

Implementation Framework Horticulture Cluster Development Programme

A. Introduction

With a view to enhance global competitiveness of the Indian horticulture sector, Ministry of Agriculture and Farmers Welfare (MoA&FW), Government of India, has announced a new initiative for Horticulture Cluster Development to be implemented through National Horticulture Board. The Cluster Development Programme (CDP) is designed to leverage geographic specialization of horticulture clusters for promoting integrated and market-led development of pre-production, production, post-harvest, logistics, branding and marketing activities. 53 horticulture clusters in total have been identified by MoA&FW, out of which 12 clusters have been selected for the pilot launch of the Cluster Development Programme. Based on the learnings, outputs and outcomes of the implementation, the programme will be scaled up to cover all the 53 clusters.

B. Coverage of Cluster Development Programme

The Programme will promote identified clusters, as well as assist in the development of additional potential clusters. The clusters have been classified into - Mega, Midi, and Mini clusters based on area coverage as given below:

Sl. No.	Cluster Category	Parameter
		Area* of cluster in Hectares
1.	Mega	More than 15,000 Ha
2.	Midi	More than 5,000 Ha to 15,000 Ha
3.	Mini	Up to 5,000 Ha

**area under focus crop in the cluster*

C. Pattern of Assistance

Financial assistance will be provided based on the three different categories of clusters as defined above, in terms of - Mega, Midi, and Mini Clusters. The quantum of financial assistance to be considered under the programme is as indicated below:

Sl. No.	Cluster Category	Maximum amount of financial assistance admissible per cluster (INR in crore)
1.	Mega	Up to 100
2.	Midi	Up to 50
3.	Mini	Up to 25

D. Implementation Framework

Role of different organizations in the implementation of the programme:

1. National Horticulture Board (NHB) shall provide financial assistance and supervise the overall implementation of the programme.

2. A government/ public sector entity recommended by the State/Central Government shall be appointed as a Cluster Development Agency (CDA) for each identified cluster for the implementation of CDP.

3. CDA will establish a Cluster Development Cell (CDC) with a dedicated team of officers within the CDA for the smooth implementation of the programme.

4. The CDAs shall select Implementing Agency/ Agencies (IAs) through Expression of Interest (EOI) in an open and transparent manner for different verticals of the Cluster, namely:

- Pre-production and Production
- Post-Harvest Management & Value Addition
- Logistics, Marketing & Branding

5. The Programme Management Unit (PMU) of NHB shall provide technical assistance to NHB and CDA for the effective implementation of the Cluster Development Programme.

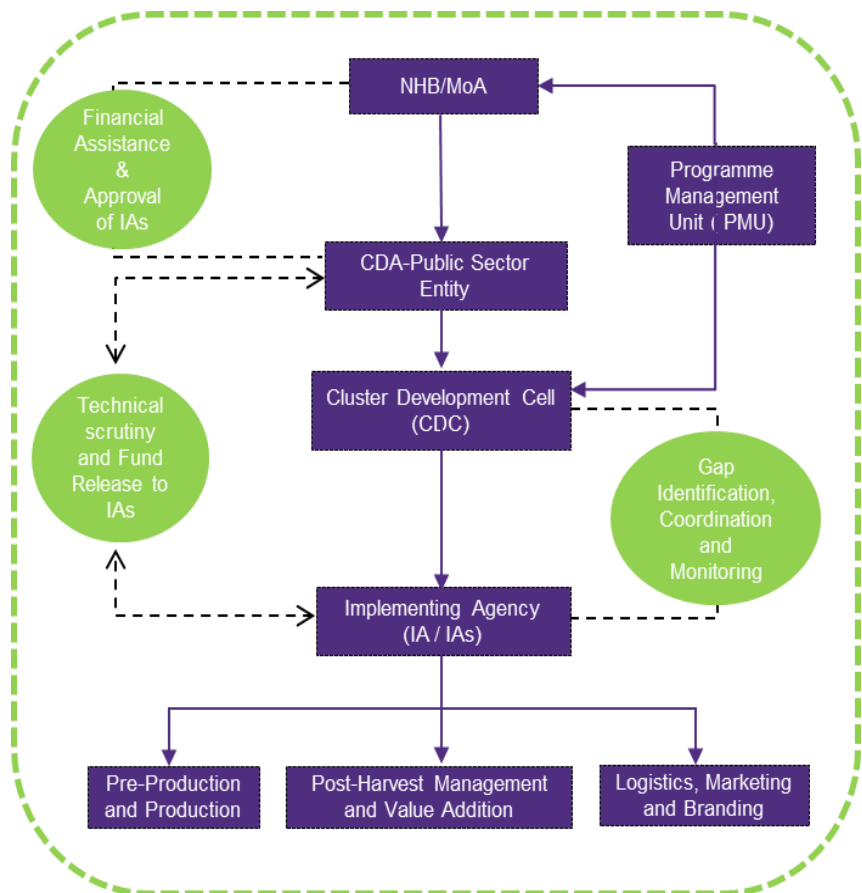


Figure: Programme Implementation Structure

E. Cluster Development Agency (CDA)

1. A Cluster Development Agency (CDA) for each cluster shall be appointed by NHB on the recommendation of the Central/State Government, subject to the fulfillment of the following eligibility criteria:

S.No.	Eligibility Criteria	Description
1.	Relevant experience in horticulture and value chain development	The area of experience may include supply/production of planting material, orchard management practices, post-harvest management, value addition, facilitation of market linkages, trade promotion etc.
2.	Availability of relevant manpower and resources	The entity should have a team of officers/professionals in the field of agriculture/horticulture production, value chain, post-harvest management and marketing etc. with a reasonable strength of manpower.
3.	Net worth of the recommended entity must be positive	Net-worth will be ascertained for the last three consecutive financial years from the audited balance sheet of the Agency as per the norms of the Institute of Chartered Accountants of India (ICAI) which computes net worth of a public enterprise as paid-up share capital and reserves created out of profits.
4.	Ongoing interventions within the cluster	Preference should be given to an entity having their presence/outreach in the cluster and having implemented/ongoing interventions across the value chain in one or more of the verticals of the cluster applied for.

The priority order for selection of a CDA is as follows:

- a. Any government / public sector entity recommended by State Government fulfilling all the eligibility criteria will be preferred as CDA.
 - b. The State Government may also recommend entity (ies) established under Public Private Partnership/Joint Venture arrangement (as per GOI definition) between Central/State Government and Private Sector as CDA, subject to meeting all the eligibility criteria.
 - c. In the eventuality of a State Government recommended entity (ies) not meeting the eligibility criteria for CDA of a cluster, NHB may appoint a similar Central Government entity or NHB may itself play the role of CDA.
2. Upon selection of the CDA, a Tripartite Agreement/MoU will be executed between NHB, State Horticulture Department and the CDA for mutual cooperation and facilitation in programme implementation.
 3. The entities which can be considered for the role of Cluster Development Agency include State Agriculture Marketing Boards, Horticulture Development Agencies, Marketing and Processing Corporations, Export Promotion Agencies and other Public Sector Undertakings of Central/State Governments.

F. Implementation Process

1. CDA will establish a Cluster Development Cell (CDC) with a dedicated team of officers with requisite background and experience from within CDA for the following activities:
 - Participatory gap assessment for all verticals of CDP
 - Preparation of Cluster Gap Assessment Report covering all verticals
 - Drafting and floating of a composite Expression of Interest (EOI) based on the Cluster Gap Assessment Report
 - Evaluation of proposals for selection of IAs for different verticals as per the eligibility and scoring criteria
 - Appraisal and approval of Detailed Project Reports (DPRs) submitted by IAs
 - Collaboration and co-ordination between the respective IA(s) implementing the different verticals
 - Release of financial assistance to IAs based on progress of the implementation and monitoring of milestones as defined in the programme guidelines

- Dovetailing of resources from other relevant schemes and initiatives in the cluster
 - Dissemination of learning to other horticulture clusters in the State through publications and stakeholder workshops
2. CDC will be headed by a Project Director not less than the rank of a Class 1 officer. The dedicated team of CDC shall comprise of a minimum of 3 officials having relevant experience and expertise across all the verticals of CDP.
 3. The CDA will float a composite Expression of Interest (EOI) for all verticals of the cluster, based on the Cluster Gap Assessment Report. Applicants shall have the flexibility to apply for a single vertical, multiple verticals or for all the verticals of CDP (integrated project).
 4. Implementing Agencies for different project verticals will be selected in an open and transparent selection process in accordance with relevant GFR norms.
 5. CDA shall constitute an Evaluation Committee (EC) for the appraisal and technical evaluation of proposals received in response to EOI. The EC will award scores to the proposals based on the scoring criteria. In order to ensure convergence of the CDP with other ongoing initiatives of different Ministries, an Approval Committee (AC) shall be constituted under the Chairmanship of MD, NHB. The AC will award scores on the basis of presentations made by the applicants. The applicant receiving the highest combined score of EC and AC will be selected as the Implementing Agency.
 6. Entities eligible for becoming IAs include Farmer Producer Organisations (FPOs/ FPCs) and their Federations, Cooperatives/Societies, Partnership and Proprietorship Firms, Companies, State Agriculture and Marketing Boards and Federations and other Public Sector entities of Central / State Governments etc.

G. Financial Assistance

1. NHB will provide financial assistance to the CDA in an Escrow Account to implement the programme and CDA will further disburse the eligible amount of financial assistance to the IAs in a dedicated Trust and Retention Account (TRA), strictly as per the provisions of the programme guidelines.
2. CDA can utilise up to 5% of maximum financial assistance approved for the cluster as administrative expense (excluding purchase of vehicle and construction of a building). A proportionate payment to CDA during the 1st year shall be paid in advance, on a half-yearly basis, subject to the submission of a utilization certificate. Pay out towards administrative expenses from the second year onwards will be linked to actual progress of the cluster, monitored through completion of milestones as defined in the programme guidelines.

H. Programme Monitoring

1. IA/IAs will implement the programme in conformance with the programme guidelines and shall be monitored by CDA and NHB.
2. The PMU shall conduct site visits from time-to-time to monitor the progress of implementation as per the approved timelines and recommend the release of financial assistance to CDA inter-alia to IAs.
3. A State Level Monitoring Committee will be constituted under the Chairmanship of the Chief Secretary/Agriculture Production Commissioner/Additional Chief Secretary Horticulture with the Project Director, CDA as its convener. It is envisaged that the Monitoring Committee shall meet at least once in a quarter to take stock of the progress and to remove the bottlenecks, for quick resolution of implementation issues, if any.
4. A Central Monitoring Committee headed by MD, NHB will conduct a quarterly review of the implementation of CDP in each cluster. The Central Monitoring Committee shall be assisted by PMU at the NHB headquarters for the regular supervision and monitoring of the programme. CDA shall submit a quarterly progress report of the IAs to the Central Monitoring Committee.

5. For overall supervision and guidance at the National Level, a Steering Committee will be constituted under the Chairmanship of the Secretary, Agriculture and Farmers Welfare, GoI, having participation from all relevant stakeholders with the Managing Director NHB as its Member Secretary.