



Request for Application

For Matching Grant Scheme

**Himachal Pradesh Horticulture Development Project
(HPHDP)**

(Govt. of Himachal Pradesh)

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1. Notice Inviting Applications

Request for Applications (RFA) No: HPHDP/PCU/ABPF/ MGS/2022

Matching Grant

Issuance Date: 15/01/2022

Closing Date: **01/02/2022**

Closing Time: **5 pm (IST)**

Subject: Request for Application (RFA)

Dear Applicant:

The Government of Himachal Pradesh (GoHP) is implementing a World Bank supported project, namely Himachal Pradesh Horticulture Development Project (HPHDP) with the objective to support small farmers and agro-entrepreneurs in Himachal Pradesh to increase the productivity, quality and market access of selected Horticulture commodities".

In order to promote investment in the horticulture sector, HPHDP will support interested entrepreneurs to invest in existing or innovative businesses in the horticulture sector of the state. The mode of support to the entrepreneurs' will be in the form of Matching Grant.

The Matching Grant has been designed to attract private investment and support private investors to procure business development services and to adopt to new technologies that improves operational efficiency or optimizes cost in an environmentally sustainable manner.

In pursuant to the same, Himachal Pradesh Horticulture Development Project (GoHP) is inviting applications for Matching Grant Scheme from eligible applicants/ entrepreneurs interested to invest in horticulture value chain in Himachal Pradesh.

The grant (30 % of the eligible project cost for male applicant and 35% in case of female applicant or specially abled applicant, with maximum grant amount capped at ₹ 60 Lakh for all categories) will be provided on competitive basis with mandatory equity contribution by the applicant/entrepreneur. The Request for Application (RFA) i.e. application form, eligibility criteria and other necessary information are available on the Project website (www.hds.hp.gov.in). The duly completed application may be submitted via email (hdp-pd-hp@gov.in) or can be procured from and submitted at HPHDP project office, Shimla (ph-8894497175) or office of Deputy Director of Horticulture (DDH), Kangra (Ph-6283566648,7781004578) or DDH,Mandi (Ph-7876213152,9811185010) or DDH-Solan (Ph-9311018839,9440514499) during office hours on or before **01/02/2022**.

Award will be made to the shortlisted applicant(s) whose application(s) best conform the requirements of this RFA and the selection criteria.

Project Director

Himachal Pradesh Horticulture Development Project (HPHDP)

Horticulture Development Society (HDS) office

Dyerton Bizhub, Talland Bypass, Shimla – 171001

2. Matching Grant

2.1. Introduction

The Government of Himachal Pradesh (GoHP) is implementing a World Bank funded project, namely Himachal Pradesh Horticulture Development Project (HPHDP) with the objective to support small farmers and agro-entrepreneurs in Himachal Pradesh to increase the productivity, quality and market access of selected Horticulture commodities".

HPHDP has four components (i) Horticulture Production and Diversification, (ii) Value Addition & Agro-Enterprise Development, (iii) Market Development and (iv) Project Management, Monitoring and Learning

Agribusiness Promotion Facility (ABPF) is a sub-component of value addition & agro-enterprise development. ABPF seeks to promote private investment in the Horticulture sector of the state, fostering backward and forward linkages in horticulture value chain, and promoting positive policy change.

In order to promote investment in the horticulture sector of the state, HPHDP will support interested entrepreneurs to invest in existing or innovative businesses in the sector. The mode of support to the entrepreneurs' will be in the form of Matching Grant.

This Matching Grant has been designed to attract private investment and support private investors to procure business development services and to adopt new technologies that improves operational efficiency or reduces cost in an environmentally sustainable manner. Matching grant is not a replacement of institutional finance, but it reinforces the confidence of the bankers in extending loans to the projects backed through Matching Grant Scheme. Moreover, the core of Matching Grant is innovation that traditionally is not supported through departmental subsidies and not covered under mainstream institutional finance.

The sole purpose of this Matching Grant is to increase private investment in Horticulture business to synergistically integrate different stakeholders across the value chain to craft win-win situation for the participants. It is often noted that first time entrepreneurs find it difficult to mobilize necessary resources for investment especially for services like Marketing, business development services, Technology Licensing and Upgradation, Innovation, Organic Certification, etc. whereas all these services are covered under the ambit of the Matching Grant Scheme.

2.2. Quantum of Support

- Product based entrepreneurship model – Any entrepreneurial venture is considered as product based, if it involves manufacturing and significant investment in construction of factory building/ shed), installation of plant & machineries, etc. Moreover, the final product is tangible (fruit juice, grafted plants, etc.) and product moves upstream in the value chain. It could also be input centric value-added manufacturing like bio-pesticides unit, vermicompost unit etc.
- Service based entrepreneurship model – Any entrepreneurial venture is considered as service based, if there is no manufacturing involved in it and the business doesn't invest in land/ land development, may or may not invests in fixed assets, but there is significant amount of working capital needed to run the business. Moreover, the major revenue sources is service fees (e.g. horticulture management agency, etc.).

	Product based Entrepreneurs	Service based Entrepreneurs
On project cost basis	Up to 30% of eligible Project cost	Up to 30% of eligible Project cost
	₹ 60 lakh (Whichever is less)	₹ 60 lakh (Whichever is less)
Mandatory Matching Contribution	10% of the approved project cost	20% of approved project cost

Women entrepreneurs or specially abled entrepreneurs will get additional 5% Matching Grant support with maximum grant amount capped at Rs. 60 Lakhs for all categories.

2.3. Type of horticulture business/ activities (indicative)

Indicative list of some of the business opportunities those will be supported through Matching Grant Scheme in Himachal Pradesh.

- Model modern nursery unit for production of quality planting material for temperate fruit crops (Rootstock Multiplication and Grafting)
- Bee keeping for pollination & other pollination management services in the horticulture sector including honey processing and packaging;
- Advisory services (plant health clinic, water conveyance and application efficiency structures, improved packaging for better shelf life, etc.);
- Promote agribusiness service sector for backward and forward linkages components relating to pack house, reefer vans, grading & packing houses, pre-cooling units, processing, cold storages and marketing;
- Horticulture business support services to foster adoption of new technologies (e.g. - trellis support and irrigation support for high density plantation in Apples)
- Processing of fruits to make value added products like juice, jam, jelly, squash, etc.
- Value added products from stone fruits (e.g. – oil extraction from Walnut and Apricot)
- Any other possible horticulture business enterprise to up-lift the economy of the orchardists & farmers and becoming the part of the value/ supply chain in existing/emerging demands

This is an indicative list of generic business enterprises, but while shortlisting enterprises with plan for incorporating innovative technologies for improving process efficiency in Horticulture value chain, should be given higher weightage. Business plans those can harness the potential of locally available horticultural crops through value chain approach will be given preference for the award of Matching Grant Scheme.

3. Eligibility & Application Information

3.1. Eligibility

In order to qualify for the matching grant process, the applicant has to meet basic eligibility criteria. The eligibility criteria are non- negotiable. The applications of all applicants who do not meet the eligibility criteria will not be processed further. The following are the eligibility criteria for the Matching Grant Scheme under HPHDP project.

1. The applicant should be Farmers/Growers/ New or existing Entrepreneur of any legal entity (Sole proprietorship, Partnership, Private or Public Ltd. Company, Farmer's Cooperative, Farmer Producer Company) that is eligible to conduct business within Himachal Pradesh, with demonstrated interest to invest in Horticulture value chain in Himachal Pradesh. New entrepreneur should register in Industry department in HP & should have IUID number. Existing entrepreneurs should apply for /have Udyog Aadhar number (UAN) from Ministry of MSME or Common Application Form (CAF) number from Industry Department.
2. The applicant (entrepreneur/ promoter) should be more than 18 years old and has basic knowledge/understanding of horticulture centric models and overall business environment in Himachal Pradesh. In case the applicant is a company, promoter should be an existing entrepreneur with innovative expansion/ diversification plan or a new entrepreneur who wants to start business in horticulture & allied sectors.
3. Matching Grant will be awarded only once to an applicant. Applicant's not selected in one cycle may apply for subsequent cycles.
4. The applicant should have an existing banking relationship with a scheduled bank. In case, the applicant is defaulter of any kind of bank loan earlier, his/ her application will be rejected automatically. Taking bank loan of 20% of total project cost is mandatory and bank will be involved for all financial transactions & monitoring of Matching Grant.
5. Applicant should not receive any subsidy by central/ state grant schemes for the same project component, which the applicant has proposed under the Matching Grant Scheme. In such cases, Matching Grant will not support business that has already received subsidies from Govt. departments.
6. Matching Grant will be provided only for Horticulture & allied enterprises focusing on at least some level of value addition (primary, secondary or tertiary processing) and /or service-based entrepreneurship model (soil & leaf analysis lab, horticulture management agency, etc.)

3.2. Equity Contribution

In this matching grant, mandatory **equity contribution by entrepreneur/ applicant** is necessary. The matching contribution required is as follows:

- In case, an applicant has been categorized as product-based entrepreneurs (with significant investment in land development, P&M, etc. **s/he mandatorily needs to mobilize 10% of eligible project cost as equity.**

- In case, an applicant has been categorized as service-based entrepreneurs (without much investment in land development & other fixed assets, **s/he mandatorily needs to mobilize 20% as matching equity of the eligible project cost.**

3.3. Application

The application can be downloaded from www.hds.hp.gov.in or can be procured from HPHDP project office or office of Deputy Director of Horticulture (DDH)-Kangra or DDH-Mandi or DDH-Solan on or before, **5 pm , 01/02/2022**

3.4. Submission of Application

The applicant will apply in standard format (see Application Form 4.2) indicating the business idea, project cost, component/ sub-components seeking Matching Grant, other sources of finance, etc The mode of submission can be the following:

1. E-Mail: The application may be sent through email to hdp-pd-hp@gov.in
2. Registered/ speed post/ In –Person: The application can be submitted through registered post or in–person at HPHDP project office, Shimla or office of Deputy Director of Horticulture (DDH)-Kangra or DDH-Mandi or DDH-Solan.

The addresses are as follows:

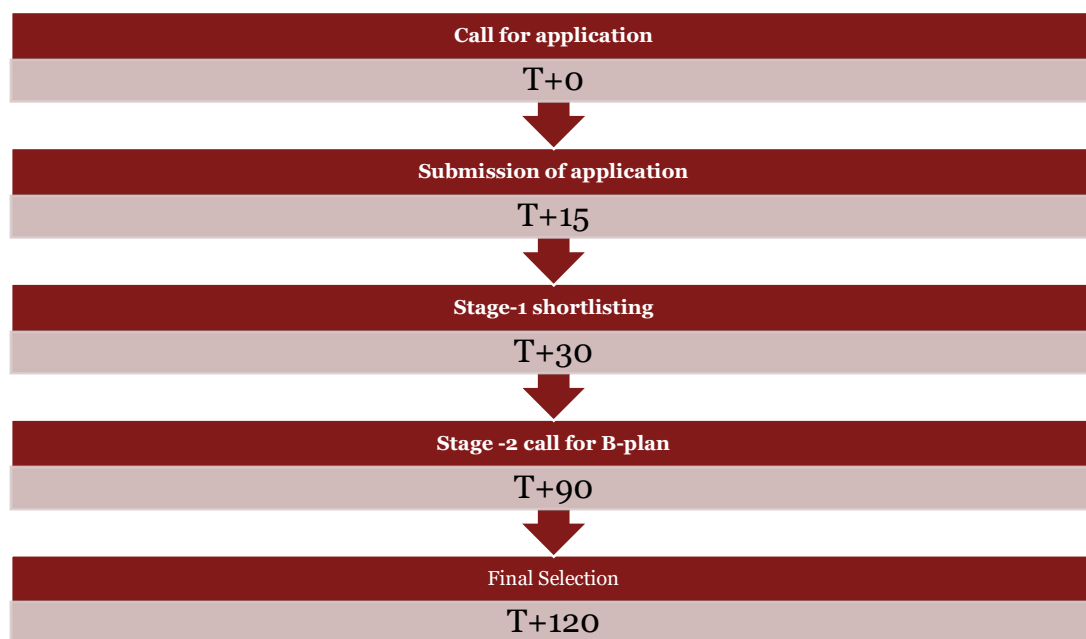
- HPHDP project office
Project Director
HPHDP
Horticulture Development Society (HDS) office at
Dyerton Bizhub, Talland Bypass, Shimla – 171001,
Ph No: 8894497175
- Deputy Director of Horticulture-Kangra
Kangra District
Gurdwara Road
Dharamshala - 176215 (HP)
Ph. -7781004578/ 6283566648
- Deputy Director of Horticulture-Mandi
Jawahar Nagar, Khaliar, Mandi
Himachal Pradesh -175001
Ph No: 9811185010/7876213152
- Deputy Director of Horticulture-Solan
Chambaghat, Solan

The last date of submission: 01/02/2022

3.5. Application Review

Based on application & screening criteria (strength of business idea, market assessment, financial feasibility, employment generation, economic impact in society, etc.), within **15 days** from application closing date, shortlisted candidates list will be published in the HPHDP website. An email to shortlisted candidate will also be sent. No postal letters will be sent to the shortlisted candidates. So, the candidates are suggested to check the website/Email at regular intervals for updates. Once shortlisted in stage -I, the shortlisted applicants should come up with complete business plan within **45 days** from the date of publishing result of stage-1 (Instructions for filling the DPR in stage –II will be provided along with result of stage-I).

Figure 1: Timeline



The candidates may reach local ABPF satellite offices for support.

Satellites offices are located in

1. Mandi (for Mandi, Kullu, Bilaspur & Lahaul districts),
2. Solan (Solan, Una & Sirmour districts)
3. Dharamshala (Kangra, Chamba & Hamirpur districts).
4. Shimla (Shimla, Kinnaur & Spiti districts).

4. Award Administration

Upon submission of complete business plan, Matching Grant Peer Review Committee will assess each proposal/ plan for technical & financial evaluation. Then the plan will be checked from social & environmental safeguards points of view. At this stage, each proposal will be marked, based on well-defined criteria. Upon scoring a minimum cut-off, the shortlisted business plan, will be submitted to approval committee. ABPF will present each case to the committee. Finally, selected candidates will be emailed along with onboarding date & necessary documents to submit. The name of Matching Grant awardee will also be mentioned in the HPHDP website.

If a candidate is not selected, s/he may apply in the next cycle as each Matching Grant cycle has limited funds to invest.

4.1. Screening criteria for Matching Grant Applicants

Criteria	Yes	No
Is the business plan related to horticulture, focusing on fruit crops or on orchardists growing fruits?		
Is the business idea aligning with HPHDP Project Development Objectives (PDO) of improving productivity, quality and market access of selected horticultural commodities?		
Will this business idea improve the value chain competitiveness of the selected horticulture crop?		
Is the investment proposed is in any part of Himachal Pradesh?		
Is the business registered or in a process of getting registered soon?		
Does the applicant interested to contribute the mandatory equity contribution?		
Will the business plan will have some social impact (<i>creating jobs, reducing drudgery, reducing wastage of fruits, improve scientific decision making hence reduce resource wastage, etc.</i>)?		
Is the business feasible (as per the logic provided by the applicant)? <i>ABPF team will conduct some secondary research on the business idea at this stage.</i>		
Does the business idea articulate the technology that will be used in the business?		
Does the applicant interested to take mandatory bank loan (<i>minimum 20% of total project cost</i>)?		
The applicant has not applied for other support/ subsidy for the same business plan/ project.		
The project will not have any environmental impact.		
The applicant doesn't have any criminal case against him.		

4.2. *Application Form*

Application No-HPHDP/MGS/IV/

S.No.	Particulars	Details
1	Business Type	New <input type="checkbox"/> Expansion <input type="checkbox"/>
2	Entity (<i>tick the appropriate box</i>): individual applicant or lead entity (in case of consortium)	Sole Prop. <input type="checkbox"/> SHG/FPO/Cooperative <input type="checkbox"/> Pvt./Public. Ltd <input type="checkbox"/> Partnership <input type="checkbox"/> Individual <input type="checkbox"/> Other <input type="checkbox"/> *Provide supporting documents for the selected entity
In case of individuals (Please fill 3-6 and 12-19)		
3	Applicant Name Father's / Mother's Name	
4	Address	<i>Village</i> <i>District</i> <i>Tehsil/Block</i> <i>State</i>
5	KYC Details	<i>Aadhar Card No</i> <i>PAN No</i>
6	Date of Birth (Day/Month/ Year)	
In case of Consortium: SHG/ FPO/ Cooperative/Pub. Ltd/ Pvt. Ltd (Please fill 7-11)		
7	(Give full details including email and phone no)	Name and address of the lead partner/Managing Director/Board of Directors Name and address of the other consortium partner
8	Company Details	<i>PAN No.</i> <i>CIN No</i> <i>GST No</i>

9	Date of Incorporation (Day/Month/ Year) *Please provide the certificate	
10	Existing/ New Entrepreneur in Agri/ Horticulture business.	New/ Existing (please tick on the option): Name of Existing business: Please provide turnover in case existing business:
11	If business registered, registration Type & number (MSME, Single Window, EU-I, EU-II, etc) If not, probable date of Registration	
12	Major source of income (tick the appropriate box)	Agri/ Horticulture <input type="checkbox"/> Business <input type="checkbox"/> Services <input type="checkbox"/> Others <input type="checkbox"/>
13	Business Concept/ Idea	Business to be undertaken (700 words)? Total Estimated Project Cost in INR Lakhs? Expected number of jobs to be created? Land details: area available and area to be utilized for the business (In Hectare)
14	Matching Grant sought for and proposed equity contribution (%) (tick the appropriate box and mention product/ service)	(a) <i>Project related to product business</i> <input type="checkbox"/> Product Details: Equity Contribution: (b) <i>Project related to service business</i> <input type="checkbox"/> Service Details: Equity Contribution:
15	Any subsidies taken for this project <i>if yes, mention the details (project component, scheme, component subcomponent, year, etc.)</i>	

16	Please mention the location of investment (Tehsil, Block, District)	
17	Do you have land for the business? Give the land details (patta details, area, etc)	
18	Are you convicted with any criminal offense? If yes, mention detail	
19	Bank Account Detail	Account Number Bank Name. IFSC Code and Branch Address

Documents to be submitted along with the application form

1. Land Documents – Jamabandi/Tatima, affidavit in case of lease land *
2. CIBIL Score of the investor
3. Undertaking on Rs. 10 stamp paper (duly notarized) , that the investor has not availed or will avail subsidy for the proposed project.

****If investor is not able to submit the land documents during EoI submission, he/she has to submit undertaking stating that he/she will submit the land documents once shortlisted for DPR stage***



Acknowledgment Receipt (to be handed over to applicants/entrepreneurs)



<p>Acknowledged that we have received application from Mr./Ms./organization name at District..... on Date.....</p>	<p>Application No- HPHDP/MGS/IV/</p>
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