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NATIONAL HORTICULTURE BOARD
Ministry of Agriculture & Farmers Welfare, Government of India



Final Guidelines for **CLUSTER DEVELOPMENT PROGRAMME**

Part A: Multi-commodity High Value Clusters

Part B: Peri-urban Vegetable Clusters

July 2025



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Joint Secretary



भारत सरकार
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FOREWORD

Horticulture has emerged as a game changer of Indian Agriculture, contributing nearly 33% to the Agriculture GVA from less than 18% of the total arable land—accounting for approximately 52% of the country's overall crop production. Its significantly higher productivity (12.54 Mt/ha compared to 2.3 Mt/ha for cereals) and ability to ensure nutritional security, generate rural employment, and diversify farm income makes horticulture a critical driver in the country's journey towards becoming the third largest economy, fulfilling nutritional security and realising the vision of "Viksit Bharat" by 2047.

India's position as the world's second-largest producer of horticultural produce, and a global leader in fruits such as mango, banana, and guava, is a testament to the tireless efforts of our "Annadata", most of whom are small and marginal farmers.

However, despite this production success, the sector faces challenges such as high post-harvest losses, inadequate supply chain infrastructure, and price fluctuations in domestic markets. Moreover, India's share in global horticultural trade remains a mere 1%, underscoring the need for better integration with global value chains to ensure higher income for farmers and value chain actors.

The revised guidelines of the Cluster Development Programme by National Horticulture Board is an attempt to address these gaps, leveraging a collective, innovation-led approach supported by robust infrastructure and strong institutional mechanisms. Building on the experience from pilot projects, NHB has released revised composite guidelines, incorporating valuable lessons learned as well as feedback from stakeholders. These guidelines also include the framework and guidelines for large-scale vegetable clusters, as promised in the Union Budget 2024, with a special focus on improving supply chain efficiency, enhancing global competitiveness, and meeting the growing domestic demand—estimated to reach 650 million metric tonnes of fruits and vegetables by 2050.

I take this opportunity to thank all stakeholders who contributed their insights during the drafting of these guidelines. I also congratulate the officials of NHB for their sincere efforts in bringing out this comprehensive and forward-looking framework. These revised guidelines, I am confident, will empower millions of farmer families and value chain actors, unlocking the full potential of India's horticulture sector.

Dated 8th April, 2025

(Priya Ranjan)

Joint Secretary (MIDH) & MD, NHB



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Part A

**Multi-commodity
High Value Clusters**



01



Background

- 1.1 Horticulture has emerged as the **growth engine of the Indian agriculture sector** over the last two decades. Presently, India is the second largest global producer of fruits & vegetables contributing approximately **12% to the global production**. Horticulture sector accounts for about 33% of the gross value to the agricultural GDP utilising 18% of the gross cropped area which has catalysed the growth of the agriculture sector in the country.¹ The horticulture productivity has increased from 8.8 TPH (tonnes per hectare) in 2001-2002 to 12.5 TPH in 2022 – 2023.¹
- 1.2 However, **India's share of horticulture export in global trade stands at 1%**², which is significantly lower than other producer countries. Further, there is significant import of horticulture produce, which needs to be addressed. Moreover, various studies on the fruit and vegetable sub-sectors in India have indicated post-harvest losses ranging from about 6.02%-15.05% in fruits and 4.87%-11.61% in vegetables on account of inadequate infrastructure for post-harvest handling of produce and value addition³.
- 1.3 The above factors highlight that there is a **further need to enhance the adoption of global best-practices to improve productivity, to develop post-harvest and marketing infrastructure, to invest in value addition activities** and to amplify the use of innovative technologies to increase the sector's domestic and global market share. The cluster development approach, based on the geographic specialisation of a horticulture crop, can address the above concerns holistically and sustainably.

¹ Ministry of Agriculture and Farmers Welfare

² APEDA

³ Ministry of Food Processing Industries

- 1.4 With a view to enhance global competitiveness of the Indian horticulture sector, the Ministry of Agriculture and Farmers Welfare (MoA&FW), Government of India announced the Cluster Development Programme (CDP) in October 2021 with interventions in 12 clusters on a pilot basis. CDP is a **central sector programme** implemented by the National Horticulture Board. The Programme aims to achieve holistic growth and development of horticulture clusters to make them globally competitive.
- 1.5 CDP is designed as a central sector scheme to leverage geographical specialisations of horticulture clusters and promote integrated and market-led development of pre-production, production, post-harvest, logistics, branding and marketing activities.
- 1.6 The guidelines for the pilot clusters mentioned that based on the learning, output and outcome of the pilot implementation, the programme will be scaled up.
- 1.7 Based on the learning, output, and outcome of the pilot implementation, these revised guidelines are being issued for the next stage of the Cluster Development Programme (CDP).
- 1.8 The cluster development approach will facilitate the horticulture sector in realising suitable economies of scale in production and post-harvest activities. It is also expected to help in better price realisation and empowerment of the farming community by enhancing their income through increased competitiveness across the entire value chain.

In line with the above, NHB conducted a mid-term evaluation of the CDP through an independent third party i.e. Asian Development Bank. The learnings from the mid-term's evaluation are mentioned below

Identification and selection of clusters:

1. In the pilot phase, 12 clusters were selected out of 55 clusters pre-identified by MoA&FW. During the interactions, the stakeholders expressed a need for specifying the criteria for cluster definition, identification and selection which also allows more diverse and heterogeneous clusters to evolve.
2. 11 out of 12 clusters selected for the pilot phase were fruit clusters. This limited the learnings required for scaling-up/ replication in vegetable, floriculture, aromatic & medicinal, spice clusters etc.

Scheme design and implementation:

1. Need for revision of outdated cost norms was felt by all stakeholders across clusters. Similarly, a need was expressed to revisit the cost norms applicable for Hilly and North-Eastern States to take care of the difficult terrain.
2. Need was felt for rationalisation of cluster categories and corresponding financial assistance. It was mentioned that clusters may exist in sizes significantly smaller or larger than those specified in the guidelines, thereby affecting the cluster development interventions. In addition, there was no clear-cut definition for minimum area covered in a 'mini' cluster.
3. Due to the seasonal nature of the produce and short shelf life of the horticultural crops, the infrastructure such as packhouses, cold stores etc. were not being utilised round the year (if the facilities are dedicated for only one crop). The stakeholders indicated that the scheme benefits should cover a larger to mix of crops (multi-crop), to ensure that the infrastructure is optimally utilized unless the crop shelf life is significant / multiple harvests can be taken (e.g. Apple / Banana)

4. Need was expressed by CDAs and IAs to revise the net worth requirements which was considered very high.
5. Discussion highlighted the need for dedicated CDP cell in NHB with adequate staffing and comprehensive training on program guidelines, implementation processes, and reporting requirements for all stakeholders.
6. CDP guidelines encourage the adoption of innovative technologies to promote market led cluster development, however the cost norms for such new or innovative components were typically not available.
7. The IA's technical presentation was being evaluated on a scale of 50 by the Approval Committee. The scoring was broad-based which may be further refined to bring more specificity and objectivity.
8. There was limited awareness among farmers. Extensive promotion of the scheme is needed to inform farmers and enhance the capacity of stakeholders at the state level.
9. CGARs in many cases could not adequately capture the field requirements adequately. In many cases the IAs had concerns as regards the practicality and viability of suggested interventions during implementation

Institutional and Governance Mechanisms:

1. There was no separate budget outlay for administrative expenses incurred by NHB for CDP. Need was expressed for an advance to CDA to meet cost upfront related to the EoI process for selecting the IA, including expenses towards program awareness, consultant fees for preparing the CGAR, and similar expenditures was also felt.
2. CDAs were not clear on their role in DPR approval. Also, horizontal communication across different CDAs and NHB was limited.

Finance and fund management through CDP Portal:

1. Portal for farmers registration and vendor registration was not ready in time. As there was delay in launch of CDP portal, actual programme implementation was affected.
2. Multiple CDAs felt and expressed that DPRs need to more comprehensive. So far, DPRs covered project profile and broad cost estimation rather than containing the necessary level of detail on detailed civil costs, plant and machinery expenses, human resource needs, and location.

- 1.9 The revised approach of developing crop specific clusters in different agro climatic zones of the country would also help in dealing with various supply issues like high quality planting material, soil health management, adoption of **Good Agricultural Practices (GAP)** and innovative technologies to promote market led production apart from addressing the gap in information sharing on Sanitary and Phytosanitary Measures (SPS) and Technical Barriers to Trade (TBT) issues for export markets.
- 1.10 The cluster-based approach is expected to address the concerns and common challenges of all the stakeholders in a cluster. While individuals and institutions within a cluster will compete, they are also expected to collaborate and complement each other to function as an optimally aggregated group, optimising resources and achieving the desired impact through focused interventions.

02



Treatment of Existing Clusters

- 2.1 Cluster under Implementation in the existing pilot phase will be continued. The role being played by the CDA (Cluster Development Authority) will now be undertaken by the SHM (State Horticulture Mission).
- 2.2 For the components already implemented, the cost norms at the time of approval will be applicable. However, for the components that have not been implemented yet, the revised cost norms will be applicable.



A decorative graphic at the top of the page features a central photograph of a tree branch heavily laden with bright red apples. This photo is framed by a thin white circle. To the left of the photo is a dark green circle containing the white number '03'. To the right is a solid orange circle. A dark green, curved, arrow-like shape points from the right towards the center. Small blue dots are scattered around the circles.

03

Objectives of CDP

- 3.1 CDP is designed to leverage geographical specialization of horticulture clusters to make them globally competitive. The main objectives of the CDP are as under:
- 3.1.1 **Address the concerns of the horticulture cluster value chain** from pre-production, production, post-harvest management and value addition to logistics, marketing and branding in an integrated manner.
 - 3.1.2 Facilitate the **introduction of innovative technologies and practices to help enhance the global competitiveness of focus cluster crops**⁴ and thereby promote exports.
 - 3.1.3 **Enhance farmers' wallet share** (reduction in cost and increase in revenue).

⁴ Focus crop has been defined as the identified major horticulture crop of a cluster. In addition to the focus crop, a cluster may have other ancillary crops.



Salient Features

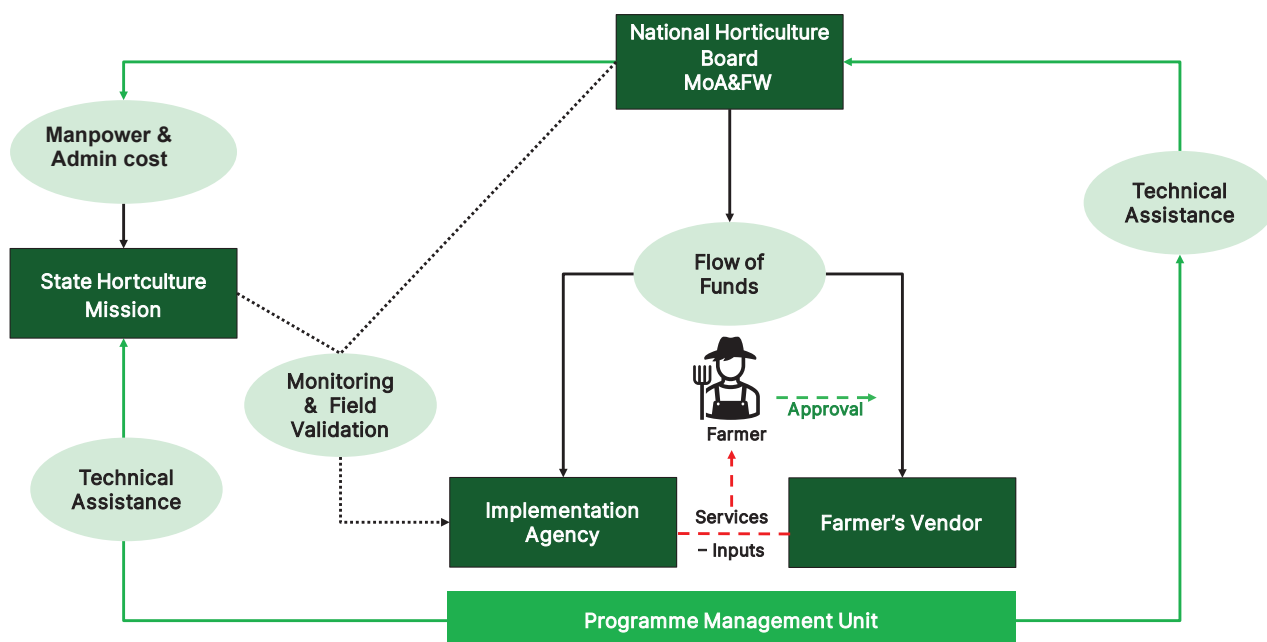
- 4.1 The Programme will focus on all stakeholders in the value chain including farmers/producers, traders, aggregators, agribusiness enterprises, logistics players, retailers, processors, exporters and other public and private service operators.
- 4.2 **CDP will support integrated interventions** to enhance the competitiveness of targeted clusters. The interventions shall be implemented through specialised Implementing Agencies (IAs). The interventions under the Programme have been classified into the following three verticals:
 - 4.2.1 **Pre-production and production:** It will support capacity-building of farmers and farm proximate interventions covering the crop life cycle, including planting material, crop-care practices, micro-irrigation and farm mechanisation till the harvest of the crop.
 - 4.2.2 **Post-harvest management and value addition:** It will support interventions at the cluster level, ranging from post-harvest handling of crop to storage, value addition and packaging.
 - 4.2.3 **Logistics, Marketing and Branding:** It will support interventions to link cluster produce with consumption markets and include seamless logistics for efficient evacuation, cluster branding and outreach in the domestic and export markets.

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Implementation Framework

5.1 The implementation structure for the Programme is illustrated in the figure below.

Figure 1: Implementation Framework



- 5.2 National Horticulture Board (NHB) shall provide guidance and financial assistance as well as supervise the overall implementation of the Programme.
- 5.3 At the state level the respective **State Horticulture Missions (SHM)**⁵ will take up the role of the field/ ground validation of the IA's concept note and business proposal/ DPR and the continuous monitoring and evaluation of the project.
- 5.4 SHMs will be provided assistance to onboard a dedicated team of officers and for continuous monitoring and implementation for smooth implementation of the programme.
- 5.5 The Programme Management Unit (PMU) at NHB shall provide technical assistance to NHB and SHMs.



⁵ Or any other institution working in the horticulture sector for at least last 5 years, proposed by the state and approved by NHB.



Definition and Eligibility of a Cluster

- 6.1 A cluster or horticulture cluster refers to a specific regional or geographical concentration **whether existing or induced**, of targeted horticultural crop(s). This concentration provides opportunities for specialization in various stages of the horticultural value chain, including but not limited to production, post-harvest management, marketing, and exports.
- 6.2 For the purpose of this scheme, a cluster must fulfil the following criteria:
- 6.2.1 **Identification of Focus Horticulture Crop:** The cluster must have a clearly identified focus horticulture crop. In addition to this primary focus crop, the cluster may also include additional horticulture crops to enhance its agricultural diversity and productivity.
 - 6.2.2 **Minimum Annual Farm Gate Value Requirement:** The minimum annual farm gate value (FGV) of the identified focus crop within the cluster must be no less than INR 100 Crores, as per the following formula.

$$\text{FGV} = \text{Acreage} \times \text{Productivity} \times \text{Price}$$

Where;

Acreage: The acreage proposed for cluster development in the business plan submitted by IA

Productivity: The average yield per unit area as per data from SHM/ NHB/ Agmarknet

Price: The modal price of the produce as per from SHM/ NHB/ Agmarknet

Note: In case of Mushroom the applicable formula will be Production X Price

- 6.2.3 **Geographical and Administrative Boundaries:** The proposed cluster, whether it is an existing cluster or an induced cluster, must be located entirely within the boundaries of a single State or Union Territory. This ensures administrative coherence and effective governance of the cluster activities.
- 6.2.4 **Contiguity of the Land:** The land comprising the cluster should be contiguous to the extent possible. The cluster should be limited to a maximum of 3 (three) adjoining contiguous districts.

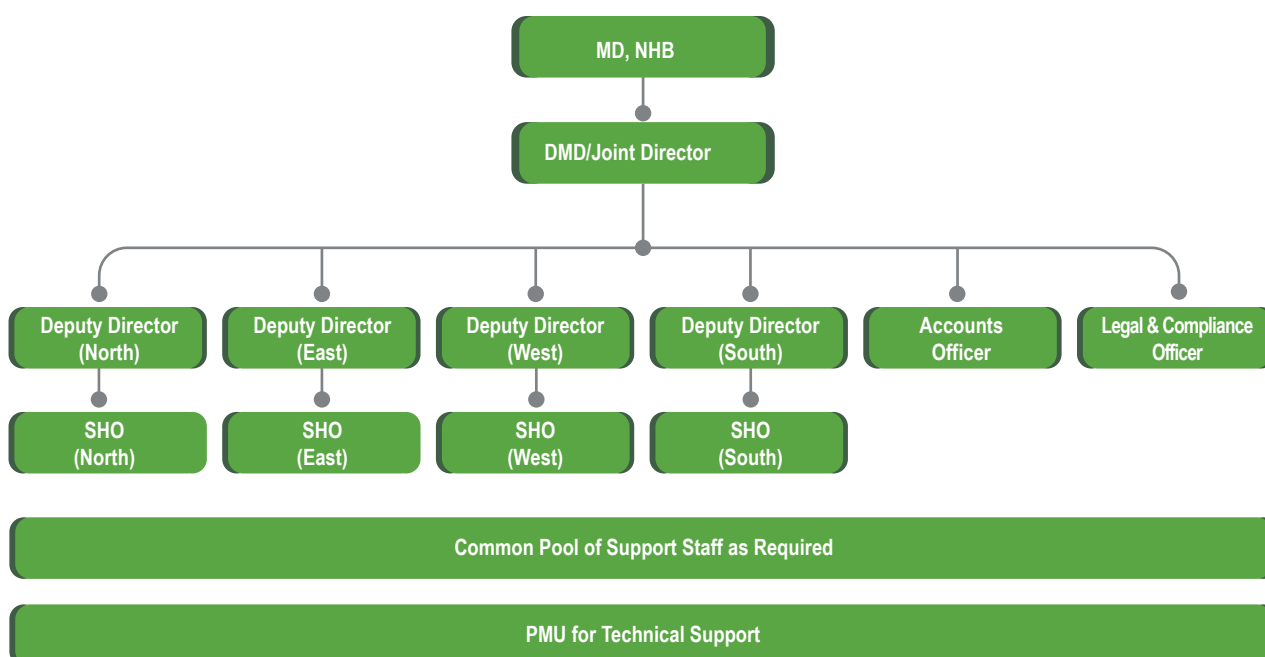




National Horticulture Board

- 7.1 The National Horticulture Board under the MoA&FW will serve as the nodal agency for implementation of the Cluster Development Programme (CDP).
- 7.2 NHB shall establish a special CDP Cell dedicated to supporting the governance of CDP.
- 7.3 This specialized cell shall be tasked with day-to-day administration and coordination of CDP, ensuring effective communication and collaboration with various stakeholders involved in the Programme.
- 7.4 To facilitate implementation of CDP, NHB shall be allocated 5% of the total approved assistance amount, which includes, administrative expenses, Programme Management Unit (PMU) charges, surveys, field visits etc. and cost towards fulfilment of cross-cutting objectives, which are essential for the Programme's holistic success.
- 7.5 Furthermore, NHB shall be allocated up to 2% of total approved assistance amount towards reimbursement of salaries of SHM CDP contractual staff.
- 7.6 The structure of the CDP cell is depicted in the figure 2:

Figure 2: Structure of CDP Cell



7.7 The cell shall have the following members:

- 7.7.1 **Deputy Managing Director (DMD)/ Joint Director:** Reporting directly to the MD, NHB, this role oversees the activities of the four regional Deputy Directors within the CDP cell.
- 7.7.2 **Deputy Directors:** Four Deputy Directors are assigned to manage the North, East, West, and South regions, respectively. They shall ensure regional implementation and coordination of CDP activities.
- 7.7.3 **Senior Horticulture Officers (SHOs):** Each Deputy Director is supported by a Senior Horticulture Officer who will handle the operational activities in their respective region.
- 7.7.4 **Accounts Officer:** This position will be responsible for managing the financial aspects and accounts related to the CDP Cell.
- 7.7.5 **Legal and Compliance Officer:** This position will be responsible for managing compliance and legal aspects related to CDP.
- 7.7.6 Additionally, the CDP Cell is supported by:
 - **Common Pool of Support Staff:** These staff members will provide necessary administrative and operational support as required.
 - **Programme Management Unit (PMU):** The PMU will offer technical support to facilitate the effective implementation of CDP.

7.8 **Role:** The CDP cell at NHB shall play a pivotal role in the successful execution and management of CDP, with responsibilities including but not limited to:

- 7.8.1 **Overall Management and Coordination:** Supervising and managing the entire Cluster Development Programme to ensure its smooth execution.

- 7.8.2 **Implementation of Cross-Cutting Objectives:** Overseeing the integration of essential cross-cutting objectives into CDP to enhance its effectiveness and efficiency.
- 7.8.3 **Guidance and Oversight:** Providing strategic direction and oversight to implementing agencies, ensuring they adhere to the Programme's guidelines and achieve desired outcomes.
- 7.8.4 **Financial Management:** Ensuring the availability and proper allocation of funds for various project activities, including disbursements to implementing agencies.
- 7.8.5 **Reporting and Compliance:** Ensuring timely submission of detailed reports to the government, reflecting the progress and status of the projects.
- 7.8.6 **Human Resource Deployment:** Managing the deployment of staff, service providers, and other necessary personnel to support CDP activities.
- 7.8.7 **Screening and Due Diligence:** Conducting thorough screening and due diligence of project proposals and business cases submitted by applicants to ensure they meet the required standards and criteria.
- 7.8.8 **Cross-Cutting Objectives:** NHB shall centralize several key activities, which shall not only streamline processes but also enhance cost efficiency and operational effectiveness. These cross-cutting objectives shall include:
- **Logistics & Post-Harvest Management (PHM) Protocols:** Developing and implementing standardized logistics and post-harvest management protocols to ensure optimal handling and transportation of the horticultural produce.
 - **Digital Public Infrastructure for Traceability:** Establishing robust digital infrastructure to enhance traceability across the horticultural value chain, ensuring transparency and accountability.
 - **Trainings:** Conducting training programmes to build capacity of stakeholders involved in CDP, ensuring they possess the necessary skills and knowledge.
 - **Scheme/Stakeholder Outreach:** Engaging in outreach activities to promote CDP, ensuring stakeholders are informed and involved in the Programme.
 - **Branding and Promotion:** Developing and executing strategies for branding and promoting the horticultural clusters, both domestically and internationally.
 - **Geographical Indication (GI) Registration:** Facilitating the registration of Geographical Indications to protect and market unique horticultural products.
 - **Real-time Knowledge Repository:** Creating and maintaining a repository of real-time knowledge and best practices to support stakeholders in CDP.
 - **Facilitate Import of Planting Material:** Assisting in the import of high-quality planting material to enhance the productivity and quality of horticultural produce in the clusters.
 - **Facilitation of permissions and clearances:** Facilitation of permissions and clearances from various state and central departments and other concerned authorities such as the state forest department, etc.



State Horticulture Mission

- 8.1 The State Horticulture Mission⁶ will be the responsible state level body for facilitating the implementation of CDP, with its primary role being monitoring and ground validation.
- 8.2 **Role:** SHM (State Horticulture Mission) shall play a pivotal role in the successful implementation of cluster development projects by ensuring rigorous evaluation, coordination, and management of all related activities. The SHM's responsibilities will include:
- 8.2.1 Ensuring that project implementation and operations are conducted in a manner consistent with the legal and administrative framework established by the project guidelines.
 - 8.2.2 Ground visits and validation surveys and provide clear comments on the feasibility of the clusters proposed by the applicants (IAs).
 - 8.2.3 Monitoring and Evaluation of the project.
 - 8.2.4 Before the release of subsidy to farmer, ensure that farmer has previously not availed subsidy for the same component and the same field/ area, with the exception for subsidy towards consumables such as recurring production inputs like planting material etc.

⁶ Or any other institution working in the horticulture sector for at least last 5 years, proposed by the state and approved by NHB.

- 8.3 SHM shall be allocated an amount equivalent to 1% of the total approved assistance for the projects, towards administrative expenses. This amount shall be released to SHM in three equal instalments.
- 8.4 Cost towards salaries of SHM staff hired for CDP implementation shall be reimbursed as per actuals by NHB, subject to a maximum ceiling of applicable MIDH rates for Subject Matter Specialists/ Experts. NHB shall be allocated up to 2% of the total approved assistance amount towards reimbursement of salaries of SHM CDP contractual staff.
- 8.5 **Staffing:** The SHM shall comprise the following designated positions with requisite qualifications:
- 8.5.1 **Subject Matter Expert (Horticulture/Agribusiness):** The candidate shall possess a postgraduate degree or equivalent in Horticulture/ Agriculture/ Agribusiness, or a related discipline, along with a minimum of ten (10) years of experience in project development and implementation within the horticulture value chain sector.
- 8.5.2 **Monitoring & Evaluation Expert:** The candidate shall hold a postgraduate degree or equivalent in Finance/ Management/ Administration/ Economics, or a related field, coupled with six to ten (6-10) years of relevant experience in the field.
- 8.5.3 **Infrastructure Expert:** The candidate shall hold a graduate degree or equivalent in Civil Engineering or a related field, with six to ten (6-10) years of procurement experience in government projects.





Implementing Agency (IA)

- 9.1 Implementation Agencies will be the entity responsible for execution of the project.
- 9.2 **Eligibility:** Entities eligible for consideration as Implementing Agencies (IAs) under this scheme should be legal entities including, Farmer Producer Organisations (FPOs/FPCs) along with their federations, Cooperatives/Societies, Partnership Firms, Companies or combination thereof.
- 9.3 To qualify for selection as an Implementing Agency (IA) under this scheme, the applicant entity must comply with the following criteria:
- 9.3.1 **Net Worth⁷:** The applicant entity must demonstrate a net worth that is at least equivalent to the equity contribution of the IA's Cost Component.
 - 9.3.2 **Equity Contribution:** The applicant entity is mandated to contribute a minimum of 20% of the IA's Cost Component as equity in the proposed project. This equity contribution must be substantiated through appropriate financial documentation and validated by the concerned authorities.
 - 9.3.3 **Relevant Experience:** The applicant entity must possess and demonstrate substantial and relevant experience in fields such as agricultural or horticultural input supply, production, aggregation, trading, food processing, exporting, retailing, or logistics provision. This experience must be documented and verifiable to ensure the entity's capability to effectively manage and execute the project.

⁷ Net worth is the value of the assets an entity or corporation owns, minus the liabilities they owe

9.3.4 **Turnover:** The applicant entity is required to have an annual turnover, defined as the total revenue generated by the company within a financial year, that is at least equal to the total cost of the project.

9.3.5 **Term Loan:** For the project to be considered viable, it is imperative that the applicant entity secures a loan sanctioned by RBI Approved Scheduled Commercial Bank or Financial Institution (FIs) that constitutes at least 20% of the IA's Cost Component. This sanctioned loan must be confirmed by relevant banking institutions and documented appropriately to demonstrate the financial backing and feasibility of the project.

In case of Central/State government entity/PSUs, the requirement of term loan will not be mandatory, provided such IAs meet the contribution through its own resources after demonstrating their financial strength for implementing the project.

Note: Detailed Project Report/ Techno-Economic Viability Report merely stamped or endorsed by the Scheduled Commercial Bank without detailed Appraisal Note shall not be considered as valid for the purpose of the Guidelines.

9.3.6 **Bank/ FI Appraisal Note:** A detailed Appraisal Note from the Bank/ FI Sanctioning the term loan. This should be from RBI approved FIs.

9.3.7 **Farmer Components:** The farmer components shall be minimum 40% of the total project cost.

9.3.8 **Debt Obligations and Non-Performing Asset(s):** The applicant entity, including its shareholder(s), partner(s), director(s), and key management personnel, must have a clean financial record with no defaults on debt obligations over the past three years. Additionally, neither the applicant entity nor its shareholders should have been classified as 'non-performing assets' or any equivalent classification by any lender during this period.

9.4 **Role:** Implementing Agencies (IAs) shall undertake the following roles and responsibilities to ensure the successful execution and management of the project:

9.4.1 The preparation of a comprehensive Detailed Project Report (DPR), which outlines the project's scope, objectives, methodology, and financial plan.

9.4.2 Achieving financial closure in accordance with the approved means of finance, ensuring all financial arrangements and commitments are secured.

9.4.3 Obtaining all necessary statutory approvals and clearances required for the project, complying with relevant legal and regulatory requirements.

9.4.4 Receiving financial assistance under the Programme and ensuring its utilization in a transparent and judicious manner, adhering to the principles of accountability and fiscal responsibility.

9.4.5 Uploading monthly progress reports along with photographs and videos of the project onto the designated portal, providing regular updates on project milestones and developments.

9.4.6 Maintaining proper books of accounts for the project implementation and the maintenance of infrastructure post-commissioning, ensuring financial records are accurate and up-to-date.

- 9.4.7 Dovetailing and integrating initiatives of other ministries and departments to achieve holistic cluster development, fostering collaboration and synergy among various governmental efforts.
- 9.4.8 Coordinating with the State Horticulture Mission (SHM) to ensure timely and effective implementation of the project within specified timelines, facilitating seamless project execution.
- 9.4.9 Adhering to the guidelines set forth by the Central Vigilance Commission (CVC) and the procurement manuals of the Ministry of Finance and ensuring compliance with established procurement procedures and ethical standards.
- 9.4.10 Providing technical guidance on package of practices and good agriculture practices (GAPs) to the producers in the cluster.
- 9.4.11 Promote crop diversification in the cluster-Crop diversification to be one of the performance indicators of the IA.
- 9.4.12 Ensure availability of bridge funding (working capital) to meet project expenditures before subsidy component is credited.
- 9.4.13 Mandatorily ensure adoption of GAP component of MIDH (especially for reduction in use of pesticide) by the farmers in the cluster.

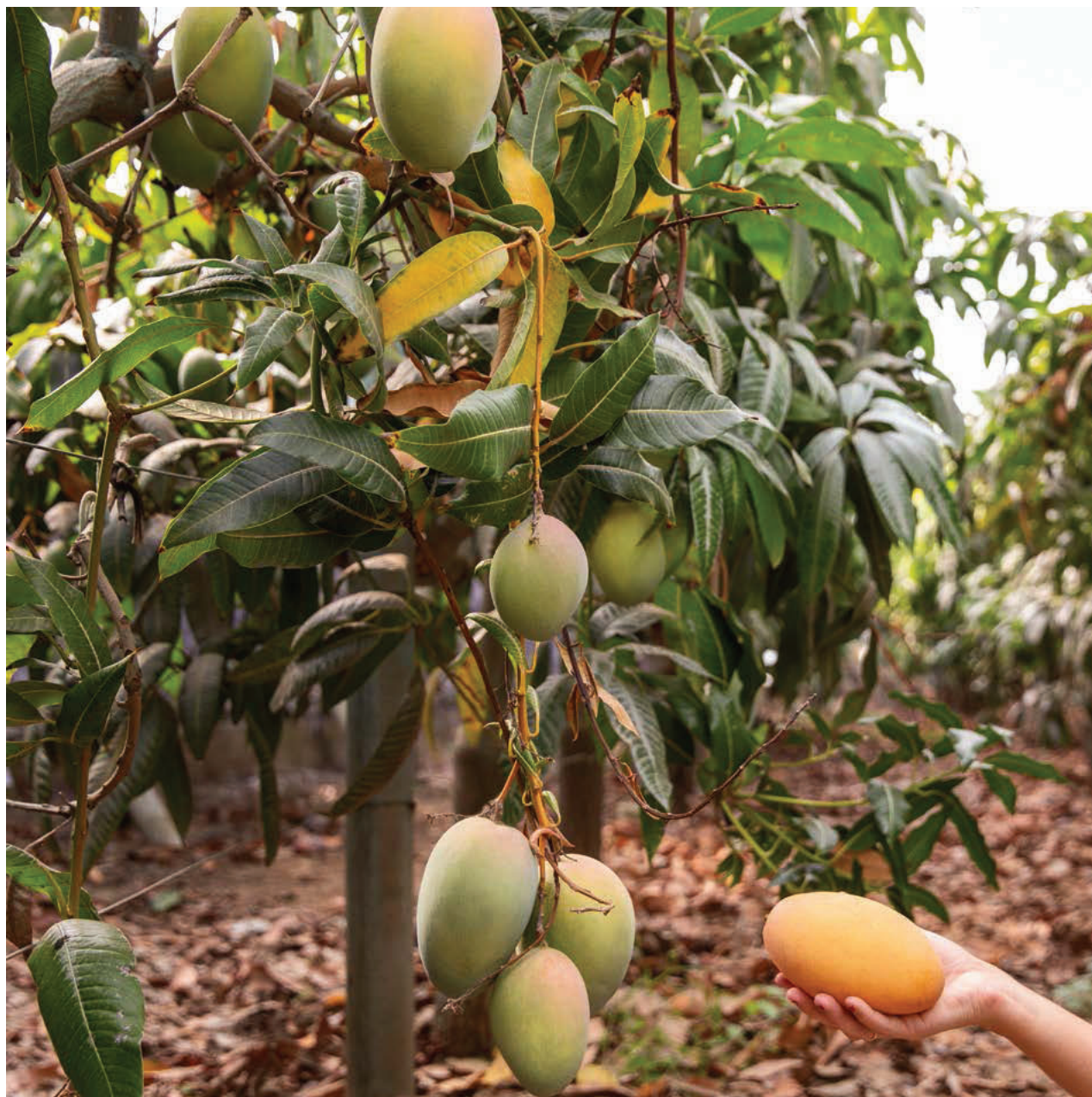




Programme Management Unit

- 10.1 National Horticulture Board will hire a Programme Management Unit (PMU) to assist it to ensure the effective implementation and management of the Cluster Development Programme. The PMU shall provide comprehensive technical assistance to the CDP Cell and State Horticulture Mission (SHM) to facilitate the effective and efficient implementation of CDP.
- 10.2 **Role:** The PMU will have the following responsibilities:
- 10.2.1 The PMU shall be responsible for organizing workshops, media campaigns, and other outreach activities aimed at promoting the objectives and benefits of CDP. These activities will serve to raise awareness, disseminate information, and engage various stakeholders.
 - 10.2.2 The PMU shall prepare/ revise Concept note and Business case/ Detailed Project Report (DPR) templates, and necessary frameworks to provide a structured approach to project planning and execution as also for systematic evaluation and assessment of the projects.
 - 10.2.3 The PMU shall maintain a real-time monitoring and evaluation dashboard. This dashboard will enable continuous tracking of project progress, performance metrics, and outcomes, thereby ensuring transparency and accountability in the implementation process.
 - 10.2.4 The PMU shall assist in the release of financial assistance, ensuring that funds are disbursed in a timely and efficient manner. The PMU will coordinate with relevant financial institutions and stakeholders to facilitate the smooth flow of financial resources.

- 10.2.5 The PMU shall assist the Project Appraisal Committee in the examination and evaluation of concept notes and business cases submitted by various entities. This includes providing expert insights and recommendations to assess the viability and feasibility of proposed projects.
- 10.2.6 The PMU shall assist in the periodic review, supervision, and monitoring of project implementation. This involves conducting regular assessments to ensure that projects are progressing as planned and addressing any issues or challenges that may arise.
- 10.2.7 The PMU shall provide technical support to SHMs. This includes assistance with the staffing of SHM and appraisal of project proposals. The PMU shall ensure that SHMs are equipped with necessary technical expertise and resources to carry out their responsibilities effectively.
- 10.3 **Composition:** PMU shall be set up adhering to the specifications detailed in Annexure 1, which outlines the qualifications and roles required for the effective functioning of the PMU.





Eligible Components

- 11.1 This list outlines eligible components under CDP, categorized into Pre-production and Production, Post-harvest Management and Value Addition, and Logistics, Marketing, and Branding. Pre-production and Production components are further sub-divided into Farmers/ FPO component and Implementing Agencies (IA). **This list is a guideline and not exhaustive.** Additional components may be included based on project needs and emerging technologies, ensuring comprehensive support and compliance with the initiative's objectives and regulations subject to NHB's approval.

Table 2: Eligible Components

VERTICAL	COMPONENT TYPE	DETAILS
Pre-production and Production	Farmer's Component (To Farmers/ FPO's)	<ul style="list-style-type: none"> • Cost of quality planting material • Farm machinery at farmer/collective level • Cost towards micro irrigation • Inputs for INM and IPM practices • Inputs for adoption of GAPs • Innovative practices/ technologies/ equipment (Fruit netting, bagging, cable/ zip-line fruit evacuation system/ portable on-farm weather station etc.)

VERTICAL	COMPONENT TYPE	DETAILS
Pre-production and Production	IA Component	<ul style="list-style-type: none"> • Formation and promotion of FPOs • Capacity-building of Farmers/ FPOs • Awareness campaigns/ Exposure visits • Hi-tech nurseries and tissue culture labs • Quality control labs • Adoption and dissemination of Good Agricultural Practices • Promotion of crop-care practices, including Maximum Residue Levels (MRL), INM and IPM practices • Micro-irrigation, farm mechanisation, and advanced farming techniques like precision farming, high-density plantation, usage of drones etc. • Adoption of new technologies and advanced farm machinery for enhancing efficiency • Real-time market intelligence, IT/Digital innovations, IoT infrastructure, traceability block chains, remote sensing, weather stations and farm management software • Development and dissemination of IEC material • Technical assistance from various National and International organisations/ universities/ other institutes
Post-harvest Management and Value Addition	IA Component	<ul style="list-style-type: none"> • Cost towards aggregation infrastructure such as collection centre • Establishment/ expansion/ modernisation of cluster-level infrastructure such as integrated pack-house, ripening chambers, pre-cooling units, cold rooms, reefer vans, primary & secondary processing units and/ or value addition • Cold storage infrastructure including multi/temperature controlled atmosphere cold storages and other related utilities • Infrastructure for packaging/ innovative packaging (such as modified atmosphere packaging, nitrogen flushing etc.) and cost of innovative packaging material • Other ancillary facilities required for post-harvest handling of produce • Cost towards trainings on post-harvest handling practices

VERTICAL	COMPONENT TYPE	DETAILS
Logistics, Marketing, and Branding	IA Component	<ul style="list-style-type: none"> • Development of transport, cold chain and other logistic infrastructure from farm gate to the domestic market and up to the exit point for export markets • Appropriate storage and material handling infrastructure to promote the use of alternative multi-modal means for seamless transport • Establishment of market linkages in identified domestic and export markets • Leverage e-commerce platforms and digital marketing for bringing efficiency and as an alternate mode of market outreach • Customisation on Digital Public Infrastructure for Traceability, Blockchain & IoT Solutions • Marketing campaigns (print/ electronic), trade fairs/ buyer seller meet, product sampling in target markets • Collation and dissemination of market intelligence with inputs on real-time market needs • Approach road/ Internal Road, assistance of up to INR 1.5 Cr. per project

11.2 The following components shall not be eligible for assistance or support of any other kind under the scheme:

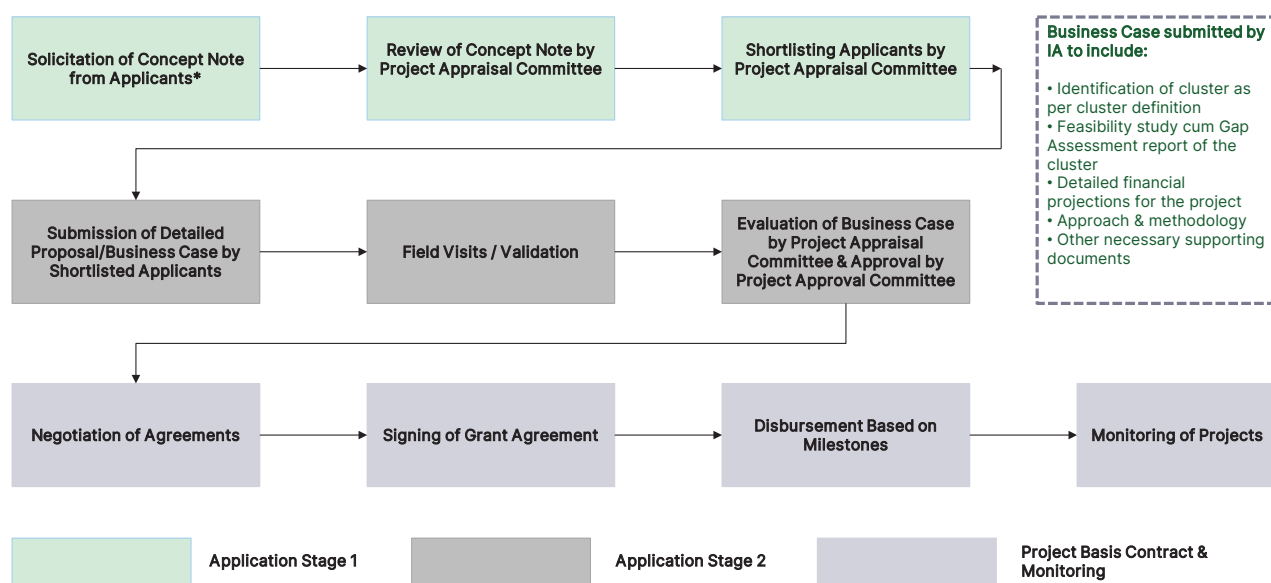
- Cost of land
- Site development (excavation, filling, etc.)
- Chemical Inputs for production (Pesticides, fertilizers and other Agrochemicals)
- Administrative office building/guest house etc.
- Compound wall
- Canteen/restaurants etc.
- Fuel, consumables, spares and stores
- Second hand/old machines/Reconditioned and refurbished plant & machinery
- All applicable taxes, insurance and margin money
- All types of service charges, carriage and freight charges
- Stationery items
- Operational cost including rentals, salaries, maintenance cost, etc.



Project Award Process

12.1 The Project Award Process under the Cluster Development Programme (CDP) is a systematic and transparent procedure designed to evaluate and approve project proposals. This process includes solicitation of Concept Notes, thorough evaluation by Project Appraisal and Project Approval Committees, and structured disbursement of funds to ensure effective implementation and monitoring of approved projects, as highlighted below.

Figure 3: Outline of Project Award Process



*Rolling call for proposal by MoA&FW, Government of India

- 12.2 The Ministry of Agriculture and Farmers Welfare (MoA&FW), Government of India, shall initiate a rolling call for proposals. Eligible applicants are invited to submit their Concept Notes (Refer to Annexure 2 for Model Concept Note), with consideration given until the last day of the month for shortlisting purposes. Following shortlisting, applicants shall have 6 weeks to submit their DPR (Refer to Annexure 3 for Model DPR). Applicants are expected to outline their initial project ideas, including the identification of the cluster as per the defined criteria.⁸
- 12.3 **Review of Concept Note by Project Appraisal Committee:** Upon receipt, the Concept Notes shall undergo a thorough review by the designated Project Appraisal Committee. This Committee is tasked with the critical role of assessing the feasibility, alignment with CDP objectives, and the preliminary technical and financial soundness of the proposed projects, in accordance with the detailed Concept Note Evaluation Matrix provided in Annexure 4. This process shall be carried out online through the CDP Suraksha Portal and be automated to the extent possible.
- 12.4 **Shortlisting of Applicants by Project Appraisal Committee:** Based on the evaluation, the Project Appraisal Committee shortlists applicants whose proposals demonstrate the most potential for successful implementation and impact. These shortlisted applicants are then invited to proceed to the next stage of the application process.
- 12.5 **Submission of Detailed Proposal/ Business Case by Shortlisted Applicants:** Shortlisted applicants are required to submit a comprehensive Business Case. This document must (but not limited to) include the following elements:
- 12.5.1 **Identification of Cluster:** As per the cluster definition provided in the guidelines
 - 12.5.2 **Feasibility Study cum Gap Assessment Report:** A thorough analysis of the cluster's current state, identifying gaps and opportunities for development
 - 12.5.3 **Detailed Financial Projections:** Including estimated costs, anticipated revenues, and financial viability of the project
 - 12.5.4 **Approach & Methodology:** A clear plan outlining how the project will be implemented, managed, and monitored
 - 12.5.5 **Supporting Documents:** Any additional documentation necessary to substantiate the Business Case
- 12.6 **Field Visits / Validation:** Following the submission of the Business Case, the proposals are subject to field visits and validation exercises. These are conducted to verify the factual accuracy of the details provided, assess the ground realities, and ensure the readiness of the proposed clusters for development.
- 12.7 **Evaluation of Business Case by Project Appraisal Committee & Approval by Project Approval Committee:** The validated Business Cases shall be re-evaluated by the Project Appraisal Committee using the Implementing Agency (IA) Evaluation Matrix provided in Annexure 5. The Project Appraisal Committee then forwards its recommendations to the Project Approval Committee. The Project Approval Committee conducts a final review, ensuring that the most promising projects meet all statutory and procedural requirements, and grants approval accordingly.
- 12.8 **Negotiation of Agreements:** Upon approval, negotiations are conducted to finalize the terms and conditions of the project agreements. These negotiations ensure that all parties are in consensus on the roles, responsibilities, financial commitments, and timelines associated with the project.

⁸ Rolling call for proposal by MoAFW, Government of India and submission of proposals

- 12.9 **Signing of Grant Agreement:** Following successful negotiations, a formal Grant Agreement is signed between the implementing agency (IA) and the relevant authorities. This agreement legally binds the parties to adhere to the stipulated terms and conditions throughout the project lifecycle.
- 12.10 **Disbursement Based on Milestones:** Financial assistance is disbursed in tranches, contingent upon the achievement of predefined milestones. This milestone-based disbursement ensures accountability and continuous progress toward the project goals.
- 12.11 **Monitoring of Projects:** Continuous monitoring is conducted to ensure compliance with the project's objectives and timelines. Regular reports, field visits, and evaluations are utilized to track the progress, address any issues promptly, and ensure the project's success.
- 12.12 Multiple scenarios of overlapping projects in the same geography may come up once a rolling call for proposal is published. The possible scenarios and the policy to be followed for selection of IA in each of them is given in Annexure 6.
- 12.13 In case of limited budget, proposals shall be awarded in the order of merit based on marks obtained in evaluation of the business case/ DPR as per Annexure 5.
- 12.14 Efforts shall be made to adhere to the following timeline for the project award process:

Table 3: Timeline for project award process

S.NO.	PROCESS MILESTONE	PROCESS (IN DAYS*)
1.	Issue of Quarterly Rolling Notice (Eol)	-
2.	Submission of Concept Note by Bidders	Submission cycle ends on the last day of the 3rd month of the applicable quarter (T)
3.	Review & Shortlisting of Concept Note by Project Appraisal Committee	T+7
4.	Submission of detailed proposal/ Business Case by shortlisted Applicants	T+50
5.	Field visits / Validation	T+65
6.	Evaluation of Business Case by Project Appraisal Committee & Approval by Project Approval Committee	T+80
7.	Signing of Grant Agreement	T+90

*Days means working days



Project Appraisal and Project Approval Committee

- 13.1 A **Project Appraisal and a Project Approval Committee** shall be constituted by NHB.
- 13.2 **Project Appraisal Committee:** The Project Appraisal Committee is tasked with the initial technical evaluation of project proposals submitted by the applicants. This committee ensures that proposals meet the required technical standards and align with the objectives of the CDP.
- 13.3 The Project Appraisal Committee will be provided all out-of-pocket expenses (travel, boarding and lodging etc.)
- 13.4 Representative Professional from Market Promotion Agencies and Independent Agri-business Experts shall also be provided an honorarium of INR 5,000 per meeting.
- 13.4.1 **Composition**
- **Chairperson:** MD, NHB
 - **Member Secretary:** DMD/Joint Director, CDP, NHB
 - **Members**
 - o Independent Agri-business Experts (2) (1 National + 1 International (If required))
 - o Representative Professional from Market Promotion Agencies (1)
 - o Representative of MIDH
 - o Representative from Export Promotion Councils (1)

- o Representative of National Research Centres of ICAR/ State Agriculture University/ Central Agriculture Universities/ Centre of Excellence working for the focus crop (1)
- o Subject Matter Experts from respective SHM (2-3)
- o Representative of IFD (not below the rank of director/deputy secretary)

13.5 **Project Approval Committee:** The Project Approval Committee is responsible for the final review and approval of project proposals that have passed the technical evaluation. This committee ensures that projects are viable, sustainable, and in line with policy guidelines.

13.5.1 **Composition**

- **Chairperson:** Additional Secretary (Horticulture), MoA&FW
- **Member Secretary:** Managing Director, NHB
- **Members**
 - o Joint Secretary, MIDH, MoA&FW or Representative thereof (not below the rank of director)
 - o Joint Secretary, Marketing, MoA&FW or Representative thereof (not below the rank of director)
 - o Joint Secretary, Agri Trade, Ministry of Commerce and Industry or Representative thereof (not below the rank of director)
 - o Joint Secretary, MoFPI or Representative thereof (not below the rank of director)
 - o Horticulture Commissioner, MoA&FW or Representative thereof (not below the rank of director)
 - o Secretary/ Chairperson, APEDA
 - o Representative of IFD (not below the rank of director)
 - o Secretary/ Principal Secretary I/C of Horticulture of the cluster state
 - o Mission Director, SHM



Pattern of Assistance

- 14.1 The Pattern of Assistance under the Cluster Development Programme is designed to ensure systematic and transparent financial support for both Implementing Agencies and Farmers involved in the Programme.
- 14.2 **Financial Assistance:** The upper limit for financial assistance to Implementing Agency is set at **25% of the Farm Gate Value (FGV) of the focus crop**. This upper limit is fixed to ensure a balanced distribution of funds while maximizing the impact of the financial support provided under the Programme.
- 14.3 The financial assistance for the farmer's component will be over and above the financial assistance to the IA.
- 14.4 The financial assistance for both farmer's component and the IA will be provided in accordance with the cost norms as set out later in the guidelines.
- 14.5 The financial assistance will be credit linked for the IA components but not for the Farmer/Farmer Collectives components.
- 14.6 The total project cost shall be determined based on the Business Case/Detailed Project Report (DPR) submitted by the Implementing Agency (IA). This comprehensive document shall outline the scope, objectives, financial projections, and implementation strategy of the proposed project. The total project cost is then divided into two main components: the **IA Component and the Farmer's Component**.
- 14.7 The IA Component encompasses the financial requirements necessary for the Implementing Agency to execute the project effectively. This includes a rigorous assessment to ensure that all proposed costs are justified and align with the stipulated cost norms and eligibility criteria. Upon approval, the IA is eligible to receive financial assistance up to a maximum of 25% of the

Farm Gate Value (FGV) of the focus crop. The funds for the IA Component are disbursed in three instalments through a Trust and Retention Account (TRA), ensuring a regulated and transparent flow of financial resources.

- 14.8 The Farmer's Component focuses on providing direct financial support to the farmers participating in the cluster. Once approved, the financial assistance is provided according to the applicable approved cost norms, ensuring that farmers receive the necessary support to enhance their productivity and profitability. The funds for the Farmer's Component are disbursed directly to the vendor on the lines of Direct Benefit Transfer (DBT) through the CDP Suraksha Portal, which ensures efficient and timely financial transfers, thereby minimizing delays and enhancing transparency.
- 14.9 Farmers may avail benefits or assistance under other state or central government schemes, provided there is no duplication of assistance for the same component in the same acreage. This stipulation ensures optimal utilization of resources and prevents overlap.
- 14.10 Subsidy on recurring inputs such as planting material and seeds shall be tapered off in 2 seasons (maximum one (1) year). In the first-season farmers will get 100% assistance as prescribed in the cost norms and 50% in the second season. There shall be no assistance on such components 3rd season onwards.
- 14.11 Additionally, 5% (in absolute terms) of the approved financial assistance to IA for the project, will be provided as an incentive to the IA, if the project is completed with all components and as per the agreed timelines in the approved business case/ DPR. This incentive will be released after the adjustment of last instalment of subsidy.
- 14.12 Additionally, an incentive of up to 10% of the project cost (within the upper limit of the financial assistance of 25% of FGV value) will be provided to the IA for innovative components and components not covered under any extant applicable schemes. The pattern of assistance will be limited to 50% of the cost of intervention/ activities as per actuals. This component could support innovations like automatic weather stations, cost towards IPR on new germplasm/ varieties, big data analytics, innovation in energy saving components like use of ice-batteries, ensuring real time crop planning, customised controlled environment agriculture techniques, introduction farm mechanisation components suited to small holdings etc.
- 14.13 For the purposes of release of subsidy to the IA, lower of the two A) project cost determined by the bank (excluding the cost of land) and B) cost as per available norms will be considered.
- 14.14 For the purpose of calculation of subsidy, the cost towards civil work shall not exceed 30% of the total project cost.



Release of Funds

- 15.1 **Digital Fund Transfer:** All fund transfers shall be executed exclusively through digital means utilizing the dedicated CDP Suraksha Portal.
- 15.2 **Fund Release by NHB to Farmers/Farmer's Suppliers**
- 15.2.1 **Fund release via Direct Transfer Mechanism:** The financial assistance shall be extended to farmer & farmer's suppliers on Direct Benefit Transfer (DBT) lines, ensuring direct and efficient transfer of funds to the beneficiaries.
- 15.2.2 **Approval for Release of Assistance:** The release of assistance to farmer & farmer's suppliers will be done in two equal tranches. The first shall require the approval of farmer and IA and the second shall require the approval of SHM in addition to farmer and IA. This ensures that the disbursement is properly vetted and aligned with the project objectives.
- 15.3 **Fund Release by NHB to IA**
- 15.3.1 The release of funds by NHB to the IA shall occur in three instalments. These disbursements shall be made following the formal approval of the project by the Approval Committee and with the endorsement of the State Horticulture Mission (SHM).
- 15.3.2 **Fund Release Mechanism:** The NHB shall provide financial assistance to the IA via a dedicated Trust and Retention Account (TRA). The disbursement from the TRA shall be based on the achievement of prescribed milestones, as outlined in the Programme guidelines.
- 15.3.3 The financial assistance will be released by NHB to IAs subject to the fulfilment of conditions prescribed for each instalment, as listed below.

15.3.4 First instalment of 30% of the total approved financial assistance will be released within nine months from the date of approval, subject to the fulfilment of the following criteria:

- Establishment of a Trust and Retention Account (TRA) and signing of the TRA Agreement with any Scheduled Bank
- Submission of surety bond on non-judicial Rs.100 stamp paper (As per Annexure 7)
- PFMS (CGA) Registration of IA
- Submission of invoices/ receipts/ work orders about expenditure of at least 30% of the eligible project cost on the approved project components
- Submission of a bank/ financial institution certificate about the disbursement of 30% of term loan by the lending bank
- Submission of TRA statements for verification of promoters' equity, term loan, and project expenditure
- Achieving minimum 30% as per the approved DPR
- Statutory auditor certificate confirming the actual expenditure on the project, along with means of finance in the prescribed format, duly certified by a Statutory Auditor and countersigned by the promoter. It should ensure that at least 30% of the promoters' contribution and 30% of the term loan have been utilised on the eligible project cost by IA. Details of unsecured loan (along with PAN numbers of lenders), if any, duly certified by the Statutory Auditor and countersigned by the promoter are to be given as per Annexure 8
- Submission of recommendation by NHB & PMU based on their site visit and evaluation of documents submitted by IAs. The recommendation shall confirm fulfilment of conditions as per the Programme guidelines to release the financial assistance
- Favourable site visit and inspection report from SHM.
- Any other condition which may be specified from time to time

15.3.5 Second instalment of 40% of the total approved financial assistance under the Programme will be released within 18 months from the date of approval, subject to fulfilment of the following criteria:

- Utilisation certificate as per the format of GFR-19 of the first instalment of financial assistance, duly certified by the chartered accountant
- Submission of invoices/ receipts/ work orders about the expenditure incurred on the project, related to the proof of proportionate expenditure by IA from the term loan, and equity equivalent to the financial assistance amount released as the second tranche of the first instalment
- Submission of a bank/ financial institution certificate with regard to the disbursement of 70% of term loan by the lending bank

- Submission of TRA statements for verification of promoters' equity, term loan and project expenditure
- Achieving minimum 70% of the area coverage as per the approved DPR
- Completion of 70% of the components as per the approved DPR
- Statutory auditor certificate confirming actual expenditure on the project along with means of finance in the prescribed format duly certified by the Statutory Auditor and countersigned by the promoter. It should ensure that at least 70% of the promoters' contribution and 70% of the term loan, along with financial assistance released, have been utilised on the eligible project cost by IA. Details of unsecured loan (along with PAN numbers of lenders), if any, duly certified by the Statutory Auditor and countersigned by the promoter are to be given as per Annexure 8
- Submission of recommendation by NHB & PMU based on their site visit and evaluation of documents submitted by IAs. The recommendation shall confirm fulfilment of conditions as per the Programme guidelines in order to release the financial assistance.
- Favourable site visit and inspection report from SHM
- Any other condition which may be specified from time to time

15.3.6 Third and final instalment of 30% of the total approved financial assistance under the Programme will be released and adjusted only as part of the recovery of last instalment but not prior to 36 months period from the date of release of last instalment, subject to the successful completion of the project and fulfilment of the following criteria:

- Utilisation certificate as per the format of GFR-19 of the second and third instalment of financial assistance, duly certified by the statutory auditor
- 100% completion of the project in all respects
- Submission of invoices/receipts/work orders related to the expenditure incurred on the project
- Submission of a bank/financial institution certificate with regard to the disbursement of 100% of term loan by the lending bank
- Submission of bank statements related to the 100% contribution of promoters' equity, term loan, and financial assistance accounts for verification of contribution and expenditure
- Statutory auditor certificate confirming actual expenditure on the project along with means of finance, duly certified by the statutory auditor and countersigned by the promoter. It should establish that 100% of the promoter's contribution, 100% of the term loan, and the third instalment of financial assistance have been utilised in the project. Details of unsecured loan (along with PAN numbers of lenders), if any, duly certified by the Statutory Auditor and countersigned by the promoter are to be given as per Annexure 8
- Joint inspection/ site visit by a team comprising members of NHB, SHM, PMU, bank, and any other concerned department of the government

- Submission of recommendation by the joint inspection team based on their site visit and evaluation of documents submitted by IAs. The recommendation shall confirm fulfilment of conditions as per the Programme guidelines in order to release the financial assistance
- Valid consent to operate from central/ state pollution control board, wherever applicable
- Valid clearance/ approval for power and water connections, if applicable
- Declaration of the completion of the project and start of commercial operation, duly certified by the bank, wherever applicable
- Registration certificate of logo and trademark for the cluster/value chain brand developed, wherever applicable
- Accreditation certificate for nurseries and labs, wherever applicable
- Registration certificate of reefer vans, wherever applicable
- FSSAI licence, wherever applicable
- Registration/ license with Warehousing Development & Regulatory Authority (WDRA)/ APEDA, wherever applicable
- Favourable site visit and inspection report from NHB/SHM
- Any other condition which may be specified from time to time

- 15.4 All the requisite documents for the release of financial assistance shall be self-attested by the authorised signatory of the IA. The IA should submit signed and stamped CA certificate for details of expenditure, Certificate from Chartered Engineer (Civil) for civil works and Chartered Engineer (Mechanical) for plant and machinery or any other relevant certificates indicating item-wise progress on approved components, cost, quantity, manufacturers/ suppliers and comment on quality and status of implementation, duly countersigned and stamped by the promoter, if applicable.
- 15.5 Financial assistance shall be provided for the project subject to availability of the funds and continuation of the Programme.
- 15.6 During the period of project implementation, if the IA account turns into an NPA, NHB on confirmation from the SHM may close the project on an 'as is where is' basis and recall the entire amount of financial assistance. NHB also retains the right to curtail/ recall the financial assistance along with the applicable penal interest in case of unsatisfactory use of the financial assistance including compromise with the quality of components as envisaged, or partial/ incomplete implementation of the project.
- 15.7 A dispute redressal mechanism forum shall be set up under NHB to resolve any disputes which arise during the implementation of the project. The decision of NHB in such matter shall be final.
- 15.8 Any disputes arising between IA and farmers during implementation will be resolved mutually. SHM/ NHB/ State/ Central government agencies will not be made party to such disputes.

15.9 Timeline

15.9.1 The timeline for completion and operationalisation of the project will be 36 months, as detailed below, from the date of issue of the final approval letter, unless extended by the Competent Authority

Table 4: Timeline for release of funds

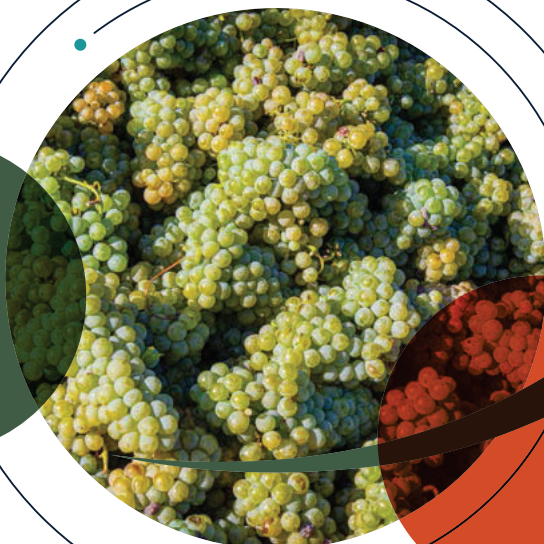
S.NO.	PARTICULARS	MAXIMUM TIME PERIOD
1.	Final approval to release of first instalment	9 months
2.	First instalment to release of second instalment	9 months
3.	Second instalment to release of third (final) instalment	18 months
Total		36 months

15.9.2 The IA shall ensure project completion as per the stipulated timelines committed, while seeking financial assistance for the project. In case of non-adherence, except in case of force de majeure or reasons beyond the control of IA, the NHB may consider imposing an appropriate penalty in terms of reducing the financial assistance amount given to IA, on a case-to-case basis. The project can be cancelled in case of non-adherence to the timelines, unless extended by the Project Approval Committee constituted at NHB

15.9.3 In case of failure to operate the project for at least three years after the commencement of commercial operations, MoAFW/NHB will have the discretion to cancel the project and the promoters would be required to refund the entire subsidy with applicable interest rate.

15.9.4 In case of discord with respect to interpretation of any of the provisions of these guidelines, the decision of the NHB shall be final





Cost Norms

- 16.1 Although the assistance to IA is capped at 25% of the Farm Gate Value of the focus crop, the pattern of assistance for different components shall be as per the cost norms and pattern of assistance provided in Annexure 9.
- 16.2 Any expenditure incurred before the approval of the project shall not be eligible for financial assistance.
- 16.3 For components where CDP cost norms are not published, applicable MIDH/ MoFPI/ APEDA/ NHB/ Any other applicable GoI norms shall be considered.
- 16.4 Further to the above, wherever cost norms are not available, for example in the case of digital/ innovative interventions/ branding, etc. the Guideline and Cost Norms Committee shall determine the cost norms and pattern of assistance for these components as needed.
- 16.5 In case of any revisions/ amendments in any of the published guidelines, the latest available norms shall be considered.
- 16.6 All equipment/ plant and machinery for the project should be new. Reconditioned/ refurbished equipment/ plant and machinery will not be eligible for financial assistance.



Programme Monitoring

- 17.1 The Implementing Agency (IA) shall be required to regularly update the progress of their respective projects on the online dashboard monitoring system. This update must be comprehensive and include a quarterly progress report, along with recent photographs of the ongoing work to provide a visual confirmation of the advancements being made.
- 17.2 The State-Level Monitoring Committee, which operates under the chairmanship of the Chief Secretary or the Agriculture Production Commissioner/Additional Chief Secretary Horticulture, and includes the Project Director, SHM as its convener, shall convene on a quarterly basis. The purpose of these meetings is to review the progress of the projects, identify and address any bottlenecks, and ensure that the objectives of the Programme are being met efficiently.
- 17.3 The Central Monitoring Committee, chaired by the Managing Director of NHB, shall oversee the implementation of the CDP in each cluster. The SHM shall submit a detailed quarterly progress report to the Central Monitoring Committee. This report must include specific details of the physical and financial progress of the projects, the number of farmers who have benefited, the area of the cluster that has been impacted, and any efforts made towards the branding of the cluster produce.
- 17.4 The National Level Steering Committee, chaired by the Secretary, Ministry of Agriculture Cooperation and Farmers Welfare, Government of India, shall conduct annual reviews. This committee includes participation from all relevant stakeholders and focuses on the overall strategic direction and policy oversight of the Programme.
- 17.5 An independent agency engaged by NHB shall conduct a third-party evaluation of the Programme after five years. This evaluation is critical for assessing the long-term impact and effectiveness of the Programme, ensuring that it meets its goals and objectives.
- 17.6 The Programme Management Unit shall provide essential assistance to both the SHM and NHB in all the aforementioned activities. The PMU's support ensures that the monitoring and evaluation processes are carried out efficiently and that any issues are promptly addressed to facilitate the smooth implementation of the Cluster Development Programme.



Revision of Guidelines and Cost Norms

18.1 The Programme guidelines are subject to revision from time to time per the policy directions from Government of India. The Managing Director (MD) of the National Horticulture Board (NHB) shall convene the Guideline and Cost Norm Committee as and when required (at least once in six months). This committee is tasked with reviewing and revising the guidelines for the Cluster Development Programme and the Cost Norms for innovative components that are not covered under any other extant scheme the government.

18.2 **Composition of the Guideline and Cost Norm Committee:**

18.2.1 **Chairman:** Special Secretary MoA&FW/ Additional Secretary, MIDH

18.2.2 **Member Secretary:** Managing Director, NHB

18.2.3 **Members**

- Representative of MoFPI (Above the rank of director)
- Representative of Integrated Finance Division, MoA&FW (Above the rank of director)
- DDG Horticulture, ICAR
- Representative of relevant industry association
- Joint Secretary, MIDH
- Horticulture Commissioner, MoAF&W



SURAKSHA Platform for CDP

(SURAKSHA - System for Unified Resource Allocation, Knowledge, and Secure Horticulture Assistance)

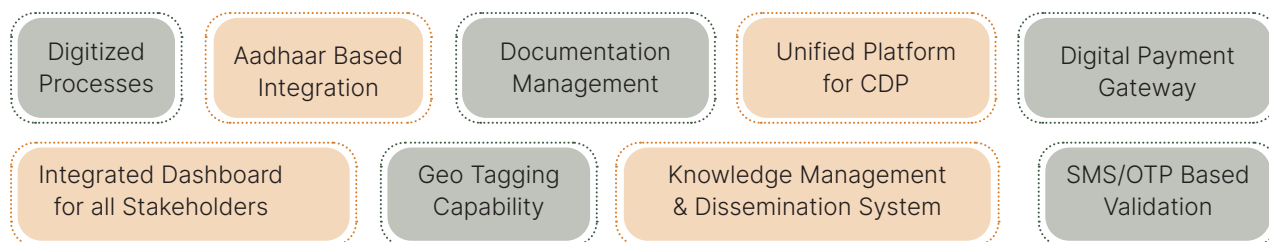
About

CDP-SURAKSHA platform (Cluster Development Programme – System for Unified Resource Allocation, Knowledge and Secure Horticulture Assistance) is proposed as a Integrated Digital backbone of the CDP Programme. The platform will act as Single window interface for all Stakeholders, Implementing Agencies, Farmers and Government Agencies and agencies associated with CDP. The platform will have applications through which applications are received, processed, and approved at various stages as per the Scheme guidelines. The platform shall be integrated with a payment gateway to collect applicable fees from the applicants as well financial assistance disbursement on Direct Benefit Transfer (DBT) mechanism. CDP SURAKSHA as a platform will facilitate the exchange of information and management including monitoring and supervision for the CDP Programme.

Salient features of the Portal

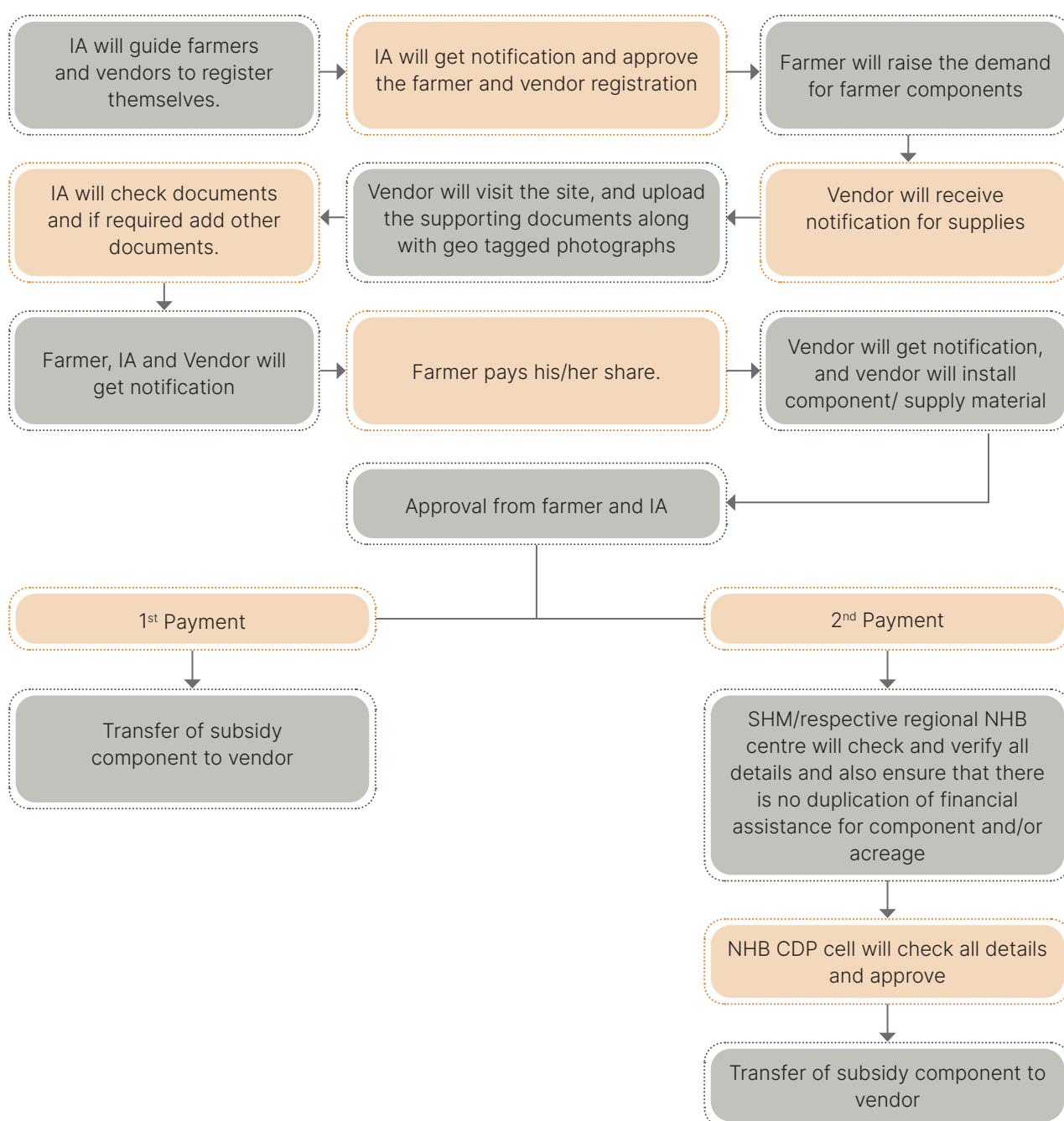
- **Instant subsidy benefit to the farmer** – Instead of going through all the documentation and time taking subsidy claims, farmer will get the benefit of the subsidy amount from the comfort of their home and easy access through their mobile phone.
- **Convergence of various stakeholders** – The platform is designed in way that brings together all the stakeholders like NHB, SHM, IA, Vendor and farmers on one single platform for easier implementation.
- **Executing e-RUPI in a unique way** – e-RUPI vouchers will be generated for farmers (collecting Farmer & IA share together) as soon as the demand is created and the same can be later utilized by the vendor.
- **One of its kind platforms** – The platform shall not only disburse the subsidy but will also be used for the monitoring and document management system.
- **Real time monitoring** – All the documents and its status can be monitored real-time by NHB, SHM or IA for timely monitoring. The monitoring of the interventions can also be done by in real time and accurately.

Features & Functionalities of CDP SURAKSHA

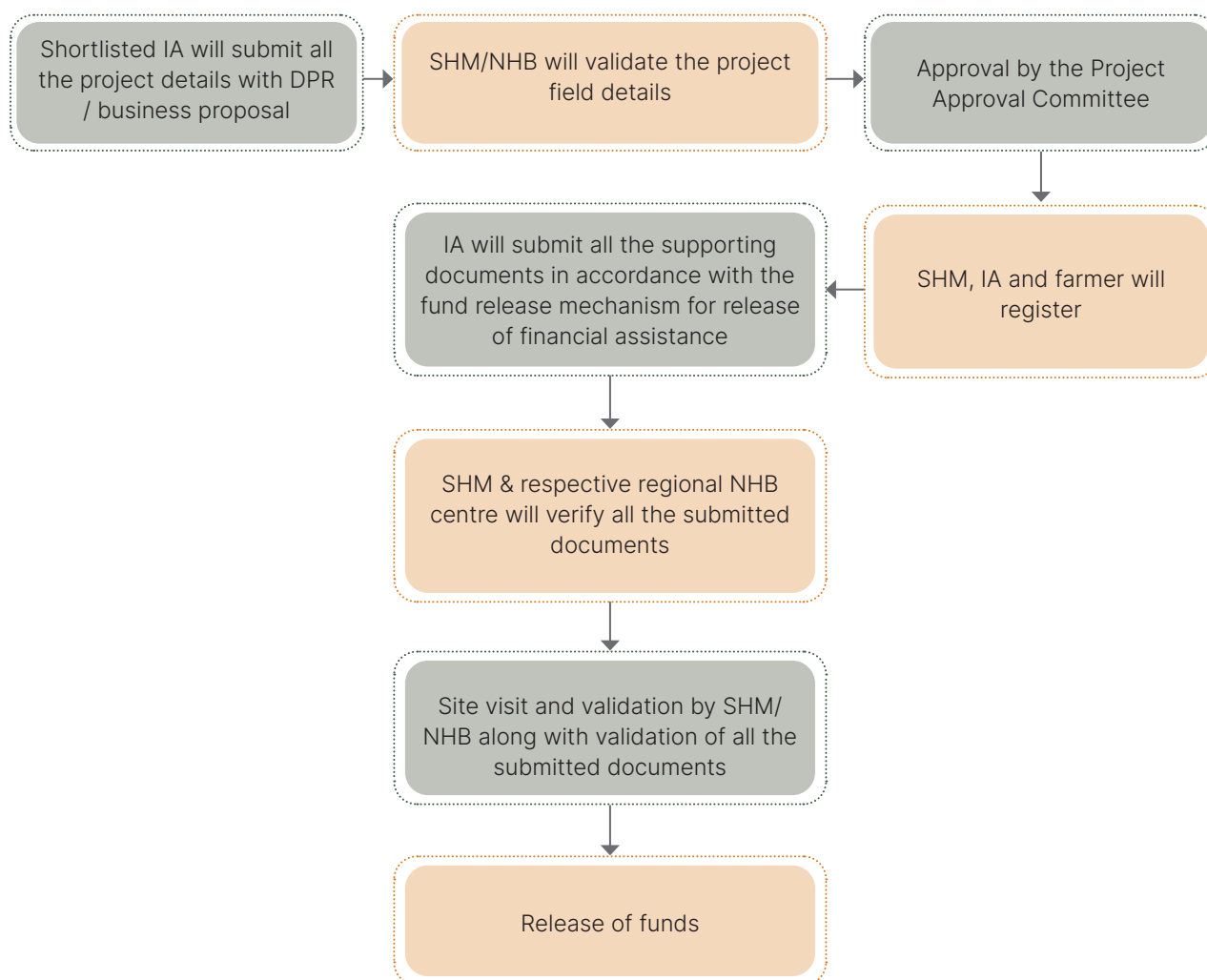


Process flow for fund movement

1. Fund Release by NHB to Farmers/Farmer's Suppliers



2. Fund Release by NHB to IA



Convergence led Digital Transformation

For the success of the platform and make it future-ready further, these supports are required:

- Integration with Agri stack for the data management and future proofing of the portal.
- Database integration of PM-KISAN for the land details verification.
- Server space from NIC for the Payment Gateway, UIDAI, and eRUPI Integration.
- Integration of Local Government Directory (LGD) for the Geo-tagging and land record management.
- Integration with NIC's Content Management System (CMS) for safer repository management.
- Overall Integration with Ministry of Agriculture & Farmer's Welfare Unified Application to have a single sign on application for all the beneficiaries, i.e. – Farmers, Vendors, Private Players, State Government, NHB etc.
- Future proofed for the integration with several departments to create a single window solution for the beneficiaries.

Features Checklist

FEATURES	STATUS
Farmer Dashboard	Yes
Vendor Dashboard	Yes
IA Dashboard	Yes
SHM Dashboard	Yes
NHB/Super Admin	Yes
Farmer Demand Creation	Yes
UIDAI validation	Yes
SMS/OTP Integration	Yes
Email Notification	Yes
Payment Gateway	Yes
e-RUPI Integration	Yes
Local Government Directory (LGD) Data	Yes
Geo-Tagging Capability	Yes
Knowledge Management and Dissemination System	Yes

Impact

- The platform is designed in a way to leverage its capabilities for the future as well; by appropriately future proofing it for when the number of clusters, farmers and other stakeholders get modified.
- The same platform and the idea can be utilized with other similar cluster/region-based programs.
- The platform provides the flexibility to integrate it with newer systems and tools.
- It is envisaged that around 1 million farmers across all the states of the nation are going to be benefited by the platform and its easier modules.
- The knowledge dissemination system within the platform can keep the farmers updated with new developments in the field and provide them with PoP for better results with their crops.
- In the longer run, the platform has embedded capabilities to make it single window system for all the needs of the farmers, vendors, and agencies. For instance, MoFPI programs can be linked with API and the agency can get the benefits by filling the form at CDP-SURAKSHA only.

Annexure 1: PMU composition

#	Position/Roles	Qualification	No. of resources
1	Team Leader	Post Graduate in Post-Harvest Management /Agri Business / Horticulture or related field with at least 15 years of experience - Should have experience of performing the role of a team leader for assignments of similar nature, in project development and implementation in horticulture/agriculture value chain development, and private sector projects with State/ Central Govt.	1
2	Project Structuring & Feasibility Assessment Expert	Post Graduate degree in Agri-business or related field - 10 years' experience in project development and implementation in agriculture/ horticulture/ agribusiness/ PPP projects etc. with State/Central Govt.	1
3	Value Addition Expert	Post Graduate degree in Agri-business/ Food Processing/ Post-harvest Management having 7 years' relevant experience in horticulture/agriculture value chain development, logistics and supply management in an institution of repute.	1
4	Due Diligence Expert	Post Graduate degree in Agri-business/ Management having 7 years' relevant experience in commercial due diligence.	1
5	Contract Management & Pvt. Sector On-boarding Expert	Graduate degree in Law/ Management having 7 years' relevant experience in contract management/policy/ regulatory compliances.	2
6	MIS/IT Expert	Graduation in IT (BE/B.Tech or equivalent) with MBA / Post Graduate in relevant field with minimum 7 years of experience, including one project with IT/MIS Intervention in Central/State Government.	1
7	Branding and Marketing Expert	MBA/Post Graduate Degree in relevant field with least 5 years' experience in marketing and branding of relevant projects.	1

#	Position/Roles	Qualification	No. of resources
8	Capacity Building Expert	Post Graduate Degree in relevant field with at least 5 years' experience in capacity building of farmers/FPOs.	1
9	Support Team	Post Graduate degree in relevant field with 2 years of relevant experience	2
TOTAL			11

Note: The Authority may enhance or decrease the team size basis the need of the project. The above team deployment is for a minimum of 5 clusters and a maximum of 15 clusters. Subsequently for every additional five clusters 1 contract management & private sector on-boarding expert & support team member shall be added. The project duration is for 3 years which can be further extended in case as desired by the Board with suitable fee increment.



Annexure 2: Model Concept Note

1. Applicant Profile

- 1.1. Names and brief profiles with annual turnover of the proposed promoters/ shareholders of the applicant along with their contact details (specify the name and contact details of the coordinating member for the project)
- 1.2. Indicate the nature and location of existing operations of the applicant
- 1.3. Relevant experience of the applicant in the focus cluster/value chain
- 1.4. Details of past experience in domestic and export trade (if applicable)
- 1.5. Financial details of the applicant entity such as net-worth, net current asset and debt equity ratio and turnover along with audit report/audited financial statement for the last 3 years along with Chartered Accountant (CA) Certificates. In the case of companies, CA certificates need to be certified by their statutory auditor(s)
- 1.6. A brief note as to why the applicant is keen to undertake the development of the cluster project, their vision, etc.
- 1.7. In case of formation of a new Entity, the details of the Entity, including the shareholding pattern.
- 1.8. Any other relevant information that would establish the credentials and suitability of the promoters in the context of the scheme

2. Proposed Cluster Profile

- 2.1. Details of the cluster including information like cluster map, total area under the focus crop, number of farmers associated, block-wise production analysis etc.
- 2.2. Value Chain assessment of the focus crop and other crops
- 2.3. Need-Gap analysis of the cluster
- 2.4. Identification of Strengths, Weaknesses, Opportunities and Threats of the cluster

3. Proposed Project Profile

- 3.1. Project Rationale for the proposed project
- 3.2. Area coverage under the project for the focus crop in the target cluster
- 3.3. Details of interventions in the project as per Programme guidelines
- 3.4. Structure of the project in terms of proposed strategy/ methodology for project implementation
- 3.5. Details of farmers covered in the proposed cluster in terms of area and quantity of the focus crop, if applicable

- 3.6. Details of innovations being proposed
- 3.7. Details of value addition and related infrastructure being proposed

4. Project Financials and Business Plan

- 4.1. Summary of the estimated cost of each of the components of the project vertical for funding by the Government as outlined in the Programme.
- 4.2. Proposed means of finance to fund the project: promoter's equity, term loan from Nationalized/Scheduled banks/FIs, financial assistance sought etc.
- 4.3. Proposed Business Plan – Estimated revenue sources and assumptions, estimated operating costs and assumptions, Projected profit and loss statements, Balance sheets, and cash flows based on these assumptions.
- 4.4. Key financial indicators such as RoCE, BEP, NPV, IRR & DSCR based on the above financial assumptions.
- 4.5. Strategy for branding, marketing and export promotion of the target crop



Annexure 3: Business Case/ DPR Template

a. Name of the applicant/ company/ firm with details of registration no. of company/ firm along with names of the directors/ promoters in the prescribed format:

S No.	Particulars	Details
i.	Name of Applicant	
ii.	Legal Status of Applicant (Govt. Institution / organisation, Co-operative/ Company/ partnership firm, Farmer Producer Company, Self Help Group, etc.)	
iii.	Registration No. of Applicant/CIN	
iv.	PAN of Applicant	
v.	GST Number of Applicant	
vi.	Whether located in North-East States, Himalayan States, Islands & ITDP Areas	
vii.	Whether lead promoter belongs to SC/ ST/ Women	

b. Name of the applicant/ company/ firm with details of registration no. of company/ firm along with names of the directors/ promoters in the prescribed format:

S. No.	Name of Promoter(s)/ Partner(s)	Address	Telephone No.	Mobile No.	E-mail	PAN No.	Any other details

Note: Please add additional rows, if needed

c. Experience of the lead Promoter(s)/ Partner(s)/ Applicant Entity in focus crop value chain operations

S. No.	Name of lead Promoter(s)/ Partner(s)/ Applicant Entity	Details of Experience	Details of Turnover (year-wise)	Supporting Document attached, if any (Yes/No)

Note: Please add additional rows, if needed

d. Cluster Details: DPR should have a detailed chapter on cluster related details, raw material production, package of practices currently undertaken, supply and market dynamics, prevalent logistics systems, current branding and marking efforts, etc.

e. As is Assessment of the proposed Cluster/ Gap Assessment leading to need for the project/Project Rationale

The following pointers may be used:

- Review the status of focus crop in the cluster, its recent progress, future scenarios and competitiveness. Explore experiences from other clusters for similar focus crop
- Analyse the varieties being grown and the package of practices in use
- Analyse the requirements of cluster/ farmers in terms of seed/ planting material, irrigation equipment, farm machinery, crop nets, fruits bags, etc.
- Explore the market demand and supply of the focus crop and other crops of the cluster at regional/ national/ local level. Analyse the main suppliers, market systems, volumes, competition, projected trends, and the terms of trade. Analyse what the market requirements are, especially those of the export destination markets
- Analyse the supply potential and competitive risks of focus crop(s). Assess the aptitudes and performances of FPOs, Farmer Marketing Groups (FMG), individual brokers/ traders
- Assess the physical infrastructure requirements that is required in terms of planting material/ seeds, primary processing like packhouse, cold stores, ripening chambers, etc. and their status in terms of use, capacity utilization, technology in use, etc.
- Assess the potential (processed) products and the infrastructure of processing that can be considered in the short and long-term
- Outline physical premises and technologies required, availability of machinery and equipment, and respective cost estimates
- Prepare cost-benefit analysis on priority products/ alternative scenarios

- Analyse the logistics infrastructure and the availability, accessibility, and affordability to logistics during different times of the year
- Analyse the capacity building needs of different stakeholders

All to culminate in Project Rationale.

f. Components under the scheme as applicable to the project along with detailed cost

- a. Pre-production and Production Related:
 - i. Interventions planned to be undertaken
 - ii. Innovative components being proposed
- b. Post Harvest Management and Value Addition:
 - i. Interventions planned to be undertaken
 - ii. Innovative components being proposed
- c. Logistics, Marketing and Branding:
 - i. Interventions planned to be undertaken
 - ii. IoT and traceability solutions
- g. Land Details

Proposed locations of land for all proposed hard infrastructure to be created under the project, its status along with longitude & latitude coordinates.

In case of leased land, period of lease should be not less than 15 years.

Proposed hard infrastructure facilities.

S. No.	Type of facilities proposed to be created	No. of Units	Total Capacity [MT, Litres, MT/Hr., wherever applicable]	No. of Days of operation of each facility in a year
a.	Tissue Culture Lab			
b.	Seed Processing plant			
c.	Equipment Bank			
d.	CA Store			
e.	Normal cold store			
f.	Frozen store			

S. No.	Type of facilities proposed to be created	No. of Units	Total Capacity [MT, Litres, MT/Hr., wherever applicable]	No. of Days of operation of each facility in a year
g.	Pre-cooling Chambers			
h.	Sorting, Grading, Waxing, Weighing, Packing facility Modify as per actual			
i.	Ripening Chambers			
j.	IQF			
k.	Blast Freezing			
l.	Freeze Drying			
m.	Modified Atmosphere Packaging			
n.	Juicing Line			
o.	Pulping Line			
p.	Chips Line			
q.	Insulated Distribution Vehicle			
r.	Irradiation Facility			
s.	Refrigerated Container			
t.	Refrigerated Carts			
u.	Solar Powered Carts			
v.	Refrigerated Cabinets			
w.	Others			

h. Mass flow/ Supply Chain diagram

The mass flow diagram must encompass:

- Raw material procurement quantum
- Diversion of the procured raw material to the storage or the processing units proposed in the project
- Recovery of the processed product is also to be quantified

i. The Throughput Cycle

In case of multiple flow components such as Cold Storage, Bulk Frozen Chamber, Controlled Atmosphere, Precooling Chamber, BMCU units, etc.,

Throughput Cycle = Total Raw Material Input to the installed Component/ Proposed Installed Capacity.

Proposed Project Financials

(a) Estimated Project cost details

Item	Amount (₹ in Lakh)
Site Development	
Technical Civil Work	
Other Civil Works	
Plant & Machinery (P&M)**	
Common Utilities like Water/ETP/ STP, etc.***	
Pre-operative Expenses	
Interest During Construction	
Margin Money for Working Capital	
Contingencies	
Add other items not listed above	
Total Project Cost	

Component wise cost breakup of all technical and other civil work should be provided in the Chartered Engineer (Civil) certificate along with detailed BoQs.

Sr. No.	Particulars	Unit	Qty	Rate (as per CPWD/ SOR)	Amount
1					
(i)					
(ii)					
2					
3					
4					
5					
Sub Total					

The component wise cost breakup of P&M should be provided in the Chartered Engineer (Mechanical) certificate in the prescribed format as below:

Sr. No.	Component	Qty./ No.	Capacity	Basic cost as per Quotation (INR Lakh)	GST/ Taxes (INR Lakh)	Taxes, Freight installation, Insurance	Total (INR Lakh)
1							
2							
3							

The cost of common utilities may be provided in Chartered Engineer (Civil) and Chartered Engineer (Mechanical) certificate wherever applicable.

(b) Means of finance

Item	Amount (₹ in Lakh)
Promoter's Equity	
Term loan	
Eligible grant	
Unsecured loan	
Total	

To be certified by CA

(c) Basic Revenue Projections

Item	Year 1	Year 2	Year 3	Year 4	Year 5
Turnover					
Cost of Operations					
Gross Profit					
Earnings Before Interest, Tax, Depreciation Amortization (EBITDA)					
Profit before taxation					
Profit after taxation					

(d) Financial Parameters (as per Bank Appraisal Note)

S No.	Particulars	Details (Ratio/%)	Ref Page No. in DPR*
i.	Internal Rate of Return (IRR) [(a) With and (b) without grant]		
ii.	Avg. Debt Service Coverage Ratio (DSCR)		
iii.	Break Even Point (BEP)		
iv.	Debt-Equity Ratio		

To be provided for section under the bank appraisal note highlighting the aforementioned detail.

Details of the MOUs entered into in the cluster

S. No.	Farmer Name	Name	Village/ Dist./ APMC	Contact Number	Crop to be Sourced	Quantity
1						
2						
3						

Note: Please add additional rows, if needed

DPR should comprise of detailed chapter on proposed catchment (production and supply statistics).

Employment Generation projections

- Direct Employment
- Contractual Employment with no. of days
- Indirect Employment (specify):

Plan for tie-up with existing FPOs or Formation of new FPOs/ FPC/ Farmer Cooperatives in the catchment region

(Proof of any MOU/ Letter of Intent for FPOs to integrate with the project)

Tie up for forward linkage with consumers/ importers/ retailer/ Distributors

(Proof in the form of written correspondences/ MOU etc.)

Plan to install a software or IT based system to capture the real-time data, capacity utilization of the components proposed to be installed under the scheme

Details of innovations including renewable/ alternate energy sources including solar energy, if any, proposed to be used for operating the project

Sl. No.	Name of technology/ item	Basic cost (excluding taxes etc.)	How the technology will help in reducing carbon footprint and/or increase in operational efficiency
1			
2			
3			

Annexure 4: Concept Note Evaluation Matrix

The concept notes shall be evaluated in two stages, 1) Responsiveness check and 2) Technical evaluation.

Responsiveness check criteria

S.No.	Criteria	Responsiveness
1	Is the applicant a legally registered Farmer Producer Organisations (FPOs/FPCs) or their federations/ Cooperatives/ Societies/ Partnership Firms/ Companies or combination thereof?	Yes / No
2	Is the Net-worth of the applicant at least equal to the equity contribution of the IA's Project Cost Component?	Yes / No
3	Is the proposed equity contribution at least equal to 20% of the IA's cost component?	Yes / No
4	Is the proposed term loan at least equal to 20% of the IA's cost component	Yes / No
5	Does the applicant demonstrate substantial and relevant experience in fields such as agricultural or horticultural input supply, production, aggregation, trading, food processing, exporting, retailing, or logistics provision?	Yes / No
6	Is the annual turnover of the applicant at least equal to the total cost of the project?	Yes / No
7	Does the applicant entity, including its shareholder(s), partner(s), director(s), and key management personnel, have a clean financial record with no defaults on debt obligations over the past three years.	Yes / No

Note: Only upon being found responsive (Answer to all above questions is Yes), shall the proposal be evaluated technically. If found unresponsive the proposal shall be summarily rejected.

Technical Evaluation Matrix

S.No.	Criteria	Scoring	Maximum Score
1	Alignment with CDP objectives	<ul style="list-style-type: none"> Offers/impacts an integrated solution covering only domestic markets and covering 40% of farmers in the cluster – 2 marks. Offers/impacts an integrated solution covering both domestic and export markets and covering 50% of farmers in the cluster - 4 marks. Offers/impacts an integrated solution overing both domestic and export markets and covering 60% of farmers in the cluster - 6 marks. Offers/impacts an integrated solution covering both domestic and export markets and covering 70% of farmers in the cluster - 8 marks. Offers/impacts an integrated solution covering both domestic and export markets and covering 80% farmers in the cluster - 10 marks 	10
2	Innovation: Going beyond what exists now, in terms of the product/service, process or technology and/ or model to have transformational effect	<ul style="list-style-type: none"> Traditional products or services available - 2 marks Improved varieties and planting material plus package of practices - 3 marks Innovative technologies like AWS, traceability etc - 3 marks Induced Clusters - 3 marks Innovative Packaging - 2 marks Innovative practices on production and harvesting - 2 marks 	15

S.No.	Criteria	Scoring	Maximum Score
3	Organization & Business Strength of Applicant: Long history, strong Board or Promoter background, strong financials	<ul style="list-style-type: none"> No of years of operations: <ul style="list-style-type: none"> a. Up to 3 years - 1 mark b. 3-5 years - 2 marks c. More than 5 years - 3 marks Net worth in the immediately preceding year > Proposed Equity (X): <ul style="list-style-type: none"> a. Up to 1.5 X - 1 mark b. 1.5 X to 2 X years - 2 marks c. More than 2 X - 3 marks Turnover in the immediately preceding year > Project Cost (X): <ul style="list-style-type: none"> a. Up to 1.5 X - 2 mark b. 1.5 X to 2 X years - 3 marks c. More than 2 X - 4 marks 	10
4	Impact & inclusiveness: (% of small & marginal farmers covered)	<ul style="list-style-type: none"> Percentage of Small and Marginal Farmers (in the Cluster) Covered: <ul style="list-style-type: none"> a. Upto 25% - 2 marks b. 25-40% - 3 marks c. 40-60% - 5 marks d. 60-80% - 6 marks e. More than 80% - 7.5 marks 	7.5
4	Additionality: Secondary Processing	<ul style="list-style-type: none"> Percentage of Crops for Secondary Processing: <ul style="list-style-type: none"> a. Up to 10% - 2 marks b. 10-20% - 3 marks c. 20-30% - 5 marks d. 30-50% - 6 marks e. More than 50% - 7.5 marks 	7.5
TOTAL			50

Note: Minimum qualifying score should be 30 out of 50.

Annexure 5: Business Case Evaluation Matrix

#	Criteria	Max Score
Applicant's Profile (30 Mark)		
1	Turnover of the Applicant	5
	Turnover > 3.5 x = 5 Mark	
	2.5 x < Turnover ≤ 3.5 x = 3 Mark	
	1.5 x < Turnover ≤ 2.5 x = 2 Mark	
	1.0 x < Turnover ≤ 1.5 x = 1 Mark	
	X denotes Project cost	
2	Export linkages / Trade experience of horticulture crops in number of countries	5
	(Over last 5 years)	
	1 Mark per country (Maximum 5 Mark)	
3	Average Value (AV) of focus crop exported in last 5 years	5
	AV > 20 Cr. = 5 Mark	
	15 Cr. < AV ≤ 20 Cr. = 3 Mark	
	5 Cr. < AV ≤ 15 Cr. = 2 Mark	
	1 Cr. < AV ≤ 5 Cr. = 1 Mark	
4	Experience in Pre-production and Production related projects of more than 1 Cr.	5
	3 or more = 5 Mark	
	2 projects = 3 Mark	
	1 project = 1 Mark	

#	Criteria	Max Score
5	Experience in Post-harvest management and Value addition related projects of more than 5 Cr.	5
	3 or more = 5 Mark	
	2 projects = 3 Mark	
	1 project = 1 Mark	
6	Experience in Logistics, Marketing and Branding related projects of more than 1 Cr.	5
	3 or more = 5 Mark	
	2 projects = 3 Mark	
	1 project = 1 Mark	
Business Plan/ Project Profile (60 Mark)		
1	MoU/ Agreements/ Arrangements with Farmers (or FPOs – In case of FPO all members will be counted as farmers)	10
	>30% Farmers = 10 Mark	
	20-30% Farmers = 6 Mark	
	10-20% Farmers = 3 Mark	
	<10% Farmers = 0 Mark	
2	Business Operation Period in days (BOP)	5
	BOP > 270 = 5 Mark	
	210 <BOP ≤ 270 = 3 Mark	
	180 <BOP ≤ 210 = 2 Mark	
	180 <BOP = 0 Mark	
3	Average Value (AV) of focus crop proposed to be exported in first 5 years	5
	AV > 25 Cr. = 5 Mark	
	20 Cr. <AV ≤ 25 Cr. = 3 Mark	
	15 Cr. <AV ≤ 20 Cr. = 2 Mark	
	10 Cr. <AV ≤ 15 Cr. = 1 Mark	

#	Criteria	Max Score
4	Value of existing infrastructure (V) as % of IA's Component of Project Cost	5
	$V > 20\% = 5 \text{ Mark}$	
	$15\% < V \leq 20\% = 4 \text{ Mark}$	
	$10\% < V \leq 15\% = 3 \text{ Mark}$	
	$5\% < V \leq 10\% = 2 \text{ Mark}$	
	$0\% < V \leq 5\% = 1 \text{ Mark}$	
	<i>X denotes IA's Component of Project cost</i>	
5	Investment in Pre-production and Production Vertical	5
	$>25\%$ of IA's Component of Project Cost = 5 Mark	
	$>20\%$ of IA's Component of Project Cost = 3 Mark	
6	Investment in Value Addition (Secondary Processing)	10
	$>35\%$ of IA's Component of Project Cost = 10 Mark	
	$>25\%$ of IA's Component of Project Cost = 6 Mark	
7	Investment in Logistics, Marketing and Branding	10
	$>35\%$ of IA's Component of Project Cost = 10 Mark	
	$>25\%$ of IA's Component of Project Cost = 6 Mark	
8	Internal Rate of Return (IRR)	2.5
	$>15\% = 5 \text{ 2.5 Mark}$	
	$10-15\% = 1.5 \text{ Mark}$	
	$5-10\% = 1 \text{ Mark}$	
	$<5\% = 0 \text{ Mark}$	
9	Debt Service Coverage Ratio	2.5
	$>2.5 = 2.5 \text{ Mark}$	
	$2-2.5 = 1.5 \text{ Mark}$	
	$1.5-2.0 = 1 \text{ Mark}$	
	$<1.5 = 0 \text{ Mark}$	

#	Criteria	Max Score
10	Proposed Equity Contribution	64
	>40% = 5 Mark	
	30-40% = 3 Mark	
	20-30% = 2 Mark	
Presentation (10 Mark)		
1	Technical Understanding and Experience of Cluster & Focus Crop	2.5
2	Understanding of Market	2.5
3	Approach and Methodology for development of each of the three verticals	5
	1. Pre-production and Production Vertical	
	2. Value Addition (Secondary Processing)	
	3. Logistics, Marketing and Branding	

Note: Minimum Marks for the IA to be eligible for the award of project is 60 out of 100 in total and more than 50% in each of the three sub-categories. All the technical and financial documents to be resubmitted at DPR stage.



Annexure 6: Note on IA Selection Policy

Upon the issuance of a call for proposals, the following scenarios may arise in a given geography/ area/ proposed cluster.

Scenario 1: A Single Applicant/ Bidder Submits a Proposal

In the event that a single applicant or bidder submits a proposal in a given geographical area⁹, the process shall be as follows:

- The proposal shall undergo a thorough evaluation based on its eligibility and merit.
- After scoring by the Project Appraisal Committee, the proposal shall be presented to the Project Approval Committee for final approval and award.

Scenario 2: Multiple Applicants/ Bidders Submit Proposals for the Same Focus Crop

If multiple applicants or bidders submit proposals targeting the same focus crop within the same geographical area⁹, the following steps shall be taken:

- All proposals shall be evaluated on their eligibility and merit.
- Each proposal shall be scored based on the predefined evaluation matrix, ensuring a fair and objective assessment.
- In the event that more than one applicant qualifies (by scoring more than 60 marks in technical evaluation (See Annexure 5)), the Applicant who requests lowest grant amount (for IA component) per 100 Cr. FGV shall be selected.

Scenario 3: Multiple Applicants/ Bidders Submit Proposals for Different Focus Crops

When multiple applicants or bidders submit proposals for different focus crops within the same geographical area⁹, the following procedure shall be followed:

- Each proposal shall be evaluated for eligibility.
- Applicants may be requested to resubmit their proposals with an emphasis on creating synergies among the proposed infrastructures, promoting integrated development.
- Post scoring by the Project Appraisal Committee, the proposals shall be forwarded to the Project Approval Committee for consideration.
- The Project Approval Committee may choose to award one or more projects, based on their evaluation, to ensure the optimal use of resources and to promote diverse agricultural development.

⁹ Two proposal shall be considered to be in the same geographical provided at least 10% of the area proposed by any one cluster overlaps with those of the other(s).

Annexure 7: Surety Bond

SURETY BOND

KNOW ALL MEN BY THESE PRESENTS that we, M/s _____, a (Type of organization) incorporated / registered under the (Name of the Act) and having its registered office at _____ (hereinafter called the "Obligors") are held fully and firmly bound to the President of India (hereinafter called the "Government") for the sum of Rupees _____ only, well and truly to be paid to the Government on demand and without a demur for which payment we firmly bind ourselves and our successors and assignees by these presents.

SIGNED on this _____ day of _____ in the year Two Thousand _____.

WHEREAS on the Obligors' request, the Government as per National Horticulture Board's approval order No. _____ Dated _____ (hereinafter referred to as the "Letter of Sanction") which forms an integral part of these presents, and copy whereof is annexed hereto and marked as Annexure-I, agreed to make in favour of the Obligors financial assistance of (Rupees _____ Only) for the purpose of (description of the project) at _____ out of which the sum of (Rupees _____ Only) have been paid to the Obligors (the receipt of which the obligors do hereby admit and acknowledge) on condition of the Obligors executing a bond in the terms and manner contained hereinafter which the obligors have agreed to do.

NOW the condition of the above written obligation is such that if the Obligors duly fulfil and comply with all the conditions mentioned in the letter of sanction, the above written Bond or obligation shall be void and of no effect. But otherwise, it shall remain in full force and virtue. The Obligors will abide by the terms and conditions of the financial assistance by the target dates, if any specified therein.

THAT the Obligors shall not divert the financial assistance and entrust execution of the Scheme or work concerned to another institution(s) or organization(s).

THAT the Obligors shall abide by any other conditions specified in this agreement and in the event of their failing to comply with the conditions or committing breach of the bond, the Obligors individually and jointly will be liable to refund to the President of India, the entire amount of the financial assistance with interest of 10% per annum thereon. If a part of the financial assistance is left unspent after the expiry of the period within which it is required to be spent, interest @10% per annum shall be charged up to the date of its refund to the Government, unless it is agreed to be carried over.

The obligors agree and undertake to surrender / pay the Government the monetary value of all such pecuniary or other benefits which it may receive or derive / have received or derived through / upon unauthorized use of (such as letting out the premises on adequate or less than adequate consideration or use of the premises for any purpose other than that for which the financial assistance was intended of the property) buildings created / acquired constructed largely from out of the financial assistance sanctioned by the Government of India, National Horticulture Board or the administrative Head of the Department concerned. As regards the monetary value a forementioned to be surrendered / paid to the Government, the decision of the Government will be final and binding on the Obligors.

AND THESE PRESENTS ALSO WITNESS THAT the decision of the Secretary to the Government of India in the Ministry of Agriculture and Farmers Welfare on the question whether there has been breach or violation of any of the terms or conditions mentioned in the sanction letter shall be final and binding upon the Obligors.

IN WITNESS WHEREOF these presents have been executed as under on behalf of the Obligers the day herein above written in pursuance of the Resolution No. _____ Dated _____ passed by the governing body of the Obligers, a copy of whereof is annexed hereto as Annexure-II and by for and on behalf of the president on the date appearing below: -

Signature of AUTHORIZED SIGNATORY

SIGNED FOR AND ON BEHALF OF

(Name of the Obliger in block letters)
(seal/ stamp of Organization)

1. Signature of witness
Name & Address

2. Signature of witness
Name & Address

Annexure 8: Chartered Accountant Certificate

(Letter Head of the CA)

(With membership No. and firm registration No. of CA)

Date:

Project Cost:

Sl. No.	Name of the Component/Item	Amount (in lakh)
1	Land/development charges	
2	Civil works	
	— Technical civil works	
	— Other civil works	
3	Plant & Machinery	
4	Misc. Fixed Assets	
5	Others	
	TOTAL	

Means of Finance:

Sl. No.	Item	Amount (in lakh)
1	Promoter's Equity	
2	Term Loan	
3	Grant from MFP	
4	Unsecured loan	

Annexure 9: Cost Norms

Cost norms of extant schemes of NHB/ MIDH/ MoFPI etc. shall be applicable.

Note:

- For Crops like Potato etc, assistance on planting material will be considered for micro propagation/ tissue culture based planting material.



Part B

**Peri-Urban
Vegetable Clusters**





01

Background

- 1.1 India has achieved record production of horticulture crops at 352.23 million MT (Second Advance estimate for 2023-24) in which share of vegetables is 58% and fruits is 32%. **This increased level of fruit and vegetable production has unfortunately not been matched by developments in supply chain management.**
- 1.2 This inefficiency in the supply chain has resulted in **extreme price volatility in the retail price of fruits and vegetables, especially in urban centres** like Delhi-NCR, Mumbai, Kolkata, Bangalore, Hyderabad, Pune, Chennai, etc. This has been even more pronounced in the case of vegetables and especially tomato, onion and potato (TOP) crops.
- 1.3 Factors that add to the volatility of prices of these commodities for the consumer include, seasonality of production, short shelf-life or perishability, improper crop planning, lack of storage infrastructure such as cold storages and controlled atmospheric storages etc.
- 1.4 To arrest the price volatility, there is a need for greater attention for better and more efficient supply chain management for fruits and vegetables.
- 1.5 Although various schemes of the government provide for various standalone components, there is urgent need to have integrated projects focused on developing robust supply chains connecting Production centres to Consumption Centers.
- 1.6 Fruits and vegetables grown by **farmers/ FPOs/ Cooperatives** in areas adjacent to major cities provides the opportunity to have such integrated project.
- 1.7 Major issues in Urban/ Peri-Urban vegetable supply chains

The vegetable supply chains feeding the urban/ peri-urban centers are not robust due to the following issues:

- 1.7.1 No direct linkage of farmers with consumers leading to improper crop planning
 - 1.7.2 Absence of supply & demand forecasting and crop production's conformance to good agricultural practices - minimal use of safe pesticides or insecticides to control pests and diseases in crop – resultant reports of very high level of such residues in produce consumed
 - 1.7.3 Poorly structured and inefficient supply chains leading to large number of intermediaries, high distribution costs, adverse effect on perishability leading to reduced quality and high wastages
 - 1.7.4 Lack of product standardization - limited sorting, grading and packing
 - 1.7.5 Seasonality influenced logistics- no standardized logistics protocol
 - 1.7.6 Low adoption/ usage of advanced production technologies cultivation techniques like precision horticulture, usage of polyhouse, net houses, hydroponics, vertical farming etc.
 - 1.7.7 Poor understanding and adoption of traceability solutions
- 1.8 Through a **Central Sector Scheme**, with an INR 2000 Crore investment, spread over five years, the Government proposes to facilitate the development of Urban and Peri urban vegetable within a vicinity of 50-100 km of the urban centers.
- 1.9 The scheme will be implemented in a phased manner across the country aiming to mitigate price volatility in fruits & vegetables including Tomato, Onion & Potato (TOP crops). In the first phase, cities with a population of 15 lakhs and more (as per 2011 Census) and capital cities of the states will be covered; in the second phase cities with a population of 10 lakhs and more (as per 2011 Census) will be covered. The third phase will cover cities with a population of upto 10 lakhs (as per 2011 Census).
- 1.10 The scheme will comprehensively address farmer's issues pertaining to poor realization of prices (or low producer share in consumers' rupee) through multiple interventions including but not limited to the promotion of good agricultural practices (GAPs), facilitating the availability of quality planting material of new and improved cultivars, incentivising the use of modern technologies including IoT, Traceability solutions, precision farming and others.

A decorative graphic at the top of the page features a central photograph of a carrot field. This photo is overlaid by several overlapping circles in shades of green and orange. To the left of the photo, a dark green circle contains the number '02'. A large, dark green, curved shape extends from the right side of the page towards the center, partially overlapping the circles and the photo.

02

Objectives of the scheme

2.1 The main objectives of the scheme are as under:

- 2.1.1 **Develop Large-Scale Vegetable Clusters:** Create vegetable production clusters near major consumption centers to reduce price volatility, enhance supply chain efficiency, and directly link farmers to consumers through a Public-Private-Community Partnership (PPCP) model.
- 2.1.2 **Promote State of the art Agricultural Practices:** Encourage the adoption of good agricultural practices (GAPs) including proven traditional technologies or Indigenous traditional knowledge (ITKs), as well as innovative cultivation methods such as precision horticulture, hydroponics, and vertical farming to ensure pesticide residue-free vegetable production.
- 2.1.3 **Increase producer (farmer) share in consumer rupee:** To improve the prices realised by the primary producer (farmer) through interventions such as horizontal and vertical integration of the value chain, demand forecast driven/ market driven crop planning and innovative price assurance mechanisms (to be provided by the IA).
- 2.1.4 **Promote capacity building of the farmers** in terms of good farm practices, aggregation and primary processing, new technologies, use of IOT, information and adoption of fintech solutions for affordable credit, traceability etc.
- 2.1.5 **Strengthen Supply Chain Infrastructure: Promote the establishment** of supply chain infrastructure including **city distribution centres** with necessary storage facilities, cold storages, refer vans etc. and provide financial assistance to support both farmers and implementing agencies (Farmers/ FPOs/ Cooperatives/ Private Companies etc.) in optimizing post-harvest operations and logistics for vegetables and fruits.

A decorative graphic at the top of the page features a central circular image of green leafy vegetables, likely cabbages, growing in a field. This central image is surrounded by several overlapping circles in shades of green and orange. To the left of the central image, a dark green circle contains the white number '03'. The entire graphic is set against a white background with a large, dark green abstract shape on the right side.

03

Salient Features

- 3.1 The Programme will focus on all stakeholders in the value chain including farmers/producers, traders, aggregators, agribusiness enterprises, logistics players, retailers, and processors.
- 3.2 The scheme **will support integrated interventions** which shall be implemented through specialised Implementing Agencies (Farmers/ FPOs/ Cooperatives/ Private Companies etc.). The interventions under the Programme have been classified into the following two verticals:
 - 3.2.1 **Peri-urban production:** It will support capacity-building of farmers and farm proximate interventions covering the crop life cycle, including planting material, crop-care practices (GAP), micro-irrigation, protected cultivation infrastructure and farm mechanisation till the harvest of the crop, in identified clusters within a radius of 50-100km from the consumption center (See chapter on Definition and eligibility of a cluster).
 - 3.2.2 **PHM and distribution:** This vertical will support interventions starting from post-harvest handling of produce to its retail sale. Including the development of supply chain infrastructure to seamlessly connect the peri-urban production units/ farms to retail markets. Interventions will include, refer vans/ trucks for evacuation of produce, city logistics hub/ distribution centers (equipped with sorting and grading lines, packaging lines etc.), retail kiosks and refrigerated vending carts etc. among others.
- 3.3 Clusters developed under the scheme will also act as aggregation hubs/ satellite collection centers for farmers located in the hinterland seamlessly connecting them to major consumption centers including developing of aggregation and climate appropriate storage centers. This will increase the market connectedness of these farmers, promote market-led/ demand driven production and thus ensuring improved price realization.

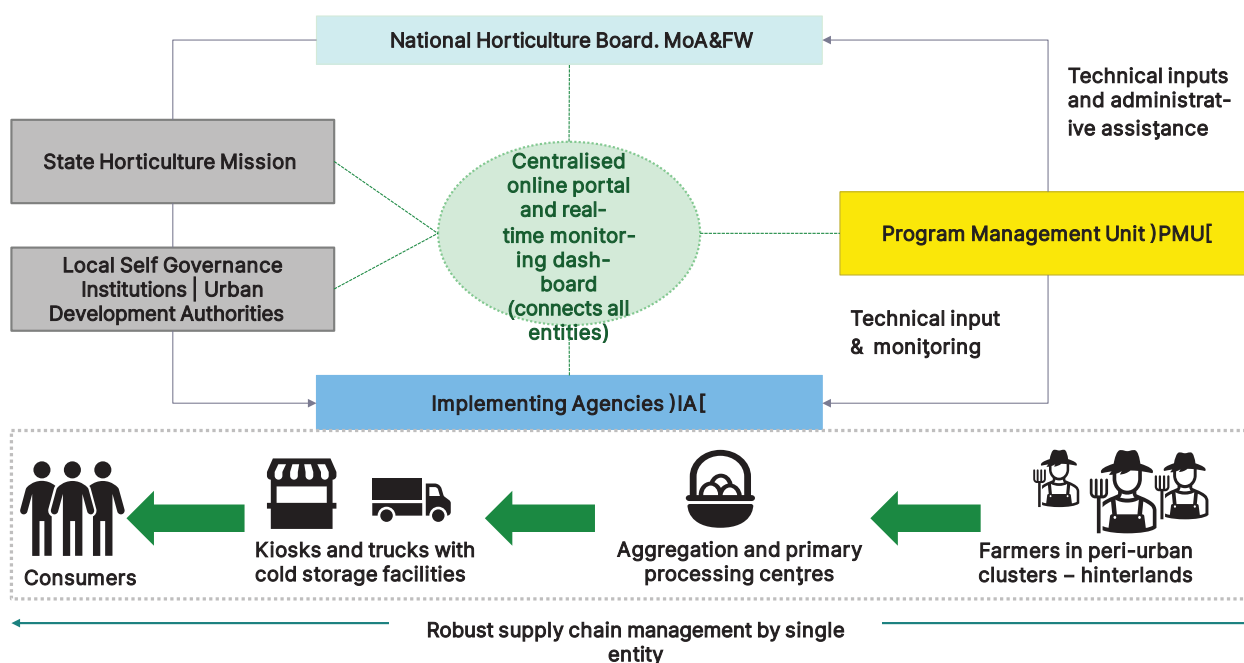


Implementation Framework

- 4.1 National Horticulture Board (NHB) shall act as the nodal agency for the implementation of the scheme at the national level. National Horticulture Board (NHB) shall provide guidance and financial assistance as well as supervise the overall implementation of the Programme. At the state level, the respective **State Horticulture Missions (SHM)** will take up the role of the field/ ground validation of the IA's concept note and business proposal/ DPR and the continuous monitoring and evaluation of the project. The designated state level organization (State Horticulture Mission) will be provided assistance for continuous monitoring and implementation for smooth implementation of the programme. Local Self Governance Institutions/Urban Development Authorities) (will be responsible for facilitation of creation of retail infrastructure by IA (like (Farmers/ FPOs/ Cooperatives/ Private Companies etc.) like space allocation for infrastructure within the city/ district limits.
- 4.2 The Peri-urban clusters may be implemented in either of the three models:
 - 4.2.1 Through private sector players - Under Central Sector Scheme
 - 4.2.2 Through Cooperatives/ FPCs etc. - Under Central Sector Scheme
 - 4.2.3 Through state government
- 4.3 For an identified city/ urban center, the state government will be given the option of executing the project and if the state is interested in implementing the cluster, then the necessary approvals will be provided by the centre/ NHB allowing the state to select IA based on the project guidelines.
- 4.4 If the state does not express interest in implementing the peri-urban cluster, then an IA shall be selected through the laid-out challenge mode process conducted by NHB.

- 4.5 In case an IA is not onboarded within 6 months of the date of approval for a cluster, the approval shall be deemed withdrawn.
- 4.6 The implementation structure for the Programme is illustrated in the figure below.

Figure 1: Implementation Framework



- 4.7 **National Horticulture Board (NHB)** shall provide guidance and financial assistance as well as supervise the overall implementation of the Programme.
- 4.8 At the state level the respective **State Horticulture Missions (SHM)** will take up the role of the field/ ground validation of the IA's concept note and business proposal/ DPR and the continuous monitoring and evaluation of the project.
- 4.9 The designated state level organization (State Horticulture Mission) will be provided assistance for continuous monitoring and implementation for smooth implementation of the programme.
- 4.10 Local Self Governance Institutions/Urban Development Authorities) (will be responsible for facilitation of creation of retail infrastructure by IA (like (Farmers/ FPOs/ Cooperatives/ Private Companies etc.) like space allocation for infrastructure within the city/district limits
- 4.11 The Programme Management Unit (PMU) at NHB shall provide technical assistance to NHB and the State Horticulture Mission (SHM).
- 4.12 A centralized online portal and real-time monitoring dashboard shall be developed to facilitate overall monitoring and administration of the project.



Definition and Eligibility of a Cluster

- 5.1 For the purpose of this scheme, A cluster or vegetable cluster refers to a specific regional or geographical concentration **whether existing or induced**, of targeted crop(s). This concentration provides opportunities for specialization in various stages of the horticultural value chain, including but not limited to production (including protected cultivation), PHM (Post-harvest management) and distribution.
- 5.2 For the purpose of this scheme, a cluster must fulfil the following criteria:
- 5.2.1 **Location:** The cluster (and all the proposed infrastructure to be developed within it) must be located within 50-100km ($\leq 50\text{km}$ for population < 10 lakhs, $\leq 80\text{km}$ for population of 10-15 lakhs and $\leq 100\text{km}$ for population > 15 lakhs) of the identified urban centre. This distance shall be measured as the ariel distance (distance on map) between the proposed cluster infrastructure and the nearest point of the administrative boundary of the district within which the identified urban center/ city falls.
 - 5.2.2 **Mandated Crops:** The cluster must have in primary focus the three TOP crops (i.e., Tomato, Onion and Potato). In addition, in order to be eligible for assistance under the scheme, the cluster must also ensure regular supply of essentials like Cabbage, Cauliflower, Okra, Brinjal, Capsicum, Cucumber, Gourd, Coriander, Lemon, Ginger, Green Chilli, Garlic etc.
 - 5.2.3 **Optional Crops:** In addition to the mandated crops the cluster must also have no less than ten (10) of the indicative list of optional crops like Squash, Jackfruit, Beans, Drumstick, Beetroot, Turnip, Zucchini, Carrots, Radish, Cucurbits, Green peas, Amaranthus,

Fenugreek, Spinach etc.. In addition to these crops, the cluster may operate in any number of additional fruit and vegetable crops.

- 5.2.4 **Geographical and Administrative Boundaries:** The proposed cluster, whether it is an existing cluster or an induced cluster, must be located entirely within the boundaries of a single State or Union Territory. This ensures administrative coherence and effective governance of the cluster activities. Exceptions like in case of Delhi/NCR, Chandigarh, Puducherry etc where other state boundaries overlap can be considered by the Project Approval Committee.
- 5.2.5 **Minimum Offtake from Farmers within Identified Cluster Boundaries:** The Implementing Agency shall ensure that at least 50% of the total annual offtake of the produce for supply in the cities under the project shall be produced by the farmers within the identified cluster boundaries and mentioned as part of their Business Plan.



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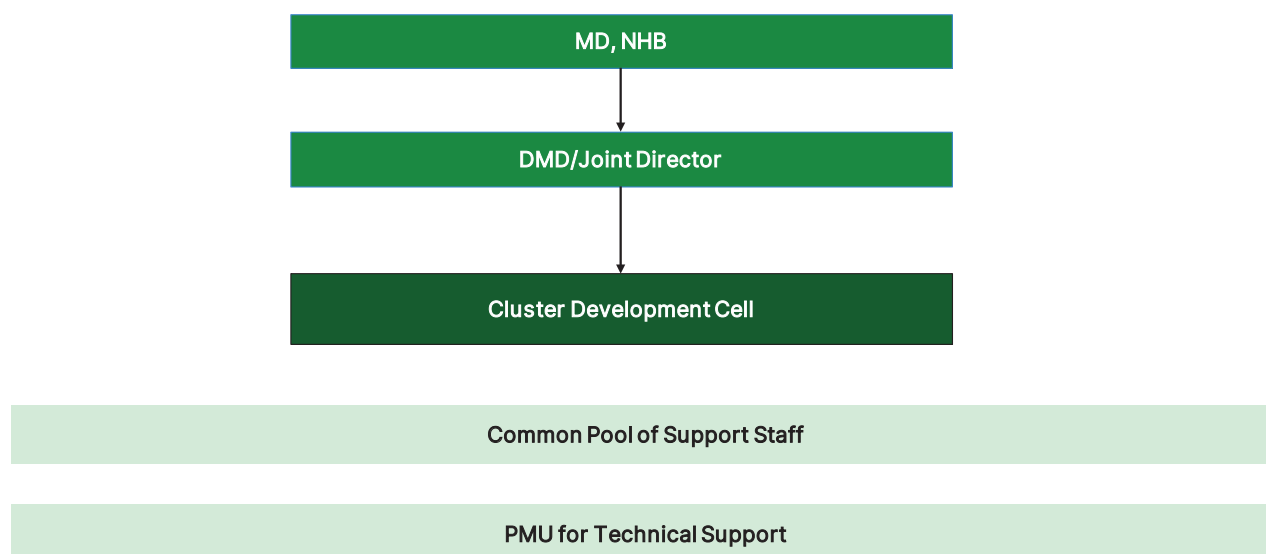
06

National Horticulture Board

- 6.1 The National Horticulture Board under the MoA&FW will serve as the nodal agency for implementation of this scheme.
- 6.2 The governance of this scheme shall be under the Cluster Development Cell of the National Horticulture Board.
- 6.3 This specialized cell shall be tasked with day-to-day administration and coordination of this scheme, ensuring effective communication and collaboration with various stakeholders involved in the Programme Further, the cell shall be supported by a common pool of support staff and a dedicated PMU (see chapter on Programme Management Unit).
- 6.4 To facilitate implementation of this scheme, NHB shall be allocated 3% of the total approved assistance amount, which includes, administrative expenses, Programme Management Unit (PMU) charges, surveys, field visits etc. and cost towards fulfilment of cross-cutting objectives, which are essential for the Programme's holistic success.

6.5 The organisation structure shall be as below:

Figure 2: Composition of the PUVC cell



6.6 **Role:** The Cluster Development Cell at NHB shall play a pivotal role in the successful execution and management of the scheme, with responsibilities including but not limited to:

- 6.6.1 **Overall Management and Coordination:** Supervising and managing the entire Peri-Urban Vegetable Cluster scheme to ensure its smooth execution.
- 6.6.2 **Implementation of Cross-Cutting Objectives:** Overseeing the integration of essential cross-cutting objectives into the scheme to enhance its effectiveness and efficiency.
- 6.6.3 **Guidance and Oversight:** Providing strategic direction and oversight to implementing agencies, ensuring they adhere to the Programme's guidelines and achieve desired outcomes.
- 6.6.4 **Financial Management:** Ensuring the availability and proper allocation of funds for various project activities, including disbursements to implementing agencies.
- 6.6.5 **Reporting and Compliance:** Ensuring timely submission of detailed reports to the government, reflecting the progress and status of the projects.
- 6.6.6 **Human Resource Deployment:** Managing the deployment of staff, service providers, and other necessary personnel to support the PUVC activities.
- 6.6.7 **Screening and Due Diligence:** Conducting thorough screening and due diligence of project proposals and business cases submitted by applicants to ensure they meet the required standards and criteria.
- 6.6.8 **Cross-Cutting Objectives:** NHB shall centralize several key activities, which shall not only streamline processes but also enhance cost efficiency and operational effectiveness. These cross-cutting objectives shall include:
 - **Logistics & Post-Harvest Management (PHM) Protocols:** Leveraging the developed/ existing standardized logistics and post-harvest management protocols to ensure optimal handling and transportation of the horticultural produce.

- **Digital Public Infrastructure for Traceability:** Ensuring the use of established/ installed digital infrastructure to enhance traceability across the horticultural value chain, ensuring transparency and accountability.
- **Trainings:** Conducting training programmes to build capacity of stakeholders involved in PUVc, ensuring they possess the necessary skills and knowledge.
- **Scheme/Stakeholder Outreach:** Engaging in outreach activities to promote PUVc, ensuring stakeholders are informed and involved in the Programme.

6.7 **Real-time Knowledge Repository:** Creating and maintaining a repository of real-time knowledge and best practices to support stakeholders in PUVc.





State Horticulture Mission

- 7.1 The State Horticulture Mission¹⁰ will be the responsible state level body for facilitating the implementation of scheme, with its primary role being monitoring and ground validation.
- 7.2 **Role:** SHM (State Horticulture Mission) shall play a pivotal role in the successful implementation of projects by ensuring rigorous evaluation, coordination, and management of all related activities. The SHM's responsibilities will include:
- 7.2.1 Ensuring that project implementation and operations are conducted in a manner consistent with the legal and administrative framework established by the project guidelines.
 - 7.2.2 Leveraging the agriculture/ horticulture extension network to undertake scheme outreach activities and effectively communicate the programme benefits to the farmers through various outreach activities.
 - 7.2.3 Co-ordination with various state agriculture universities, center of excellences, ICAR institutes, etc. to promote good agriculture practices/ package of practices
 - 7.2.4 Hand-holding of farmers in adoption of improved practices of harvest and handling of produce.
 - 7.2.5 Ensure the convergence and saturation of MIDH under the identified cluster (Since geographically concentrated interventions made in the cluster are expected to be more beneficial than multiple sporadic interventions spread across a large geographical area, there shall be an increased focus of improving MIDH saturation within the cluster giving preference to the activities under PUV as MIDH promotes development/increase of production areas/clusters

¹⁰ Or any other institution working in the horticulture sector for at least five (5) years, proposed by the state and approved by NHB.

- 7.2.6 Monitoring and Evaluation including ground visits and validation surveys.
 - 7.2.7 Coordination with local self-governance institutions and urban development departments (see chapter on local self-governance institutions).
 - 7.2.8 Before the release of subsidy to farmer, ensure that farmer has previously not availed subsidy for the same component and the same field/ area, with the exception for subsidy towards consumables such as recurring production inputs like planting material etc.
- 7.3 SHM shall be allocated an amount equivalent to 2% of the total approved assistance for the projects, towards administrative expenses.



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08

Local Self Governance Institutions

- 8.1 The local self-governance institutions (LSGs) or Urban Development Authorities (UDAs) shall be the responsible city level organization for coordination and facilitation of this scheme.
- 8.2 The LSGs/UDAs will be responsible for
 - 8.2.1 Facilitating the establishment of retail points, facilitation points, distribution center.
 - 8.2.2 Ensuring the provision of utilities like water supply, sewage, electrical connections etc.
 - 8.2.3 Ensuring that appropriate waste management practices including recycling/ composting if any are carried out by the IA.
 - 8.2.4 Facilitating the allocation of spaces for retail points under a transparent and competitive mechanism.



Implementing Agency (IA)

- 9.1 Implementation Agencies will be the entity responsible for execution of the project.
- 9.2 **Eligibility:** Entities eligible for consideration as Implementing Agencies (IAs) under this scheme should be legal entities including, Farmer Producer Organisations (FPOs/ FPCs) along with their federations, Cooperatives/ Societies, Partnership Firms, Companies or combination thereof.
- 9.3 To qualify for selection as an Implementing Agency (IA) under this scheme, the applicant entity must comply with the following criteria:
- 9.3.1 **Net Worth¹¹:** The applicant entity must demonstrate a net worth that is at least equivalent to the equity contribution of the IA's Cost Component.
 - 9.3.2 **Equity Contribution:** The applicant entity is mandated to contribute a minimum of 20% of the IA's Cost Component as equity in the proposed project. This equity contribution must be substantiated through appropriate financial documentation and validated by the concerned authorities.
 - 9.3.3 **Relevant Experience:** The applicant entity must possess and demonstrate substantial and relevant experience in fields such as agricultural or horticultural input supply, production, aggregation, trading, retailing, or logistics provision. This experience must be documented and verifiable to ensure the entity's capability to effectively manage and execute the project.
 - 9.3.4 **Turnover:** The applicant entity is required to have an annual turnover, defined as the total revenue generated by the company within a financial year, that is at least equal to the total cost of the project.

¹¹ Net worth is the value of the assets an entity or corporation owns, minus the liabilities they owe

- 9.3.5 **Term Loan:** For the project to be considered viable, it is imperative that the applicant entity secures a loan sanctioned by RBI Approved Scheduled Commercial Bank or Financial Institution (FIs) that constitutes at least 20% of the IA's Cost Component. This sanctioned loan must be confirmed by relevant banking institutions and documented appropriately to demonstrate the financial backing and feasibility of the project.

In the case of a Central/state government entity/PSUs the requirement of term loan will not be mandatory, provided such IA's meet the contribution through its own resources after demonstrating their financial strength for implementation of the project.

- 9.3.6 **Bank/ FI Appraisal Note:** A detailed Appraisal Note from the Bank/ FI Sanctioning the term loan. This should be from RBI approved FIs.

Note: Detailed Project Report/ Techno-Economic Viability Report merely stamped or endorsed by the Scheduled Commercial Bank without detailed Appraisal Note shall not be considered as valid for the purpose of the Guidelines.

- 9.3.7 **Debt Obligations and Non-Performing Asset(s):** The applicant entity, including its shareholder(s), partner(s), director(s), and key management personnel, must have a clean financial record with no defaults on debt obligations over the past three years. Additionally, neither the applicant entity nor its shareholders should have been classified as 'non-performing assets' or any equivalent classification by any lender during this period.

- 9.3.8 **Farmer Components:** The farmer components shall be minimum 40% of the total project cost.

- 9.4 **Role:** Implementing Agencies (IAs) shall undertake the following roles and responsibilities to ensure the successful execution and management of the project:

- 9.4.1 The preparation of a comprehensive Detailed Project Report (DPR), which outlines the project's scope, objectives, methodology, and financial plan
- 9.4.2 Achieving financial closure in accordance with the approved means of finance, ensuring all financial arrangements and commitments are secured
- 9.4.3 Obtaining all necessary statutory approvals and clearances required for the project, complying with relevant legal and regulatory requirements
- 9.4.4 Receiving financial assistance under the Programme and ensuring its utilization in a transparent and judicious manner, adhering to the principles of accountability and fiscal responsibility
- 9.4.5 Uploading monthly progress reports along with photographs and videos of the project onto the designated portal, providing regular updates on project milestones and developments
- 9.4.6 Maintaining proper books of accounts for the project implementation and the maintenance of infrastructure post-commissioning, ensuring financial records are accurate and up-to-date
- 9.4.7 Dovetailing and integrating initiatives of other ministries and departments (including but not limited to, MIDH, AIF, various schemes of the National Horticulture Board, schemes of the state governments, etc.) to achieve holistic cluster development, fostering

collaboration and synergy among various governmental efforts

- 9.4.8 Coordinating with the designated state level body to ensure timely and effective implementation of the project within specified timelines, facilitating seamless project execution
 - 9.4.9 Adhering to the guidelines set forth by the Central Vigilance Commission (CVC) and the procurement manuals of the Ministry of Finance and ensuring compliance with established procurement procedures and ethical standards
 - 9.4.10 Providing technical guidance on package of practices and good agriculture practices (GAPs) to the producers in the cluster
 - 9.4.11 Ensure traceability of produce and payments (payment to farmer at the time of procurement of produce and payment received from consumer at the time of retail sale). Towards this all payments shall be made and received only digitally
 - 9.4.12 Ensure that a reasonable share of the retail price paid by the consumer is realised by the producer/ farmer
 - 9.4.13 Mandatorily ensure adoption of GAP component of MIDH (especially for reduction in use of pesticide) by the farmers in the cluster
- 9.5 **Timelines:** In order to ensure that the Implementing Agency (Farmers/ FPOs/ Cooperatives/ Private Companies etc.) adheres to the project timelines, the agreed upon timelines and KPIs shall be part of the agreement or contract between the IA and NHB and thus enforceable through provisions of the said contract.





Programme Management Unit

10.1 National Horticulture Board PMU appointed for High-Value Multi-commodity Clusters will also undertake the role of PMU for Peri-urban Vegetable Clusters.

10.2 **Role:** The PMU will have the following responsibilities:

- 10.2.1 The PMU shall be responsible for organizing workshops, media campaigns, and other outreach activities aimed at promoting the objectives and benefits of PUVC. These activities will serve to raise awareness, disseminate information, and engage various stakeholders
- 10.2.2 The PMU shall prepare/ revise Concept note and Business case/ Detailed Project Report (DPR) templates, and necessary frameworks to provide a structured approach to project planning and execution as also for systematic evaluation and assessment of the projects
- 10.2.3 The PMU shall be responsible for day-to-day maintenance of the real-time monitoring and evaluation dashboard (existing dashboards and portals if any, shall be leverages and integrated to the extent possible). This dashboard will enable continuous tracking of project progress, performance metrics, and outcomes, thereby ensuring transparency and accountability in the implementation process
- 10.2.4 The PMU shall assist in the release of financial assistance, ensuring that funds are disbursed in a timely and efficient manner. The PMU will coordinate with relevant financial institutions and stakeholders to facilitate the smooth flow of financial resources
- 10.2.5 The PMU shall assist the Project Appraisal Committee in the examination and evaluation of concept notes and business cases submitted by various entities. This includes providing expert insights and recommendations to assess the viability and feasibility of proposed projects

10.2.6 The PMU shall assist in the periodic review, supervision, and monitoring of project implementation. This involves conducting regular assessments to ensure that projects are progressing as planned and addressing any issues or challenges that may arise

10.2.7 The PMU shall provide technical support to state level bodies

10.3 **Composition:** PMU shall be set up adhering to the specifications detailed in Annexure 1, which outlines the qualifications and roles required for the effective functioning of the PMU.





Eligible Components

11.1 This list outlines eligible components under the scheme, categorized into peri-urban production and PHM and distribution. These are further sub-divided into Farmers/ FPO component and Implementing Agencies (IA) component. **This list is a guideline and not exhaustive.** Additional components may be included based on project needs and emerging technologies, ensuring comprehensive support and compliance with the initiative's objectives and regulations subject to NHB's approval.

Table 1: Eligible Components

Vertical	Component Type	Details
Peri-urban Production	Farmer's Component (To Farmers / FPO's)	<ul style="list-style-type: none"> • Cost of quality planting material • Farm machinery at farmer/collective level • Cost towards micro irrigation • Cost towards establishment of protected cultivation infrastructure • Cost towards hydroponics and aeroponics setup • Capacity Building on INM and IPM practices • Adoption of GAPs • Innovative practices/ technologies/ equipment (Fruit netting, bagging, cable/ zip-line fruit evacuation system/ portable on-farm weather station/ Hail-nets/ Crop covers/ frost protection measures/ Trellis structures etc.) • Cost towards undertaking of precision farming, if done • Establishment of aggregation and primary processing centers. • Crates and Bins for produce handling

Vertical	Component Type	Details
Peri-urban Production	IA Component	<ul style="list-style-type: none"> • Formation and promotion of FPOs • Capacity-building of Farmers/ FPOs • Awareness campaigns/ Exposure visits • Adoption and dissemination of Good Agricultural Practices • Promotion of crop-care practices, including Maximum Residue Levels (MRL), INM and IPM practices • Micro-irrigation, farm mechanisation, and advanced farming techniques like precision farming, high-density plantation, usage of drones etc. • Adoption of new technologies and advanced farm machinery for enhancing efficiency • Real-time market intelligence, IT/Digital innovations, IoT infrastructure, traceability block chains, remote sensing, automatic weather stations and farm management software • Development and dissemination of IEC material • Technical assistance from various National and International organisations/ universities/ other institutes



Vertical	Component Type	Details
PHM and Distribution	IA Component	<ul style="list-style-type: none"> • Cost towards aggregation infrastructure such as collection centre/ city distribution centre etc. • Establishment/ expansion/ modernisation of cluster-level infrastructure such as integrated pack-house, ripening chambers, pre-cooling units, cold rooms, reefer vans, primary & secondary processing units and/or value addition • Cold storage infrastructure including multi/temperature-controlled atmosphere cold storages and other related utilities • Infrastructure for packaging/ innovative packaging (such as modified atmosphere packaging, nitrogen flushing etc.) and cost of innovative packaging material • Cost towards establishment of retail points/kiosks • Cost towards retail reefer vehicles • Other ancillary facilities required for post-harvest handling of produce • Cost towards trainings on post-harvest handling practices • Development of transport, cold chain and other logistic infrastructure • Appropriate storage and material handling infrastructure • Leverage e-commerce platforms and digital marketing for bringing efficiency and as an alternate mode of market outreach • Customisation on Digital Public Infrastructure for Traceability, Blockchain & IoT Solutions • Marketing campaigns (print/ electronic), trade fairs/ buyer seller meet, product sampling in target markets

The following components shall not be eligible for assistance or support of any other kind under the scheme:

- Cost of land
- Site development (excavation, filling, etc.)
- Chemical Inputs for production (Pesticides, fertilizers and other Agrochemicals)
- Administrative office building/guest house etc.
- Compound wall

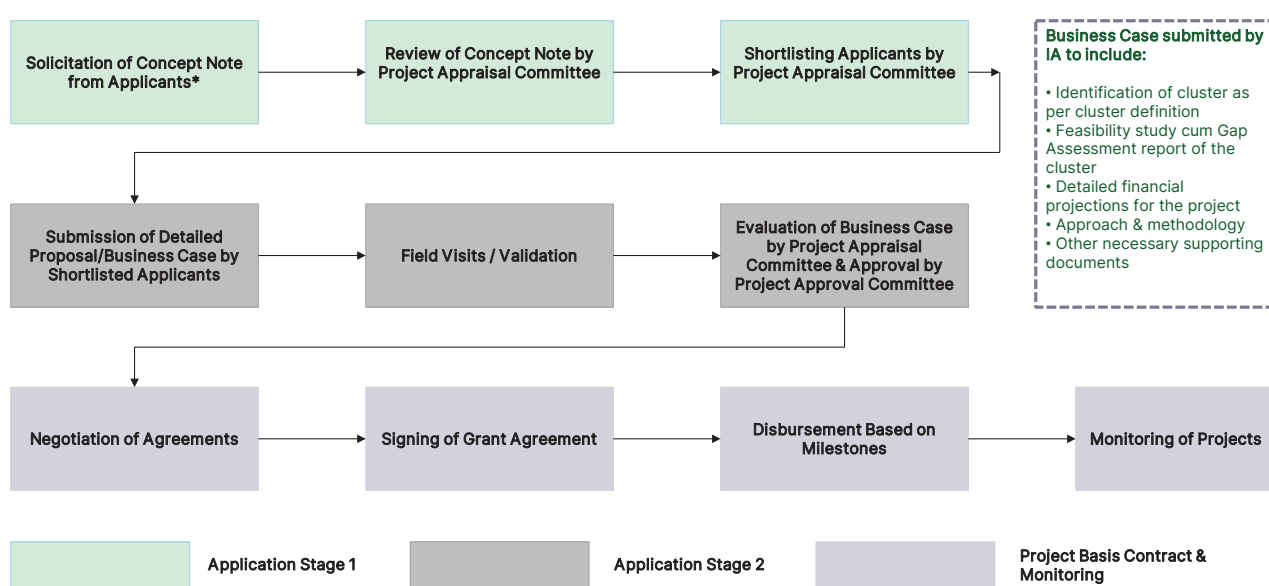
- Canteen/restaurants etc.
- Fuel, consumables, spares and stores
- Second hand/old machines/Reconditioned and refurbished plant & machinery
- All applicable taxes, insurance and margin money
- All types of service charges, carriage and freight charges
- Stationery items
- Operational cost including rentals, salaries, maintenance cost, etc.



Project Award Process

12.1 The Project Award Process under the scheme is a systematic and transparent procedure designed to evaluate and approve project proposals. This process includes solicitation of Concept Notes, thorough evaluation by Project Appraisal and Project Approval Committees, and structured disbursement of funds to ensure effective implementation and monitoring of approved projects, as highlighted below.

Figure 4: Outline of Project Award Process



*Rolling call for proposal by MoA&FW, Government of India

- 12.2 The Ministry of Agriculture and Farmers Welfare (MoA&FW), Government of India, shall initiate a rolling call for proposals. Eligible applicants are invited to submit their Concept Notes (Refer to Annexure 2 for Model Concept Note), with consideration given until the last day of the month for shortlisting purposes. Following shortlisting, applicants shall have 6 weeks to submit their DPR (Refer to Annexure 3 for Model DPR). Applicants are expected to outline their initial project ideas, including the identification of the cluster as per the defined criteria.¹²
- 12.3 **Review of Concept Note by Project Appraisal Committee:** Upon receipt, the Concept Notes shall undergo a thorough review by the designated Project Appraisal Committee. This Committee is tasked with the critical role of assessing the feasibility, alignment with scheme objectives, and the preliminary technical and financial soundness of the proposed projects, in accordance with the detailed Concept Note Evaluation Matrix provided in Annexure 4. This process shall be carried out online through the scheme's online portal and be automated to the extent possible.
- 12.4 **Shortlisting of Applicants by Project Appraisal Committee:** Based on the evaluation, the Project Appraisal Committee shortlists applicants whose proposals demonstrate the most potential for successful implementation and impact. These shortlisted applicants are then invited to proceed to the next stage of the application process.
- 12.5 **Submission of Detailed Proposal/ Business Case by Shortlisted Applicants:** Shortlisted applicants are required to submit a comprehensive Business Case. This document must (but not limited to) include the following elements:
- 12.5.1 **Identification of Cluster:** As per the cluster definition provided in the guidelines
 - 12.5.2 **Feasibility Study cum Gap Assessment Report:** A thorough analysis of the cluster's current state, identifying gaps and opportunities for development
 - 12.5.3 **Detailed Financial Projections:** Including estimated costs, anticipated revenues, and financial viability of the project
 - 12.5.4 **Approach & Methodology:** A clear plan outlining how the project will be implemented, managed, and monitored
 - 12.5.5 **Supporting Documents:** Any additional documentation necessary to substantiate the Business Case
- 12.6 **Field Visits / Validation:** Following the submission of the Business Case, the proposals are subject to field visits and validation exercises. These are conducted to verify the factual accuracy of the details provided, assess the ground realities, and ensure the readiness of the proposed clusters for development.
- 12.7 **Evaluation of Business Case by Project Appraisal Committee & Approval by Project Approval Committee:** The validated Business Cases shall be re-evaluated by the Project Appraisal Committee using the Implementing Agency (IA) Evaluation Matrix provided in Annexure 5. The Project Appraisal Committee then forwards its recommendations to the Project Approval Committee. The Project Approval Committee conducts a final review, ensuring that the most promising projects meet all statutory and procedural requirements, and grants approval accordingly.
- 12.8 **Negotiation of Agreements:** Upon approval, negotiations are conducted to finalize the terms and conditions of the project agreements. These negotiations ensure that all parties are in consensus on the roles, responsibilities, financial commitments, and timelines associated with the project.

¹² Rolling call for proposal by MoAFW, Government of India and submission of proposals s

- 12.9 **Signing of Grant Agreement:** Following successful negotiations, a formal Grant Agreement is signed between the implementing agency (IA) and the relevant authorities. This agreement legally binds the parties to adhere to the stipulated terms and conditions throughout the project lifecycle.
- 12.10 **Disbursement Based on Milestones:** Financial assistance is disbursed in tranches, contingent upon the achievement of predefined milestones. This milestone-based disbursement ensures accountability and continuous progress toward the project goals.
- 12.11 **Monitoring of Projects:** Continuous monitoring is conducted to ensure compliance with the project's objectives and timelines. Regular reports, field visits, and evaluations are utilized to track the progress, address any issues promptly, and ensure the project's success.
- 12.12 Multiple scenarios of overlapping projects in the same geography may come up once a rolling call for proposal is published. The possible scenarios and the policy to be followed for selection of IA in each of them is given in Annexure 6.
- 12.13 The number of projects to be awarded in any identified urban cluster shall be limited to one (1) per 10 lakh people (population of the identified cluster).
- 12.14 In case of limited budget, proposals shall be awarded in the order of merit based on marks obtained in evaluation of the business case/ DPR as per Annexure 5.
- 12.15 Efforts shall be made to adhere to the following timeline for the project award process:

Table 1: Timeline for project award process

S.No.	Process Milestone	Process (in days*)
1.	Issue of Quarterly Rolling Notice (EoI)	-
2.	Submission of Concept Note by Bidders	Submission cycle ends on the last day of the 3 rd month of the applicable quarter (T)
3.	Review & Shortlisting of Concept Note by Project Appraisal Committee	T+7
4.	Submission of detailed proposal/ Business Case by shortlisted Applicants	T+50
5.	Field visits / Validation	T+65
6.	Evaluation of Business Case by Project Appraisal Committee & Approval by Project Approval Committee	T+80
7.	Signing of Grant Agreement	T+90

*Days means working days



Project Appraisal and Project Approval Committee

- 13.1 A **Project Appraisal Committee and a Project Approval Committee** shall be constituted by NHB.
- 13.2 **Project Appraisal Committee:** The Project Appraisal Committee is tasked with the initial technical evaluation of project proposals submitted by the applicants. This committee ensures that proposals meet the required technical standards and align with the objectives of the scheme.
- 13.3 The Project Appraisal Committee will be provided all out-of-pocket expenses (travel, boarding and lodging etc.)
- 13.4 Representative Professional from Market Promotion Agencies and Independent Agri-business Experts shall also be provided an honorarium of INR 5,000 per meeting.
- 13.4.1 **Composition**
- **Chairperson:** Managing Director, NHB
 - **Member Secretary:** DMD/Joint Director, CDP, NHB
 - **Members**
 - o Independent Agri-business Experts (2) (1 National + 1 International (If required))
 - o Representative Professional from Market Promotion Agencies
 - o Representative of MIDH

- o Representative of National Research Centres of ICAR/ State Agriculture University/ Central Agriculture Universities/ Centre of Excellence working for the essential crops
- o Subject Matter Experts from respective SHM
- o Representative of the LAGI/UDAs, not below the rank of a class one officer
- o Representative of IFD not below the rank of the director/deputy secretary

13.5 **Project Approval Committee:** The Project Approval Committee is responsible for the final review and approval of project proposals that have passed the technical evaluation. This committee ensures that projects are viable, sustainable, and in line with policy guidelines.

13.5.1 **Composition**

- **Chairperson:** Additional Secretary (Horticulture), MoAFW
- **Member Secretary:** Managing Director, NHB
- **Members**
 - o Joint Secretary, MIDH, MoA&FW or Representative thereof (not below the rank of director)
 - o Joint Secretary, Marketing, MoA&FW or Representative thereof (not below the rank of director)
 - o Joint Secretary, Agri Trade, Ministry of Commerce and Industry or Representative thereof (not below the rank of director)
 - o Horticulture Commissioner, MoA&FW or Representative thereof (not below the rank of director)
 - o Representative of IFD (not below the rank of director)
 - o Secretary/ Principal Secretary I/C of Horticulture of the cluster state
 - o Mission Director, SHM
 - o District Commissioner/ District Magistrate of the relevant districts



Pattern of Assistance

- 14.1 The Pattern of Assistance under the scheme is designed to ensure systematic and transparent financial support for both Implementing Agencies and farmers involved in the Programme.
- 14.2 The total project cost shall be determined based on the Business Case/Detailed Project Report (DPR) submitted by the Implementing Agency (IA). This comprehensive document shall outline the scope, objectives, financial projections, and implementation strategy of the proposed project. The total project cost is then divided into two main components: the **IA Component and the Farmer's Component**.
- 14.3 Minimum 40% of the total financial assistance under a project shall comprise of the farmer components.
- 14.4 The financial assistance for both farmer's component and the IA will be provided in accordance with the cost norms as set out later in the guidelines.
- 14.5 The financial assistance will be credit linked for the IA components but not for the Farmer/Farmer Collectives components.
- 14.6 The IA Component encompasses the financial requirements necessary for the Implementing Agency to execute the project effectively. This includes a rigorous assessment to ensure that all proposed costs are justified and align with the stipulated cost norms and eligibility criteria.
- 14.7 The funds for the IA Component are disbursed in three instalments through a Trust and Retention Account (TRA), ensuring a regulated and transparent flow of financial resources.
- 14.8 The Farmer's Component focuses on providing direct financial support to the farmers participating in the cluster. Once approved, the financial assistance is provided according to the applicable approved cost norms, ensuring that farmers receive the necessary support to enhance their

productivity and profitability. The funds for the Farmer's Component are disbursed directly to the vendor on the lines of Direct Benefit Transfer (DBT) through the scheme portal, which ensures efficient and timely financial transfers, thereby minimizing delays and enhancing transparency.

- 14.9 Farmers may avail benefits or assistance under other state or central government schemes, provided there is no duplication of assistance for the same component in the same acreage. This stipulation ensures optimal utilization of resources and prevents overlap.
- 14.10 Subsidy on recurring inputs such as planting material and seeds shall be tapered off in 2 seasons (maximum one (1) year). In the first-season farmers will get 100% assistance as prescribed in the cost norms and 50% in the second season. There shall be no assistance on such components 3rd season onwards.
- 14.11 Additionally, 5% (in absolute terms) of the approved financial assistance to IA for the project, will be provided as an incentive to the IA, if the project is completed with all components and as per the agreed timelines in the approved business case/ DPR. This incentive will be released after the last instalment of subsidy is adjusted.
- 14.12 Additionally, an incentive of up to 10% of the project cost (within the upper limit of the financial assistance of 25% of FGV value) will be provided to the IA for innovative components and components not covered under any extant applicable schemes. The pattern of assistance will be limited to 50% of the cost of intervention/ activities as per actuals. This component could support innovations like import automatic weather stations, cost towards IPR on new germplasm/ varieties, big data analytics, innovation in energy saving components like use of ice-batteries, ensuring real time crop planning, customised controlled environment agriculture techniques, introduction farm mechanisation components suited to small holdings etc.
- 14.13 For the purposes of release of subsidy to the IA, lower of the two A) project cost determined by the bank (excluding the cost of land) and B) cost as per available norms will be considered.
- 14.14 For the purpose of calculation of subsidy the cost towards civil work shall not exceed 30% of the total project cost.



Release of Funds

- 15.1 **Digital Fund Transfer:** All fund transfers shall be executed exclusively through digital means utilizing the dedicated scheme portal.
- 15.2 **Fund Release by NHB to Farmers/Farmer's Suppliers**
- 15.2.1 **Fund release via Direct Transfer Mechanism:** The financial assistance shall be extended to farmer & farmer's suppliers on Direct Benefit Transfer (DBT) lines, ensuring direct and efficient transfer of funds to the beneficiaries
- 15.2.2 **Approval for Release of Assistance:** The release of assistance to farmer & farmer's suppliers will be done in two equal tranches. The first shall require the approval of farmer and IA and the second shall require the approval of SHM in addition to farmer and IA. This ensures that the disbursement is properly vetted and aligned with the project objectives
- 15.3 **Fund Release by NHB to IA**
- 15.3.1 The release of funds by NHB to the IA shall occur in three instalments. These disbursements shall be made following the formal approval of the project by the Project Approval Committee and with the endorsement of the State Horticulture Mission (SHM)
- 15.3.2 **Fund Release Mechanism:** The NHB shall provide financial assistance to the IA via a dedicated Trust and Retention Account (TRA). The disbursement from the TRA shall be based on the achievement of prescribed milestones, as outlined in the Programme guidelines

15.3.3 The financial assistance will be released by NHB to IAs subject to the fulfilment of conditions prescribed for each instalment, as listed below

15.3.4 **First instalment of 30% of the total approved financial assistance will be released within three months from the date of approval, subject to the fulfilment of the following criteria:**

- Establishment of a Trust and Retention Account (TRA) and signing of the TRA Agreement with any Schedule Bank
- Submission of the final Term Loan sanction letter from the scheduled commercial banks/FIs
- Submission of surety bond on non-judicial Rs.100 stamp paper (As per Annexure 7)
- PFMS (CGA) Registration of IA
- Submission of invoices/ receipts/ work orders about expenditure of at least 30% of the eligible project cost on the approved project components
- Submission of a bank/ financial institution certificate about the disbursement of 30% of term loan by the lending bank
- Submission of TRA statements for verification of promoters' equity, term loan, and project expenditure
- Achieving minimum coverage of 30% of the targeted area as per the approved DPR
- Statutory auditor certificate confirming the actual expenditure on the project, along with means of finance in the prescribed format, duly certified by a Statutory Auditor and countersigned by the promoter. It should ensure that at least 30% of the promoters' contribution and 30% of the term loan have been utilised on the eligible project cost by IA. Details of unsecured loan (along with PAN numbers of lenders), if any, duly certified by the Statutory Auditor and countersigned by the promoter are to be given as per Annexure 8
- Submission of recommendation by NHB & PMU based on their site visit and evaluation of documents submitted by IAs. The recommendation shall confirm fulfilment of conditions as per the Programme guidelines to release the financial assistance
- Favourable site visit and inspection report by the SHM
- Any other condition which may be specified from time to time

15.3.5 **Second instalment of 40% of the total approved financial assistance under the Programme will be released within nine months from the date of approval, subject to fulfilment of the following criteria:**

- Utilisation certificate as per the format of GFR-19 of the first instalment of financial assistance, duly certified by the chartered accountant
- Submission of invoices/ receipts/ work orders about the expenditure incurred on the project, related to the proof of proportionate expenditure by IA from the term loan, and equity equivalent to the financial assistance amount released as the second tranche of the first instalment
- Submission of a bank/ financial institution certificate with regard to the disbursement of 70% of term loan by the lending bank

- Submission of TRA statements for verification of promoters' equity, term loan and project expenditure
- Achieving minimum coverage of 70% of the targeted area as per the approved DPR
- Completion of 70% of the components as per the approved DPR
- Statutory auditor certificate confirming actual expenditure on the project along with means of finance in the prescribed format duly certified by the Statutory Auditor and countersigned by the promoter. It should ensure that at least 70% of the promoters' contribution and 70% of the term loan, along with financial assistance released, have been utilised on the eligible project cost by IA. Details of unsecured loan (along with PAN numbers of lenders), if any, duly certified by the Statutory Auditor and countersigned by the promoter are to be given as per Annexure 8
- Submission of recommendation by NHB & PMU based on their site visit and evaluation of documents submitted by IAs. The recommendation shall confirm fulfilment of conditions as per the Programme guidelines in order to release the financial assistance
- Favourable site visit and inspection report by the SHM
- Any other condition which may be specified from time to time

15.3.6 Third and final instalment of 30% of the total approved financial assistance under the Programme will be released and adjusted only as part of recovery of last instalment but not prior to 36 months period from the date of release of last instalment of term loan, subject to the successful completion of the project and fulfilment of the following criteria:

- Utilisation certificate as per the format of GFR-19 of the second and third instalment of financial assistance, duly certified by the statutory auditor
- 100% completion of the project in all respects
- Submission of invoices/receipts/work orders related to the expenditure incurred on the project
- Submission of a bank/financial institution certificate with regard to the disbursement of 100% of term loan by the lending bank
- Submission of bank statements related to the 100% contribution of promoters' equity, term loan, and financial assistance accounts for verification of contribution and expenditure
- Statutory auditor certificate confirming actual expenditure on the project along with means of finance, duly certified by the statutory auditor and countersigned by the promoter. It should establish that 100% of the promoter's contribution, 100% of the term loan, and the third instalment of financial assistance have been utilised in the project. Details of unsecured loan (along with PAN numbers of lenders), if any, duly certified by the Statutory Auditor and countersigned by the promoter are to be given as per Annexure 8
- Joint inspection/ site visit by a team comprising members of NHB, SHM, PMU, bank, and any other concerned department of the government
- Submission of recommendation by the joint inspection team based on their site visit and evaluation of documents submitted by IAs. The recommendation shall confirm fulfilment of conditions as per the Programme guidelines in order to release the financial assistance

- Valid consent to operate from central/ state pollution control board, wherever applicable
- Valid clearance/ approval for power and water connections, if applicable
- Declaration of the completion of the project and start of commercial operation, duly certified by the bank, wherever applicable
- Registration certificate of logo and trademark for the cluster/value chain brand developed, wherever applicable
- Accreditation certificate for nurseries and labs, wherever applicable
- Registration certificate of reefer vans, wherever applicable
- FSSAI licence, wherever applicable
- Registration/ license with Warehousing Development & Regulatory Authority (WDRA)/ APEDA, wherever applicable
- Any other condition which may be specified from time to time

15.4 All the requisite documents for the release of financial assistance shall be self-attested by the authorised signatory of the IA. The IA should submit signed and stamped CA certificate for details of expenditure, Certificate from Chartered Engineer (Civil) for civil works and Chartered Engineer (Mechanical) for plant and machinery or any other relevant certificates indicating item-wise progress on approved components, cost, quantity, manufacturers/ suppliers and comment on quality and status of implementation, duly countersigned and stamped by the promoter, if applicable.

15.5 Financial assistance shall be provided for the project subject to availability of the funds and continuation of the Programme.

15.6 During the period of project implementation, if the IA account turns into an NPA, NHB on confirmation from the SHM may close the project on an 'as is where is' basis and recall the entire amount of financial assistance. NHB also retains the right to curtail/ recall the financial assistance along with the applicable penal interest in case of unsatisfactory use of the financial assistance including compromise with the quality of components as envisaged, or partial/ incomplete implementation of the project.

15.7 A dispute redressal mechanism forum shall be set up under NHB to resolve any disputes which arise during the implementation of the project. The decision of NHB in such matter shall be final.

15.8 Any disputes arising between IA and farmers during implementation will be resolved mutually. SHM/ NHB/ State/ Central government agencies will not be made party to such disputes.

15.9 **Timeline**

15.9.1 The timeline for completion and operationalisation of the project will be 18 months, as detailed below, from the date of issue of the final approval letter, unless extended by the Competent Authority

Table 4: Timeline for release of funds

S.No.	Particulars	Maximum Time Period
1.	Final approval to release of first instalment	3 months
2.	First instalment to release of second instalment	6 months
3.	Second instalment to release of third (final) instalment	9 months
Total		18 months

15.9.2 The IA shall ensure project completion as per the stipulated timelines committed, while seeking financial assistance for the project. In case of non-adherence, except in case of force de majeure or reasons beyond the control of IA, the NHB may consider imposing an appropriate penalty in terms of reducing the financial assistance amount given to IA, on a case-to-case basis. The project can be cancelled in case of non-adherence to the timelines, unless extended by the Project Approval Committee constituted at NHB

15.9.3 In case of failure to operate the project for at least three after the commencement of commercial operations, MoAFW/NHB will have the discretion to cancel the project, and the promoters would be required to return the entire subsidy with interest @ 10% per annum. Please check the rate of interest with NHB officials.

15.9.4 In case of discord with respect to interpretation of any of the provisions of these guidelines, the decision of the NHB shall be final





Cost Norms

- 16.1 The pattern of assistance for different components shall be as per the cost norms and pattern of assistance provided in Annexure 9.
- 16.2 Any expenditure incurred before the approval of the project shall not be eligible for financial assistance.
- 16.3 Any other component, apart from the ones mentioned in the programme guidelines, can be covered as per the existing cost norms of the relevant Ministry/ Department.
- 16.4 Wherever cost norms are not available, especially in the case of digital/ innovative interventions/ branding, etc. Guideline and Cost Norms Committee shall determine the cost of these components as needed.
- 16.5 In case of any revisions/ amendments in any of the published guidelines, the latest available norms shall be considered.
- 16.6 All equipment/ plant and machinery for the project should be new. Reconditioned/ refurbished equipment/ plant and machinery will not be eligible for financial assistance.



Programme Monitoring

- 17.1 The Implementing Agency (IA) shall be required to regularly update the progress of their respective projects on the online dashboard monitoring system. This update must be comprehensive and include a quarterly progress report, along with recent photographs of the ongoing work to provide a visual confirmation of the advancements being made.
- 17.2 The State-Level Monitoring Committee, which operates under the chairmanship of the Chief Secretary or the Agriculture Production Commissioner/Additional Chief Secretary Horticulture, and includes the Project Director, SHM as its convener, shall convene on a quarterly basis. The purpose of these meetings is to review the progress of the projects, identify and address any bottlenecks, and ensure that the objectives of the Programme are being met efficiently.
- 17.3 The Central Monitoring Committee, chaired by the Managing Director of NHB, shall oversee the implementation of the scheme in each cluster. The SHM shall submit a detailed quarterly progress report to the Central Monitoring Committee. This report must include specific details of the physical and financial progress of the projects, the number of farmers who have benefited, the area of the cluster that has been impacted, and any efforts made towards the branding of the cluster produce.
- 17.4 The National Level Steering Committee, chaired by the Secretary, Ministry of Agriculture Cooperation and Farmers Welfare, Government of India, shall conduct annual reviews. This committee includes participation from all relevant stakeholders and focuses on the overall strategic direction and policy oversight of the Programme.
- 17.5 An independent agency engaged by NHB shall conduct a third-party evaluation of the Programme after five years. This evaluation is critical for assessing the long-term impact and effectiveness of the Programme, ensuring that it meets its goals and objectives.
- 17.6 The Programme Management Unit shall provide essential assistance to both the SHM and NHB in all the aforementioned activities. The PMU's support ensures that the monitoring and evaluation processes are carried out efficiently and that any issues are promptly addressed to facilitate the smooth implementation of the scheme.



Revision of Guidelines and Cost Norms

18.1 The Programme guidelines are subject to revision from time to time per the policy directions from Government of India. The Managing Director (MD) of the National Horticulture Board (NHB) shall convene the Guideline and Cost Norm Committee as and when required (at least once in six months). This committee is tasked with reviewing and revising the guidelines for the scheme and the Cost Norms for various components.

18.2 **Composition of the Guideline and Cost Norm Committee:**

18.2.1 **Chairman:** Special Secretary MoA&FW/ Additional Secretary, MIDH

18.2.2 **Member Secretary:** Managing Director, NHB

18.2.3 **Members**

- Representative of MoFPI (Above the rank of director)
- Representative of Integrated Finance Division, MoA&FW (Above the rank of director)
- DDG Horticulture, ICAR
- Representative of relevant industry association
- Joint Secretary, MIDH
- Horticulture Commissioner, MoA&FW

18.3 Any changes made in the cost norms of the scheme shall be put forth to the chairman of the board of governors of the National Horticulture Board and Hon'ble Union Minister of Agriculture and Farmer Welfare for due approval only after which the said changes shall be applicable.



SURAKSHA Platform for CDP

(SURAKSHA - System for Unified Resource Allocation, Knowledge, and Secure Horticulture Assistance)

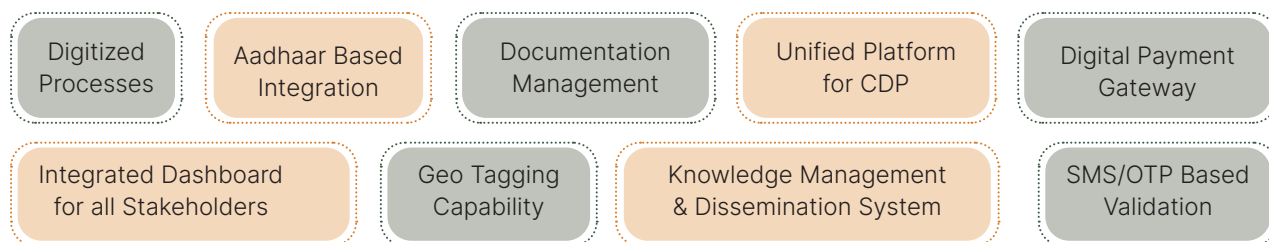
About

CDP-SURAKSHA platform (Cluster Development Programme – System for Unified Resource Allocation, Knowledge and Secure Horticulture Assistance) is proposed as a Integrated Digital backbone of the CDP Programme. The platform will act as Single window interface for all Stakeholders, Implementing Agencies, Farmers and Government Agencies and agencies associated with CDP. The platform will have applications through which applications are received, processed, and approved at various stages as per the Scheme guidelines. The platform shall be integrated with a payment gateway to collect applicable fees from the applicants as well financial assistance disbursement on Direct Benefit Transfer (DBT) mechanism. CDP SURAKSHA as a platform will facilitate the exchange of information and management including monitoring and supervision for the CDP Programme.

Salient features of the Portal

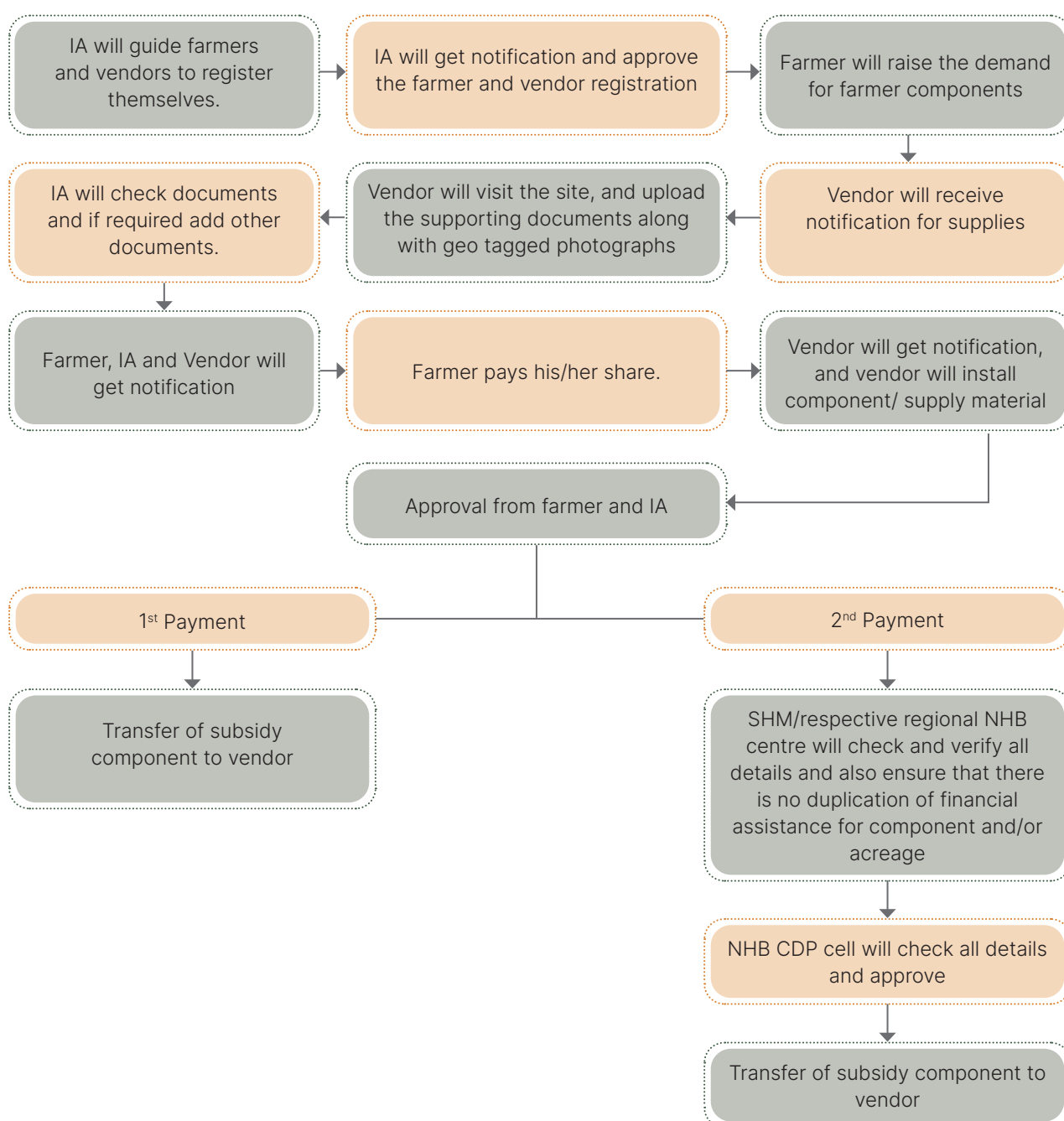
- **Instant subsidy benefit to the farmer** – Instead of going through all the documentation and time taking subsidy claims, farmer will get the benefit of the subsidy amount from the comfort of their home and easy access through their mobile phone.
- **Convergence of various stakeholders** – The platform is designed in way that brings together all the stakeholders like NHB, SHM, IA, Vendor and farmers on one single platform for easier implementation.
- **Executing e-RUPI in a unique way** – e-RUPI vouchers will be generated for farmers (collecting Farmer & IA share together) as soon as the demand is created and the same can be later utilized by the vendor.
- **One of its kind platforms** – The platform shall not only disburse the subsidy but will also be used for the monitoring and document management system.
- **Real time monitoring** – All the documents and its status can be monitored real-time by NHB, SHM or IA to save the time. The monitoring of the interventions can also be done by in real time just with a click of few buttons.

Features & Functionalities of CDP SURAKSHA

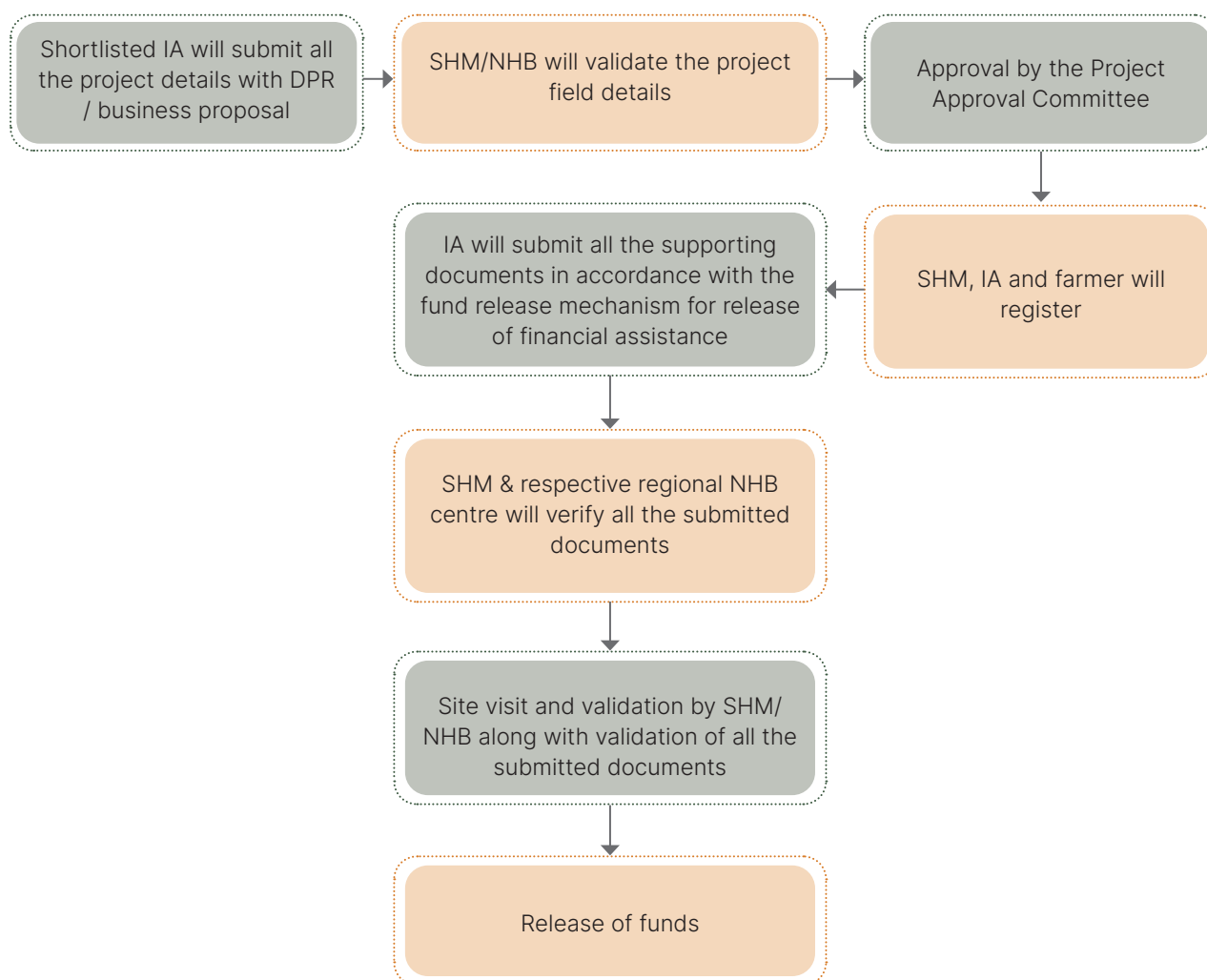


Process flow for fund movement

1 Fund Release by NHB to Farmers/Farmer's Suppliers



2 Fund Release by NHB to IA



Convergence led Digital Transformation

For the success of the platform and make it future-ready further, these supports are required:

- Integration with Agri stack for the data management and future proofing of the portal.
- Database integration of PM-KISAN for the land details verification.
- Server space from NIC for the Payment Gateway, UIDAI, and eRUPI Integration.
- Integration of Local Government Directory (LGD) for the Geo-tagging and land record management.
- Integration with NIC's Content Management System (CMS) for safer repository management.
- Overall Integration with Ministry of Agriculture & Farmer's Welfare Unified Application to have a single sign on application for all the beneficiaries, i.e. – Farmers, Vendors, Private Players, State Government, NHB etc.
- Future proofed for the integration with several departments to create a single window solution for the beneficiaries.

Features Checklist

FEATURES	STATUS
Farmer Dashboard	Yes
Vendor Dashboard	Yes
IA Dashboard	Yes
SHM Dashboard	Yes
NHB/Super Admin	Yes
Farmer Demand Creation	Yes
UIDAI validation	Yes
SMS/OTP Integration	Yes
Email Notification	Yes
Payment Gateway	Yes
e-RUPI Integration	Yes
Local Government Directory (LGD) Data	Yes
Geo-Tagging Capability	Yes
Knowledge Management and Dissemination System	Yes

Impact

- The platform is designed in a way to leverage its capabilities for the future as well; by appropriately future proofing it for when the number of clusters, farmers and other stakeholders get modified.
- The same platform and the idea can be utilized with other similar cluster/region-based programs.
- The platform provides the flexibility to integrate it with newer systems and tools.
- It is envisaged that around 1 million farmers across all the states of the nation are going to be benefited by the platform and its easier modules.
- The knowledge dissemination system within the platform can keep the farmers updated with new developments in the field and provide them with PoP for better results with their crops.
- In the longer run, the platform has embedded capabilities to make it single window system for all the needs of the farmers, vendors, and agencies. For instance, MoFPI programs can be linked with API and the agency can get the benefits by filling the form at CDP-SURAKSHA only.

Annexure 1: PMU composition

National Horticulture Board PMU appointed for High-Value Multi-commodity Clusters will also undertake the role of PMU for Peri-urban Vegetable Clusters.

Annexure 2: Model Concept Note

1. Applicant Profile

- 1.1. Names and brief profiles with annual turnover of the proposed promoters/ shareholders of the applicant along with their contact details (specify the name and contact details of the coordinating member for the project)
- 1.2. Indicate the nature and location of existing operations of the applicant
- 1.3. Relevant experience of the applicant in the focus cluster/value chain
- 1.4. Details of past experience in domestic retail of horticulture produce and backward linkage.
- 1.5. Financial details of the applicant entity such as net-worth, net current asset and debt equity ratio and turnover along with audit report/audited financial statement for the last 3 years or Chartered Accountant (CA) Certificates. In the case of companies, CA certificates need to be certified by their statutory auditor(s)
- 1.6. A brief note as to why the applicant is keen to undertake the development of the PUVC project in the respective the city, their vision, etc
- 1.7. In case of formation of a new Entity, the details of the Entity, including the shareholding pattern
- 1.8. Any other relevant information that would establish the credentials and suitability of the promoters in the context of the scheme

2. Proposed Cluster Profile

- 2.1. Details of the cluster including information like cluster map, total area under the essential crops, number of farmers associated, block-wise production analysis etc.
- 2.2. Value Chain assessment of the essential crops and other crops
- 2.3. Need-Gap analysis of the cluster
- 2.4. Identification of Strengths, Weaknesses, Opportunities and Threats of the cluster

3. Proposed Project Profile

- 3.1. Project Rationale for the proposed project
- 3.2. Area coverage under the project for the essential crops in the target cluster
- 3.3. Promotion of protected cultivation in the PUVC (if any)
- 3.4. Demand forecast linked to crop planning in the PUVC
- 3.5. Details of interventions in the project, as per Programme guidelines
- 3.6. Structure of the project in terms of proposed strategy/ methodology for project implementation

- 3.7. Details of farmers covered in the proposed cluster in terms of area and quantity of the essential crops, if applicable
- 3.8. Details of innovations being proposed
- 3.9. Details of value addition and related infrastructure being proposed

4. Project Financials and Business Plan

- 4.1. Summary of the estimated cost of each of the components of the project vertical for funding by the Government as outlined in the Programme
- 4.2. Proposed means of finance to fund the project: promoter's equity, term loan from Nationalized/Scheduled banks, financial assistance sought etc.
- 4.3. Proposed Business Plan – Estimated revenue sources and assumptions, estimated operating costs and assumptions, Projected profit and loss statements, Balance sheets, and cash flows based on these assumptions
- 4.4. Key financial indicators such as RoCE, BEP, NPV, IRR & DSCR based on the above financial assumptions
- 4.5. Strategy for distribution and retail



Annexure 3: Business Case/ DPR Template

- a. Name of the applicant/ company/ firm with details of registration no. of company/ firm along with names of the directors/ promoters in the prescribed format:

S.No.	Particulars	Details
i.	Name of Applicant	
ii.	Legal Status of Applicant (Govt. Institution / organisation, Co-operative/ Company/ partnership firm, Farmer Producer Company, Self Help Group, etc.)	
iii.	Registration No. of Applicant/CIN	
iv.	PAN of Applicant	
v.	GST Number of Applicant	
vi.	Whether located in North-East States, Himalayan States, Islands & ITDP Areas	
vii.	Whether lead promoter belongs to SC/ ST/ Women	

- b. Contact details of the Promoter(s)/ Partner(s) including addresses, telephone, mobile, fax, e-mail, website, PAN etc.

S. No.	Name of Promoter(s)/ Partner(s)	Address	Telephone No.	Mobile No.	E-mail	PAN No.	Any other details

Please add additional rows, if required

- c. Experience of the lead Promoter(s)/ Partner(s)/ Applicant Entity in essential crops value chain operations

S. No.	Name of lead Promoter(s)/ Partner(s)/ Applicant Entity	Details of Experience	Details of Turnover (year-wise)	Supporting Document attached, if any (Yes/No)

Please add additional rows, if required

- d. Cluster Details: DPR should have a detailed chapter on cluster related details, raw material production, package of practices currently undertaken, supply and market dynamics, prevalent logistics systems, current branding and marketing efforts, etc.
- e. As is Assessment of the proposed Cluster/ Gap Assessment leading to need for the project/ Project Rationale

The following pointers may be used:

- Review the status of essential crops in the cluster its recent progress, future scenarios and competitiveness. Explore experiences from other clusters for similar essential crops
- Analyse the varieties being grown and the package of practices in use
- Analyse the requirements of cluster/ farmers in terms of seed/ planting material, irrigation equipment, farm machinery, crop nets, fruits bags, etc.
- Explore the market demand and supply of the essential crops and other crops of the cluster at regional/ national/ local level. Analyse the main suppliers, market systems, volumes, competition, projected trends, and the terms of trade. Analyse what the market requirements are, especially those of the export destination markets
- Analyse the supply potential and competitive risks of essential crops Assess the aptitudes and performances of FPO's, farmer marketing groups (FMG's), individual brokers/ traders
- Assess the physical infrastructure requirements that is required in terms of planting material/ seeds, primary processing like packhouse, cold stores, ripening chambers, etc. and their status in terms of use, capacity utilization, technology in use, etc.
- Assess the potential (processed) products and the infrastructure of processing that can be considered in the short and long-term
- Outline physical premises and technologies required, availability of machinery and equipment, and respective cost estimates

- Prepare cost-benefit analysis on priority products/ alternative scenarios
- Analyse the logistics infrastructure and the availability, accessibility, and affordability to logistics during different times of the year
- Analyse the capacity building needs of different stakeholders

All to culminate in Project Rationale

f. Components under the scheme as applicable to the project along with detailed cost

a. **Peri-urban Production:**

- i. Interventions planned to be undertaken
- ii. Innovative components being proposed

b. **PHM and distribution:**

- i. Interventions planned to be undertaken
- ii. Innovative components being proposed

g. Land Details

Proposed locations of land for all proposed hard infrastructure to be created under the project, its status along with longitude & latitude coordinates:

In case of leased land, period of lease should be not less than 15 years.

Proposed hard infrastructure facilities.

S. No.	Type of facilities proposed to be created	No. of Units	Total Capacity [MT, Litres, MT/Hr., wherever applicable]	No. of Days of operation of each facility in a year
a.	City Distribution Centers			
b.	Collection/ Aggregation centers			
c.	Tissue Culture Lab			
d.	Equipment Bank			
e.	CA Store			
f.	Normal cold store			
g.	Frozen store			
h.	Pre-cooling Chambers			

S. No.	Type of facilities proposed to be created	No. of Units	Total Capacity [MT, Litres, MT/Hr., wherever applicable]	No. of Days of operation of each facility in a year
i.	Sorting, Grading, Waxing, Weighing, Packing facility Modify as per actual			
j.	Ripening Chambers			
k.	IQF			
l.	Blast Freezing			
m.	Freeze Drying			
n.	Modified Atmosphere Packaging			
o.	Processing Line (please specify)			
p.	Insulated Distribution Vehicle			
q.	Irradiation Facility			
r.	Refrigerated Container			
s.	Refrigerated Carts			
t.	Solar Powered Carts			
u.	Refrigerated Cabinets			
v.	Retail Kiosks			
w.	Others			

h. Mass flow/ Supply Chain diagram

The mass flow diagram must encompass:

- Raw material Procurement Quantum
- Diversion of the procured raw material to the storage or the processing units proposed in the project.
- Recovery of the processed product is also to be quantified.

Proposed Project Financials

(a) Estimated Project cost details

Item	Amount (₹ in Lakh)
Site Development	
Technical Civil Work	
Other Civil Works	
Plant & Machinery (P&M)**	
Common Utilities like Water/ETP/ STP, etc.***	
Pre-operative Expenses	
Interest During Construction	
Margin Money for Working Capital	
Contingencies	
Add other items not listed above	
Total Project Cost	

Component wise cost breakup of all technical and other civil work should be provided in the Chartered Engineer (Civil) certificate along with detailed BoQs.

Sr. No.	Particulars	Unit	Qty	Rate (as per CPWD/ SOR)	Amount
1					
(i)					
(ii)					
2					
3					
4					
5					
Sub Total					

The component wise cost breakup of P&M should be provided in the Chartered Engineer (Mechanical) certificate in the prescribed format as below:

Sr. No.	Component	Qty./No.	Capacity	Basic cost as per Quotation (INR Lakh)	GST/ Taxes (INR Lakh)	Taxes, Freight installation, Insurance	Total (INR Lakh)
1.							
2.							
3.							
4.							
5.							

The cost of common utilities may be provided in Chartered Engineer (Civil) and Chartered Engineer (Mechanical) certificate wherever applicable.

(b) Means of finance

Item	Amount (₹ in Lakh)
Promoter's Equity	
Term loan	
Eligible grant	
Unsecured loan	
Total	

To be certified by CA

(c) Basic Revenue Projections

Item	Year 1	Year 2	Year 3	Year 4	Year 5
Turnover					
Cost of Operations					
Gross Profit					
Earnings Before Interest, Tax, Depreciation Amortization (EBITDA)					
Profit before taxation					
Profit after taxation					

(d) Financial Parameters (as per Bank Appraisal Note)

S No.	Particulars	Details (Ratio/%)	Ref Page No. in DPR*
i.	Internal Rate of Return (IRR) [(a) With and (b) without grant]		
ii.	Avg. Debt Service Coverage Ratio (DSCR)		
iii.	Break Even Point (BEP)		
iv.	Debt-Equity Ratio		

To be provided for section under the bank appraisal note highlighting the aforementioned detail.

Details of the MOUs entered into in the cluster

S. No.	Farmer Name	Name	Village/ Dist./APMC	Contact Number	Crop to be Sourced	Quantity
1						
2						
3						

Please add additional rows, if required

DPR should comprise of detailed chapter on proposed catchment (production and supply statistics).

Employment Generation projections

- Direct Employment
- Contractual Employment with no. of days
- Indirect Employment (specify):

Plan for tie-up with existing FPOs or Formation of new FPOs/ FPC/ Farmer Cooperatives in the catchment region

(Proof of any MOU/ Letter of Intent for FPOs to integrate with the project)

Tie up for forward linkage with consumers/ importers/ retailer/ Distributors

(Proof in the form of written correspondences/ MOU etc.)

Plan to install a software or IT based system to capture the real-time data, capacity utilization of the components proposed to be installed under the scheme

Details of innovations including renewable/ alternate energy sources including solar energy, if any, proposed to be used for operating the project

Sl. No.	Name of technology/ item	Basic cost (excluding taxes etc.)	How the technology will help in reducing carbon footprint and/or increase in operational efficiency
1			
2			
3			

Annexure 4: Concept Note Evaluation Matrix

The concept notes shall be evaluated in two stages, 1) Responsiveness check and 2) Technical evaluation.

Responsiveness check criteria

S.No.	Criteria	Responsiveness
1	Is the applicant a legally registered Farmer Producer Organisations (FPOs/FPCs) or their federations/ Cooperatives/ Societies/ Partnership Firms/ Companies or combination thereof?	Yes / No
2	Is the Net-worth of the applicant at least equal to the equity contribution of the IA's Project Cost Component?	Yes / No
3	Is the proposed equity contribution at least equal to 20% of the IA's cost component?	Yes / No
4	Is the proposed term loan atleast equal to 20% of the IA's cost component	Yes / No
5	Does the applicant demonstrate substantial and relevant experience in fields such as agricultural or horticultural input supply, production, aggregation, trading, food processing, exporting, retailing, or logistics provision?	Yes / No
6	Is the annual turnover of the applicant at least equal to the total cost of the project?	Yes / No
7	Does the applicant entity, including its shareholder(s), partner(s), director(s), and key management personnel, have a clean financial record with no defaults on debt obligations over the past three years.	Yes / No

Note: Only upon being found responsive (Answer to all above questions is Yes), shall the proposal be evaluated technically. If found unresponsive the proposal shall be summarily rejected.

Technical Evaluation Matrix

S.No.	Criteria	Scoring	Maximum Score
1	Alignment with PUVV objectives	<ul style="list-style-type: none"> Offers/impacts an integrated solution covering the proposed consumption center and sourcing 50% of the produce from the cluster farmers– 2 marks. Offers/impacts an integrated solution covering the proposed consumption center and sourcing 60% of the produce from the cluster farmers– 4 marks. 	10

S.No.	Criteria	Scoring	Maximum Score
1	Alignment with PUVVC objectives	<ul style="list-style-type: none"> Offers/impacts an integrated solution covering the proposed consumption center and sourcing 70% of the produce from the cluster farmers– 6 marks. Offers/impacts an integrated solution covering the proposed consumption center and sourcing 80% of the produce from the cluster farmers– 8 marks. Offers/impacts an integrated solution covering the proposed consumption center and sourcing 90% of the produce from the cluster farmers– 10 marks. 	10
2	Innovation: Going beyond what exists now, in terms of the product/service, process or technology and/ or model to have transformational effect	<ul style="list-style-type: none"> Traditional products or services available - 2 marks Improved varieties and planting material plus package of practices - 3 marks Innovative technologies like AWS, traceability etc - 3 marks Hydroponics/ Aeroponics - 3 marks Innovative Packaging - 2 marks Innovative practices on production and harvesting - 2 marks 	15
3	Organization & Business Strength of Applicant: Long history, strong Board or Promoter background, strong financials	<ul style="list-style-type: none"> No of years of operations: <ol style="list-style-type: none"> Up to 3 years - 1 mark 3-5 years - 2 marks More than 5 years - 3 marks Net worth in the immediately preceding year > Proposed Equity (X): <ol style="list-style-type: none"> Up to 1.5 X - 1 mark 1.5 X to 2 X years - 2 marks More than 2 X - 3 marks Turnover in the immediately preceding year > Project Cost (X): <ol style="list-style-type: none"> Up to 1.5 X - 2 mark 1.5 X to 2 X years - 3 marks More than 2 X - 4 marks 	10

S.No.	Criteria	Scoring	Maximum Score
4	Impact & inclusiveness: (% of small & marginal farmers covered)	<ul style="list-style-type: none"> Percentage of Small and Marginal Farmers (in the Cluster) Covered: <ul style="list-style-type: none"> f. Upto 25% - 1 marks g. 25-40% - 2 marks h. 40-60% - 3 marks i. 60-80% - 4 marks j. More than 80% - 5 marks 	5
5	Additionality: Secondary Processing	<ul style="list-style-type: none"> Percentage of Crops for Secondary Processing: <ul style="list-style-type: none"> f. Up to 10% - 1 marks g. 10-20% - 2 marks h. 20-30% - 3 marks i. 30-50% - 4 marks j. More than 50% - 5 marks 	5
6	Demand forecasting for crop planning	<ul style="list-style-type: none"> Number of crops for which demand forecast is undertaken <ul style="list-style-type: none"> a. Three or less - 1 marks b. Less than 5 - 2 marks c. Less than 7 - 3 marks d. Less than 10 - 4 marks e. More than 12 - 5 marks <p>*Zero marks shall be awarded in this category if TOPs are not covered under demand forecasting.</p>	5
TOTAL			50

Note: Minimum qualifying score should be 30 out of 50.

Annexure 5: Business Case Evaluation Matrix

#	Criteria	Max Score
Applicant's Profile (30 Mark)		
1	Turnover of the Applicant	5
	Turnover > 3.5 x = 5 Mark	
	2.5 x < Turnover ≤ 3.5 x = 3 Mark	
	1.5 x < Turnover ≤ 2.5 x = 2 Mark	
	1.0 x < Turnover ≤ 1.5 x = 1 Mark	
	X denotes Project cost	
2	Experience of retail distribution of perishables in target city	10
	No. of operational retail points catered to/ operated (0.1 marks per retail point)	
3	Experience in demand forecasting of perishables (No. of projects)	5
	3 or more = 5 Mark	
	2 projects = 3 Mark	
	1 project = 1 Mark	
4	Experience in Post-harvest management and Value addition related projects of more than 5 Cr.	5
	3 or more = 5 Mark	
	2 projects = 3 Mark	
	1 project = 1 Mark	
5	Experience in Logistics and Marketing related projects of more than 1 Cr.	5
	3 or more = 5 Mark	
	2 projects = 3 Mark	
	1 project = 1 Mark	

#	Criteria	Max Score
Business Plan/ Project Profile (60 Mark)		
1	MoU/ Agreements/ Arrangements with Farmers (or FPOs – In case of FPO all members will be counted as farmers)	15
	>40% Farmers = 15 Mark	
	30-40% Farmers = 10 Mark	
	20-30% Farmers = 6 Mark	
	10-20% Farmers = 3 Mark	
	<10% Farmers = 0 Mark	
2	Average Value (AV) of essential crops(including TOPs) proposed to be supplied in first 5 years	5
	AV > 50 Cr. = 5 Mark	
	25 Cr. <AV≤50 Cr. = 3 Mark	
	15 Cr. <AV≤25 Cr. = 2 Mark	
	10 Cr. <AV≤15 Cr. = 1 Mark	
3	No. of households (NH) covered in first 5 years	10
	NH > 5,00,000 = 10 Mark	
	100,000 <NH ≤ 500,000 = 5 Mark	
	1,00,000 <NH ≤ 80,000 = 3 Mark	
	80,000 <NH ≤ 40,000 = 2 Mark	
	40,000 <NH ≤ 25,000 = 1 Mark	
4	Value of existing infrastructure (V) as % of IA's Component of Project Cost	5
	V > 20% = 5 Mark	
	15% <V≤20% = 4 Mark	
	10% <V≤15% = 3 Mark	
	5% <V≤10% = 2 Mark	
	0% <V≤5% = 1 Mark	
	<i>X denotes IA's Component of Project cost</i>	

#	Criteria	Max Score
5	Investment in Peri-urban Production Vertical	7.5
	>40% of IA's Component of Project Cost = 7.5 Mark	
	>25% of IA's Component of Project Cost = 4 Mark	
6	Investment in PHM and Distribution	7.5
	>40% of IA's Component of Project Cost = 7.5 Mark	
	>25% of IA's Component of Project Cost = 4 Mark	
7	Internal Rate of Return (IRR)	2.5
	>15%=5 2.5Mark	
	10-15% =1.5 Mark	
	5-10%= 1 Mark	
	<5% = 0 Mark	
8	Debt Service Coverage Ratio	2.5
	>2.5 = 2.5 Mark	
	2-2.5 = 1.5 Mark	
	1.5-2.0 = 1 Mark	
	<1.5 = 0 Mark	
9	Proposed Equity Contribution	5
	>40% = 5 Mark	
	30-40% = 3 Mark	
	20-30% = 2 Mark	
Presentation (10 Mark)		
1	Technical Understanding and Experience of Cluster & Essential Crops	2.5
2	Understanding of Market	2.5
3	Approach and Methodology for development of each of the two verticals	5
	Peri-urban Production	
	PHM and distribution	

Note: Minimum Marks for the IA to be eligible for the award of project is 60 out of 100 in total and more than 50% in each of the three sub-categories. All the technical and financial documents to be submitted at DPR stage.

Annexure 6: Note on IA Selection Policy

Upon the issuance of a call for proposals, the following scenarios may arise in a given geography/ area/ proposed cluster.

Scenario 1: A Single Applicant/ Bidder Submits a Proposal

In the event that a single applicant or bidder submits a proposal in a given geographical area , the process shall be as follows:

- The proposal shall undergo a thorough evaluation based on its eligibility and merit.
- After scoring by the Project Appraisal Committee, the proposal shall be presented to the Project Approval Committee for final approval and award.

Scenario 2: Multiple Applicants/ Bidders Submit Proposals for the in a given geography/ area/ proposed cluster

If multiple applicants or bidders submit proposals targeting the given geography/ area/ proposed cluster within the same geographical area¹⁴, the following steps shall be taken:

- All proposals shall be evaluated on their eligibility and merit.
- Each proposal shall be scored based on a predefined evaluation matrix, ensuring a fair and objective assessment.
- In the event that more than one applicant qualifies (by scoring more than 60 marks in technical evaluation (See Annexure 5)), the Applicant who covers the maximum number of households and farmers shall be selected.

¹⁴ Two proposal shall be considered to be in the same geographical provided at least 10% of the area proposed by any one cluster overlaps with those of the other(s).

Annexure 7: Surety Bond

SURETY BOND

KNOW ALL MEN BY THESE PRESENTS that we, M/s _____, a (Type of organization) incorporated / registered under the (Name of the Act) and having its registered office at _____ (hereinafter called the "Obligors") are held fully and firmly bound to the President of India (hereinafter called the "Government") for the sum of Rupees _____ only, well and truly to be paid to the Government on demand and without a demur for which payment we firmly bind ourselves and our successors and assignees by these presents.

SIGNED on this _____ day of _____ in the year Two Thousand _____.

WHEREAS on the Obligors' request, the Government as per National Horticulture Board's approval order No. _____ Dated _____ (hereinafter referred to as the "Letter of Sanction") which forms an integral part of these presents, and copy whereof is annexed hereto and marked as Annexure-I, agreed to make in favour of the Obligors financial assistance of (Rupees _____ Only) for the purpose of (description of the project) at _____ out of which the sum of (Rupees _____ Only) have been paid to the Obligors (the receipt of which the obligors do hereby admit and acknowledge) on condition of the Obligors executing a bond in the terms and manner contained hereinafter which the obligors have agreed to do.

NOW the condition of the above written obligation is such that if the Obligors duly fulfil and comply with all the conditions mentioned in the letter of sanction, the above written Bond or obligation shall be void and of no effect. But otherwise, it shall remain in full force and virtue. The Obligors will abide by the terms and conditions of the financial assistance by the target dates, if any specified therein.

THAT the Obligors shall not divert the financial assistance and entrust execution of the Scheme or work concerned to another institution(s) or organization(s).

THAT the Obligors shall abide by any other conditions specified in this agreement and in the event of their failing to comply with the conditions or committing breach of the bond, the Obligors individually and jointly will be liable to refund to the President of India, the entire amount of the financial assistance with interest of 10% per annum thereon, if a part of the financial assistance is left unspent after the expiry of the period within which it is required to be spent, interest @10% per annum shall be charged up to the date of its refund to the Government, unless it is agreed to be carried over.

The obligors agree and undertake to surrender / pay the Government the monetary value of all such pecuniary or other benefits which it may receive or derive / have received or derived through / upon unauthorized use of (such as letting out the premises on adequate or less than adequate consideration or use of the premises for any purpose other than that for which the financial assistance was intended of the property) buildings created / acquired constructed largely from out of the financial assistance sanctioned by the Government of India, National Horticulture Board or the administrative Head of the Department concerned. As regards the monetary value a forementioned to be surrendered / paid to the Government, the decision of the Government will be final and binding on the Obligors.

AND THESE PRESENTS ALSO WITNESS THAT the decision of the Secretary to the Government of India in the Ministry of Agriculture and Farmers Welfare on the question whether there has been breach or violation of any of the terms or conditions mentioned in the sanction letter shall be final and binding upon the Obligors.

IN WITNESS WHEREOF these presents have been executed as under on behalf of the Obligers the day herein above written in pursuance of the Resolution No. _____ Dated _____ passed by the governing body of the Obligers, a copy of whereof is annexed hereto as Annexure-II and by for and on behalf of the president on the date appearing below: -

Signature of AUTHORIZED SIGNATORY

SIGNED FOR AND ON BEHALF OF

(Name of the Obliger in block letters)
(seal/ stamp of Organization)

3. Signature of witness
Name & Address

4. Signature of witness
Name & Address

Annexure 8: Chartered Accountant Certificate

(Letter Head of the CA)

(With membership No. and firm registration No. of CA)

Date:

Project Cost:

Sl. No.	Name of the Component/Item	Amount (in lakh)
1	Land/development charges	
2	Civil works	
	— Technical civil works	
	— Other civil works	
3	Plant & Machinery	
4	Misc. Fixed Assets	
5	Others	
	TOTAL	

Means of Finance:

Sl. No.	Item	Amount (in lakh)
1	Promoter's Equity	
2	Term Loan	
3	Grant from MFP	
4	Unsecured loan	

Annexure 9: Cost Norms

Cost norms of extant schemes NHB/ MIDH/ MoFPI etc. shall be applicable.

Note:

- For Crops like Potato etc, assistance on planting material will be considered for micro propagation/ tissue culture based planting material.

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राष्ट्रीय बागवानी बोर्ड
कृषि और किसान कल्याण मंत्रालय, भारत सरकार
NATIONAL HORTICULTURE BOARD
Ministry of Agriculture & Farmers Welfare, Government of India