Scheme for FME

Format of Guidelines
Structure of Guidelines

Cluster Approach – One District One Product

Programme Components
• Support to individual units and Groups
• Branding & Marketing
• Strengthening Institutional Support

Institutional Architecture
• National level
• State level
• District Level
• Others

Studies

Capacity Building & Research

Disbursement of Funds

Selection process of units

MIS

Procedure with bank for grants

Steps to be taken by the States
Programme Components

Support to Units

• Individual Units – Credit linked Grant of 35% with max of Rs 10 lakh

• Groups
  • FPOs/SHGs/Cooperatives – Credit linked Grant 35%, training support, common infrastructure, marketing & branding;
  • SHGs – Seed capital of Rs 40,000 per member at SHG/SHG Federation level

• Common Infrastructure
  • Common processing centers, labs, incubation center, warehouse, cold storage, etc.
  • Credit linked Grant 35%

• Support for Marketing & Branding
Cluster Approach

One District One Product

States to identify one product for each district

Support under the scheme would predominantly be given for ODOP products including for

- Subsidy for individual units and groups
- Marketing & Branding
- Common Infrastructure
- Could be by FPOs/SHGs/cooperatives or by state agencies or private
Institutional Architecture
Institutional Architecture - MOFPI

MEC
- Chaired by Minister
- To approve Annual Action Plan of the states
- Scheme Guidelines
- AAP for Capacity Building & Research
- Approval of Projects above Rs 10 lakh
- Review of the Scheme

Project Executive Committee
- Chaired by Project Director
- Recommend proposal of the states to IMEC
- Recommend proposals for capacity building & research
- Expenditure by GOI up to Rs 10 lakh
- Executive level decisions

NPMU in MOFPI
Institutional Architecture - States

State level Approval committee
- Chaired by CS
- To recommend to GoI AAP, projects above Rs 10 lakh
- Approve expenditure up to Rs 10 lakh

State Nodal Dept. and State Nodal Agency
- SPMU

District level Committee
- Chaired by Collector
- District level monitoring
- Approval of beneficiary list of individuals
- Recommend common infrastructure proposals

District Resource Persons
- To be paid Rs 20,000 per beneficiary loan sanctioned
Capacity Building & Research

Support to National Level Institutions
- NIFTEM & IIFPT
- Grant for training material, TOT, audio visual support, state centers, standard DPRs, standard machinery development, etc.
- Institutions to prepare AAP
- PMU at NIFTEM & IIFPT

Support to State level training/technical/research institutions
- State institutions to coordinate training, technical support, packaging, etc.
- Propose AAP

Committee for Capacity Building & Research in MOFPI
- To recommend AAPs
- Coordinate & monitor capacity building & research

These components to be 100% funded by GOI
State Action

Studies

- Identification of ODOP – 31 July 2020
- State Level Upgradation Plan (SLUP) – 31 Dec 2020

- Decide on State Nodal Dept & SNA – 30 June 2020

- Set up SLAC – 31 July 2020

- Nominate State Level Technical Agency – 31 July 2020

- Hiring PMU – 31 Aug 2020

- Setting up DLC – 31 July 2020

- Hiring District Resource Persons (DRPs) – 31 Aug 2020

- Create Budget Head for the scheme – Next Supplementary Budget
State Action - 2

Selection of Beneficiaries

- Applications to be invited
- Identification of clusters by SLUP
- Identification of potential beneficiaries by DRPs
- These names to be put before Sub-committee of DLC for appraisal & interview
- Preparation of DPRs
- To recommend the cases to banks
- Training, handholding support
Miscellaneous - MOFPI

Identification of Nodal Bank

MIS
- Through NICSI empanelled agency
- Entire operations of the scheme to be on MIS
- Application by beneficiaries, its processing, training support to units
- AAP approval
- Submission of all proposals for groups, common infrastructure and their approval by state and MOFPI
- AAP for capacity building & research
- Release of grant, UC
- Monitoring of Scheme

Nodal Agencies at National Level

Empanelment of Institutions for hiring by states
Miscellaneous – MOFPI 2

Funding

ems 100% funded by MOFPI
- Capacity Building & research
- Support to National level and state level institutions for capacity building and technical support
- Admn cost at national level and NPMU
- PMU at NIFTEM & IIFPT
- Promotional activities at National level
- Any other item spent directly by GOI

60% share of center for subsidy to be given directly to beneficiary a/c in bank

Procedure for disbursement of subsidy
- Loan sanctioning bank branch to inform Nodal bank of sanction of loan
- The bank sanctioning loan to open a mirror a/c in name of beneficiary
- Transfer of 35% subsidy by center and state in 60:40 ratio in this a/c through nodal bank by GOI and directly by the state
- Bank to disburse 90% of project cost as loan to beneficiary
- Subsidy amount to be adjusted in the a/c of beneficiary if the loan is standard and unit is operational after 3 years

Rest of the items to be released to the states in 60:40 ratio

First year entire expenditure to be met by GOI to be adjusted in 60:40 ratio with states in next 4 years
Thank You