



सत्यमेव जयते

GUIDELINES

FIDF

Fisheries and Aquaculture Infrastructure Development Fund (FIDF)

**Government of India
Ministry of Agriculture and Farmers Welfare
Department of Fisheries**

February, 2019

Fisheries and Aquaculture Infrastructure Development Fund (FIDF)

1. INTRODUCTION

- 1.1 Contributing about 1% to the National GDP, 5.23% to the Agricultural GDP(2015-16) and exports earning of about ₹45,107 crore in 2017-18 (US\$ 7.08 billion), the fisheries sector has been playing significant role in the national economy. The Country is bestowed with varied and huge potential resources in the form of rivers and canals (1.95 lakh km); floodplain lakes (7.98 lakh hectare); ponds and tanks (24.33 lakh hectare); reservoirs (31.50 lakh hectare) and brackish water (14.10 lakh hectare). In addition, the marine fisheries activities spread along the country's long coastline of 8118 km with an EEZ of 2.02 million square km. Foreseeing the greater scope for development of fisheries, the Government of India has called for "a revolution" in the fisheries sector and has named it as "Blue Revolution".
- 1.2 The Mission Blue Revolution envisioned by the Government primarily focuses to enhance fish productivity, fish production at a growth rate of 6% to 8% and creation of need based infrastructure facilities for fisheries. Through the concerted efforts put in by the Central and State Governments in implementation of various programmes and policies, the country's fish production has increased from 0.75 million tonnes in 1950-51 to 12.61 million tonnes (P) during 2017-18, contributing to the economic development together with food and nutritional security.
- 1.3 Keeping in view that (i) there is limited availability of funds through the normal budgetary process and even these are mostly grant based without the ability to leverage them for credit based finance, (ii) there is conspicuous lack of credit funding in fisheries sector and (iii) to fill the large gaps in fisheries infrastructure, the Department of Fisheries, Ministry of Agriculture and Farmers Welfare has set up a dedicated Fisheries and Aquaculture Infrastructure

Development Fund(FIDF). FIDF envisages creation of fisheries infrastructure facilities both in marine and inland fisheries sectors and augment the fish production to achieve the target of 15 million tonnes by 2020 set under the Blue Revolution. Besides, the FIDF aims to achieve a sustainable growth of 8-9 per cent, in a move to augment the country's fish production to the level of about 20 million tonnes by 2022-23.

1.4 In the Union Budget 2018, the Hon'ble Finance Minister has announced to set aside a corpus of Rs. 10,000crores for setting up of a Fisheries and Aquaculture Infrastructure Development Fund (FIDF) for fisheries sector and an Animal Husbandry Infrastructure Development Fund (AHIDF) for financing infrastructure requirement of animal husbandry sector.

1.5 The proposed Fisheries and Aquaculture Infrastructure Development Fund entails an estimated fund size of Rs 7522.48 Crore comprising of Rs 5266.40 crore to be raised by the Nodal Loaning Entities (NLEs), Rs 1316.60 crore beneficiaries' contribution and Rs 939.48 crore budgetary support from Government of India.

2. AREA OF OPERATION

2.1 The Fisheries and Aquaculture Infrastructure Development Fund (FIDF) as detailed in the ensuing paragraphs is implemented in all the States and Union Territories of India.

3. OBJECTIVES

3.1 Creation and modernization of capture & culture fisheries infrastructure

3.2 Creation of Marine Aquaculture Infrastructure

3.3 Creation and modernization of Inland Fisheries Infrastructure

3.4 Reduce post-harvest losses and improve domestic marketing facilities through infrastructure support.

3.5 To bridge the resource gap and facilitate completion of ongoing infrastructure projects.

4. NODAL LOANING ENTITIES (NLEs)

- 4.1 National Bank for Agriculture and Rural Development (NABARD),
- 4.2 National Cooperatives Development Corporation (NCDC),
- 4.3 All scheduled Banks

5. ELIGIBLE ENTITIES (EEs)

- 5.1 State Governments / Union Territories,
- 5.2 State Owned Corporations/State Govt. Undertakings/ Govt. Sponsored / Supported Organizations
- 5.3 Fisheries Cooperative Federations (including FISHCOPFED etc.)
- 5.4 Cooperatives, collective groups of fish farmers & fish produce groups etc.
- 5.5 Panchayat Raj Institutions/Self Help Groups (SHGs)/ NGOs
- 5.6 SCs/STs/Marginal Farmers, Women & entrepreneurs, Self Help Groups and cooperatives of these etc.
- 5.7 Private companies/entrepreneurs
- 5.8 Physically disabled
- 5.9 Any other institution/entity to be decided by the Government

6. Nodal Implementing Agency(NIA)

6.1 Composition

- 6.1.1 National Fisheries Development Board, Hyderabad

6.2 Terms of Reference (ToR)

- 6.2.1 The Nodal Implementing Agency(NIA) shall scrutinize, evaluate, apprise the proposal submitted by EE's and place before CAMC for approval.

7. ELIGIBLE INVESTMENT ACTIVITIES

- 7.1 Establishment of Fishing Harbours,
- 7.2 Establishment of Fish Landing Centres
- 7.3 Infrastructure for Mariculture and Advanced Inland Fisheries (Ocean farming, Cage Culture etc.)
- 7.4 Construction of Ice Plants (both for marine and inland fisheries)
- 7.5 Development of Cold Storages (both for marine and inland fisheries)
- 7.6 Fish Transport and Cold Chain Network Infrastructure
- 7.7 Development of Modern Fish Markets
- 7.8 Setting up of Brood Banks
- 7.9 Development of Hatcheries
- 7.10 Development of Aquaculture
- 7.11 Modernization of State Fish Seed Farms
- 7.12 Establishment of state of art Fisheries Training Centres
- 7.13 Fish Processing Units
- 7.14 Fish Feed Mills/Plants
- 7.15 Establishment of Cage culture in Reservoirs
- 7.16 Introduction of Deep Sea Fishing Vessels
- 7.17 Establishment of Disease Diagnostic Laboratories
- 7.18 Development of Mariculture
- 7.19 Establishment of Aquatic Quarantine Facilities
- 7.20 Any other innovative projects/activities designed to enhance fish production/productivity/value

8. QUANTUM OF LOAN AND MARGIN MONEY/BENEFICIARY CONTRIBUTION

- 8.1 The project under the FIDF shall be eligible for loan up to 80% of the estimated/actual project cost. Beneficiaries are required to contribute at least 20% of the project cost as margin money.

- 8.2 Contribution of margin money in case of States/UTs, State Entities implemented projects shall not be mandatory. However, the concerned States/UTs, State entities, may decide contribution and size of the margin money preferably on lines of RIDF, depending upon availability of budget in their respective states/UTs.
- 8.3 Cost escalation of the approved project, if any occurred during the course of project implementation on account of genuine reasons like natural calamity, technical compulsions, change in the SoRs and any other unavoidable circumstances shall be considered for enhancement of loan amount, within in the reasonable time and not more than two years from the date of approval of the particular project.

9. INTEREST SUBVENTION AND LENDING RATE OF INTEREST

- 9.1 **Interest subvention :** Up to 3% per annum for all EEs for development of identified fisheries based infrastructure facilities.
- 9.2 **Lending Rate of interest :** Not lower than 5% per annum for all EEs for development of identified fisheries based infrastructure facilities.
- 9.3 The interest subvention as at 9.1 above also includes cost of reduction of interest rate and uniform margin of 0.6% towards funds management charge and risk coverage costs to the NLEs.
- 9.4 The Department of Fisheries, Ministry of Agriculture and Farmers Welfare shall pay the interest subvention amount to NABARD/ NLEs till due outstanding loan and interests are fully paid off. Subject to provisions of FIDF, the interest subvention shall be the difference between (a) costs of barrowing by NABARD/ NLE (inclusive of interest, taxes, fees, charges, etc.) plus fund management cost of 0.6% per annum, and (b) the rate of interest charged on loans to EEs by NABARD/ NLEs.

- 9.5 Department of Fisheries, Ministry of Agriculture and Farmers Welfare shall make adequate annual budget provision for interest subvention to NABARD/NLEs for 12 years covering the entire repayment period of loan by the EEs under FIDF based on annual plan submitted by NABARD.
- 9.6 NABARD will submit quarterly claims of interest subvention of all NLEs. Department of Fisheries subject to the availability of funds, may place in advance, the quarterly interest subvention amount with NABARD. Interest accrued on the Government of India fund placed as advance at the disposal of NABARD by Department of Fisheries towards meeting the interest subvention liability of NLEs would form part of corpus funds of FIDF. Such accrued interest shall be suitably accounted for by NABARD and informed to Department of Fisheries from time to time so as to ensure that it is suitably adjusted in subsequent releases to NABARD by Department of Fisheries.

10. FUNDING MECHANISM

- 10.1 NABARD being one of the NLEs will raise the funds from the market or utilize its own financial resources for funding under the FIDF, the cost of which shall be informed to Department of Fisheries on a quarterly basis.
- 10.2 NABARD would fund the public infrastructure components through the State Governments/State Entities. Besides, NABARD, if required would also provide refinance to the other NLEs namely NCDC and scheduled Banks as per its refinance policy for implementation of FIDF.
- 10.3 NCDC will lend the loan to the Eligible Entities (EEs) in cooperative sector either through the State Governments/UTs or directly to the Eligible Cooperative Societies & Federation etc. in accordance with its financial terms and conditions at the specified rate of interest with ceiling on interest subvention specified under the FIDF.

- 10.4 NCDC will source the required funds from the market borrowing, or utilise own financial resources or avail refinancing from NABARD for lending the loan in cooperative sector for implementation of the FIDF.
- 10.5 Similarly, the scheduled Banks as NLEs will also raise own funds or utilise their available financial resources to lend to the Eligible Entities (EEs). In respect of individual entrepreneurs, cooperatives and commercial investments, lending will be through the scheduled Banks operating in any particular district for implementation of the FIDF.
- 10.6 The banks may also avail re-finance from NABARD, if required for lending to the EEs for implementation of the FIDF.

11. LOAN DISBURSEMENT

- 11.1 Loan Lending period under FIDF : 5 years from 2018-19 to 2022-23.
- 11.2 Projects wherein the first installment of loan is released before March 2023, will be eligible for release of the remaining installments, within 2 year period i.e. before 31st March 2025 and all such releases are eligible for interest subventions under FIDF, subject to the provision of para 12 of these guidelines. However, efforts will be made to complete the implementation and release of loan amount at the earliest.

12. REPAYMENT

- 12.1 Maximum Repayment period : 12 years inclusive of moratorium of 2 years on repayment of principal.
- 12.2 NLEs should ensure that the maximum repayment period should not exceed 12 years from the date of first disbursement inclusive of a moratorium of 2 years on repayment of principal.

- 12.3 However, the financing NLEs, at their discretion, may curtail the repayment period depending on the project magnitude, size of the financial investment, repayment capacity of the project proponents (EEs) etc.
- 12.4 Banks and NABARD being independent commercial institutions would be at liberty to sanction/ release the loans as per their commercial norms/ policies and in compliance with the regulatory guidelines as notified by RBI from time to time. The operational and credit related decisions like process of repayment, rate of interest , penal interest, security and extent of finance will be decided by NLE's.
- 12.5 Subject to provisions of FIDF, NCDC being a independent commercial institution would be at liberty to sanction or release the loans as per its commercial norms or policies and in compliance with the decisions of the competent authority including the Board of Management of NCDC and Government of India broadly in line with the guidelines issued by RBI for banks and NBFCs. Further, subject to provisions of FIDF, the operational and credit related decisions like process of repayment, penal interest, security and extent of finance will be decided by NCDC.
- 12.6 Subject to provisions of FIDF, NLEs to fix the lending rates in consonance with broad regulatory guidelines of RBI taking into account their cost of funds and the risk perception of the loan.
- 12.7 The State Governments will get a mandate registered with RBI / Principal Banker on their current account, in favour of NABARD/ NLEs to the effect that, in the event of default by the concerned State Government in repaying the principal and interest on loans taken, NABARD/ NLEs shall have the first charge on the all receipts of the concerned State Government in their current account including from out of the Central Divisible Pool.
- 12.8 Subject to provisions of FIDF, NLEs may consider providing additional loan against justified cost escalations of the approved projects, subject to approval of CAMC.

- 12.9 A project will be considered non- starter, if no drawals are made within six months from the date of sanction by NLE. Further, the sanction would lapse if the EE, fails to ground the project within a period of 12 months, from the date of sanction by NLE. This is a broad guideline; however NLEs will take final decision on case to case basis.
- 12.10 NLEs may consider withdrawal of projects by EEs on account of genuine constraints and difficulties. EEs may be levied interest to the extent of loan withdrawal, even if withdrawal of project is during the period of moratorium, and commitment/ pre-payment charges, if any unless otherwise decided by NLEs.
- 12.11 NLEs may consider stopping further disbursements of loans and advances sanctioned for the project, until such amount in default are paid in full by EEs. In such cases, neither the lending agency, Department of Fisheries, GoI, NIA, (Nodal Implementing Agency) shall be liable for any loss, damage or expenses that may be caused in the completion of aforesaid projects.

13. AVAILABILITY OF LAND, WATER BODIES AND STATUTORY CLEARANCE

- 13.1 Loan under the FIDF shall not be provided for acquisition of land and water bodies in any manner such as purchase, transfer, lease, accession/addition etc. required for implementation of the identified project activities.
- 13.2 The project proponents (EEs) are required to acquire necessary land and water bodies (in case of non-availability of land with them) at their own cost and complete all processes associated with land acquisition, before submission of the proposal for concessional finance under the FIDF.
- 13.3 The projects having land and water bodies on long term lease may also be considered for financing under FIDF. However, the lease period/ agreement should be of sufficient duration to secure the loan. In case of lease, requisite No Objection Certificate from the competent authority for mortgage to NLEs may be obtained.

- 13.4 The project proponent (EEs) may not be allowed to terminate the lease agreement intermediately (earlier than the agreed lease period) and sell out the land and water bodies as well as facilities created with the loan availed under the FIDF. However, in case EEs are under compulsion to do so due to unavoidable circumstances whatsoever then they shall obtain permission from the concerned NLEs after return of the entire loan availed till that time, with applicable interest and prepayment penalty, if any, to the NLEs, in single installment.
- 13.5 Confirmation with necessary documentary evidence on availability of land and water bodies and statutory clearances (wherever necessary) shall be clearly indicated in the DPR/Self Contained Proposal.
- 13.6 The EEs shall provide documentary evidence/certificate of availability of requisite land and water bodies free from all encroachment and encumbrances.
- 13.7 The EEs are required to obtain necessary statutory clearances, permits and licenses, whatsoever and wherever required for implementation of the intended project under the FIDF. The expenditure, if any involved in this processes shall be met by the applicants/beneficiaries.

14. FORMULATION OF DETAILED PROJECT REPORT (DPR)

- 14.1 Concessional financing under the FIDF is based on Detailed Project Reports (DPRs) / Self Contained Proposals.
- 14.2 Detailed projects especially for infrastructure and large magnitude projects shall be formulated based on;
- (i) Identification of suitable site,
 - (ii) Necessary engineering and socio-economic investigations and surveys,
 - (iii) Planning and designing of the facilities and
 - (iv) Model studies wherever required etc.
- 14.3 The EEs shall submit the DPR/self Contained Proposal in triplicate copies.

15. SUBMISSION OF THE PROJECT PROPOSAL

15.1 The complete DPRs/self-contained proposals for seeking concessional financing under the FIDF shall be submitted by the EEs at the following address:

To

**Joint Secretary(Fisheries)
Department of Fisheries,
Ministry of Agriculture and Farmers Welfare,
Krishi Bhawan, New Delhi-110001**

15.2 A copy of the proposal shall also be submitted to the Nodal Implementing Agency(NIA) at the following address:

**The Chief Executive,
National Fisheries Development Board,
Department of Fisheries,
Ministry of Agriculture and Farmers Welfare, GoI,
Pillar No:235, PVNR Expressway, SVPNPA Post,
Hyderabad-500052.**

15.3 NIA would receive the proposals from the concerned State Governments/UTs in respect of State/UT owned/implemented projects and directly from the other EEs (wherever the State/UT financial contribution is not involved in implementation of the intended project under the FIDF).

15.4 Except Private Entrepreneurs/Companies all the other EEs shall route their applications through Nodal Departments of their respective State/UTs.

16. PROJECT EVALUATION AND SANCTION

16.1 NFDB, being the Nodal Implementing Agency (NIA), shall scrutinize, evaluate, appraise the proposal submitted by EEs and place before CAMC for approval.

16.2 CAMC will meet as often as necessary, and consider the proposals placed before it and accord in principle approval to projects signifying approval for grant of interest subvention and recommend such approved proposals to the NLEs for

considering sanction of loans. Lending decision would be left to the Banks and NABARD as per their policy and regulatory guidelines.

16.3 NLEs to send a copy of the loan sanction to CAMC and NIA for information.

17. IMPLEMENTATION MECHANISM

17.1 Committees have been constituted by Ministry of Agriculture and Farmers Welfare for implementation of the FIDF;

17.2. Central Apex Committee (CAC)

17.2.1 Composition

- (i) Secretary, Department of Fisheries , GoI - Chairperson
- (ii) Chairperson, NABARD or his nominee
- (iii) Managing Director, NCDC or his nominee
- (iv) Additional Secretary & Financial Advisor, Department of Fisheries, GoI
- (v) Joint Secretary, Department of Financial Services, Ministry of Finance
- (vi) Joint Secretary, Department of Expenditure, Ministry of Finance
- (vii) Joint Secretary (Fisheries), Department of Fisheries, Government of India
- (viii) A nominee of NITI Aayog
- (ix) Chief Executive, NFDB, Hyderabad
- (x) Representatives of any of two participating banks namely SBI & BoB
- (xi) Joint Commissioner (Fisheries), Department of Fisheries, GoI – Member Convener

17.2.2 Terms of Reference (ToR)

CAC will take decisions on approval/amending of FIDF guidelines, to approve annual action plans and fund drawal plans etc.

17.3 Central Approval and Monitoring Committee (CAMC)

17.3.1 Composition

- (i) Joint Secretary (Fisheries), Department of Fisheries – in Chairperson
- (ii) A nominee of NITI Aayog
- (iii) Fisheries Development Commissioner, Department of Fisheries
- (iv) A nominee of NFDB
- (v) A nominee of NABARD
- (vi) A nominee of NCDC
- (vii) A nominee of concerned scheduled banks
- (viii) A nominee of ICAR
- (ix) Secretary-in-Charge of Fisheries of the concerned State/UT or his nominee/representative
- (x) Joint Commissioner(Fisheries), Department of Fisheries – Member Convener

17.3.2 Terms of Reference (ToR)

17.3.2.1 CAMC will consider the proposals placed before it by NIA and accord in-principle approval and recommend such proposals to NLEs’.

18. PROJECT MONITORING AND EVALUATION

18.1 The CAMC constituted in the Department of Fisheries will review and monitor the projects approved under the FIDF. The monitoring meetings of CAMC shall be held on a quarterly basis to review the progress of the project taken up under the FIDF.

18.2 The concerned project proponent/EEs shall submit the progress report to Department of Fisheries regularly on a quarterly basis clearly indicating physical and financial achievements. EEs also will submit project completion report to Department of Fisheries, after the intended projects are completed.

- 18.3 NIA will undertake Desk & Field monitoring, and identifying critical issues and bottlenecks such as non-starter projects, slow progressing projects, geographical distribution of projects, compilation of project-wise progress report, outcomes etc., NIA, will design a monitoring mechanism, if any required, and place it before the CAMC/CAC for approval.
- 18.4 NIA will assist the CAMC in all the matters relating to monitoring and evaluation of the projects and place its report, before CAMC.
- 18.5 CAMC will carry out project-wise mid-term corrections, if any required due to technical administrative compulsions. The Mid-term corrections shall include, increase/decrease of the project scope, re-arrangement of the project components, re-appropriation of funds from one item to other item within the overall approved project cost.
