

MSE-CDP

Micro & Small Enterprises - Cluster Development Programme (MSE-CDP)

The Ministry of Micro, Small and Medium Enterprises (MSME), Government of India (GoI) has adopted the Cluster Development approach as a key strategy for enhancing the productivity and competitiveness as well as capacity building of Micro and Small Enterprises (MSEs) and their collectives in the country. A cluster is a group of enterprises located within an identifiable and as far as practicable, contiguous area or a value chain that goes beyond a geographical area and producing same/similar products/complementary products/services, which can be linked together by common physical infrastructure facilities that help address their common challenges. The essential characteristics of enterprises in a cluster are (a) Similarity or complementarity in the methods of production, quality control & testing, energy consumption, pollution control, etc., (b) Similar level of technology & marketing strategies/practices, (c) Similar channels for communication among the members of the cluster, (d) Common market & skill needs and/or (e) Common challenges & opportunities that the cluster faces.

Objectives of the Scheme:

- (i) To support the sustainability and growth of MSEs by addressing common issues such as improvement of technology, skills & quality, market access, etc.
- (ii) To build capacity of MSEs for common supportive action through formation of self help groups, consortia, upgradation of associations, etc.
- (iii) To create/upgrade infrastructural facilities in the new/existing Industrial Areas/Clusters of MSEs.
- (iv) To set up Common Facility Centres (for testing, training, raw material depot, effluent treatment, complementing production processes, etc).
- (v) Promotion of green & sustainable manufacturing technology for the clusters so as to enable units switch to sustainable and green production processes and products.

Components:

- (i) Common Facility Centers (CFCs):** The GoI grant will be restricted to 70% of the cost of Project of maximum Rs.20.00 crore. GoI grant will be 90% for CFCs in NE & Hill States, Island territories, Aspirational Districts/L WE affected Districts, Clusters with more than 50% (a) micro/ village, (b) women owned, (c) SC/ST units. The cost of Project includes cost of Land (subject to maximum of 25% of Project Cost), building, pre-operative expenses, preliminary expenses, machinery & equipment, miscellaneous fixed assets, support infrastructure such as water supply, electricity and margin money for working capital.
- (ii) Infrastructure Development:** The GoI grant will be restricted to 60% of the cost of Project (Rs.10.00 crore for Industrial Estate & Rs.15 .00 crore for Flatted Factory Complex). GoI grant will be 80% for Projects in NE & Hilly States, Island territories, Aspirational Districts I LWE affected Districts, industrial areas / estates / Flatted Factory Complex with more than 50% (a) micro/ village, (b) women owned, (c) SC/ST units. For existing clusters, upgradation proposals will be based on actual requirements.
- (iii) Marketing Hubs / Exhibition Centres by Associations:** The GoI grant will be restricted to 60% of the cost of Project of maximum Rs.1 0.00 crore for Product Specific Associations with

SMO rating of Gold Category and above from NABET (QCI) and 80% for Associations of Women Entrepreneurs. Remaining project cost is to be borne by SPV / State Government. The Gol contribution will be towards construction of building, furnishings, furniture, fittings, items of permanent display, miscellaneous assets like generators, etc.

(iv) Thematic Interventions: The Gol grant will be restricted to 50% of total cost of maximum 5 Thematic Interventions not exceeding Rs.2.00 lakh for each in approved / completed CFC for activity mentioned below. As such the maximum Gol grant under this component for each CFC would be Rs.10.00lakh. Remaining cost would be borne by SPV / State Government.

(a) Training Programmes.

(b) Exposure Visits.

(c) Strengthening the Business Development Service (BDS) provision through a panel of service providers.

(d) Any other activity related to creating business eco-system in cluster mode.

(v) Support to State Innovative Cluster Development Programme: A few State Governments have initiated State funded Cluster Development Programme to support soft and hard interventions in clusters with limited funding support. In order to strengthen this activity, this component would provide co-funding of the CFC projects of State Cluster development Programme on matching share basis. The Gol fund would be limited to State Government share or Rs.5.00 crore whichever is lower. The Gol assistance would be 90% of project cost not exceeding Rs.5.00 crore in respect of CFC projects in North East/Hilly States, Island territories, Aspirational Districts/L WE affected Districts, as well as for projects where beneficiaries are SC/ST/Women owned enterprises, as per the scheme guidelines of State Cluster Development Programme.

Physical & Financial Achievement & Status of Projects :

Physical Status of MSE-CDP Interventions (as on 03.09.2020)								
S. No	STATE/UT	Common Facility Centres (CFCs)			Infrastructure Development (ID) Projects			Grand Total (CFC+ID)
		Approved CFCs	Ongoing	Completed	Approved ID Centres	Ongoing	Completed	
1	Andhra Pradesh	3	1	2	12	6	6	15
2	Arunachal Pradesh	0	0	0	1	0	1	1
3	Assam	1	0	1	15	2	13	16
4	Bihar	2	1	1	0	0	0	2
5	Chhattisgarh	0	0	0	9	5	4	9
6	Goa	1	0	1	0	0	0	1
7	Gujarat	12	10	2	2	0	2	14
8	Haryana	8	6	2	28	0	28	36
9	Himachal Pradesh	1	1	0	1	0	1	2
10	Jammu & Kashmir	1	0	1	8	3	5	9
11	Jharkhand	1	1	0	2	2	0	3
12	Karnataka	22	12	10	5	1	4	27
13	Kerala	15	4	11	11	3	8	26
14	Madhya Pradesh	2	2	0	14	1	13	16

15	Maharashtra	22	9	13	5	0	5	27
16	Manipur	3	3	0	6	0	6	9
17	Meghalaya	1	1	0	0	0	0	1
18	Mizoram	1	1	0	2	0	2	3
19	Nagaland	2	2	0	2	1	1	4
20	Odisha	5	2	3	3	0	3	8
21	Punjab	4	4	0	19	16	3	23
22	Rajasthan	1	1	0	26	10	16	27
23	Sikkim	1	1	0	0	0	0	1
24	Tamilnadu	43	19	24	44	13	31	87
25	Telangana	1	1	0	10	9	1	11
26	Tripura	0	0	0	4	0	4	4
27	Uttar Pradesh	8	6	2	11	3	8	19
28	Uttarkhand	0	0	0	3	0	3	3
29	West Bengal	13	7	6	9	4	5	22
30	A&N Islands	0	0	0	0	0	0	0
31	Chandigarh	0	0	0	0	0	0	0
32	Dadra and Nagar Haveli	0	0	0	0	0	0	0
33	Daman and Diu	0	0	0	0	0	0	0
34	Delhi	0	0	0	8	8	0	8
35	Lakshadweep	0	0	0	0	0	0	0
36	Puducherry	0	0	0	1	1	0	1
	Total	174	95	79	270	97	173	444

How to apply :

Online Applications are only considered with effect from 01-04-2012. Hard copy of Applications needs to be sent through State Govts or their autonomous bodies or field institutes of Ministry of MSME ie. MSME-DIs. The proposals are approved by the Steering Committee of the MSE-CDP.

<http://cluster.dcmsme.gov.in>