

## **INFRASTRUCTURE DEVELOPMENT PROGRAMME:**

### **5.A. CLUSTER DEVELOPMENT PROGRAM (MSE-CDP : GROUP INITIATIVE)**

Name of Scheme	<b>MICRO AND SMALL ENTERPRISES CLUSTER DEVELOPMENT PROGRAMME (MSE –CDP) :</b> Funding support for cluster related below programs in MSME clusters. <b>a. Soft interventions (awareness programs on ‘Cluster Development’),</b> <b>b. Hard interventions ,</b> <b>c. Preparing cluster level ‘Detailed Project Report (DPR)’,</b> <b>d. Preparing cluster level ‘Diagnostic Study Report (DSR)’ ,</b> <b>e. Setting up of ‘Common Facility Centres’ &amp;</b> <b>f. Setting up of ‘ Common display centres for Women’ .</b>
Name of Ministry/ Dept.	DC (MSME) , Ministry of MSME
Description	The Ministry of MSME has adopted cluster development approach for enhancing productivity and competitiveness as well as capacity building of 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 and producing same / similar products / services. 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, and (d) Common challenges & opportunities.

The Scheme supports financial assistance for establishment of Common Facility Centres (CFCs) for testing, training centres, R&D, Effluent Treatment, raw material depot, complementing production processes etc. and to create/upgrade infrastructural facilities (IDs) in the new/existing industrial areas/clusters of MSE's such as power distribution network, water, telecommunication, drainage and pollution control facilities, roads, banks, raw materials, storage and marketing outlets, common service facilities and technological backup services for MSEs in the new/existing industrial estates/areas.

**Objectives of the Scheme:**

- (i) To support the sustainability and growth of MSEs by addressing common issues such as improvement of technology, skills and quality, market access, access to capital, 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 centre, rawmaterial depot, effluent treatment, complementing production processes, etc).
- (v) To create & develop the existing MSE units Clusters specifically in the area of common infrastructure, Common facilities, R&D in MSE.

Given the diverse nature of the MSEs in terms of both geographical spread and sectoral composition, the MSE-CDP scheme aims at addressing needs of the industries, through well-defined clusters and geographical areas. This will enable achieving the economies of scale in terms of deployment of resources as well as focusing on the specific needs of similar industries. The capacity building of industries, setting up of Special Purpose Vehicles (SPVs) to set up Common Facility Centres (CFCs) are integral part of the scheme and would enable the MSEs to leverage their resources and also to have better access to public resources, linkages to credit so as to enhance their competitiveness.

**Following activities are suggested, which may be considered, while developing a cluster:**

**Components:**

(i) **Setting up of CFCs:** Creation of tangible “assets” as Common Facility Centers (CFCs) like Common Production/Processing Centre (for balancing/correcting/improving production line that cannot be undertaken by individual units), Design Centres, Testing Facilities, Training Centre, R&D Centres, Effluent Treatment Plant, Marketing Display/Selling Centre, Common Logistics Centre, Common Raw Material Bank/Sales Depot, etc. The GoI grant will be restricted to 70% of the cost of project of maximum Rs 15.00 crore. GoI

grant will be 90% for CFCs in NE & Hill States, Clusters with more than 50% (a) micro/ village (b) women owned (c) SC/ST units.

**(ii) Infrastructure Development:** Consist of projects for infrastructural facilities like power distribution network, water, telecommunication, drainage and pollution control facilities, roads, banks, raw materials storage and marketing outlets, common service facilities and technological backup services for MSEs in the new/ existing industrial estates/areas. The GoI grant will be restricted to 60% of the cost of project of Rs 10.00 crore. GoI grant will be 80% for projects in NE & Hill States, industrial areas/ estates with more than 50% (a) micro (b) women owned (c) SC/ST units.

**a. Soft interventions:** Soft activities under the programme may consist of activities which lead to creation of general awareness, counseling, motivation & trust building, exposure visits, market development including exports, participation in seminars, workshops and training programmes on technology upgradation, etc.

**b. Hard interventions (CFCs):** This support program aims to enhance and develop cluster infrastructure projects for facilities such as power distribution, water, telecommunication etc.

**c. Detailed Project Report (DPR):** (a)After diagnosis of cluster or identification of need for a Common Facility Centre (CFC), a Detailed Project Report (DPR) is required to be prepared for a technically feasible and economically viable Project. The indicative format for preparation of DPR is at Annexure-1. The DPR should include financial analysis like Internal Rate of Return, Break-even Point, Debt-service Coverage Ratio, Sensitivity Analysis, etc., using basic templates such as Projected Profit & Loss Account, Projected Balance Sheet, etc. (b)DPR should be appraised by a bank (if bank financing is involved) / independent Technical Consultancy Organization / SIDBI.

The State Level Project Steering Committee will deal with Diagnostic Study Report and Soft Interventions. It will have the final authority to sanction Diagnostic Study Report and to monitor the implementation of Soft Interventions. The Steering Committee at the National Level will only look into the Detailed Project Report. The Government of India will not give any grant for Diagnostic Study Report and Soft Interventions. However, if a Detailed Project Report is finally approved, a sum of Rs.10.00 lakh (ten lakh) will be considered as a contribution by the Special Purpose Vehicle (SPV) towards this purpose under the Project.

**d. Diagnostic Study Report (DSR):** The first and foremost activity in the cluster development process is to conduct a diagnostic study. The objective of conducting diagnostic study in a cluster is to map all the business processes of the cluster units viz. manufacturing processes, technology, marketing, quality control, testing, purchase, outsourcing, etc. to find out its Strengths, Weaknesses, Threats and Opportunities (SWOT), problems and impediments, suggestions and a well-drawn action plan for enhancing competitiveness of the

	<p>units of the cluster and to position the cluster on a self sustaining trajectory of growth.</p> <p><b>e. Common Facility Centres (CFC):</b> The support programs aims to set up CFCs including tangible “assets” like Testing Facility, Design Centre, Production Centre, Effluent Treatment Plant, Training Centre, R&amp;D Centre, Raw Material Bank/Sales Depot, Product Display Centre, Information Centre, and any other need based facility for balancing/correcting/improving production line that cannot be undertaken by individual units.</p> <p><b>f. Common display centres for Women:</b> The GoI financial assistance (upto 40% of the project cost) shall be available to Associations of Women Entrepreneurs for establishing exhibition centres at central places for display and sale of products of women owned micro and small enterprises.</p>
Who is Eligible	<p>Existing Group of Entrepreneurs / Clusters / SPV</p> <p><b>a. Soft interventions:</b> Implementing agencies like MSME-DIs, offices of state governments , national and international institutions engaged in development of the MSME sector, or any other institution/agency approved by the Ministry of MSME. (<b>Awareness programs on ‘Cluster Development’</b> - All MSME units)</p> <p><b>b. Hard interventions (CFCs):</b> State/UT Governments through an appropriate state government agency with a good track record in implementing such projects</p> <p><b>c. Detailed Project Report (DPR):</b> Implementing agencies like MSME-DIs, offices of state governments , national and international institutions engaged in development of the MSE sector or any other institution/agency approved by the Ministry of MSME.</p> <p><b>d. Diagnostic Study Report (DSR):</b> Implementing agencies like MSME-DIs, offices of state governments , national and international institutions engaged in development of the MSE sector or any other institution/agency approved by the Ministry of MSME.</p> <p><b>e. Common Facility Centres (CFC):</b> Implementing agencies like offices of the Ministry of MSME, offices of state governments, national and international institutions engaged in development of the MSE sector or any other institution/agency approved by the Ministry of MSME.</p> <p><b>f. Common display centres for Women:</b> Association of women entrepreneurs.</p>
Nature of assistance	<p><b><u>Funding Support for :</u></b></p> <p><b>a. Soft interventions:</b> Conducting training and awareness activities./(<b>Awareness programs on ‘Cluster Development’</b>- Skill development)</p> <p><b>b. Hard interventions (CFCs):</b> Cluster infrastructure development.</p> <p><b>c. Detailed Project Report (DPR):</b> Conducting analytical studies.</p> <p><b>d. Diagnostic Study Report (DSR):</b> Conducting analytical studies.</p> <p><b>e. Common Facility Centres (CFC):</b> Conducting Infrastructure development.</p> <p><b>f. Common display centres for Women:</b> Conducting infrastructure development. GoI financial assistance (upto 40% of the project cost) shall be available.</p> <p><b><u>Government Assistance:</u></b></p>

	<p><b>a. Soft interventions</b> – Max eligible project cost of Rs.25 lakh, with GoI contribution of 75% (90% for NER/Special category states and for clusters with more than 50% women/micro/village/SC/ST units).</p> <p><b>b. Hard interventions (CFCs)</b> – Max eligible project cost of Rs.15 Cr, with GoI contribution of 70% (90% for NER &amp; for clusters with more than 50% women /micro /village /SC /ST units).</p> <p><b>c. Detailed Project Report (DPR)</b> - Maximum cost Rs. 5 lakhs.</p> <p><b>d. Diagnostic Study Report (DSR)</b> - Maximum cost Rs. 2.50 lakhs.</p> <p><b>Infrastructure Development</b> -.Max eligible project cost Rs.10Cr, with GoI contribution of 60% (80% for NER and for clusters with more than 50% women/micro/SC/ST units).</p> <p><b>Beneficiary Contribution:</b>  Soft interventions - 10 - 25 % (SPV/ Cluster units &amp; State Govt.).  Hard interventions - 10 - 30 % (SPV / Cluster units &amp; State Govt.).  Infrastructure Development - 20 - 40 % (SPV &amp; State Govt.)</p>
How to Apply	<p>Online applications can be filled at <a href="https://cluster.dcmsme.gov.in">https://cluster.dcmsme.gov.in</a> , Hardcopy of applications need to be sent through State Governments or their autonomous bodies or field institutes of the Ministry of MSME i.e., MSME- DIs. The proposals are to be approved by the Steering Committee of MSE-CDP.</p> <p>Website: <a href="http://www.dcmsme.gov.in/MSE-CDProg.htm">http://www.dcmsme.gov.in/MSE-CDProg.htm</a> Download The file ( bytes) htm Icon  <a href="http://www.dcmsme.gov.in/MSE-CDProg.htm">http://www.dcmsme.gov.in/MSE-CDProg.htm</a>  <a href="http://www.dcmsme.gov.in/schemes/ModifiedGuidelinesofMSE.pdf">http://www.dcmsme.gov.in/schemes/ModifiedGuidelinesofMSE.pdf</a>.  Can apply online or else Can contact nearest MSME-DI to apply.</p>
Whom to Contact	<p>1. MSME – DI, &amp; its branches  2. DC(MSME), Ministry of MSME, GoI  Director (CD),  Office of Development Commissioner, MSME  Ph: 011-23062561  Email : rk[dot]rai[at]nic[dot]in</p>

Name of Scheme	<b>5.B. ASIDE SCHEME (Assistance to States for Developing Export Infrastructure and other Allied Activities)</b>
Name of Ministry/ Dept.	Department of Commerce, Ministry of Commerce & Industry
Description	<p><b>Objective:</b> The objective of the scheme is to involve the states in the export effort by providing assistance to the State Governments/UT Administrations for creating appropriate infrastructure for the development and growth of exports.</p> <p>The scheme shall provide an outlay for development of export infrastructure which will be distributed to the States according to a pre-defined criteria. The existing EPIP, EPZ and CIB schemes shall be merged with the new scheme.</p> <p>The scheme for Export Development Fund (EDF) for the North East and Sikkim (implemented since 2000-2001) shall also stand merged with the new scheme. After the merger of the schemes in respect of EPIP,EPZ,CIB and EDF</p>

	<p>for NER and Sikkim with the new scheme, the ongoing projects under the schemes shall be funded by the States from the resources provided under the new scheme.</p> <p><b>Approved purposes for the scheme:</b> The activities aimed at development of infrastructure for exports can be funded from the scheme provided such activities have an overwhelming export content and their linkage with exports is fully established. The specific purposes for which the funds allocated under the Scheme can be sanctioned and utilised are as follows:</p> <ol style="list-style-type: none"> <li>1. Creation of new Export Promotion Industrial Parks/Zones (including Special Economic Zones (SEZs)/Agri-Business Zones) and augmenting facilities in the existing ones.</li> <li>2. Setting up of electronic and other related infrastructure in export conclave.</li> <li>3. Equity participation in infrastructure projects including the setting up of SEZs.</li> <li>4. Meeting requirements of capital outlay of EPIPs/EPZs/SEZs</li> <li>5. Development of complementary infrastructure such as roads connecting the production centres with the ports, setting up of Inland Container Depots and Container Freight Stations,</li> <li>6. Stabilising power supply through additional transformers and islanding of export production centres etc.</li> <li>7. Development of minor ports and jetties of a particular specification to serve export purpose.</li> <li>8. Assistance for setting up common effluent treatment facilities for which guidelines are placed at Annexure I.</li> <li>9. Projects of national and regional importance.</li> </ol>
Who is Eligible	<p>State Development Corporation / Existing Entrepreneurs</p> <p>Under the scheme, funds for the approved projects may be sanctioned to: - i. Public Sector undertakings of Central / State Governments ii. Other agencies of Central / State Governments iii. Export Promotion Councils / Commodity Boards iv. Apex Trade bodies recognized under the EXIM policy of Government of India and other apex bodies recognized for this purpose by the Empowered Committee set up under para 8. v. Individual Production/ Service Units dedicated to exports.</p>
Nature of Assistance	<p><b>Government Assistance:</b></p> <p><b>i) State Component :</b> 90% of total outlay under State Component of ASIDE (State Component--General) shall be earmarked for allocation to States / UTs on the basis of the approved criteria. The balance 10% of State Component of ASIDE i.e. ASIDE (State Component-- Incentive ONER) will be allocated by DoC for incentivizing the better performance of ONER States / UTs (States / UTs other than NER including Sikkim) as per Incentive Guidelines</p> <p><b>ii) Central component:</b></p>

	<p>90% of total outlay under Central Component of ASIDE E (Central Component--General) shall be earmarked at the central level to cater projects emanating from Central SEZs, other sector specific central agencies like spices Board, Tea Board, Gems and Jewellery Export Promotion Councils, Airports, Ports etc and any other activity considered important by the Central Government from the regional or the national perspective. The balance 10% of Central Component of ASIDE i.e. ASIDE (Central Component--Incentive NER) will be allocated by DoC for incentivizing the better perform.</p> <p><b>Beneficiary Contribution:</b> Nil</p>
How to Apply	<p><a href="http://commerce.gov.in/trade/national_tpa_assistance.asp">http://commerce.gov.in/trade/national_tpa_assistance.asp</a>  <a href="http://commerce.nic.in/trade/ASIDE_Revised_Guidelines_2012-17.pdf">http://commerce.nic.in/trade/ASIDE_Revised_Guidelines_2012-17.pdf</a></p>
Whom to Contact	<p>1. Dept. Of Commerce, Ministry of Commerce &amp; Industry, GOI</p>

Name of Scheme	<p><b>5.C. INDUSTRIAL INFRASTRUCTURE UPGRADATION SCHEME (IIUS)-2009/ Modified Industrial Infrastructure Upgradation Scheme (MIUS)-2013(Revised Scheme)</b></p>
Name of Ministry/ Dept.	<p>Department of Industrial Policy &amp; Promotion, Ministry of Commence &amp; Industry</p>
Description	<p><b>Objective:</b> The objective of enhancing industrial competitiveness of domestic industry by providing quality infrastructure through public private partnership in selected functional clusters/locations which have potential to become globally competitive.</p>
Who is Eligible	<p>New / Existing Industries.  Projects are sanctioned to upgrade infrastructure in Industrial Estates/Parks/Areas and Greenfield projects can also be supported in backward areas, including NER. However, priority is to be given to upgrade infrastructure in existing clusters over Greenfield projects. State Implementation Agencies (SIAs) such as SIDCs can apply for funding under the MIIUS.</p>
Nature of Assistance	<p><b>Government Assistance:</b></p> <ol style="list-style-type: none"> <li>1. Central assistance upto 50% (for NER upto 80%) of project cost with ceiling of Rs. 50 crore, limiting sanction of 2 projects per State;</li> <li>2. projects implementation by State Implementation Agency (SIA) such as, State Industrial Development Corporation with their minimum mandatory contribution of 25% of the project cost and 10% in case of NER;</li> <li>3. projects have been sanctioned to upgrade infrastructure in Industrial Estates/ Parks/Areas. Greenfield projects could be supported in backward areas, including NER;</li> <li>4. 'Two Stage Approval Mechanism' from the previous recast IIUS guidelines has been retained;</li> </ol>

	<p>5. Release of GoI grant (3 Installments viz. 30:40:30) subject to bringing upfront contributions from other Stakeholders;</p> <p>6. Central grant for Physical infrastructure is restricted to 25% of the central grant subject to a ceiling of Rs.12.5 crore;</p> <p>7. 'CETP' component of the project is considered subject to ceiling of assistance of Rs.15 crore/CETP (maximum Rs.1.50 crore/MLD) and for ZLD treatment (Zero Discharge) maximum assistance of Rs.20 crore/CETP (Rs.4.50 crore/MLD).</p> <p><b>Beneficiary Contribution:</b> As applicable</p>
How to Apply	<p><a href="http://dipp.nic.in/programmes-and-schemes/infrastructure/industrial-infrastructure-upgradation-scheme-iius">http://dipp.nic.in/programmes-and-schemes/infrastructure/industrial-infrastructure-upgradation-scheme-iius</a></p>
Whom to Contact	<p>1. Dept. of Industrial Policy &amp; Promotion, Ministry of Commerce &amp; Industry, GOI</p>