

Salient Features of AIF

- Hon'ble Finance Minister on 15.05.2020 announced Rs. 1 Lakh crore AIF for farm gate infrastructure for farmers.
- Funding facility of Rs. 1,00,000 crore will be provided for funding agriculture infrastructure projects at farm gate and aggregation points.
- **Rationale of Scheme**
 - ✓ To enhance the income
 - ✓ To reduce losses
 - ✓ To improve investment in the sector
- **Objective of Scheme-**
 - ✓ To mobilize a medium- long term finance facility for investment in viable projects for PHM infrastructure and community farming assets
 - ✓ Financial facility will have numerous objective for all the stakeholders in the agriculture ecosystem.
- A. Farmers including FPO, PACS Marketing Cooperative Societies, Multipurpose Cooperative Societies.
 - Improved marketing infrastructure to allow farmers to sell directly to consumers.
 - Logistic infrastructure to enable farmers to reduce post-harvest losses and intermediation.
 - Modern packaging and cold storage system to enable farmers to decide the time of sell
 - Community farming assets.

Salient Features of AIF

B. Government

- Direct priority sector lending in the unviable project through interest subvention incentive and CG.
- Improvement in PHM infrastructure will enable the Govt to reduce food wastages to make agriculture sector globally competitive.
- Central and State Govt. agencies or local bodies will be able structure viable projects.

C. Agri entrepreneurs and start-ups

- They will push for innovation.
- Improve avenues for collaboration between entrepreneurs and farmers

D. Banking System

- With interest subvention, incentive and CG, banks will be able to lend with lower risk

E. Consumers

- Better quality produce at reasonable prices

AIF Scheme -----Contd.--

- **Implementation period:** 2020-21 to 2029-30 with disbursement in four years – 1st year sanction Rs. 10,000 crore and Rs. 30,000 crore each in next three financial years.
- **Moratorium period for repayment :** Vary from minimum of 6 months to 2 years.
- **Govt. Budgetary Support :** To be provided for Interest Subvention, credit guarantee fee and administrative cost of PMU.

Components	Norms
Interest Subvention Cost	3 % PA up to Rs. 2.0 crore for maximum period
Credit Guarantee Cost	CG cover will be available from Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) scheme for loan upto Rs 2.0 crore. The fee for the CGC will be paid by Govt.
Admn. Cost of PMU	Farmers' Welfare Programme Implementation Society (FWPIS) under DAC&FW will provide PMU support to the scheme at central and state level.

AIF Scheme -----Contd.--

- **Eligible Projects:**
 - A. PHM Projects like Supply chain services including e-marketing, warehouse, silos, pack house, assaying units, sorting and grading units, cold chains, logistics facilities, primary processing centres, ripening chambers.
 - B. Viable Projects for Building Community Farming Assets including organic inputs production, bio-stimulant production units, infrastructure for smart and precision agriculture, supply chain infrastructure for cluster of crops.
- **Eligible Beneficiaries :** PACS, Primary Cooperative Societies, FPO, SHG, Farmers, JLGs, Multi-Purpose Cooperative Societies, Agri-entrepreneurs, start-ups, central/state agency or local body sponsored PPP Projects.
- **Participating Banks/Financial Institutions :** Schedules Commercial Banks, scheduled cooperative banks, RRBs, Small Finance Banks, NBFCs, NCDC to provide this facility after signing of MoU with NABARD/DAC&FW.

AIF Scheme -----Contd.--

- **Refinance** from NABARD may be availed.
- **Lending Rate** will be decided after negotiation with NABARD; and Lending Institution will sign MoU with NABARD/DAC&FW and rate will be circulated among the stakeholders.
- **Project Management and handling support :**
 - ✓ Online platform will be made available to provide information and loan sanctioning facility and AIF will be managed and monitored through MIS platform.
 - ✓ **PMU - Farmers Welfare Programme Implementation on Society** under DAC&FW will provide PMU support at national level; and State PMUs of PM KISAN at State level.
 - ✓ **Services of knowledge partners** will be engaged to identify clusters including export clusters and gaps in supply chain to target projects and prepare the viable DPRs to support the beneficiaries
- DPRs with indicative costs will be prepared by Central and State PMUs for guidance of beneficiaries and lending entities. Such DPRs will be available online.
- **Convergence:** Any grant or subsidy available under any present and future scheme of central and state governments can be availed
- **Monitoring frame work :** By National, State and District level Monitoring Committees.

Three Tier System of Monitoring & Coordination

National Level Monitoring Committee (NLMC)

Secretary, DAC & FW
(Chairperson)

MEMBERS

- MD, SFAC
- MD, NCDC
- AS/SS and FA
- AS, DFS
- AS, DAC&FW
- MoFPI representative
- PS of 4 States- on rotation
- State nodal officers of 4 States
- Js, DAC&FW and CEO, FWPS
- Member Secy.

State Level Monitoring Committee (SLMC)

Chief Secretary, State Govt. (Chairperson)

MEMBERS

- APC/PS, Agri
- PS, Cooperation
- RCS
- CGM of NABARD
- Regional Director (NCDC)
- Officers nominated by States not more than 3 SLBC, Convenor State nodal officer- Member Secy.

District Level Monitoring Committee (DLMC)

District Collector (Chairperson)

MEMBERS

- CEO of District Panchayat/CDO
- DAO and District Registrar Officer
- Officers nominated by State less than 3
- Lead District Manager (DLBC)
- DDM, NABARD, Member Secy.

AIF Scheme -----Contd.--

- **Linkage with PFMS** : Interest subvention CG support to banks and LIs is through PFMS and they will forward to beneficiaries' Aadhar linked account.
- **Criteria for selection of eligible borrower** : LI will decide criteria for selection in consultation with NABARD, Monitoring Committees and PMUs, keeping in mind viability of the project.
- **VGF** : Norms as prescribed by DEA for PPP Projects will apply.
- **Sector Specific Focus** : Sc-16 %, ST-8 with special focus on women and other weaker sections.
- **State Specific Focus** : Tentative State-wise allocation of financing facility worked out on the basis of the ratio of total value of output of agriculture and allied sectors, which is subject to change.
- **Highest proposed is Rs 12,831 crore (U.P.)** followed by Rajasthan, Maharashtra, Madhya Pradesh, Gujarat, West Bengal, Andhra Pradesh, Tamil Nadu, Punjab, Karnataka, Bihar, Haryana, Telangana, Kerala, Odisha, Assam, Chattisgarh, Jharkhand, Himachal Pradesh, J&K & Ladakh, Uttarakhand . Tripura, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Meghalaya, Goa, Delhi, Sikkim, Puducherry, A&N Islands, Daman Diu, Lakshdweep, Dadar Nagar Haveli, **Chandigarh (9 crore)**

Thank You