom-garment-exports-through-e-commerce/articleshow/65165618.cms>

sectors that provide entrepreneurial opportunities, particularly for women, young people and poor communities through value addition, trade, investment and global partnerships. ITC runs multiple programmes across the globe, focusing on providing trade and market intelligence, building a conducive business environment, strengthening trade and investment support institutions, connecting to international value chains, promoting and mainstreaming inclusive and green trade and supporting regional economic integration and south-south links.

The Global Trade Helpdesk initiative is an ITC innovation in conjunction with the United Nations Conference on Trade and Development (UNCTAD) and WTO. Designed to be an easy-to-use, centralized tool to solve the access to information problem, the helpdesk is a one-stop-shop for MSMEs to access information on tariffs,

non-tariff market requirements, trade procedures and documentation, business opportunities and the policy environment.

SheTrades initiative: As a contribution to the Sustainable Development Goals, ITC has launched the SheTrades initiative to create an ecosystem of integrated solutions that empower women economically through trade. The initiative seeks to connect 3 million women entrepreneurs to market by 2021. It helps in capacity building of women entrepreneurs by providing tools such as online courses, workshops, webinars, etc., so as to build their market knowledge. It also provides entrepreneurs with a platform to do business. For example, buyers can post sourcing opportunities for women-owned businesses on the SheTrades tender portal.



United Nations Conference on Trade and Development

(UNCTAD): The first conference was held in Geneva in 1964, to address growing concerns about the place of developing countries in international trade. Today, UNCTAD aims to assist developing countries, especially the least developed countries and countries with economies in transition, in integrating beneficially into the global economy in support of inclusive and sustainable and equitable growth and development. In recent years, UNCTAD has focused its research on the linkages between trade, investment, technology and enterprise development. Technical assistance provided by the organization covers a wide range of areas, including training trade negotiators and addressing trade-related issues; debt management, investment policy reviews and the promotion of entrepreneurship; commodities; competition law and policy; and trade and environment. UNCTAD has various sub-programmes, including one on international trade in goods and services which aims to ensure the effective, qualitative and beneficial participation of all countries in international trade to build more inclusive and sustainable development outcomes.

Measures undertaken by Social Enterprises to Promote International Trade

In their individual capacities, **social enterprises** have also been making concerted efforts to play in global markets. Social enterprises in the handloom and handicrafts sector have invested in building their own infrastructure facilities so as to become competitive in the global markets. Creative Bee built an in-house research and development (R&D) and dye production unit to match global quality natural dye standards. The firm also built its own craft training centre, given the lack of equipment and skill needed to create handicraft raw materials in the country. As a result of this, Creative Bee is able to compete with exporters from countries such as Thailand, Malaysia and Indonesia in the global markets.

Rope International built its own facility for better control over the quality of production so as to meet

compliance standards of international clients. It utilizes international forums to build connects in and understand requirements of global markets. For example, Rope is a member of Nest, a New York-based organisation which helps build capacities of social enterprises and connect them to potential buyers.

Organization such as Industree focuses on business-to-business (B2B) supply to global retailers through its own cooperatives. Industree built two of the largest non-farm producer cooperatives -- one in natural fibre (Greenkraft) and the other in apparel (Ektha Apparels). These cooperatives are able to comply with standards of international clients thus receiving repeat orders year on year.

Global Example of Successful International Expansion

A unique example of a cooperative going global is Spain's Mondragon Corporation. Mondragon is a corporation of cooperatives, each with their own organizational structures and legal personalities. It is one of the largest business groups in Spain. In 2017, the group's revenues totalled about €12,000 million and its staff comprised 80,818 workers. The Mondragon cooperatives are structured into different divisions, depending on their area of work and affinities. The 266 companies and cooperatives in the Mondragon Group operate across areas of finance, industry, retail and knowledge.

The Mondragon cooperative model encourages people's participation and involvement with company management, as well as profit sharing and company ownership. The ultimate authority within each cooperative is the General Assembly, which reflects the corporate will as expressed by all members. The General Assembly appoints the Governing Council, the management authority representing the cooperative. There is also a Board of Directors which coordinates the duties of the Management Team and advises the Governing Council.

8. Programme Strategy and Design

Key Objective of the Programme

The programme aims to design and implement interventions to promote women entrepreneurship by enabling women's businesses in select Indian states to join the formal economy, across both farm and non-farm value chains.

Vision and Mission of the Programme

Vision statement: Enable social and economic empowerment of women in India by promoting women's entrepreneurship at scale.

Mission statement: The programme's mission is to strengthen the ecosystem of women cooperatives by deploying select interventions and reaching 100,000 women businesses across farm and non-farm value chains, in select states of India over a period of four years. It is envisaged to achieve this mission by: (1) building a layered structure run by for-profit social enterprises forming the top layer; and (2) providing support to the for-profit social enterprise for operating the overall structure.

Interventions for Agriculture Sector

To address the challenges being faced by FPOs, we suggest a layered intervention with FPOs as the base organizational unit. FPOs will continue to be the primary face of interaction with the farmer community responsible for aggregating farmers; facilitating farmer interaction with SFAC, district agriculture department representatives and other government agencies; managing inputs; and facilitating basic processing of harvested goods. A mid-layer in the form of a federation (which comprises multiple FPOs) provides the common post-harvest infrastructure facilities and conducts further

processing of goods. The top layer is a for-profit entity with professional management which builds capacities of federation heads and FPO CEOs; provides governance support; ensures that bookkeeping and proper accounting norms are followed; and supports the other two layers in the structure as a whole. Figure 8 details the suggested structure at village/regional/state level, along with responsibilities for each layer, required to implement interventions in the agriculture sector.

Responsibilities of FPO

FPOs, with 1,000 farmers each, form the base organizational units of the suggested layered structure. They are tasked with the responsibility of mobilizing farmers and motivating them to aggregate into groups. They facilitate interaction of member farmers with SFAC and other government departments to avail existing schemes and subsidies. FPOs manage supply of inputs such as seeds, agri-chemicals, equipment, etc., to member farmers as well as aggregation of produce from them. They also conduct sorting, cleaning and grading of harvested produce.

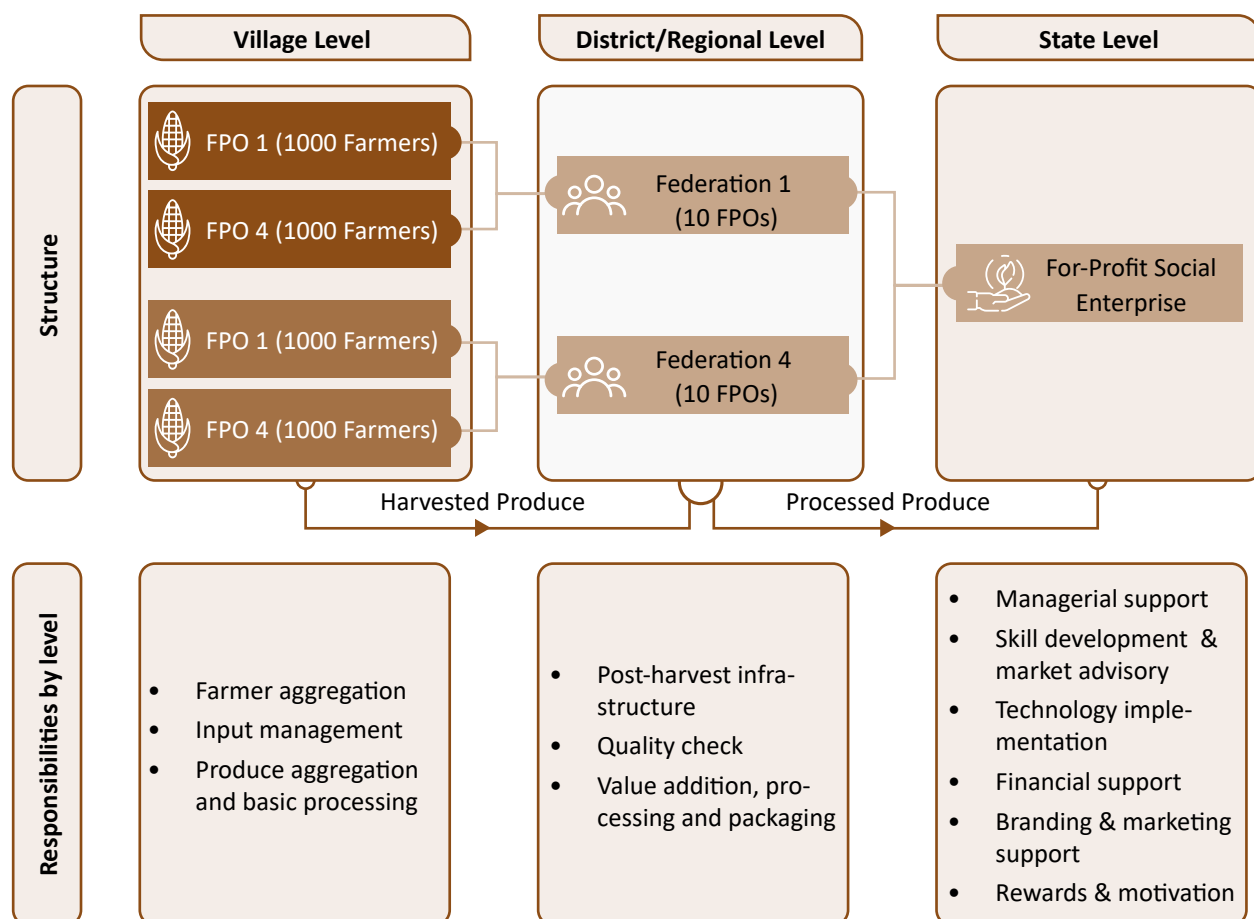
Responsibilities of federation

Federations form a support layer for FPOs which primarily arrange for post-harvest infrastructure facilities for storage and processing. They also facilitate sourcing of upgraded inputs and conduct quality checks for produce received from FPOs. Federations also carry out value addition activities in terms of final processing and packaging of produce.

Responsibilities of for-profit social enterprise

The for-profit entity sits at the top of this layered structure and provides support to the FPOs and federations in its network. The support can be classified into various categories:

Figure 8: Structure and responsibilities by layer



- 1. Managerial support:** Create a professional management cadre to provide governance support and build capacities of federation heads and FPO CEOs. This cadre would be responsible for operationalizing the layered structure and ensuring implementation of systems and processes at the for-profit level. It will identify and engage with external stakeholders/partners so as to support services (as mentioned in the following points) for the layered structure. It will also ensure that FPO heads are aware about various central and state schemes and subsidies that can be leveraged.
- 2. Skill development and market advisory:** Identify training needs both at the FPO and federation level. The entity will conduct training to create awareness about upgraded inputs and techniques as well as market requirements at regular intervals. It will also assess the impact of such training and conduct refresher courses as needed. The entity will bring in market experts and collaborate with the FPOs and federations to agree on a production plan that is aligned to market requirements and that has the potential to maximise value add to farmers.
- 3. Technology implementation:** The entity will partner with relevant enterprises and enable implementation of crop advisory services, traceability, precision agriculture, weather advisory, etc. The entity should also assess the need for technology solutions to optimize business support functions across each layer of the structure.
- 4. Financial support:** Maintain financial records and ensure adherence to accounting norms. The entity will enable funding support for capex and working capital requirements of FPOs and federations. It will oversee disbursement of funds across FPOs and federations and also facilitate insurance services for member farmers.
- 5. Branding and marketing support:** Identify a common brand for the overall structure and set processes for the FPOs and federations to align with the brand. The entity will gather packaged and graded produce from federations and enable delivery to with retail chains, food processing corporates, local markets, etc. The entity will also conduct branding and marketing activities for packaged produce and

support the management in sustaining relationships with different buyers. It will also facilitate relevant certifications needed across different stages of the product life cycle.

- 6. Rewards and motivation:** Identify key performance indicators (KPIs) and design systems and processes for rewarding and recognizing member farmers. The entity will execute these mechanisms (e.g., events) at pre-identified intervals during the year. It will also provide ancillary services such as social security and health benefits, child care facilities, etc.

Interventions for Handloom and Handicrafts Sector

Similar to agriculture, we suggest a layered structure for the handloom and handicrafts sector to address challenges being faced. However, the structure in handloom and handicrafts is smaller than that in agriculture given the need for more decentralized common facilities. In this structure, the base business unit aggregates artisans by type of work, manages inputs and aggregation of the produce. A mid-layer in the form of a federation (which comprises multiple business units) manages inputs and provides common dyeing and starching facilities to artisans. The top layer is a for-profit entity with professional management which builds capacities of federation heads and business unit CEOs and supports the bottom two layers in the structure as a whole. A significant responsibility of the social enterprise is to ensure compliance with labour laws, sustainable sourcing and good manufacturing practices, etc., so that new procurement opportunities in the developed markets open up. Figure 9 details the suggested structure at a village/regional/state level along with responsibilities for each layer, required to implement interventions in the handloom and handicraft sector.

Responsibilities of the business unit

The base organizational unit of the layered structure for the handloom and handicraft sector will comprise 25 looms and 100 artisans each. Each business unit is tasked with the responsibility of mobilizing artisans and motivating them to aggregate into groups. It manages supply of inputs such as yarn, looms and other equipment for member artisans as well as aggregates produce received from them.

Responsibilities of federation

The federations are responsible for sourcing quality raw material and equipment for the business units and also

facilitating interaction with government departments to avail of schemes and subsidies for artisans. Additionally, they provide common facilities for storage and processing (scouring, dyeing, bleaching, starching, etc.). The semi-finished products are then sent to the social enterprise.

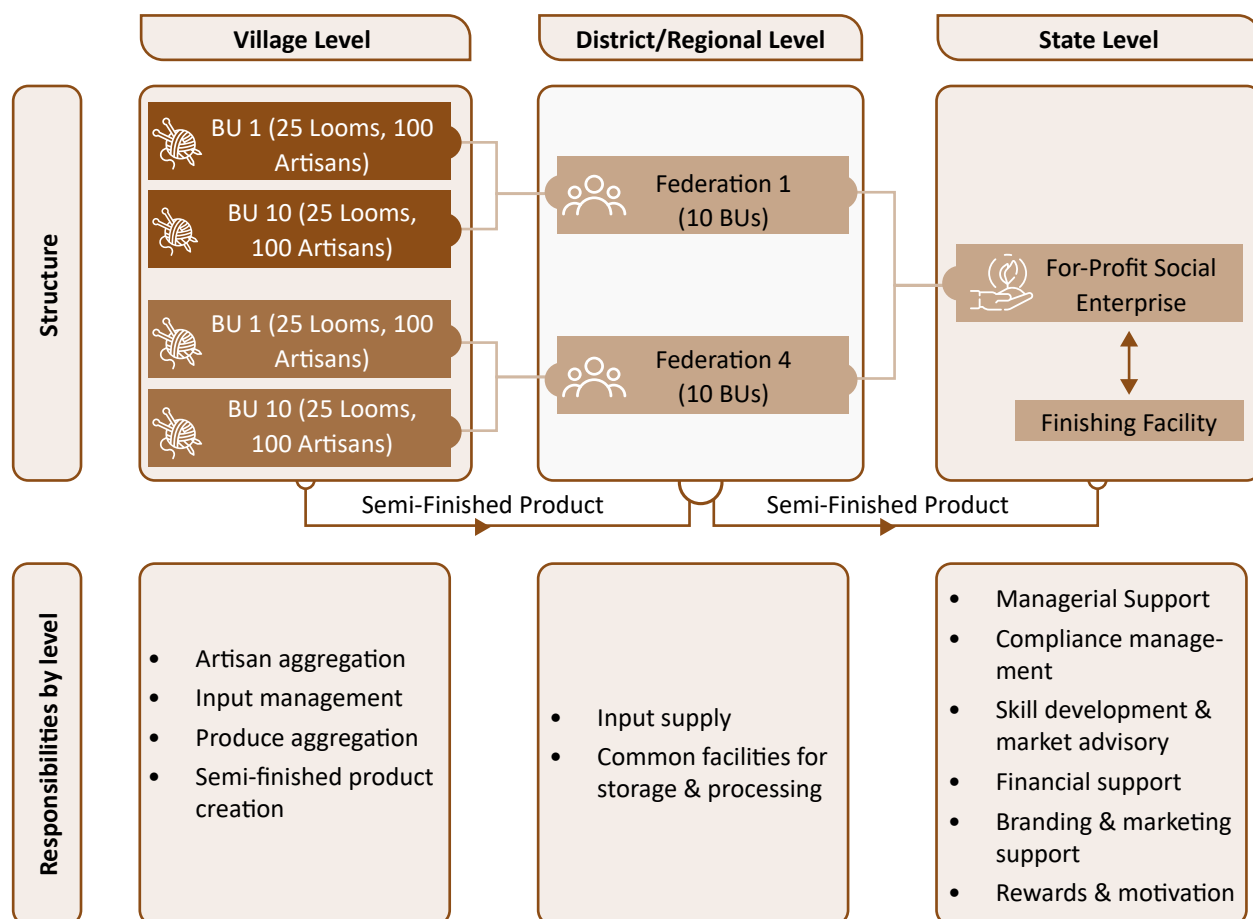
Responsibilities of for-profit social enterprise

The for-profit social enterprise that sits at the top of the suggested layered structure provides overall support to the business units and federations in its network. This entity also has a "finishing facility" that: (1) sorts the inputs received from federations according to their quality; (2) provides alternative market linkages for material that doesn't match quality standards of formal business channels; (3) manages finishing design touches for the material with appropriate quality; and (4) provides packaging services.

The support can be classified into various categories:

- 1. Managerial support:** Create a professional management cadre to provide governance support and build capacities of federation and business unit heads. This cadre would be responsible for operationalizing the layered structure and ensuring implementation of systems and processes at the for-profit level. It will identify and engage with external stakeholders/partners so as to support services (as mentioned in the following points) for the layered structure. The entity also facilitates interaction with government departments to avail of schemes and subsidies for business units.
- 2. Compliance management:** Identify requirements of domestic as well as international buyers with reference to labour laws, sustainable sourcing practices, good manufacturing practices, etc., and ensure compliance at the finishing facility as well as at the FPO and federation level. The entity will provide support to the overall structure to be able to meet various buyer requirements.
- 3. Skill development and market advisory:** Identify training needs both at the artisan cooperative and federation levels. The entity will conduct training to create awareness about upgraded inputs and techniques as well as market requirements at regular intervals. It will also assess the impact of such training and conduct refresher courses as needed. The entity will need to develop an effective two-way communication framework to understand artisan capabilities as well as translate market requirements into a process that can be followed by local artisans.

Figure 9: Structure and responsibilities by layer



4. Technology implementation: Capture technology requirements at each level and strengthen overall systems and processes. The entity will partner with relevant enterprises and ensure implementation of technology solutions for business support functions.

5. Financial support: Maintain financial records and ensure adherence to accounting norms. The entity will enable funding support for capex and working capital requirements at artisan cooperative and federation levels. It will oversee disbursement of funds across artisan cooperatives and federations and also facilitate insurance services for member artisans.

6. Branding and marketing support: Identify a common brand for the overall structure and set processes for the FPOs and federations to align with the brand. The entity will gather finished products from the facility and ensure delivery to domestic and international market buyers. The entity will conduct branding and marketing activities for the artisans' produce and support the management in sustaining buyer relationships. It will also facilitate relevant certifications needed across different stages of the product life cycle.

7. Rewards and motivation: Identify KPIs and design systems and processes for rewarding and recognizing member artisans. The entity will execute these mechanisms (e.g., events) at pre-identified intervals during the year. It will also provide ancillary services such as social security and health benefits, child care facilities, etc.

Road Map

The programme can follow a phased approach over the next four years to be able to reach 100,000 producers across the agriculture and handloom and handicraft value chains. We propose a split of 4:1 between farmers and artisans impacted, i.e., 80,000 farmers and 20,000 artisans, reached by year 4. Year 1 is the preparation phase in which the above mentioned layered structure is institutionalized and other preparatory activities for operationalizing the structure and overall programme are carried out. While the preparatory activities can be carried out for the first six months, the next six months can be used to run pilot projects in select locations.

Figure 10: Road map for programme implementation

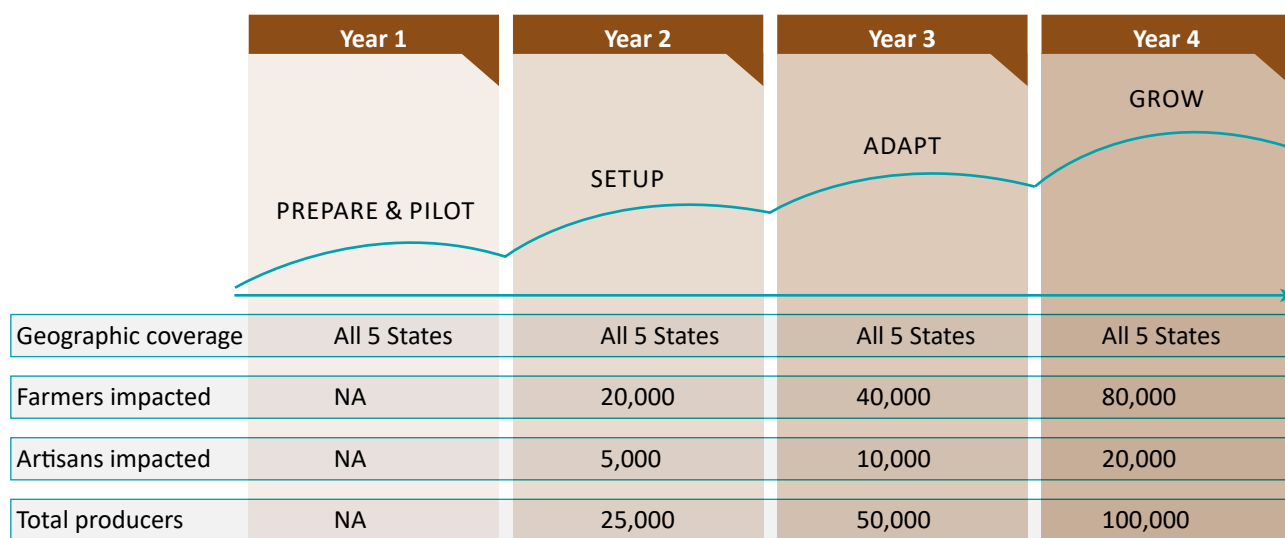


Table 1: Phase/ year-wise activities in the implementation road map

Activities	Year 1 – PREP + PILOT	Year 2 – SET UP	Year 3 - ADAPT	Year 4 – GROW
Create professional management cadre	1. Build a team of social enterprise leaders/ sector experts who can provide overall governance support for the programme structure and help build capacities of federation and FPO/ artisan cooperative heads	1. Operationalize the cadre	1. Extend the cadre as needed	1. Reduce dependence on the cadre as federation and FPO/ artisan cooperative heads learn and move forward
Facilitate formation of the layered structure	1. Identify social enterprises that will run the layered structure 2. Conduct awareness campaigns for aggregating farmers and artisans into business units (FPO/ artisan cooperative) 3. Identify existing FPOs/ artisan cooperatives to play the role of federation layer (basis parameters such as reach, experience, etc.)	1. Institutionalize structure and launch operations across all 5 states (1,000 artisans and 4,000 farmers per state, i.e., 5,000 artisans + 20,000 farmers)	1. Rejig the structure if needed 2. Extend the structure to include 1,000 new artisans and 4,000 new farmers per state, i.e., 5,000 new artisans + 20,000 new farmers)	1. Extend the structure to include 2,000 new artisans and 8,000 new farmers per state, i.e., 10,000 new artisans + 40,000 new farmers)
Provide technical assistance facility	1. Build framework/ tool for assessment of FPOs and federations to: (a) identify capacity gaps for support provision and act as an indicator for stage of development; (b) help financial institutions and donors assess performance of FPO/ artisan cooperative for capital infusion; 2. Identify training needs for social enterprises, federations and FPOs 3. Initiate category and stage wise training sessions	1. Continue training sessions	1. Build platforms (online and offline) for knowledge sharing 2. Provide refresher or add-on training sessions for entities that began operations in the previous year (under the programme) 3. Provide training sessions for entities launching operations in the current year	1. Manage platforms 2. Continue training sessions (new and refresher/ add-ons)

Activities	Year 1 – PREP + PILOT	Year 2 – SET UP	Year 3 - ADAPT	Year 4 – GROW
Design innovative and tailor-made financial products for FPOs	<ol style="list-style-type: none"> 1. Design financial products (debt) to cater to needs of FPOs and artisan cooperatives 2. Identify financial institutions to partner with, as needed 3. Design blended finance mechanisms to accelerate flow of capital to FPOs and artisan cooperatives 	<ol style="list-style-type: none"> 1. Rollout new products/ schemes for FPOs and artisan cooperatives 	<ol style="list-style-type: none"> 1. Revise product/ scheme structure if needed 	<ol style="list-style-type: none"> 1. Build new funding products/ schemes as FPOs and artisan cooperatives reach growth stage
Set up national and state-level project management offices	<ol style="list-style-type: none"> 1. Build monitoring and evaluation tools and templates 	<ol style="list-style-type: none"> 1. Analyze data coming in from entities beginning operations in first (current year) 2. Design a compendium of best practices from initial project experience to apply to entities that will start operations in the coming years 	<ol style="list-style-type: none"> 1. Monitor programme for entities starting operations in current year 2. Share best practices with state-level teams for making structural changes, for making design changes to funding schemes, for revising training session content, etc. 3. Track implementation of suggested changes in operationalized entities from previous years 	<ol style="list-style-type: none"> 1. Monitor programme for entities starting operations in current year 2. Track implementation of suggested changes in operationalized entities from previous years 3. Use knowledge gathered for advocacy efforts

Year 2 is the set up phase where the programme is officially launched across all five states. The aim will be to reach 20,000 farmers and 5,000 artisans during this period. Basis learnings gathered in Year 2, the programme is modified as needed during Year 3. An additional 20,000 farmers and 5,000 artisans will be on-boarded in this year, taking the total up to 40,000 farmers and 10,000 artisans. Year 4 will form the growth stage of the programme with a total of 80,000 farmers (40,000 existing + 40,000 new) and 20,000 (10,000 existing + 10,000 new) artisans reached. Figure 10 shows a diagrammatic representation of various phases in the road map along with timelines and geographies and producers reached. Table 1 details activities to be carried out by UNDP in each year for implementing the programme.

Costing

The cost setting up a Farmer Producer Company (FPC) can have multiple varying elements. While it can be set up with a basic registration cost of INR ~5,000, various other licensing cost elements may be included depending upon the agricultural product the FPC chooses. Assuming four operating cycles in a year, including procurement of raw material, conversion/ processing time, average time of holding finished goods

and average collection period, the annual working capital requirement for an FPC may be over 70 percent of the overall set up and running cost. While about 10-15 percent of the overall budget can be allocated to setting up basic infrastructure and machinery, another 10-15 percent can be allocated to management cost, training and capacity building cost of the FPC. Less than 5 percent needs to be allocated to cost of a small office for the FPC, with basic furniture and fixtures. These estimates may considerably vary basis the chosen agricultural commodity and level of processing taken up, as that will not only impact the operating cycle but also the infrastructure and machinery needed. Given this variability, an in-depth study will need to be undertaken to assess the costing for setting up and running an FPC for a given period of time.

Similarly, in the case of handloom and handicrafts, there are multiple variable elements while determining the overall cost of setting up and running an artisan cooperative. For example, the cost for setting up a business unit comprising 25 looms and employing 100 artisans is estimated at INR 10 million. This includes working capital cost for one year, comprising costs of the yarn as well as weaver wages. However, this estimate is based on the assumption that artisans are either working out of their own premises or using shared infrastructure provided by the government.

9. Summary

Even as agriculture contributes only about 16 percent to India's Gross Domestic Product, it employs over 50 percent of the Indian workforce and is the backbone of our economy. Over 65 percent of the total female workers in India are engaged in agriculture. Similarly, the handloom and handicrafts sector, which is the largest employment generator after agriculture, provides employment to a vast segment of artisans in rural and semi urban areas. Over 70 percent of these artisans are women. The sector is also a major contributor to the foreign exchange earnings of the country owing to the traditional skills of the artisans and weavers, demand for which has been increasing over the years. Increased focus on women in these sectors will not only lead to sector growth but also uplift and empower rural women, who have abundant skills but not enough opportunities to leverage them to make a living.

This report assesses both the agriculture and handloom and handicraft sectors basis the enabling role played by for-profit social enterprises. We seek to detail the challenges being faced by producer groups as well as social enterprises in scaling up operations across both sectors. The report identifies key opportunities for interventions along with the potential impact that can be created. It also details strategy and design of a programme, which can help promote women's entrepreneurship in the country.

Over the years, different agri-enterprises have provided services across the value chain to increase farm

productivity, minimize post-harvest losses and enhance market connectivity and thus enhance incomes of farmer groups. Similarly, social enterprises working in the handloom and handicraft sector have been working extensively towards capacity building of artisans to bridge the gap between traditional skill sets and modern design requirements. They have been able to provide regular employment and increased incomes for artisans by including them in formal value chains and taking their products to international markets while assuring quality and compliance to the end buyers.

Despite efforts being made across the value chain by enabling entities, challenges continue to exist at a business, value chain as well as ecosystem level. The sheer diversity and complexity of challenges faced by producer groups and social enterprises warrant a multi-stakeholder approach to resolving them. We have identified opportunities for interventions across three dimensions -- business, value chain and ecosystem -- and also highlighted their potential impact on promoting women's entrepreneurship at scale. The report then builds on inputs received from stakeholders to present a programme which has been designed to aggregate producers into groups and provide technical, funding, marketing as well as managerial support to them with the help of a layered structure. We have also included responsibilities for each level of the structure along with an implementation road map to impact 100,000 businesses across both the agriculture and handloom and handicraft sectors, over the next four years.

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3. Rope International
4. Basix Krishi Samruddhi
5. Arya Collateral
6. Pro Nature Organic
7. Rohini Ventures
8. Vishwatej FPO
9. Gudibanda Farmers Producer Company
10. Agrotech Agro Producer Company
11. APMAS
12. Greenkraft
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Annexure 1: Case Studies of Select Social Enterprises

Basix Krishi Samruddhi Limited (BASIX Krishi) – Agriculture

Background

Basix Krishi is a for-profit social enterprise working in the agriculture and allied sector. It was started in 2010 with its registered office in Hyderabad. It focuses on creating community-driven business channels in the form of FPOs, Village Level Entrepreneurs (VLEs) and Common Services Centres (CSCs). It also works with corporates under its Corporate Social Responsibility initiatives by creating service branches in specific locations.

Business Model

Basix Krishi is working with over 75,000 farmers across six states (Uttar Pradesh, Bihar, Jharkhand, Chhattisgarh, West Bengal and Odisha) by providing services across value chains. It includes productivity enhancement (increasing productivity/reducing cost of production), risk mitigation (preventive measures such as vaccination, seed treatment, preventive sprays in crops, etc.), local value addition (sorting, grading, packaging, etc.), and alternate market linkages (inputs such as seeds, fertilizers, bio-products and output marketing of produce). It also links FPOs with large buyers, both domestic and international.

Basix Krishi first builds their capacities before offering the services. For this, it leverages government provided CSCs, where the delivery is done through VLEs. Additionally, while working with corporates, it sets up service branches and the delivery is done through livelihood service providers. This model is being followed with corporates such as ACC Cement, IRCTC, etc.

Focus is placed on promoting sustainable production practices with the objective of improving realizations and increasing farmers' income. BASIX Krishi primarily works to develop value chain services concentrating on potato, banana and fisheries.

To meet the development demands of marginal farmers, BASIX Krishi has a tie up with a non-profit organization Sarve Seva Samity Sanstha that is working on community issues such as education, health, agriculture, water, sanitation and financial inclusion.

BASIX Krishi has established strategic partnerships with profit and non-profit organizations such as ITC-Technico, Cadila, TERI, Natural Life Sciences, Jain Irrigation, Reliance, Syngenta, Keventer Agri Services, etc.

Growth Story

BASIX Krishi had started its work with Indian Grameen Services (IGS - incorporated as non-for profit) in the year 1996 to provide technical assistance and support services along with credit to farmers. In order to provide different set of services to target customers, new entities were floated like BASICS Ltd (Holding Company), BSFL (microfinance including insurance and agriculture business development services), BKSL (agriculture and allied services), Sub-K (financial inclusion services), B-ABLE (skill building and employability creation), ILRT (Research & Training) etc.

It had served 15 lakh customers providing agriculture and business development services through BSFL till 2010. Basix Krishi Samruddhi Limited was incorporated in the year 2010 to focus on various crops and sectors such as dairy, livestock and poultry. In 2014, they narrowed their approach to focus on banana, potato and fisheries value chain.

Its revenue has grown from INR 35 lakh in 2010 to INR 7 cr in 2018.

Impact Created

Basix Krishi believes in strengthening communities before moving to revenue generation. It has started building capacities of 35,000 women in Jharkhand and will start offering them its services next year. Farmers

in Lucknow and West Bengal have seen an increase of 10-20 percent in their incomes after being linked with buyers such as Pick & Serves and Keventer Agri. It is also promoting bananas cultivation in Eastern India (West Bengal, Jharkhand and Odisha). End-to-end support is given to farmers which has increased their yield by almost 30 percent and incomes by over INR 100,000 per acre.

Additionally, it is also facilitating the sale of tiger worm toilet, an environmentally sustainable sanitation alternative, to 20 FPOs covering 20,000 farmers. Four of these FPOs are now selling these toilets to their members. This is helping them earn additional revenue.

Overall, BASIX Krishi is planning to cover 500,000 marginal and small farmers and 250 FPOs by the end of 2020.

Arya Collateral – Agriculture

Background

Arya Collateral is a for-profit social enterprise working in the agriculture sector to provide integrated value chain linkages and services. The company started operations in 1982. In 2002, it forayed into collateral management of agriculture produce, becoming the first Indian company to do so. It also incorporated Aryadhan Financial Solutions in 2017 to provide commodity financing services to

FPCs and other value chain participants at the fringes of financial inclusion.

Business Model

Arya Collateral is a value chain integrator offering post-harvest services to farmers and producer companies including cooperatives, processors, financial institutions as well as domestic and international buyers. It seeks to use its strength on the demand side to link producers in the secondary and primary markets with large buyers, thereby reducing post-harvest losses and improving realizations. It uniquely operates in smaller secondary and primary agri-markets that have so far been neglected by formal players. It offers warehousing, fumigation, quality and stock assessments along with post-harvest knowledge services to farmers. It integrates these offerings with commodity finance, leveraging its owned and managed warehouses. For instance, it worked with a women's producer organisation in Rajasthan, helping the FPC aggregate and store its produce to avoid distress sale. Arya Collateral also helped establish the first formal bank linkage for the collective to enable warehouse receipt financing. In another project, it built the capacity of 150 women agripreneurs to train them as sourcing managers. It assisted these women sourcing managers in further building the capacities of 10,000 women entrepreneurs in their villages and helped them aggregate and sell their produce.



Arya Collateral also facilitates direct farmer procurement for multiple private sector and government entities by setting up farm gate procurement centres and providing logistics and transportation services. Additionally, it offers export assistance to international buyers by way of procurement, documentation, clearing and discharging services.

Its clients include Britannia, Cargill, Glencore Grain, ITC, Louis Dreyfus, Unilever, HSBC, Tata Trusts and SFAC, to name a few. Some of the FPOs it has worked with are Koundinya Farmers Producer Company Ltd., Agrotech agro producer company, Vishwatej FPO and Gudibanda FPO in Maharashtra.

Growth Story

Arya Collateral was the first collateral management companies to be incorporated in India. It was incorporated with the mission to deliver quality warehousing solutions with an effective blend of technology and business systems. The company today extends its expertise at various levels of the agri value chain. Arya Collateral leveraged its demand-side strength and helped create essential agricultural linkages with the supply side. Being a late entrant in the warehousing space, it created a niche for itself by connecting secondary and primary markets that are approximately 100-150 kilometres away from the large tertiary markets with key players on the demand side. It studied the market to bridge the gaps that hindered efficient linking of the buyers with producers and endeavoured to disintermediate the value chain. This led to it build a portfolio of services traversing the complete post-harvest value chain, which was later made stronger by the provision of commodity finance. It today manages more than 2.5 million tonnes of produce across 850 warehouses in 17 states and is associated with more than 400 farmer organizations, 18 banks and financial institutions, all major national and international commodity end-users. It is this engagement with the entire ecosystem that places Arya Collateral in a unique position to implement and manage innovative post-harvest interventions.

Impact Created

Through its services, Arya Collateral has enabled US\$400 million of warehouse receipt financing for banks in India, managed 2.2 million tonnes of commodities for end-users and other stakeholders and facilitated financial and market linkages for more than 50,000 smallholder farmers through its associations with FPOs. Its business

has significant social impact. It endeavours to irreversibly increase farmer incomes by 25-40 percent in a span of a few agricultural seasons. Its services and innovations facilitate in making agriculture sustainable for farmers and also assist end-users by reducing their transaction costs. Innovations such as flexible storage structures and a price risk mitigation tool help farmers act as active market participants without the risk of value loss. Its facilities help control the large food wastage in the economy.

Creative Bee – Handloom and Handicrafts

Background

Creative Bee is a for-profit social enterprise working in the handloom and handicrafts sector. The company started out as a design studio and consultancy over three decades ago and moved into production later. While Creative Bee focuses on a B2B business model in India and abroad, and a shop-in shop-model in a few Indian cities (Kochi and Goa), it also has a retail store in Hyderabad.

Business Model

Creative Bee works with about 39 producer groups (with ~200 looms and ancillary workers such as dyers, spinners, pre- and post-loom workers) across districts in the states of Telangana, Andhra Pradesh and Maharashtra. It trains select weavers and provides quality yarn for weaving, warping, etc., along with designs and technical spec sheets. Though the looms are owned by the weavers, their upgradation is done by Creative Bee to improve the quality of weave. All skill-based training for design development, handloom weaving, natural dye, Shibori/tie-dye handicraft, fibre-craft, metal-craft is provided through the company's non-profit arm, the Creative Bee Foundation. It also has an in-house natural dye farm where dyeing, printing as well as R&D activities are carried out.

The company focuses on producing premium quality fabrics, garments, accessories, home furnishings and home décor. Creative Bee has been helping top fashion, lifestyle and designer brands in India with their seasonal collections. It offers end-to-end white label production for various brands while customizing pattern, design, colourways and texture as per brand requirements. It also exports to various countries across the globe, including the United States, Canada, United Kingdom, France, Germany, Turkey, Japan, Malaysia, Thailand and Australia. Additionally, it has initiated online sales of its products through its own portal.



Growth Story

Initially, Creative Bee provided design and consultancy services to local companies such as Fab India as well as a few export houses. It designed and sourced products from across the country as per buyer requirements. A decade later, Creative Bee started production by forming small groups of underprivileged weavers and setting up an in-house dyeing facility. It made premium products with quality yarn and modified looms for its already established market network.

They have grown from eight to 10 looms initially to ~200 looms used for weaving today. It does not have an aggressive marketing policy but still manages to grow 10 percent year-on-year organically. Its client base has increased by 30 percent in the past 10 years. The knowledge division of Creative Bee has grown 50 percent since it started taking up professional and technical projects from the United Nations, ITC, SITA, UNDP, etc.

Impact Created

Creative Bee has been focused on skill building of artisans and creating livelihoods for them. The company pays 15 percent higher wages to its artisans, as compared to village norms, with the expectation of premium quality production. Even if artisans are unable to meet the set quality standards, Creative Bee does not believe

in penalizing them. It works with non-governmental organizations (NGOs) to create other products from the defective material received, thus also creating an additional revenue stream. The company provides accommodation and supports the education of children of its dye farm workers. Even as Creative Bee has taken the produce of rural artisans to domestic as well as international markets, it has also linked a large number of artisans trained in its projects to buyers, such as chain stores and e-commerce businesses and designer stores, post completion of training, thus enabling them to do business directly. Besides this, it also assists in linking artisans with financial institutions and negotiating on their behalf so that they can avail of advance to purchase yarn. It is in the process of aggregating artisans into producer groups which will ease its process further.

Rope International – Handloom and Handicrafts

Background

Rope International is a for-profit social enterprise working in the handloom and handicrafts sector. The company, founded in 2007, has experimented with various business models to perfect the dual objectives of empowering rural artisans as well as meeting buyer demand.

Business Model

Rope International focuses on an export-led factory-intensive model for manufacturing and marketing lifestyle and home décor products such as banana fibre ropes, decorative and utility products like baskets, flower arrangements, table runners, etc. It has two factories in Tamil Nadu, where over 70 percent of the production is done. The remaining production is outsourced to artisans depending on skills and order requirements. The artisans are primarily from Tamil Nadu, though a few are from Karnataka and Andhra Pradesh. Rope International focuses on a few clusters, which has helped exert better control of quality and productivity and to scale up. Some of the cooperatives that Rope International works with are Mariamman Weavers' Cooperative Society and Pulicat Palm Leaf Weavers' Cooperative Society in Tamil Nadu.

Though this model requires Rope International to continuously invest on infrastructure, it enables it to work efficiently on product development and build on its existing strengths.

Growth Story

Rope International was established with the idea of connecting rural artisans with the global market. To achieve this, the idea was to outsource production from large scale organizations to village level units. It experimented with different products before realizing that the core advantage lay in benefitting from locally available materials and the unique talents and skills of the artisans, and hence entered the handloom and handicraft space. It was introduced to buyers such as Fab India and started creating products as per the latter's requirements. It started training village level entrepreneurs who would further train artisans under them, creating a network of distributed manufacturing locations and a hub and spoke business model. To scale up, Rope International started experimenting with different distribution models including e-commerce and increased focus on international buyers. As the business expanded, it became difficult to control quality and meet orders on time, which led them to focus on a factory-led model that it follows today.

Rope Enterprise employs over 300 women artisans in its factories. Overall, it works with over 2,000 artisans, 90 percent of whom are women.

Impact Created

Rope International has been focussed on reducing migration and improving rural livelihoods. By leveraging

its connections with large international buyers, it plays an enabling role of linking rural artisans to consistent demand, thereby ensuring regular employment and incomes. Most artisans are covered by provident fund and insurance schemes providing them important savings and social security benefits which were not available to them earlier.

Industree – Multiple Sectors

Background

Industree is a blended capital model social enterprise working in the farm and non-farm sectors. The Industree Group of entities was initiated to build an ecosystem to support livelihoods in farm and off-farm sectors. Industree Crafts Pvt. Ltd. was started in 1994, Industree Foundation in 2000 and Industree Skills Transform Pvt. Ltd. in 2013 to provide market access and support rural artisans. In combination with Industree Foundation and Industree Skills, Industree Pvt. Ltd. focuses on building sustainable B2B cooperatives while also having their own retail presence by way of a brand called Mother Earth in Bengaluru and other locations. Today Mother Earth, the fashion and lifestyle brand launched by Industree, retails out of Centrals and Brand Factory.

Business Model

Industree has till date trained 40,000+ artisans in farm and off-farm value chains. Through the brand Mother Earth, Industree was able to tap in to the farm sector by working with farmers in the natural fibre vertical. This natural fibre was used to create home and lifestyle products that were retailed through Mother Earth. Industree focuses on building demand-led sustainable businesses with the aim of empowering rural women. It believes in a multi-sector approach where capital costs are lower and employment opportunities are higher such as food, fashion and home furnishings. It has designed a framework, using which it has already incubated two producer companies – Greenkraft, a women-owned natural fibre product company and Ektha Apparel, a women-owned company creating contemporary clothing and accessories. Industree Foundation, created as a liaison with the Government of India, has been established to provide professional management and infrastructure to these firms and other artisans. The foundation has reached over 30,000 women across India and Africa through collaborative efforts with organizations such as the Future Group, IKEA, The Commonwealth Secretariat and National Skill Development Corporation.

It trains producer groups to have a mix of both B2B and business-to-consumer (B2C) led business models, with B2B forming the bulk of the revenues.

Growth Story

Initially Industree wanted to build a brand and follow a B2C business model; however, it was quick to realize the huge costs associated with this model and switched focus to a B2B-led model. It started focusing on building scalable cooperatives with the objective of making them independent and linking them with international brands who were ready to pay a premium for their products.

Greenkraft was incorporated in 2012. From an initial production of 100 artisans and 500 per month pieces, it has grown to 2,000+ artisans and over 100,000 pieces per month.

Ektha was incorporated in 2013 and has grown from 25 artisans and 250 pieces to over 5,000 producers and capacity of over 18,000 pieces per month.

Industree Foundation has successfully incubated two producer companies, Greenkraft and Ektha Apparel, col-

lectively impacting over 2,000 creative producers, most of whom are owner-members through SHG membership in the natural fibre and apparel value chains. The two producer companies had together clocked in cumulative revenues upwards of INR 320 million as on March 2017, and serve as proof of concept to uniquely position Industree to scale its model across India.

Mission Creative Million at present has projects in Karnataka, Tamil Nadu, Odisha, Andhra Pradesh, Rajasthan and Ethiopia.

Impact Created

Industree has successfully incorporated two enterprises and provided consistent demand for their products. In doing so, it has tripled the incomes of artisans while also ensuring regular employment for them. The producers have equal stake in the company and have access to increased finance and digital services, training, social security, child care and transportation. Its assessments have shown that over 80 percent of the producers have increased their savings and 44 percent have started saving money in a bank.



Annexure 2: Interview Guides

#	Interview Guide - Social Enterprises
About the enterprise	
1	Please provide a brief introduction of your enterprise (location, segment/ trade, number of years in business, legal status, full time vs. part-time employees, male vs. female employees, etc.)
2	Which geographies do you operate in rural and/or urban areas, including number of cities/ towns/villages served?
Engagement with cooperatives	
3	How many women's cooperatives do you work with? Can you share their names? Which ones form a majority share of sourcing for you?
4	What was your motivation to start sourcing from them?
5	What is your operational model while working with women's cooperatives? How are the cooperative members paid for their work (fixed or variable basis amount of work) and what is the amount taken up by each subsequent entity in the value chain, thus resulting in the final market price for that product?
6	What challenges/ barriers do you face in working with women's cooperatives and in building market linkages for them? Does this vary by the segment they are working in?
7	What challenges do you think women's cooperatives face in being able to scale their businesses?
8	What impact have you been able to create for the women's cooperatives and their members (social, economic, environmental, etc.)? What were the initiatives/support services used to achieve this?
9	What more can enterprises such as yours do to scale up and promote women's entrepreneurship through the cooperative model in India? What are the kinds of costs associated with such efforts?
10	What are your growth plans for the next three to five years and how do you plan to achieve them?
11	What could be potential market gaps/ barriers in your being able to achieve these growth plans and thus helping scale up women's entrepreneurship in India?
12	Which are the current central/state-level policies and programmes that support women's cooperatives and enterprises such as yours? Are there any policy level changes that you think can support enterprises as well as women cooperatives?
13	Are you aware of any specific interventions that are on-going in other geographies (in and outside India) for supporting and scaling up women's entrepreneurship? These could be by government/ quasi-government departments, associations or enterprises such as yours (forums/ exhibitions, etc.)
Engagement with buyers	
14	Who are your primary customers?
15	How does being a woman-owned company affect the credibility of your business when facing buyers?
16	What challenges do you face in working with organized buyers?
17	In your opinion, what are the benefits for an organized buyer to source from your enterprise/ women cooperatives?
18	Do you receive any support from buyers currently? What can buyers do to help you build capacity so as to, in turn, enable scaling up of your operations?

#	Interview Guide - Social Enterprises
Additional enterprise details	
19	Which sources have been used to secure capital for your business till date?
20	Have you faced issues in securing capital, given that you work primarily with women cooperatives?
21	Do investors prefer women cooperatives working in certain segments more over others?
22	Is your enterprise currently profitable/breaking even/not profitable?
23	From which sources have you received guidance and non-financial support?
24	Are you actively engaged with any of the trade and investment support institutions/chamber of commerce/trade promotion organizations, etc.? How are they supporting you?
About the business model	
25	Where do you source materials/ raw materials from? What percent share comes from women's cooperatives? Where are they located? What else can you buy from them?
26	Who are your end customers/ buyers? Where are they located? What do they buy from you? How do you acquire new customers? How can this process be made easier?
27	What channels do you use for distributing products? How has your distribution model evolved over the years? What challenges do you face in in-bound and out-bound logistics?
28	Are you able to manage demand and supply adequately or are there any inventory issues? How are those managed?
29	Do you only manufacture/distribute for other brands or do you have your own brand as well?
30	What are the major components of your cost structure?
31	What was the enterprise's annual revenue in the last financial year?
32	How do you earn your revenue? What are the different revenue streams?
33	How has your business grown over the years (in terms of reach and revenue) and what were the key drivers for the growth (brief on initiation/motivation and growth path till now)?
34	Which key strategic or technical partnerships have you formed so as to enable scale and efficiency for your enterprise? Do you have access to any state-level or industry networks?

#	Interview Guide -- Cooperatives
About the cooperative	
1	Please provide a brief introduction of your cooperative (location, products, number of years in business, legal status, number of members (part time vs. full time), number of beneficiaries reached, etc.).
2	Which geographies do you operate in rural and/or urban areas, including number of cities/towns/villages served?
Engagement with social enterprises	
3	How many intermediary enterprises do you work with? Can you share their names? What share of revenue does each enterprise form for you?
4	What is your operational model while working with women's cooperatives? How are you paid for your work (fixed or variable basis amount of work) and what is the amount taken up by each subsequent entity in the value chain, thus resulting in the final market price for that product?
5	What kind of support do these enterprises provide you with? In what ways has this support helped you and your cooperative?
6	What kind of additional impact do you see due to the support of enterprises, in terms of employment generation, overall social impact, etc.?
7	What challenges/ barriers do you face in marketing and distributing your products?

#	Interview Guide -- Cooperatives
8	Does the cooperative's main product or service hold national or internationally recognized certificates?
9	What are your growth plans and how do you plan to execute them?
10	What are the challenges you perceive in being able to scale up your business?
11	What additional support can enterprises provide you to help execute these growth plans (technical skills, market linkages, financial support, networks, mentoring, etc.)?
12	Are you aware of current central/state-level policies and programmes that support women's cooperatives and enterprises? Are there any policy level changes that you think can support enterprises as well as women's cooperatives?
13	Are you aware of any specific interventions that are on-going in other geographies (in and outside India) for supporting and scaling women's entrepreneurship? These could be by government/ quasi-government departments, associations or enterprises such as yours (forums/ exhibitions, etc.).
Additional cooperative details	
14	What challenges did you face in setting up and running this cooperative? Did your immediate family or community play any role in this?
15	How have you secured funding for operations of this cooperative business? How easy or difficult was it to obtain funding?
16	Is it easier to secure funding and other support for one segment/ trade over another?
17	Is your cooperative currently profitable/ breaking even/ not profitable? In case the cooperative is making profits, where is this money deployed?
18	From which sources have you received guidance and non-financial support? How easy or difficult was it to obtain this support?
19	What kind of services do you provide to your members (e.g., child care on the cooperative's premises)?
About the business model	
20	Who are your end customers/ buyers? Where are they located?
21	How do you distribute products? How has your distribution model evolved over the years?
22	How has your production model evolved over the years? Have you used any technologies/ techniques to enable scale and efficiencies?
23	Does the cooperative have a website? How is the access to internet?
24	Does your company keep the following records: revenues, expenses, liabilities and assets?
25	What are the major components of your cost structure?
26	What was the cooperative's annual revenue in the last financial year?
27	How do you earn your revenue? What are the different revenue streams?
28	How has your business grown over the years (in terms of reach and revenue) and what were the key drivers for the growth (brief on initiation/motivation and growth path till now)?
29	Which key strategic or technical partnerships have you formed so as to enable scale and efficiency for your enterprise? Do you have access to any state level or industry networks?
30	What are the biggest challenges of the cooperative in meeting its cost and quantity requirements?
31	How is the company's access to electricity?

#	Interview Guide -- Buyers
1	How many social enterprises do you work with that source material from women's cooperatives? Please name them.
2	What was your motivation to work with social enterprises?
3	What materials (possibly, handloom/ handicrafts, agri-based products, etc.) do you source from social enterprises which in turn source from women's cooperatives?
4	Are there any cases where you source directly from women's cooperatives?
5	Which locations are these products sold in? Which channels are used?
6	What is your revenue model with these enterprises?
7	What do you think are the differences between sourcing products from social enterprises vs. other commercial enterprises?
8	What challenges do you face in working with social enterprises? Any challenges/ barriers you face in marketing and distributing their products?
9	What has been the duration of your engagement with these social enterprises and how has the journey/ growth been? Do you have any specific initiatives for them?
10	How do you think these enterprises benefit the women's cooperatives they work with?
11	Would you like to increase sourcing from these enterprises? If yes, what could be possible challenges in doing so?
12	What support can you provide to the social enterprises, thus enabling them to on-board more women's cooperatives and promoting overall women's entrepreneurship in India?
13	Which are the current central/state-level policies and programmes that support women's cooperatives and enterprises? Are there any policy level changes that you think can support enterprises as well as women's cooperatives?
14	Are you aware of any specific interventions that are on-going in other geographies (in and outside India) for supporting and scaling women's entrepreneurship? These could be by government/ quasi-government departments, associations or enterprises you deal with.

Annexure 3: Final List of Primary Interviews

S.No.	Sector	Category	Name of Company	Contact Person	Designation
1	non-farm	SE	Creative Bee	Ms. Bina K. Rao	Founder & CEO
2	non-farm	SE	Industree	Ms. Neelam Chhibber	Founder & Director
3	non-farm	SE	Rope Enterprises	Mr. Sreejith Nedumpully	Director
4	farm	SE	Arya Collateral	Mr. Prasanna Rao	Managing Director
5	farm	SE	Basix Krishi	Mr. Devarakonda Sattaiah	Director
6	farm	FPO	Rohini Ventures	Mr. Sanath K. R.	Proprietor
7	farm	FPO	Agrotech Agro Producer Company	Mr. Anant Gaikwad	Director
8	farm	FPO	Vishwatej FPO	Mr. Khanderao Patil	Director
9	farm	FPO	Gudibanda FPO	Mr. Sivasankar	CEO
10	farm	FPO	APMAS	Mr. Jagan Mohan Reddy	Project Manager
11	non-farm	FPO	Greenkraft	Mr. Ayan Dutta	CEO
12	farm	Buyer	Pro Nature Organics	Mr. Varun Gupta	Founder & CEO
13	non-farm	Buyer	Ikea	Ms. Vaishali Misra	Project Manager
14	NA	Lender	Ananya Finance	Mr. Gaurav Gupta	COO
15	NA	Lender	ValueFin	Mr. Manoj Rawat	Managing Director & CEO
16	NA	Lender	Caspian	Mr. Emmanuel M, Mr. Sushant Bhatia	Senior Advisor, Senior Investment Associate
17	NA	Lender	Samunnati	Mr. Anil SG	Managing Director & CEO

Annexure 4: List of Attendees for Stakeholder Validation Workshop

S.No.	Name of Participant	Company
1	Bina K Rao	Creative Bee
2	Neelam Chhiber	Industree
3	Sreejith NN	Rope International
4	Prasanna Rao	Arya Collateral
5	Sanath K. Ramesh	Rohini Ventures
6	Preeti Bedi	The Lotus Tales
7	Yagna Sree	Wyn Brands
8	Dr. B R Athani	Future Greens
9	Girish Chandra Pradhan	Access Livelihoods Foundation
10	Navrun Jacob	Mindtree
11	C P Chandrasekharappa	Mindtree
12	Pramel Kumar Gupta	Vrutti
13	Shakuntala Budi	Goat FPO
14	Laxmi Kengar	Gramachetana Women Organic Crops FPO
15	Lakshmipriyan V.G.	FarmFolks Agro Pvt Ltd
16	Anjali Tiwari	Go4Fresh
17	M. Jayaprakash	Tanager
18	Yogesh Shinde	Yogesh Agro Processing Ind.
19	Bandla Santhoshi	Bhulaxmi MACS
20	Katte Jaya Laxmi	Bhulaxmi MACS
21	Nerella Raju	Bhulaxmi MACS
22	Khanduraj Dyanadev Patil	Vishwatej FPO
23	Sushant Bhatia	Caspian
24	Parul Upreti	Indian Society of Agribusiness Professionals (ISAP)
25	Manish Tripathi	NCDEX e Markets Limited (NeML)
26	Mahesh Kokane	MAVIM

S.No.	Name of Participant	Company
27	Ram Sahu	MAVIM
28	Joginder Ralhan	Arya Collateral
29	Karan Rai Bahadur	Mindtree
30	Chhaya Yewker	MAVIM
31	Milind Bharti	Shoploo
32	Rachana Desai	Shoploo

Annexure 5: Report on Stakeholder Validation Workshop

As part of the overall study, a workshop was conducted to disseminate findings of research undertaken to relevant stakeholders including social enterprises, cooperatives, buyers as well as lenders. The workshop was intended to provide a common platform to deliberate, discuss and provide critical insights on study findings and suggested interventions.

It was a full day workshop held at the UNDP office in Delhi on 28 November 2018. The workshop was attended by 32 participants, in addition to the UNDP and Intellectap teams. The workshop was divided into multiple sessions:

Session 1: The workshop was initiated by Dr. Ravi Chandra (UNDP) with an introduction to the Disha project. The Disha project (a partnership between UNDP and India Development Foundation, supported by the IKEA Foundation) aims to improve the lives of 1 million underprivileged women in India, by enabling them to acquire marketable skills and avail of employment opportunities. Disha supports women to become economically self-sufficient so that they, their families and future generations can have better opportunities in life. Dr. Chandra also spoke about the role of the study being conducted by Intellectap and how it aims to understand social enterprises working with women's cooperatives/producer companies in India, recognize challenges and areas of support as well as identify interventions that may help promote women's entrepreneurship at scale.

Session 2: The Intellectap team presented findings of the study to the group during this session. This included a presentation on the analysis for both agriculture and handloom and handicraft value chains on the lines of roles played by enabling entities (including social enterprises) at each step of the value chain, outcomes achieved along with challenges faced at business, value chain as well as ecosystem level being highlighted.

Session 3: Post the introductory address by UNDP and the study findings being shared by Intellectap, leaders of five social enterprises took to the stage to share their experiences of working with producer organizations. Following are some of the key points discussed by each social enterprise.

Creative Bee, Ms. Bina Rao

Ms. Rao articulated four revenue channels for her business – bulk supply white label, small retail, export (earns bread and butter through this) and knowledge sharing – basis her diverse international experience. Even as players such as UNDP have helped them with their infrastructure, it is very difficult for social enterprises to get the money to either build or even continuously repair the infrastructure. It is important for the government be proactive in this area. She felt that impact funding could be used to maintain the existing infrastructure. In addition to a lack of funding to meet their working capital expenses, women weavers face multiple challenges. It is very difficult for them to sustain their business as there is no consistency of orders coming from NGOs as a result of which many cooperatives face a financial crunch very often. Procurement of raw material is also an issue as there is no credit in the yarn market. On the other hand, subsidies from government schemes are difficult to obtain. Master weavers also eat into margins of weavers, even as they play a critical role of providing market linkages. She said that farmers and artisans were squeezed of their profits and barely made any money. Ms. Rao also stated that women were willing to work and it was easy to collectivize them. About 75 percent women were educated but had had no chance to use their skills as they got married. These women needed to be trained for working in the sector. Ms. Rao's design of a base handloom unit of 25 looms can employ 100 weavers. She stated that this model could be replicated and scaled up in multiple geographies. Given that the power loom was an emerging threat for



handloom, women weavers could export to markets outside of India. Earnings from outside buyers could be 700 percent more than from Indian buyers.

Rope International, Mr. Sreejith N.N.

Mr. Sreejith shared a few learnings from a study he conducted with 60-70 cotton and silk cooperatives of Tamil Nadu. While the silk cooperatives were working in partnership with silk merchants, retailers, etc., the cotton cooperatives were using government subsidies to manufacture and sell. They engaged weavers to produce sarees and then tried selling these to the government. As the government was unable to buy, these cooperatives ended up with excess stock due to their reliance on the government. He felt that cooperatives needed to diversify their buyer base. However, they did not have the capacity to match the quantity and quality of large buyers. These buyers also wanted various compliance standards to be met which was difficult not just for cooperatives but also for enterprises such as Rope International, especially in the absence of factories for production. Rope International initially supplied to export houses that were further supplying to large global buying houses. Given the thin margins in this approach, Rope International eventually set up two factories employing 200 artisans. These artisans work on a salary basis and are provided with benefits such as provident fund, insurance, etc. Rope International also started re-

engaging other cooperatives (treated them as suppliers). Basis his experiences, Mr. Sreejith stated that large buyers would not work directly with the cooperatives and needed professional enterprises in between. However, it was very difficult for enterprises to build capacities of cooperatives (to meet the requirements of these buyers) and hence needed support in that area. While speaking about Rope International's work, he gave an example of a buyer in Jerusalem who was initially buying "Kipas" from China. Today, kipas made by artisans (who are part of cooperatives that Rope International works with) and refined in Rope International's factory are being supplied to this buyer at competitive rates. Rope International is now able to sell hand-made kipas for the price of machine-made kipas from China.

Industree, Ms. Neelam Chhiber

Ms. Chhiber believes that all producer groups, across farm as well as non-farm value chains, needed to move towards value addition as commodity prices fluctuate and prevent income growth. For example, a farmer growing bananas can harvest the bark of the banana tree and increase his income by two-thirds. His income can increase further if he can make ropes from the bark. Thus wealth creation can only happen as a result of value creation. Just as risk and compliance management is being undertaken in the non-farm value chain, the

farm sector also needs to move in that direction. She also believes that social enterprises that are already building capacities of cooperatives in many ways cannot raise capital for them as well. These enterprises have a social mandate and are not solely operating with a profit motive. Hence, they cannot take the additional responsibility of raising funds for cooperatives. She felt that blended capital mechanisms could be explored for meeting the financial needs of these establishments. There was a strong need for professional management of these cooperatives given that market-connect and supply chain management go hand in hand.

Arya Collateral, Mr. Joginder Ralhan

Arya Collateral is currently working with three farmer collectives to build their capacities as well as collecting their produce and selling to markets. In the past, it had carried out capacity building activities for 10,000 women farmers. Samples of about 1,000 of these farmers were tested and 100 out of these are directly selling to cooperatives today. Arya Collateral has also connected farmer collectives to oil mills, etc. Apart from a few buyers, nobody is ready to provide a premium for farmers/women farmers. Arya Collateral has also been able to share information on market expectations with producer groups and thus influence production decisions made by farmers. Mr. Ralhan felt that farmers now understood the technical aspect well – hardly 1 percent of the 1,000 samples were found to be defective. He believes that farmers needed to move up the value chain to be able to earn extra income.

FarmFolks Agro, Mr. Lakshmi Priyan V.G.

FarmFolks Agro has been working with 250 farmers in Mysore, in partnership with the Government of Karnataka. Its mandate is to increase the realization of farmers by cutting down all the intermediaries in the value chain. It aims to let farmers focus solely on production and take care of the rest of the value chain elements. It has covered ~135 farmers as part of this programme as of now. It supports farmers in getting global certifications for select goods (e.g., bananas). FarmFolks has set up distribution centres in Bengaluru, Mysore, Coimbatore and Chennai to connect farmers with buyers with players such as ITC. FarmFolks Agro has enabled the supply of 900 tonnes of agri produce per month and clocked a revenue of INR 250 million last year and is looking to INR 450 million in this financial year. It is now trying to replicate this model in other regions. Mr. Lakshmi Priyan felt that deeper interventions were needed at the back end so that farmers could optimize the cost of production.

As part of Session 3, select cooperatives were also invited to share their experiences with the group. The following are key points discussed by each cooperative during the workshop.

Bhulaxmi MACS

Bhulaxmi MACS has been producing fresh vegetables since 2003 and supplying to brands such as Burger King, McDonalds, etc. It recently started supplying to IKEA too. Under UNDP's Disha project, Tanager has been working towards capacity building of ~250 farmers, including the Bhulaxmi farmers. These farmers are trained in grading as per customer requirements. They grade and supply the produce to aggregators (such as Wyn Brands) who then take it to market. They are processing around 4,000-5,000 kilogram per day of vegetables in Hyderabad and 3,000-4,000 kilogram per day in Bengaluru and have earned profit worth INR 100,000 in six or seven months. Bhulaxmi MACS believes that there is a lack of consistency of requirement and that more collection centres are needed in different locations.

MAVIM CMRC

MAVIM has been building SHGs since 1995. There are about 100,000 SHGs across 10,000 villages of Maharashtra. The Community Managed Resource Centre (CMRC) is a federation of around 150-200 SHGs, formed in a cluster of villages. CMRCs report to district level offices, which in turn report to the head office in Mumbai. The CMRC representatives look after various projects undertaken by the CMRC. MAVIM has a tie up with Arya Collateral which is focused on livelihoods. It is also working with buyers such as the Future Group for supply of toor dal. The SHGs have sourcing managers who coordinate with the farmers under the Disha project.

Gram Chetna FPO

Gram Chetna FPO began operations four years ago and works with organic crops and livestock. It struggled for the initial two years and was able to produce goods but faced issues in taking them to market and getting better realizations. Eventually, it realized market linkages were the key to success in such businesses. The FPO then started aggregating produce from farmers and selling them at Agricultural Produce Market Committee mandis. It was able to convince farmers that the FPO could do a better job of selling than individual farmers and was also able to pay 18-20 percent more if the farmers had organic certifications for their produce. Under the Disha

project, the FPO realized that aggregation, processing and marketing activities could be handled by the women themselves, thus increasing employment opportunities as well as realizations for them. It has been supported by Future Greens in this endeavour which helps organize farmers into groups, trains them, provides raw materials such as seeds, etc. Future Greens also provides microfinance through ICICI Bank to its sheep and lamb cooperatives.

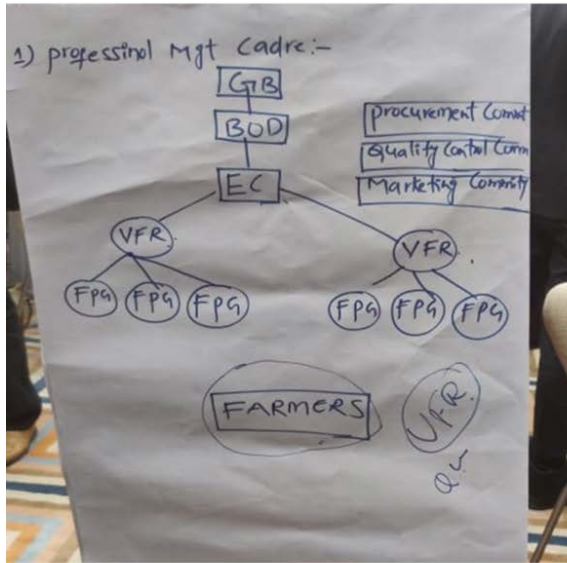
Session 4: The post lunch session of the workshop aimed at having a dialogue and arriving at critical and high impact interventions necessary to empower the cooperatives/ producer groups. The participants were given directions by UNDP to come up with interventions for scaling up their businesses to reach a turnover of INR 10 million. The Intellecap team then introduced the framework to be kept in mind while designing

interventions for scaling up women’s entrepreneurship. These interventions to address challenges faced by producer groups in scaling up operations needed to consider three distinct aspects, i.e., business (considerations internal to producer groups), value chain (forward and backward linkages/services being provided to producer groups) and enabling ecosystem (existing government programmes as well as socio-cultural factors affecting the social and economic status of women).

The participants were then divided into six groups (four for the agri sector and two for the handloom and handicraft sector) with representation across different categories of value chain players. These groups were then given an hour to discuss a new business model along with possible interventions for their respective sector. The following images showcase groups in discussion.



Post the discussion, a representative from each group presented its suggestions to the larger audience. Group 1 suggested an FPO structure with multiple farmer groups reporting to village farmer representatives. All such representatives would be under the FPO's executive committee which eventually reports into the Board of Directors. Procurement, quality control and marketing are taken up at the executive committee level. The group also suggested a phased four-year approach to enhance market access of FPOs. The images below detail out suggestions made by Group 1.



Enhance Market access of FPO's

- ① 1st year Need to take Direct Farmgate level as per mkt Rate.
 - * Finding suitable Buyer on Mkt place.
 - * Procurement Fund [Linkages to Financial Inst's]
- ② 2nd year Community Farming at Fixed Price
 - * Selected Farmers
 - * Selected SKUs
- ③ 3rd year Other Supported Business Like
 - * Farmer Resource Centre
 - * Input's
 - * Traceability & certification
- ④ 4th year Processing & Value addition
 - * Infrastructure Requirement
 - * Tie-up with Research Inst's & Experts
 - * min. power

Group 2 presented its ideas for support required by FPOs on the lines of business, value chain and enabling ecosystem aspects of intervention design. The images below showcase suggestions made by Group 2.

Internal to Producer Business

- ✓ Supply of Quality Inputs, timely
- ✓ IT solution
 - └ Crop application
 - └ Crop advisory Services
 - └ Traceability Software
 - └ Precision Agriculture
 - └ Weather Advisory
- ✓ Crop Insurance Production
- ✓ Farm Equipments
- ✓ Farm Finance (FPO member should seek their own capital)

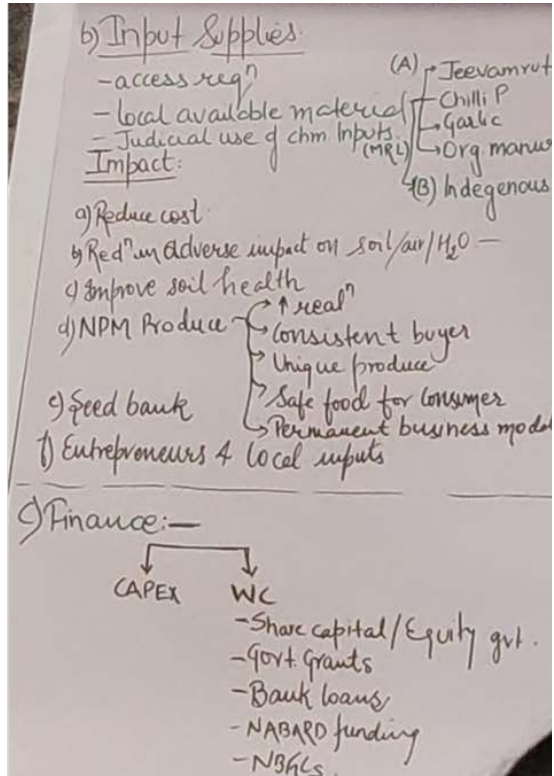
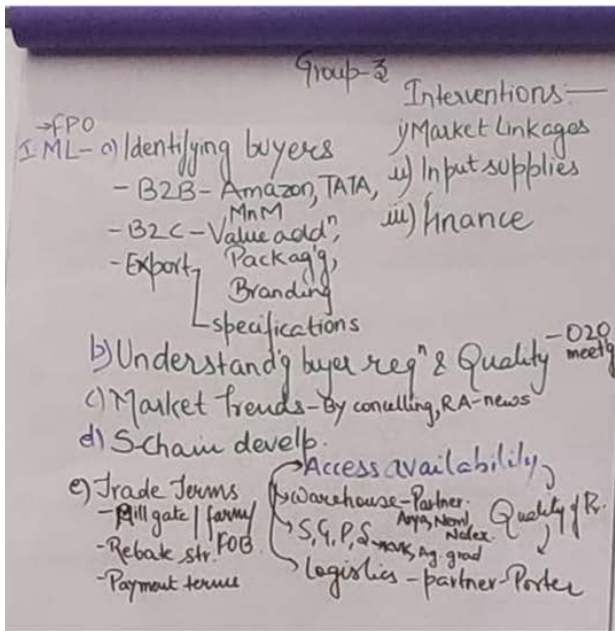
Value chain Linkages

- FPO's supported in terms of Harvesting Services
- Quality check of Crops / Grading
- Infrastructure facility - Storage

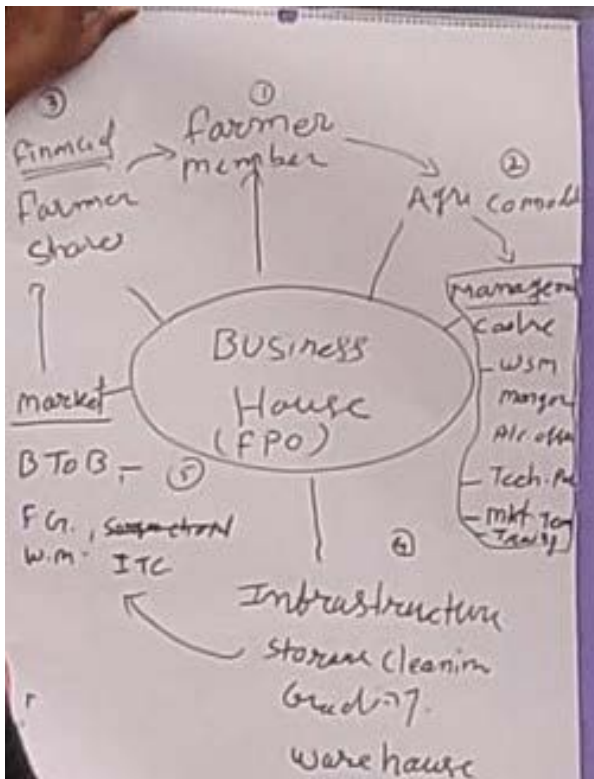
Enabling ecosystem

- └ Private entity - supporting FPO
- └ Financing (working capital)
- └ Value addition
- └ Branding / co branding

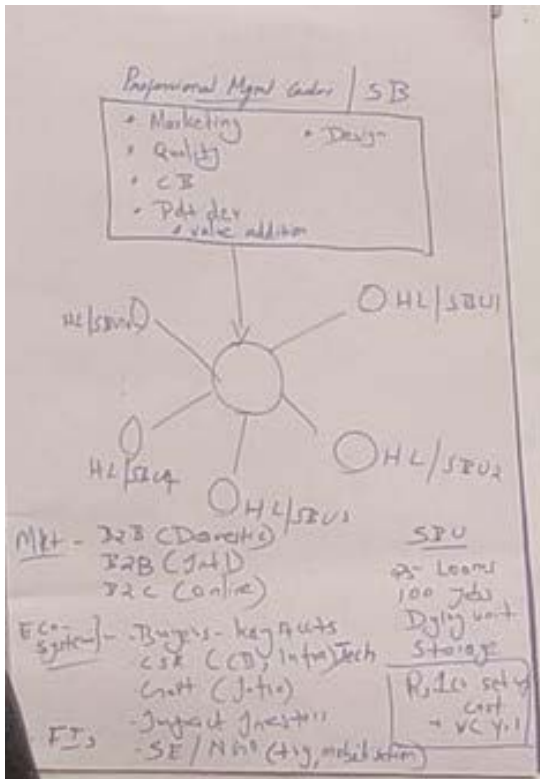
Group 3 identified three areas of interventions to scale up FPO operations and promote women's entrepreneurship, viz., establishing market linkages, enabling input supplies and accessing finance. It also detailed steps that could be undertaken for implementing each of these interventions, as showcased in the following images.



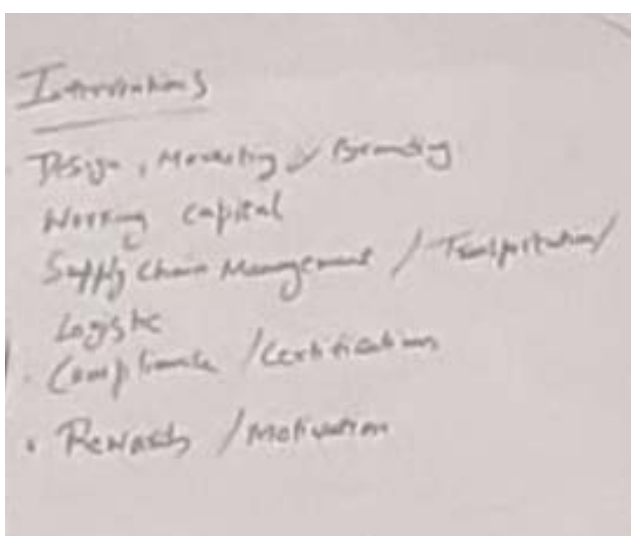
Group 4 suggested treating each FPO as an individual business unit being run by a professional management. Each FPO has associated infrastructure for storage, cleaning, grading, etc., and focuses on the B2B market. The following images showcase the suggestions made by Group 4.



Group 5 detailed a hub and spoke model for the handloom sector. Each spoke would be a business unit comprising 25 looms employing 100 weavers and other allied workers. This would include a dyeing and storage unit as well. The set up costs along with working capital expenses for one year were estimated to be INR 10 million for each business unit. Activities such as design approvals, value addition, quality control, marketing, etc., would take place at the hub level, which would be run by a professional management layer. Markets to be tapped along with funding support avenues were also detailed out, as seen in image below.



Group 6 suggested key support areas/ interventions that are needed for any handloom business to scaleup , as showcased in the image below.



Annexure 6: List of Women- and Men-led Social Enterprises

Women-led social enterprises

Sl. No.	Company Name	Entrepreneur Name	Industry
1	Abracadabra	Sudha Raja Kumar	Education
2	Ace Experiences/Dialogue in the Dark	Sudha V Krishnan	Livelihoods
3	Advatech Healthcare	Ratna Biswas	Healthcare
4	Aloha India	Renuka Kumaran	Education
5	Ampere Electric Bikes	Hemalatha Annamalai	Energy
6	Ankita Cuisines	Ankita Krishna	Agri & Allied
7	Aporv	Subhra Banerjee	H&H
8	Artoo IT solutions	Indus Chaddha	Tech For dev
9	Banka Bio	Namita Banka	Healthcare
10	Bankopen	Anish Achutan, Mabel Chacko	Financial Inclusion
11	BASECAMP Adventures Pvt Ltd	Kavitha Reddy	Education
12	Book Box	Lavina Tien	Education
13	Callystro Infotech Private Limited	Sabina Jain, Rajeev Gopalakrishnan, Sampath Shetty and Sampath Menon	Education
14	Carbon Clean Solutions Pvt Ltd	Aniruddha Sharma	Energy
15	Cherish Life Products Pvt Ltd.	Arathi Kuppu	Healthcare
16	Creative Bee	Bina Rao	H&H
17	Culture Aangan	Rashmi Sawant	Tourism
18	Daily Dump	Poonam Bir Kasturi	Energy
19	Desi Crew	Saloni Malhotra	Tech For dev
20	DRHM	Padmashri Burma, Anangamanjari Mohanty	H&H
21	Earthy Goods & Services Pvt. Ltd.	Reshma Anand	Agri & Allied
22	efarm (MVS efarm Pvt Ltd)	Srivalli Krishnan	Agri & Allied
23	E-Jeevika	Richa Pandey Mishra	Education
24	Essmart	Diana Jue, Jackie Stenson	Energy
25	Explorers Market	Anitha Shankar	Education
26	Eyaas.com	Pallavi Singh Keshari, Neera Singh, Sushmita Sankari	H&H
27	EZ Vidya	Chitra Ravi	Education

Sl. No.	Company Name	Entrepreneur Name	Industry
28	Flexi Careers	Saundarya Rajesh	Education
29	Frontier Markets	Ajaita Shah	Energy
30	Futureeeyz India/Green & good Store	Aparna Bhatnagar	Agri & Allied
31	G. V. Meditech Limited	Dr. Indu Singh	Healthcare
32	Global Agro Solutions	Mahalakshmi R.	Agri & Allied
33	Grameen Financial Services	Vinata M Reddy	Financial Inclusion
34	Green Horizon Farms	Dr. Nibedita Lenka	Agri & Allied
35	Halabol Technologies	Shilpi Gupta	Tech For dev
36	Indian Organic Farmers Producer Company Limited (IOFPCL)	Shiney George	Agri & Allied
37	Indus Tree/ Mother Earth	Neelam Chibber	H&H
38	Intuit Technology Services Pvt. Ltd	Deepa Bachu	Agri & Allied
39	Inventure	Shivani Siroya	Tech For dev
40	Janani Food Pvt Ltd	Padmini Sundara Rajan	Agri & Allied
41	Jhnaakar	Ishita Sanyal	Healthcare
42	Joy of Learning	Megha Joshi, Indrayani	Education
43	Kamal Kisan	Devi Murthy	Agri & Allied
44	Kamal Learning Solutions/ Simply Learnt	Yogita Bhalla	Education
45	Karmany	Shweta Sharma, Kajal Vekaria	Tech For dev
46	Kautilya Phytoextracts	Pabitra Pahari	Agri & Allied
47	KIDS	Dr Mamata Tripathi	Healthcare
48	Maa Sarada Argotech & Dairy Pvt Ltd	Pabitra Pahari	Agri & Allied
49	Mandala Apparels	Anjali Schiavina	H&H
50	Mann Deshi Mahila Sahakari Bank Ltd Mhaswad	Chetna Gala Sinha	Financial Inclusion
51	Mera Career Guide	Surabhi Dewra	Education
52	Meso Services & Consultants pvt ltd	Lajwanti Jha	Agri & Allied
53	Miecoft Consultant & Services	Malini Rajendran	Energy
54	MoralFibre	Shailini Sheth Amin	H&H
55	My Great Stay Pvt. Ltd.	Manjiri Aher	Tourism
56	Naturetech Infra pvt Ltd	Rachita Patra	Energy
57	Nectar fresh	Chayaa Nanjappa	Agri & Allied
58	Neerja International Inc	Leela Boradia	H&H
59	Neev Herbal Handmade Soaps	Shikha Jain	Agri & Allied
60	Nima Cyber Café	Nyima Dhondup	Agri & Allied
61	Niqotin	Usha G	Tech For dev
62	Onergy	Ekta Kothari	Energy
63	Organisation for Awareness of Integarted Social Security (OASIS)	Shibani Ghosh	Education

Sl. No.	Company Name	Entrepreneur Name	Industry
64	Parvata Foods	Anurag Agarwal, Siddhi Karnani	Agri & Allied
65	Pelican Biotech & Chemical Labs	Dr. Priya Rao	Energy
66	Pivotal Tetradiology	Pia Toor	Healthcare
67	Pollinate Energy	Emma Colenbrander, Alexie Seller	Energy
68	Pratyasha	Soma Mukherjee	Energy
69	Priyadarshini Taxi Services	Sussiben Shah	Education
70	Pro Nature Organic Foods Pvt. Ltd.	Nidhi Gupta	Agri & Allied
71	Projectwell management Pvt Ltd.	Amber Malhotra	Tech For dev
72	Rangсутra Crafts India Limited	Sumita Ghose	H&H
73	Rural Shores	R. Sujatha	Tech For dev
74	S.V.S Agencies	S. Vatsalaa	Agri & Allied
75	S3IDF	Vipula Sharma	Financial Inclusion
76	Sakhi Retail Pvt.Ltd	Prema Gopalan	Agri & Allied
77	Sakhi Unique Rural Enterprise (SURE)	Upmanyu Patil, Rajashri Sai	Energy
78	Samagra Waste Management	Tania Ganguly	Sanitation
79	Samridhi	Surabhi Rana	Agri & Allied
80	Savour Love	Kelsang Tsering	Agri & Allied
81	SELCO Solar	Revathi Kannan	Energy
82	Skymet-Tech	Shreyasi Singh	Agri & Allied
83	Solid Solar/Gautam Polymakers	Shubhra Mohanka	Energy
84	SoulFood	Shonali Sabherwal	Agri & Allied
85	Sudiksha Knowledge Solutions	Nimisha Mittal	Education
86	Sunkalp energy	Bhairavi Katre	Energy
87	Sustaintech India Pvt Ltd	Svati Bhogle	Energy
88	Travel Another India	Gouthami	Tourism
89	Troooppp.com	Sakshi Jain	Tech For dev
90	Under the Mango Tree	Vijaya Pastala	Agri & Allied
91	Verve	Veena Basu	Education
92	VIP Bio Products	Vasanthi Palaniappan	Agri & Allied
93	Wello	Cynthia Koenig	Water
94	Zigitza Education	Deepti Doshi	Education

Men-led social enterprises

S. No.	Name of enterprise	Founder	Sector
1	A Little World	Anurag Gupta	Financial Inclusion
2	Aadhar Housing Finance	Kapil Wadhawan Harshil Mehta (CEO)	Financial Inclusion
3	Adhikaar microfinance	Mohammad Nooruddin Amin (also MD and CEO)	Financial Inclusion
4	Ananya Finance for Inclusive Growth Pvt. Ltd.	S S Bhat	Financial Inclusion
5	Annapurna Microfinance	Mr. Gobinda Chandra Pattanaik (Promoter)	Financial Inclusion
6	Aptus Housing Finance	Mr. M Anandan	Financial Inclusion
7	Arohan Financial Services	Manoj Nambiar	Financial Inclusion
8	Arth Impact	Manish Khara	Financial Inclusion
9	Artoo IT Solutions Pvt Ltd	Sameer Segal (Founder and CEO)	Financial Inclusion
10	Asirvad Microfinance	SV Raja Vaidyanathan, founder and Managing Director	Financial Inclusion
11	CreditMate	Aditya Singh, Ashish Doshi, Jonathan Bill	Financial Inclusion
12	Dhansamruddhi Innovations	Narendra Nesarikar; Deepak Nesarikar, COO	Financial Inclusion
13	DonateKart	Anil Reddy, Sandeep Sharma	Financial Inclusion
14	Eko Financial Service	Abhishek Sinha	Financial Inclusion
15	Fingpay	Pratyush Halen, Anuraag Agrawal	Financial Inclusion
16	Grama Vidiyal Micro Finance	Mr. Sathianathan Devaraj	Financial Inclusion
17	Invest India Micro Pension Services	Gautam Bhardwaj and Ashish Aggarwal	Financial Inclusion
18	India Shelter Finance Corporation Ltd (ISFC)	Anil Mehta, MD & CEO	Financial Inclusion
19	Empathy Learning Systems	Mohammed Anwar	Education
20	Aakruti agricultural associated india pvt ltd	Kishore Ravipati	Agriculture
21	Agrowbook	Subhash Lode	Agriculture
22	Aquagri Processing Private Limited	Abhiram Seth	Agriculture
23	Arohan Foods	Anabil Goswami, Arindam Hazarika	Agriculture
24	Arya Collateral	Prasanna Rao, Krishna Kotak, Anand Chandra	Agriculture
25	Basix krishi	TBD	Agriculture
26	Chetana Organics	Nand Kumar	Agriculture
27	Crofarm	Varun Khurana	Agriculture
28	Digital Green	Rikin Gandhi	Agriculture
29	Ekgaoon Technologies	Devendra Gupta	Agriculture
31	GRoboMac (Green Robot Machinery Private Limited)	Manohar Sambandam	Agriculture
32	Kheti Gadi	Pravin Shinde	Agriculture
34	Sabziwala	Pravesh Sharma	Agriculture
35	Venkateshwara Hatcheries	Dr B V Rao	Agriculture
36	Adya Wifi Metering Pvt Ltd	Viraj Pathi	Clean energy

S. No.	Name of enterprise	Founder	Sector
37	Agro Biogenics	Hariharan PV	Clean energy
38	Alpha Renewable Energy Pvt Ltd	Ashwin Patel	Clean energy
39	Altair Lighting Solutions	Imbesat Ahmed	Clean energy
40	Amberroot Systems	Karthik Srinivasan	Clean energy
41	Argo Solar	Raju Datla Rajesh	Clean energy
42	Aspiration Energy	Ponnillaxmi; Malarkodi Thilak; Bhoovarahan Thirumalai	Clean energy
43	Atlanta Energy	Varun Goenka	Clean energy
44	Auro Mira Energy	N Srinivasan	Clean energy
45	Aurore	Hemant	Clean energy
46	Avani Bio Energy Pvt. Ltd.	Rajnish Kumar Jain	Clean energy
47	Barefoot Power India	Vernie Sabbaro	Clean energy
48	Bhaskar Solar	Partha P Chatterjee	Clean energy
49	Boond Engineering and Development Pvt Ltd	Rustam sennugupta	Clean energy
50	Claro Energy	Kartik Wahi	Clean energy
51	d.light design	Sateesh Kumar	Clean energy
52	Dawner Energy (P) Ltd.	Vikas Singh	Clean energy
53	Desi Power	Dr. H. N. Sharan	Clean energy
54	E Hands Energy	Raghuraman C	Clean energy
55	Earthen Glow	Ramana Gogula	Clean energy
56	Enelek Power Pvt. Ltd	Nikhil Jain, Nitin Mittal, Sumit Chhazed http://www.linkedin.com/in/sumitchhazed	Clean energy
57	Envirofit India Pvt Ltd	Ravi Kumar/ Tim Bauer, Nathan Lorenz, Harish Anchan (MD)	Clean energy
58	First Energy	Mahesh Yagnaraman	Clean energy
59	Fourth Partner Energy	Vivek Subramanian/Saif Dhorajiwala http://www.linkedin.com/pub/saif-dhorajiwala/5/642/20b	Clean energy
60	Gautam Solar Pvt Ltd.	Gautam Mohanka	Clean energy
61	Gram Oorja Solutions Pvt. Ltd	Anshuman Lath Sameer Nair	Clean energy
62	Green Power Systems- GPS Renewables Pvt Ltd	Mainik, Sreekrishna	Clean energy
63	Greenlight Planet	Anish Thakkar	Clean energy
64	Illusions4Real/ Solarmaxx	Saurabh Bhandari	Clean energy
65	Indisolar Products	Raj Nyayapathi	Clean energy
66	INOT Power Technologies Pvt. Ltd	N A Raju	Clean energy
67	Jagriti Solar	Abhishek Surana; Arpit Khandelwal	Clean energy
68	Jeevaditya Solar	Muralidharan L	Clean energy
69	Kaveish Bioenergy Pvt Ltd	R.Hemselvan	Clean energy

S. No.	Name of enterprise	Founder	Sector
70	Mera Gao Power Pvt Ltd.	Nikhil Jaisinghani Brian Shaad	Clean energy
71	Naturetech Infra	Shyam Patra	Clean energy
72	Nessa Illumination Tech	Akshat Khare; Dhaval Shah	Clean energy
73	Ohm Solar & Technologies	Amrit Mandal	Clean energy
74	Onergy Solar	Piyush Jaju	Clean energy
75	Oorja Energy Eng'g	Madhusudhan Rao	Clean energy
76	Parshanti Hydro Energies Pvt. Ltd.	Kamal Bhushan Vashisth, Neeraj Vashisth	Clean energy
77	Phoenix Products	Sameer Tanabarki	Clean energy
78	Rooftop Urja Pvt Ltd	Satish Inaganti in.linkedin.com/pub/satish-inaganti/20/610/375	Clean energy
79	Rural Renewable Urja Solutions Pvt. Ltd	Brijesh Rawat	Clean energy
80	Rural Spark	Harmen van Heist	Clean energy
81	Saran renewable energy Pvt. Ltd.	Praveen Bhasin; Sanjay Singh; Vivek Gupta	Clean energy
82	Simpa Energy India Pvt Ltd.	Paul Needham	Clean energy
83	Sun Saluter	Sambit Sasmal	Clean energy
84	Surya Power Magic	Dr. Abhilash Thirupathy	Clean energy
85	SuryOn Apollo	Amaleshwar Sinha, Sourav Das	Clean energy
86	The Humanure Power Project	Anoop Jain	Clean energy
87	Thrive Energy Technology Limited	Ranga	Clean energy
88	Vayam Renewable	Amit Mehta	Clean energy
89	Visionary Lighting and Energy India Pvt. Ltd	Sridhar Ponugupati	Clean energy
90	Volksenergie	Piyush Goyal	Clean energy
91	Rope International	Sreejith NN	H&H
92	Tambul Leaf	Anirban Gupta	H&H

