



## **Immediate Release**

### In New Delhi

Minakshi Seth  
Phone: +91 11 4111 1058

E-mail: [mseth@ifc.org](mailto:mseth@ifc.org)

### From Cairn India

Sourav Das, Corporate Communications

Phone: +91 9910377455

E-mail: [sourav.das@cairnindia.com](mailto:sourav.das@cairnindia.com)

A P Gaur, Corporate Communications

Phone: +91 9829790591

E-mail: [ayodhya.prasad@cairnindia.com](mailto:ayodhya.prasad@cairnindia.com)

## **IFC and Cairn India Open Enterprise Center for Local Small Businesses Development in Rajasthan**

**Barmer, February 8, 2008** - IFC, a member of the World Bank Group, has reinforced its partnership with Cairn India with the opening of an enterprise centre to support community and local small businesses development initiatives in and around the Barmer area of Rajasthan, India, where Cairn has made significant oil and gas discoveries.

Lars Thunell, IFC Executive Vice President and CEO, and Rahul Dhir, CEO of Cairn India, today inaugurated the new facility at the Industrial Training Institute at a premises provided by the Government of Rajasthan.

Speaking at the opening ceremony, Dhir said, "This is an important facility which we hope will be of great value to the local communities in and around our operations in Rajasthan. We aim to make a positive difference wherever we operate and skills developed at the enterprise centre can be of long term benefit for the people of this region. The consistent support we have experienced in Rajasthan has been critical to our success and we value all our relationships highly."

A central component of the IFC-Cairn development programme is the establishment of an Enterprise Centre which will help to provide information and expertise on business practices to local small and medium-sized firms in Barmer, supporting them to become potential suppliers and service providers to the oil and gas operation and other ventures in the region.

"IFC's goal is to make a difference by reducing poverty in emerging markets. We believe that the private sector is key to development since it is the most important engine for growth and job creation," said IFC's Lars Thunell. "The Enterprise Centre, the Rural Dairy Development project and the Child and Maternal Health Initiative are an outcome of the IFC - Cairn partnership and exemplify the larger role that the private sector needs to play in emerging economies."

Thunell added, "The Enterprise Centre will help local firms become suppliers to Cairn and other businesses. These firms will in turn create jobs and generate other opportunities to support communities across the Barmer region."

IFC and Cairn India's partnership aims to leverage the company's investments in the region. The two institutions signed a Linkages Cooperation Agreement in June 2007 to design, fund, and implement sustainable socio-economic development programmes in Rajasthan over a three-year period. The programme includes an enterprise center for local development and vocational skills training, a rural dairy project to create alternative income-generating activities for rural households, and a child and maternal health awareness project for women and

children in rural areas.

IFC will spearhead and manage operations at the Enterprise Centre, sharing its knowledge and experience from similar initiatives in Azerbaijan, Chad, Mozambique, and Peru. IFC will also adapt the project to the local environment. The International Centre for Entrepreneurship and Career Development together with the Centre for Development and Population Activities and Society to Uplift Rural Economy will implement the activities.

### **About IFC**

IFC, a member of the World Bank Group, fosters sustainable economic growth in developing countries by financing private sector investment, mobilizing private capital in local and international financial markets, and providing advisory and risk mitigation services to businesses and governments. IFC's vision is that poor people have the opportunity to escape poverty and improve their lives. In FY07, IFC committed \$8.2 billion and mobilized an additional \$3.9 billion through syndications and structured finance for 299 investments in 69 developing countries. IFC also provided advisory services in 97 countries. For more information, visit [www.ifc.org](http://www.ifc.org).

### **About Cairn India**

Cairn India focuses on oil and gas in India. The company holds material exploration and production positions in eastern and western India, and new exploration rights elsewhere in the country. It has made a number of recent oil and gas discoveries, including the Mangala oil field in Rajasthan. Cairn India has an agreement for an \$850 million facility with major international banks, led by IFC and the Royal Bank of Scotland, to fund Cairn's share of development costs of the Mangala field. In January 2007, Cairn successfully concluded the floatation of Cairn India Limited by listing on the Bombay Stock Exchange and National Stock Exchange of India. Cairn Energy PLC holds a 69 percent stake in Cairn India Limited. For more information, visit [www.cairnindia.com](http://www.cairnindia.com).

### **Background Information on IFC and Cairn India Projects in Rajasthan**

**The IFC-Cairn India Linkage Programme comprises an enterprise centre for local development and vocational skills training, a rural dairy project to create alternative income-generating activities for rural households, and a child and maternal health awareness project for women and children in rural areas.**

### **Enterprise Centre**

IFC and Cairn India, in collaboration with the International Centre for Entrepreneurship and Career Development, have set up an Enterprise Centre in Barmer. The Centre is based at the Industrial Training Institute, with support from the Government of Rajasthan. The centre's objectives are to:

- Develop skills within local communities in and around Barmer, including households that are affected by the project, to enhance employability
- Provide business development services to build the capacities of local micro, small, and medium enterprises and facilitate business and market linkages
- Develop capacities of MSMEs to become local suppliers to Cairn India and its contractors
- Facilitate access to finance for SMEs and micro-entrepreneurs, helping establish and expand their businesses
- Collect and disseminate information on employment opportunities, enterprise development, government schemes, and potential contracts and tenders

**The Centre's village-level activities began in August 2007, with basic skills training in construction-related trades, including masonry, fabrication, carpentry, electricals, and plumbing. Training was also provided in handicrafts, the traditional skill of the area. By the end of the year, the programme had helped more than 1000 people, including 450 women who are working with local handicraft entrepreneurs and earning incomes for the first time. Linkages with existing contractors are underway, helping create jobs for the trainees.**

**The SME development training has also been well received by local textile entrepreneurs. Over 88 enterprises have participated in capacity-building workshops on better techniques for dyeing and printing.**

### **Rural Dairy Development**

A second component of the IFC-Cairn India Linkage Programme provides rural families with an alternative source of income by supporting traditional dairy activities. The project targets marginalized dairy farmers who produce up to three litres of surplus milk. This unique feature allows 20 farmers from each village to work collectively to turn their product into a marketable commodity. Activities that have been implemented include:

- The Society to Uplift Rural Economy (SURE) in Barmer was identified as the implementing partner, and a memorandum of understanding was signed to begin implementation.
- Detailed livestock surveys were carried out, and villages were selected for the launch and expansion of the dairy project.
- The project was launched in January 2007 in two villages. By year end the project had initiated milk collection and sale activities in 13 villages in the northern and southern areas of the Rajasthan block.
- Linkages were established with the Rajasthan government dairy cooperative, Saras, to sell milk and provide value-added services, such as fodder, mineral supplement, and veterinary care.
- Self-help groups have been formed in each village to execute the project, with regular capacity-building programs underway.
- A bulk milk chilling plant was inaugurated in the Naya Nagar village of the Cairn Guda block to aid collection, storage, and sale of milk.
- By the end of 2007, more than 600 dairy farmers were registered in the 13 Self-Help Groups, recording an average monthly income of 1,200 rupees per household.

### **Child and Maternal Health Awareness**

A third component is being implemented in partnership with the Centre for Development and Population Activities, an international NGO that has worked on women and youth empowerment and health issues for over 30 years worldwide. CEDPA will work with local NGOs to deliver the project's objectives, addressing the programme's sustainability. The aim is to:

- Increase community awareness about the prevention of STIs/HIV/AIDS
- Empower adolescent boys and girls with life-skills education
- Enhance capacity of community-level health workers and health providers at subcenters and primary and community health centers to provide better services
- Build the capacity of Panchayats to advocate, supervise, and monitor community development initiatives to sustain activities beyond the duration of the project
- Improve knowledge of risk status and promote positive behaviors to help prevent HIV/AIDS transmission among migrant laborers and workers in the trucking industry, including mechanics