

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. Clustering of units also enables providers of various services to them, including banks and credit agencies, to provide their services more economically, thus reducing costs and improving the availability of services for these enterprises.

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, raw material depot, effluent treatment, complementing production processes, etc).

Scope of the scheme:

- ➔ Diagnostic Study
- ➔ Resourcing of Technology
- ➔ Facilitating the transfer of technology from producer to end user.
- ➔ Setting up of Common Facility Centres(CFCs).
- ➔ R & D needs
- ➔ Organising workshops, Seminars, Training and Study visits for quicker diffusion of technology across the cluster of small enterprises.

Infrastructure Development for 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

Activity	Implementing Agency
Diagnostic study	<ul style="list-style-type: none"> • Offices of the Ministry of MSME • Offices of State Governments • National and international institutions engaged in development of the MSE sector. • Any other institution/agency approved by the Ministry of MSME
Soft Interventions	
Setting up of CFC	
Infrastructure Development projects	State/UT Governments through an appropriate state government agency with a good track record in implementing such projects.

Cost of Project and Govt of India Assistance:

- ➔ Diagnostic Study - Maximum cost Rs. 2.50 lakhs.
- ➔ Soft interventions - Maximum cost of project Rs. 25.00 lakh, with GoI contribution of 75% (90% for Special Category States and for clusters with more than 50% women/micro/village/SC/ST units).
- ➔ Hard interventions i.e setting up of CFCs – maximum eligible project cost of Rs. 15.00 crore with GoI contribution of 70% (90% for Special Category States and for clusters with more than 50% women/micro/village/SC/ST units) .

Infrastructure Development in the new/ existing industrial estates/areas.

Maximum eligible project cost Rs.10.00 crore, with GoI contribution of 60% (80% for Special Category States and for clusters with more than 50% women/micro/SC/ST units)

How to approach :

Proposals for consideration under MSE-CDP can be sent through State Govts or their autonomous bodies or field institutes of Ministry of MSME i.e. MSME-DIs. The proposals are approved by the Steering Committee of the MSE-CDP.