



Foundation for **MSME** Clusters (FMC)



PROMOTION AND DEVELOPMENT OF MSMEs THROUGH CLUSTERS AND VALUE CHAIN

FMC

India's most trusted MSME Development Agency
for

Policy & Strategy | Institutional Capacity Building | On Ground Implementation

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ABOUT US



The Foundation for MSME Clusters (FMC) www.fmc.org.in was set up as non-government, not-for-profit public charitable trust with technical support from the UNIDO Cluster Development Programme in India and EDII. The leadership associated with UNIDO Cluster Development Programme bootstrapped and helped FMC grow to its existing levels. FMC has worked with around 275 MSME clusters, and is associated with 250 Business Membership Organizations (BMOs) across most of the states in India. FMC has directly and indirectly support to more than a hundred thousand MSMEs till date and has supported over 100 common facility centres.

The Foundation is steered by an eminent Board of Trustees under the Chairmanship of Mr. Ajay Shankar (Former Secretary, Department of Industrial Policy and Promotion, Government of India) and headed by Executive Director, Mr. Mukesh Gulati. FMC has its Head Office in New Delhi with branch/project offices in Hyderabad (Telangana), Tumakuru (Karnataka), Cuttack and Sambalpur (Orissa), Ludhiana (Punjab), Kolkata (West Bengal), Guwahati and Lakhimpur (Assam), Betul (Madhya Pradesh), Bilaspur (Chhattisgarh) and Dumka (Jharkhand). It has a strong team of more than 47 full time staff with diverse specializations including management, finance, economics, agriculture, sustainable development, engineering, design, sales, marketing etc. FMC activities are implemented currently by five cells: 'Policy & Research'; 'Infrastructure and Governance'; 'BMO & Market Promotion'; 'Energy & Environment'; and 'Productivity & Competitiveness'.

GOVERNANCE

FMC is steered by an eminent Board of Trustees at the apex level, Chaired by Mr. Ajay Shankar, Former Secretary at the Department of Industrial Policy and Promotion (DPII), Government of India. The Board comprises other eminent persons and institutional representatives from all walks of life. The main role of the Board is to lay down the primary aims and objectives of FMC and ensure its overall governance in conformity with the Vision and Mission.



Shri. Ajay Shankar
Chairman

Former Secretary at Department of Industrial Policy and Promotion (DPII), Government of India



Dr. Sunil Shukla
Trustee

Director at Entrepreneurship Development Institute of India (EDII)



Dr. Santosh K Mehrotra
Trustee

Former Director-General at Institute of Applied Manpower Research, Planning Commission, Government of India and Former Professor, Jawahar Lal Nehru University



Dr. Harsh Kumar Bhanwala
Trustee

Former Chairman at National Bank for Agriculture and Rural Development (NABARD)



Ms. Meera Shenoy
Trustee

Founder and Chairperson of Youth4Jobs &
Former Executive Director at Employment Generation and Marketing Mission, Government of Andhra Pradesh



Dr. Veena Joshi
Trustee

Energy and Development Professional (Rtd. From Swiss Agency for Development & Cooperation)



Shri. Ajay Kumar Kapur
Trustee

Former Deputy Managing Director at Small Industries Development Bank of India (SIDBI)

FORMER GOVERNANCE

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From the inception, FMC was steered by an eminent Board of Trustees at the apex level. The Board comprised other eminent persons and institutional representatives from all walks of life. . They had played a crucial role in shaping the organization's vision, ensuring its success, and contributed to its growth and impact. Their vision and forward-thinking approach had paved the way for transformative initiatives, fostering innovation and excellence in all aspects of our operations.



Late. Prof. Y K Alagh

Former Minister of State
(Independent Charge),
Government of India



Shri. Arun Maira

Former Member at Planning
Commission of India
and Former Chairman at Boston
Consulting Group



Shri. Madhav Lal

Former Secretary at Ministry of
Micro, Small and Medium
Enterprises, Government of
India



Dr. H P Kumar

Former Chairman cum
Managing Director at The
National Small Industries
Corporation Ltd. (NSIC)



Dr. Dinesh Awasthi

Former Director at
Entrepreneurship Development
Institute of India (EDII)



Shri Nitin Desai

Former Under Secretary General
for Economic and Social Affairs,
UN



Shri Anupam Das Gupta

Former Seceretary at Ministry of
Small Scale Industries and Agro
and Rural Industries



Shri. Rakesh Rewari

Former Deputy Managing
Director at Small Industries
Development Bank of India
(SIDBI)



Shri Brij Mohan Gupta

Former Executive Director
of SIDBI and founder of
the SIDBI Foundation for
Micro Credit (SFMC)



Shri. Ajay Sud

Former Head of Practice,
Development Sector Practice at
KPMG India



Shri Harkesh Kumar Mittal

Former Adviser & Member Secretary,
NSTEDB and Former Secretary
Technology Development Board (TDB)
Department of Science & Technology,
Government of India



Dr. Rajnish Karki

Chief Executive Officer at Karki
Associates



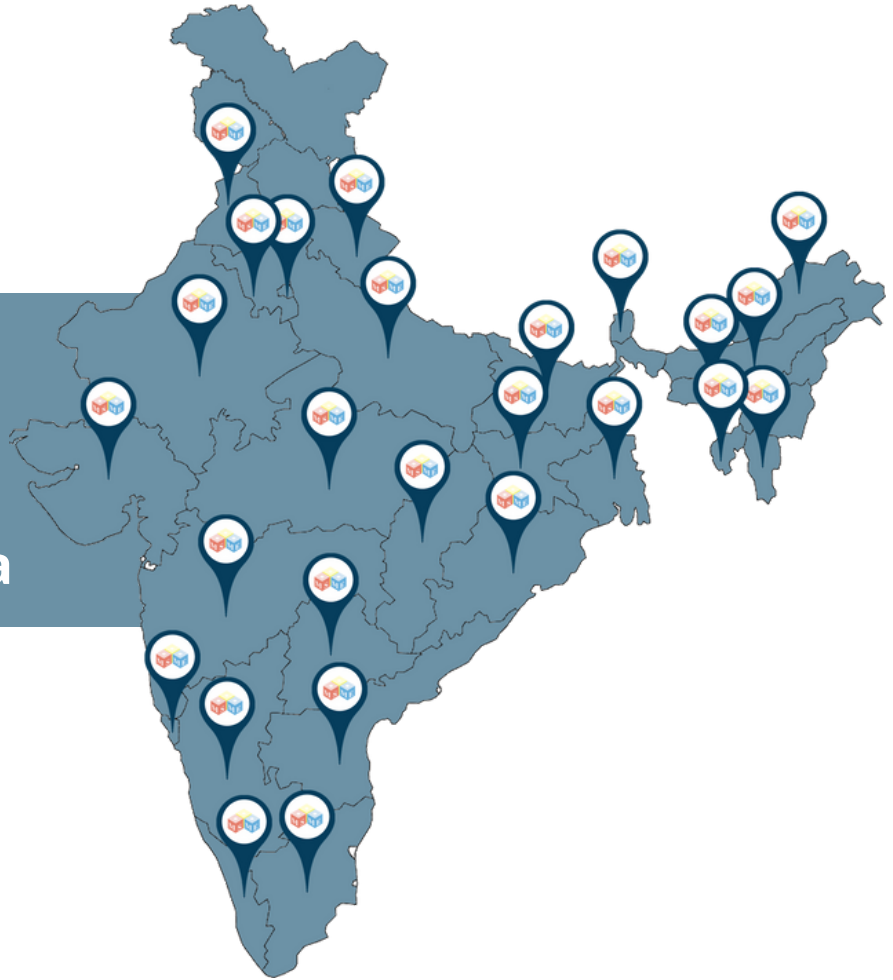
Ms. Kalyani Chaudhuri

Former Additional Chief
Secretary, Govt. of West Bengal

Our Strengths

Our Presence

20⁺
States Across India



50⁺

Full Time Staff

Working hard everyday to fulfil its mission

OUR IMPACT AND OUTREACH



1,00,000⁺

MSMEs Directly and Indirectly Supported

255⁺

Thematic Area projects
Implemented Successfully



5000⁺

MSME Clusters' Information available on
India's only Cluster Observatory
www.clusterobservatory.in

VISION

FMC's initiatives are guided by our Vision for "An economically progressive, socially connected, environmentally sustainable world that is spiritually rooted and composed of interconnected yet diverse local socio-economic systems."



MISSION

Our Mission is to "Assist institutions undertake effective and inclusive cluster based local area development in developing and transition economies."



INTERNATIONAL FOOTPRINTS



FMC and its experts have provided training, handholding assistance, and research support on cluster development in 20 countries viz. Afghanistan, Bangladesh, Bhutan, Cambodia, Egypt, Ethiopia, Ghana, Iran, Japan, Myanmar, Montenegro, Nepal, Nigeria, Palestine, Qatar, South Africa, Tanzania, Trinidad & Tobago, Uganda, and Vietnam.

CORE CAPABILITIES

We diagnose challenges & opportunities in the MSME ecosystems, help draw effective strategies, provide methodologies, train practitioners & policymakers and support/undertake on-ground development initiatives for impact. We draw upon a strong & dedicated in-house team with multi-dimensional capabilities covering areas of policy research, training & capacity building, livelihood promotion, energy & environment, common infrastructure & governance, and market promotion.



VALUES AND ETHICAL STANDARDS

Building on our ethos of being a not-for-profit public charitable trust, we deliver tangible value to the intended beneficiaries. We deliver impact while maintaining highest ethical standards.

WHAT WE CAN DELIVER - PROPOSED WORK AREAS

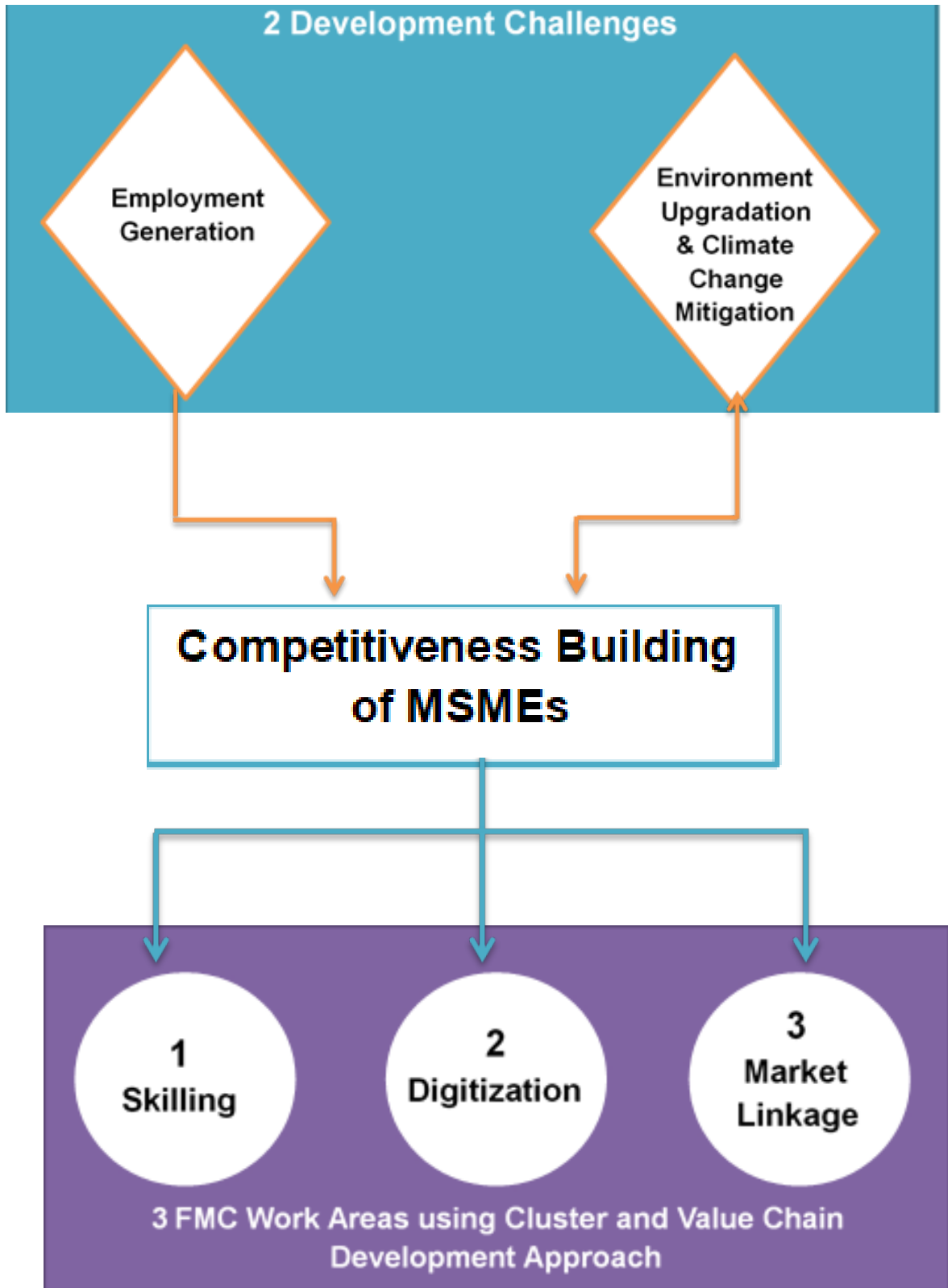
We begin with studying the MSME ecosystem in a cluster/ sector/ state/ or a country and assess the potential together with the stakeholders to help them draw up an inspiring vision/mission worth striving for. The implementation begins with helping select stakeholders realise low hanging fruits in the short term that propels them & other stakeholders to collaborate for harder options that require bigger investments in money, time, information, connects and mutual trust for medium- & long-term goals. This journey enables the stakeholders individually & collectively to become strong enough to handle new challenges in future.

We draw upon time-tested robust methodologies for cluster diagnostics, trust building, initiate implementation, draw participatory action plans, monitor/ evaluate & report progress and finally support creation of systems for continuous self-learning. Some of the illustrated problems that we help resolve are:

1. How to promote a cluster-based economy in a state/ region/ sector/ country
2. How to make value chain & cluster-based interventions impact driven
3. How to strengthen the MSME sector to generate employment & income enhancement
4. How to enhance financing for MSMEs for livelihoods or industrialisation
5. How to resolve the problem of high Non-Performing Assets (NPAs) in the MSME sector
6. How to strengthen select sectors e.g., crafts, food processing, apparels etc.
7. How to integrate large buyers/ suppliers with supply chains
8. How to support MSME sector become less carbon intensive & more resilient



FRAMEWORK FOR FMC STRATEGY



OUR USP

What makes the organisation UNIQUE and VALUABLE:

1. POLICY & RESEARCH

- Provide policy and research support for creating cutting-edge cluster development methodologies, tools, information, and resources.
 - a. FMC has 35 scholastic self-publications on cluster development (<https://fmc.org.in/publications>). Depending on the needs of the cluster and funding objectives, customized methodologies for cluster development have been developed and tested over several decades of implementation. These methodologies' varied goals are given below:
 - (i) Competitiveness (<https://fmc.org.in/wp-content/uploads/2012/10/Making-Clusters-work.pdf>)
 - (ii) Poverty Alleviation (<https://fmc.org.in/wp-content/uploads/2012/10/Pro-Poor-Cluster-Development.pdf>)
 - (iii) Innovation (<https://fmc.org.in/wp-content/uploads/2012/10/Promoting-Innovation-in-Clusters.pdf>)
 - (iv) Sustainable Development (https://fmc.org.in/wp-content/uploads/2012/10/Fostering-Business-Responsibility-in-MSME-Clusters_Volume-I.pdf)
 - (v) Twinning of clusters (<https://fmc.org.in/wp-content/uploads/2012/10/Cluster-Twinning-msme.pdf>)
 - b. Undertake/Support studies for designing cluster and value chain-based interventions
 - c. Assessing/Designing solutions for enterprise-based financing
 - d. Undertake research studies to help mitigate and build resilience against climate change

2. TRAINING & CAPACITY BUILDING

Conceptualize and implement training & capacity building programmes for MSMEs and Cluster Development for implementers, policymakers, and Business Membership Organization (BMOs). We have provided customised training solutions across 20 countries building on our rich experience and sound conceptual understanding.

3. IMPLEMENT INITIATIVES

For employment generation, poverty alleviation, building competitiveness, wealth creation, green economy, and climate change mitigation & resilience. We have implemented customised initiatives to promote energy efficiency, technology up gradation and stimulate innovation. Our projects have helped deliver tangible results often surpassing the planned levels.

4. MARKET PROMOTION

To encourage Micro and Small Enterprises (MSEs) for making contemporary products for linkages with domestic markets by promotion of market access initiatives. We have worked with around 50,000 micro enterprises for promoting market linkages– physical and virtual, and by providing them market related credit linkages.

5. COMMON INFRASTRUCTURE FOR SUSTAINABLE LIVELIHOOD PROMOTION

Cluster specific common infrastructure helps build resilience for the micro and small enterprises, thus sustaining them in their endeavours. We prepare 'Detailed Project Reports', support public financing, help build sustainable governance systems, connect with the markets, and provide management support for their sustainability & impact.

SELECT PROJECT INTERVENTIONS AND OUTCOMES



1. Common Infrastructure for Livelihood Promotion (under the SFURTI Scheme of Ministry of Micro, Small and Medium Enterprises) (2018-2022)

- **Project implemented/under implementation:** (34 no.) of Total Project Value INR 111 Cr (USD 15.86 million)
- **Provide technical support:** 48 no. of Total Project Value INR 115 Cr (USD 16.43 million)
- **Total estimated artisan outreach:** 50000+
- **Estimated outcome:** These projects are supporting artisans from traditional industries in improving their incomes ranging from 40 to 60% and increase their product range for contemporary markets and turnover increase from 40 to 50%.

2. Promote Bamboo MSME Clusters for Sustainable Development in India (2018-2022)

- **Project implemented/under implementation:** Rs. 24 Cr (Euro 3.1 million)
- **No. of enterprises created/ expanded:** 2604 of which women enterprises are 80%
- **Green employment generated:** 6178 of which women employment generated is 68%
- **Financial investment enabled:** Rs. 24.32 Cr (Euro 3.40 million)
- **Additional market created/ enabled:** Rs. 30.05 Cr (Euro 3.50 million)
- **Usage of bamboo enabled (Reduction of less sustainable materials ensured):** 1829 Tonnes of bamboo
- **Project covering 9 clusters in 9 states** in the Northeast, East, and Central India





3. Promoting Sustainable and Inclusive Growth by Enterprise Creation through Science & Technologybased Innovation Solutions (Sub Sectors: Foundry Slag) (2015-2018)

- **Project implemented:** Rs. 2.41 Cr (Euro 0.4 million)
- **Estimated No. of persons outreach:** 2400
- **No. of new enterprises created/expanded:** 48
- **Consumption of Foundry Slag:** 1,63,000 MT p.a.
- **Green employment generated:** 400
- **No. of new entrepreneurs nurtured:** 110



4. Scaling Up Sustainable Development of MSME Clusters in India (2012-2016)

- **Projects implemented:** Rs. 13.45 Cr (Euro 2.1 million)
- **No. of Micro and Small Foundry:** 480
- **Annual Coke saving:** 16,654 MT p.a.
- **Occupational Health & Safety Improved:** 375
- **Location:** Punjab, West Bengal & Rajasthan
- **Financial Linkages Created through Bank:** Rs. 26 Cr (Euro 3.4 million)





5. Promoting Integrated Bamboo Based enterprise development Among SAARC Countries (Afghanistan, Bangladesh, Bhutan, Nepal and India) (2017-2023)

- **Projects implemented/Under Implementation:** Rs. 7.14 Cr (USD 1.09 million)
- **Support bamboo based Livelihood:** 1500 MSME/Farmers/Artisans/Workers supported
- **Increase in Income Level of supported beneficiaries:** 50% Increased
- **Common Facility Centres (CFCs) set up:** 2 CFCs established 1 each in Meghalaya and Jharkhand
- **As a Technical Advisor (TA),** FMC is also providing a business plan for the formation of the Common Facility Centres, new design development, learning material, market linkages, technical inputs for bamboo treatment and hand holding support to similar projects in **Afghanistan, Bhutan, Bangladesh and Nepal.**

MILESTONES

2022-23

31363

No. of MSMEs
Benefitted

4665

Tonnes of Carbon
Emission

11

Common Facility
Centres (Functional)

9486

Employment
Generated

3649

Direct Employment
Generated

5837

Indirect Employment
Generated

3265

Women Employment
Generated

818

New Enterprises
Created

190

Market Linkages
Created
(In Rupees Million)

10

Served all Poor States
(as per MDI of Niti Aayog)

28

No. of Aspirational
Districts Served

20

No. of States
Served

138

Financial Linkages (Loan
Mobilized for MSMEs)
(In Rupees Million)

195%

Income Enhancement
of the Artisans

OUR VALUED INTERNATIONAL PARTNERS - A GLIMPSE

switchasia
GRANTS PROGRAMME



giz Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH

IFC International
Finance Corporation
WORLD BANK GROUP
Creating Markets, Creating Opportunities

KFW


SAARC
SAARC Development Fund



Citi Foundation

citi




ARTHUR LOK JACK
GLOBAL SCHOOL OF BUSINESS
INNOVATUS ARS DUCENDI

MSME 



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Agency for Development
and Cooperation SDC



**FRIEDRICH NAUMANN
FOUNDATION** For Freedom.



ADB ASIAN DEVELOPMENT BANK

OUR VALUED GOVERNMENT PARTNERS - A GLIMPSE



OUR VALUED PRIVATE PARTNERS - A GLIMPSE



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