



**Ministry of Fisheries, Marine Resources and Agriculture**

# Guidelines for the Preparation of Fisheries Project Proposals

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## **Guidelines for the Preparation of Fisheries Project Proposals**

These guidelines are provided to assist investors in the preparation of Fisheries Project Proposals to be submitted to the Ministry of Fisheries, Marine Resources and Agriculture.

### **1. Nature of Investment**

State the nature of the proposed investment in concise terms. The target fishery and output product from the proposed investment must be stated.

The summary of investment shall be provided in the format given in Annex 1 (Investment Summary) of these guidelines. Documentary evidence of legal entity of the investor shall be provided in the format given in Annex 2 (Documentary evidence of legal entity) of these guidelines.

### **2. Overall Investment Plan**

The proposed project should demonstrate a long-term commitment to the development of the Maldivian fisheries industry. Contingency actions in case of adverse changes in project operations must be stated. The technical, operational and financial feasibility of all segments of the proposed investment must be demonstrated.

The Ministry will scrutinize the Overall Investment Plan with regard to the following aspects:

#### **2.1 Shore based investments**

Proposals involving shore-based operations wholly, or in part, should provide the following information specified at different phases of the project:

- Target fisheries or species
- Total fish collection/ purchase capacity per day (tons)
- Cubic capacity of fish holds, total holding capacity (tons), and total freezing capacity including brine or blast freezing capacity (tons per 24 hours)
- Shore-based infrastructure that will be established to undertake proposed processing and production range and output levels.
- Location, scale, and technical and economic feasibility of shore-based investment
- Technical details and plans of proposed main infrastructure, including
  - Production infrastructure (including equipment)
  - Harbor works (including proposed size and draft, berthing and landing facilities).
  - Ancillary buildings and services relating to
    - housing, general management and administration, amenities and stores.

- processing facilities.
- dry storage facilities.
- fuel storage, energy generation and distribution.
- water production, storage and distribution.
- infrastructure related to refrigeration including ice plants, chillers and cold storages.

## 2.2 Sea-based investments

Proposals involving sea-based operations wholly, or in part, should state:

- Total fish collection capacity (tons) per day.
- Cubic capacity of fish holds, total holding capacity (tons) and total freezing capacity including brine or blast freezing capacity (tons per 24 hours)
- Deployment plan of collector vessels, mother vessels and reefer vessels
- Cubic capacity of fish holds, total holding capacity (tons) and total freezing capacity including brine or blast freezing capacity (tons per 24 hours) of collector vessels, mother vessels and reefer vessels.
- Sea-based infrastructure that will be established to undertake proposed processing and production range and output levels.
- Location, scale, and technical and economic feasibility of sea-based investment
- Ancillary infrastructure and services relating to
  - housing, general management and administration, amenities and stores.
  - dry storage facilities.
  - fuel storage, energy generation and distribution.
  - water production, storage and distribution.
  - infrastructure related to refrigeration including ice plants, chillers and cold storages.

A summary of the vessels that will be procured by the applicant to be used in the fish purchase and transportation shall be provided in the format given in Annex 3 (Vessel Information Sheet)

## 2.3 Products

State the specific output products, and by-products, if any, from the proposed investments targeting fish processing or value addition, including:

- Product types, and nature of value addition to raw fish,
- Production capacity of proposed products (weight or volume per day),
- Production levels, with specific linkage to raw fish collection operations, including detailed expansion plan and time period in which each production line will become operational, and operational arrangements for proposed processing activities,
- feasibility of proposed production lines, and
- quality assurance arrangements at all stages of the production line.

## 2.4 Services

Proposals involving establishments to provide specific service such as ice, fuel, water or any other fisheries related service should provide:

- Details of services or output products in terms of volume or quantity (daily/monthly)
- Quality or standard which the proposed services will be provided with.

## 2.5 Aquaculture or live fish holding facility

- Target Species
- Propose plans or arrangements to obtain fingerlings or brood stock
- Total size, volume and holding capacity of tanks, cage or area (for both hatchery and grow out)
- Daily/ Monthly/ yearly production capacity (weight or number of individuals) for species proposed, with specific linkage to hatchery and grow out production
- Operational arrangements for processing activities (if applicable),

## **3. Business Plan**

All investors are required to submit a Business Plan. Detailed schedules of sources and applications of funds for various components identified in the body of the proposal must be linked to the financial statements (e.g. Marketing Plan). Detailed calculations should be based on realistic assumptions and various levels of activities described. The resulting financials should be consistent with each other. These should be consistent with the levels of operations described in the proposal, including the Work Plan. All evaluations and computations shall be for at least five (5) years.

The Business Plan shall, among other aspects, include the following:

### 3.1 The Management Team

Brief description of the professional qualifications of key personnel employed during construction and operation of the investment.

### 3.2 Marketing Plan

- Marketing plan/strategy, including target markets, market penetration strategies for the targeted markets, and market development activities.
- Marketing budget.

The Marketing Plan must be linked to the Business Plan and other aspects of the proposal. It must be supported by the technical and financial feasibility.

### 3.3 Proforma Financial Statements

- Details of capital investment, and it should include the following:
  - a) details of capital investments to include facilities, civil works, machinery, equipment, furniture and fittings, landscaping and transportation.
  - b) details of the accounting treatment and estimates of the costs of per-operating expenses.
  - c) estimates of capital replacement costs of the project over the initial ten-year period and any other planned capital expenditure during this period.
- Detailed estimates of operating costs – should include but may not be limited to lease, wages, benefits, training costs, administrative costs, food costs, marketing, insurance and interest expense.
- Financing plan and capital structure for development and operations – should include the following:
  - a) Proposed investment value
  - b) Proposed financing structure: proposed equity and debt financing. Documentary evidence to show the availability of funds up to 10% of proposed investment value must be submitted (This may be in the form of bank statements or assurance letters from the bank confirming the availability of funds by the proponent/investor)
  - c) proposed investors/parent company including documentary evidence of their long term viability and proof of their willingness and ability to invest
  - d) means of securing financial resources for the investment and the degree of commitment of the financing party to the investment, including terms of finance, repayment schedule and method of repayment (such as interest, principal repayment and ending balances)
  - e) loan finance schedule, including details of repayment period, interest rate and estimated related fees (such as arrangement fee, guarantee fee etc.)
- Audited Financial Statements for the past 2 years
- Staffing – should include but may not be limited to the following:
  - a) analysis of number of staff between main categories
  - b) analysis of number of staff between sea based and shore based operations
  - c) staff benefits package
  - d) assumed percentage increase in wages
  - e) ongoing training cost per staff and initial staff training cost
  - f) foreign staff as a percentage of total staff and ??
  - g) cost of other benefits provided to staff.

case the assumptions used are above industry averages, sufficient evidence, in

terms of competency and/or financial capability to guarantee such performance should be submitted. Any additional information, not specifically requested in these instructions, that has a material impact on the profitability and financial viability of the proposal should be included as part of the overall business plan.

#### **4. Work Plan**

The proposal shall include a Work Plan that constitutes of a written Work Plan together with a Gantt Chart of project activities. The Work Plan must be consistent with other aspects of the proposal. The Work Plan shall identify major milestones of the project and the time periods in which the project proposes to reach these milestones.

The Work Plan should clearly identify

- The distribution of project operations over the proposed project period.
- The initial investment period and activities undertaken within this period.
- The project activities under operations phases subsequent to initial investment
- The schedule for main construction and civil works activities
- The human resource requirement for the proposed investment, an assessment of the availability of local labour to meet these requirements, and a Staffing Plan to meet this requirement (including staff numbers, designations, salaries and remunerations)

The Ministry encourages projects that utilize local labour as this has positive multiplier effects on the national economy and on the long-term development of the fisheries industry.

#### **5. Performance Guarantee**

(only applicable projects only)

If the proposal by the investor is accepted by the Ministry subject to reviewing the technical and financial capacity of the investor, a Performance Guarantee shall be submitted prior to signing of the contract agreement with the Ministry.

A sample of the Performance Guarantee is included herewith as Annex 4 (Performance Security)

#### **6. Environmental Aspects**

The Project proposal shall present an Environmental Statement that provides a preliminary assessment of existing environmental conditions of the proposed project location, the scope of works for an Environmental Impact Assessment of the proposed project, analysis of potential environmental impacts, analysis of alternatives and mitigation measures that will be taken. The project shall ensure that all actions under the

proposal are in conformity with existing rules and regulations relating to environmental conservation and protection applicable at the time of submission of the proposal.



## Annex 1 - Investment Summary

To: Ministry of Fisheries, Marine Resources and Agriculture of the Government of the Republic of Maldives,

Dear Sir/Madam,

Having examined the Guidelines for Fisheries Project Proposals, we, the undersigned, offer to invest a total of *[insert total investment amount in words and figures]* for a period of *[insert investment period]* for the *[insert investment nature and scope]*.

This investment will be undertaken as follows:

### 1. Total Initial Investment

*[value of total initial investment in words and figures]* in *[nature of total initial investment]* for *[period of total initial investment]*

### 2. Total Investment According to Work Plan

Year 1 - *[value of investment in words and figures]* in *[nature of investment]*

Year 2 - *[value of investment in words and figures]* in *[nature of investment]*

*[Extend Year no., value of investment and nature of investment as necessary]*

### 3. Summary of Investment

*[Give a brief description of the proposed investment specifying value addition, product diversification and shore based investments, if proposed]*

We undertake, if our proposal is accepted, and the necessary Government clearances obtained, to proceed with the investment in accordance with the terms and conditions of such clearances, and in accordance with the proposal submitted.

We further agree to furnish any other information the Ministry may require in its evaluation of this proposal. We understand that you are not bound to accept the highest or any project proposal you may receive.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 20

\_\_\_\_\_  
[signature]

\_\_\_\_\_  
[in the capacity of]

Duly authorised to sign proposal for and on behalf of \_\_\_\_\_

## Annex 2 - Documentary Evidence of Person or Legal Entity

1. Name of investor:  
[Indicate whether an individual, partnership, or company]
2. If the investor is an individual, state:
  - I. Present Address:
  - II. Permanent Address:
  - III. *[Attach a copy of passport or other such identification.]*
3. If the investor is a partnership, state:
  - I. Registered address in full:
  - II. Registration number:
  - III. Place and date of registration:
  - IV. *[Attach copy of partnership agreement that has been duly registered with the concerned authorities.]*
  - V. Date of commencement of business:
  - VI. Capital outlay:
  - VII. Particulars of the partners and the shareholding structure.

Name of partner	Address of partner	% share
i.		
ii.		
iii.		

*[Extend as necessary]*
4. If the investor is a company, state:
  - I. Registered address in full:
  - II. Registration number:
  - III. Place and date of registration:
  - IV. *[Attach copy of certificate of registration of company, and articles and memorandum of association that have been registered with the Registrar of Companies.]*
  - V. Nominal share capital of the company:
  - VI. Issued share capital of the company:
  - VII. Particulars of shareholders of the company and the shareholding structure.

Name of shareholder	Address of shareholder	No. of shares held
i.		
ii.		
iii.		

*[Extend as necessary]*

VIII. Particulars of the directors of the company:

Name of Director	Address of shareholder	No. of shares held
------------------	------------------------	--------------------

i.

ii.

iii.

*[Extend as necessary]*

*[Please identify the managing director, etc.]*

## Annex 3 - Vessel Information Sheet

[illegible]

## Annex 4 - Bank Guarantee

*[The bank, as requested by applicant, shall fill in this form in accordance with the instructions indicated]*

[Guarantor letterhead or SWIFT identifier code]

**Beneficiary:** *Ministry of Fisheries, Marine Resources and Agriculture, Government of the Republic of Maldives*

**Date:** *[Insert date of issue]*

**PERFORMANCE GUARANTEE No.:** *[Insert guarantee reference number]*

**Guarantor:** *[Insert name and address of place of issue, unless indicated in the letterhead]*

We have been informed that *[insert name of applicant, which in the case of a joint venture shall be the name of the joint venture]* (hereinafter called "the Applicant") has entered into Contract No. *[insert reference number of the contract]* dated *[insert date]* with the Beneficiary, to establish a skipjack tuna purchase and processing facility under the contract *[insert name of contract]* (hereinafter called "the Contract").

Furthermore, we understand that, according to the conditions of the Contract, a performance guarantee is required.

At the request of the Applicant, we as Guarantor, hereby irrevocably undertake to pay the Beneficiary any sum or sums not exceeding in total an amount of [insert amount in figures] ( ) [insert amount in words], upon receipt by us of the Beneficiary's complying demand supported by the Beneficiary's statement, whether in the demand itself or in a separate signed document accompanying or identifying the demand, stating that the Applicant is in breach of its obligation(s) under the Contract, without the Beneficiary needing to prove or to show grounds for your demand or the sum specified therein.

This guarantee shall expire, no later than the *[nn]* Day of *[month]*, *[year]*, and any demand for payment under it must be received by us at this office indicated above on or before that date.

*[signature(s)] [Seal]*

*Note: All italicized text (including footnotes) is for use in preparing this form and shall be deleted from the final product.*



**Ministry of Fisheries, Marine Resources and Agriculture**  
**Male' Maldives**

**Application Form for Requesting Approval for the Establishment of the Fisheries Projects**

**Proposed Establishment**

- |  |   |   |
|--|---|---|
| <input type="checkbox"/> Fish processing | <input type="checkbox"/> Storage facility of frozen or chilled fish | <input type="checkbox"/> Aquaculture/ Mariculture       |
| <input type="checkbox"/> Ice Plants      | <input type="checkbox"/> Live fish holding facility/ Grouper Cage   | <input type="checkbox"/> Aquarium fish packing facility |
| <input type="checkbox"/> Other .....     | <input type="checkbox"/> Fisheries Marinas                          | <input type="checkbox"/> Fish landing facility          |

**Applicant**

Name			
Address		Street	
Atoll/ Island		NID/ Registration No	
Phone		Mobile	
Email		Fax	

**Proposed Site or Location**

Name/ Address			
Atoll / Island		GPS Position (for at-sea establishments)	N / S E
Street/ Lot			

**Proposed Project Information**

Project Name			
Expected Start Date of the establishment		Expected Duration of the Establishment	
Implementing Duration			

**Details of the Project-** to be provided for projects that do not require submission of Project Proposal under the Regulation on issuing permits for the establishment of the fisheries projects.

*Refer to the information specified in the page 2 of this form*

**Declaration:**

I, hereby declare that the information given in this application is true and up to date, and I am aware that under the Maldives Fisheries Act 14/2019 it is an offence to provide false, inaccurate or misleading information.

Name:

Signature:

Date:

For Office Use

Permit Number:

Issue Date:

**Additional documents to be submitted with the form**

1. National I.D copy/ Registration certificate (for companies) of the applicant .
2. Agreement or a letter of no objection from the owner of the proposed site, location, area or island, on which project is to be established.

**Additional Information of the Proposed Project**

**To be provided for projects that do not require submission of Project Proposal under the Regulation on issuing permits for the establishment of the fisheries projects.**

<input checked="" type="checkbox"/>	Please provide following details for the project.
<input type="checkbox"/>	1. Purpose of the project.
<input type="checkbox"/>	2. Details of infrastructure to be established under the project.
<input type="checkbox"/>	3. Total investment values (main investment costs specified separately)
<input type="checkbox"/>	4. Workplan or work schedule of the project including work schedule for different phases of the establishment
<input type="checkbox"/>	5. For aquaculture projects, details of species or family groups and production capacity (per month/ per year)
<input type="checkbox"/>	6. Types of productions or services and production capacity (daily maximum fish processing or raw fish purchasing capacity, daily production capacity of ice, water or any other service that the facility intends to provide)
<input type="checkbox"/>	7. For project to be carried at a specific site location, area or island, submit a no objection letter from the owner of the project proposed site.
<input type="checkbox"/>	8. Staffs (local and expatriates) to be employed under this project