

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

1. Details

About the Scheme

The Micro & Small Enterprises Cluster Development Programme (MSE-CDP) is one of the flagship schemes of the Ministry of Micro, Small and Medium Enterprises (MSME), Government of India. It is a demand-driven Central Sector Scheme designed to support the sustainability and growth of Micro and Small Enterprises (MSEs) by addressing common challenges through cluster-based development approach.

Key Features

- Scheme Type: Central Sector Scheme (Demand-driven)
- Revised Guidelines: Effective from May 24, 2022
- Implementation Period: 15th Finance Commission period (2022-2026)
- Approach: Cluster-based development for collective growth

Programme Components

The scheme has two main components:

1. Common Facility Centers (CFCs)
 - Creation of tangible assets such as Common Production/Processing Centers
 - Design Centers, Testing Facilities, Training Centers
 - Raw Material Depots, Effluent Treatment Plants
 - Plug & Play Facilities
2. Infrastructure Development Projects
 - Development of industrial estates/areas
 - Flatted Factory Complexes
 - Basic infrastructure like roads, water supply, drainage, power distribution
 - Non-conventional energy sources, telecommunication facilities

2. Benefits

For Micro & Small Enterprises

- Technology Upgradation: Access to modern manufacturing technologies and processes

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- Quality Enhancement: Common testing and quality control facilities
- Cost Reduction: Shared infrastructure and facilities reducing individual costs
- Market Access: Better market linkages and business opportunities
- Skill Development: Training programs for workers and entrepreneurs
- Environmental Compliance: Effluent treatment and green technology adoption

For Clusters

- Improved Competitiveness: Enhanced productivity and efficiency
- Collective Growth: Economies of scale through shared resources
- Innovation Support: R&D facilities and design centers
- Export Promotion: Better quality products for international markets
 - Sustainable Development: Green and sustainable manufacturing practices

Financial Benefits

- High Government Support: Up to 70% grant for CFC projects
- Substantial Funding: Projects worth Rs. 5-15 crore eligible for support
- Special Provisions: Higher grants for NE & Hill States and SC/ST dominated clusters

3. Eligibility

Cluster Eligibility Criteria

- Minimum Enterprises: At least 10-20 MSE units in the cluster
- Geographical Concentration: Enterprises located in identifiable, contiguous area
- Sector Similarity: Producing same/similar/complementary products or services
- Common Challenges: Facing similar technology, market, or skill-related issues
- Udyam Registration: All cluster enterprises must have valid Udyam Registration

Special Purpose Vehicle (SPV) Requirements

- Legal Entity: SPV must be registered as a Company under Section 8 of Companies Act
- Minimum Members: 20 MSE cluster units as SPV members (minimum 10 in special cases)
- Composition: May include MSMEs, MSME-DIs, NSIC, KVIC, State Government agencies
- Contribution: SPV must contribute minimum 10% of project cost

Project Eligibility

For Common Facility Centers (CFCs):

- Project cost: Rs. 5.00 crore to Rs. 10.00 crore

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- Maximum Gol grant: 70% of project cost
- For NE & Hill States: 90% Gol grant
- For SC/ST dominated clusters: 90% Gol grant

For Infrastructure Development:

- Project cost: Rs. 5.00 crore to Rs. 15.00 crore
- Maximum Gol grant: 60% of project cost
- For NE & Hill States: 80% Gol grant
- For SC/ST dominated clusters: 80% Gol grant

4. Application Process

Online Application Procedure

1. Registration: Register on the official portal cluster.dcmsme.gov.in
2. User Login: Create user credentials and login to the system
3. Application Form: Fill detailed online application form with all required information
4. Document Upload: Upload all necessary documents and certificates
5. Application Finalization: Review and finalize the application (no changes allowed after finalization)
6. Print & Submit: Take printout, sign, and submit with supporting documents

Approval Process

1. State Government Forwarding: Application forwarded by State Government within 30 days
2. MSME-DI Verification: Verification and recommendation by concerned MSME-DI
3. Central Evaluation: Evaluation by Office of DC-MSME
4. Technical Appraisal: Technical and financial feasibility assessment
5. Final Approval: Project approval and sanction of funds
6. Fund Release: Release of funds in installments (50:40:10 ratio)

Implementation Timeline

- State Level Approval: 45 days from receipt of complete application
- Central Level Approval: 90 days from receipt from state government
- Project Completion:
 - CFC Projects: 24 months from fund release

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Funding Pattern

Common Facility Centers (CFCs)

General	70%	20%	10%
NE & Hill States	90%	5%	5%
SC/ST Dominated	90%	5%	5%

Infrastructure Development

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General	60%	30%	10%
NE & Hill States	80%	10%	10%
SC/ST Dominated	80%	10%	10%

Contact Information

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