

	<p>राष्ट्रीय कृषि और ग्रामीण विकास बैंक</p> <p>NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT</p> <p>STATE PROJECTS DEPARTMENT</p>	<p>मुंबई</p> <p>सी २४, जी ब्लॉक, बान्द्रा कुर्ला ब्लॉक बान्द्रा(पूर्व) मुंबई - ४०० ०५१</p> <p>टेली : २६५३००६८ फॅक्स : २३५३०१०१ ईमेल : nabspd@vsnl</p>	<p>Mumbai</p> <p>C-24, 'G' Block Bandra-Kurla Complex Bandra (East) Mumbai - 400051.</p> <p>Tel : 26530068 Telefax : 26530101 E-Mail : nabspd@vsnl</p>
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15 June 2007

The Chief Secretary
All State Governments

Dear Sir

Operationalisation of RIDF XIII--2007-08

As you are aware Hon'ble Union Minister of Finance in his Budget Speech for 2007-08 has announced the continuation of Tranche XIII of RIDF with an allocation of Rs.12000 crore. The list of activities eligible for funding under RIDF XIII along with the broad terms and conditions of sanction are indicated in the Annexure. It may be observed therefrom, that one new activity i.e. Setting up of KVIC Industrial Estates/Centres has been included in the list of activities eligible for funding under RIDF XIII. We would like to mention that while approving the list of activities, Hon'ble Finance Minister has observed that special efforts should be made to push loans into critical areas like Market Yards, Seed Farms, Fishing Harbours/Jetties, Modern Abbatoirs, Animal Husbandry, Construction of toilet blocks in existing schools, pay and use toilets in rural areas, etc. This may kindly be kept in view while prioritising the list of projects to be posed to NABARD for consideration under RIDF XIII.

2. You will appreciate that early submission of project proposals to our Regional Office and sanction thereof by the Project Sanctioning Committee will provide reasonable time to the State Government for execution and completion of projects as per schedule. Concerned Departments of the State Government may have clearly worked out their strategies and plans for augmenting rural infrastructure and are in the process of formulating suitable proposals for submission to NABARD during 2007-08, for availing loans under RIDF XIII. We request you to bestow your personal attention for early submission of projects and initiate periodical review of on-going projects to sort out operational bottlenecks in implementation, if any.

Yours faithfully

Amaresh Kumar
Executive Director

Encl. : As above

Annexure

RIDF - XIII- ELIGIBLE ACTIVITIES AND GENERAL TERMS AND CONDITIONS FOR PROJECTS TO BE IMPLEMENTED BY STATE GOVERNMENTS

1. Eligible activities

1. Rural Roads;
2. Rural Bridges;
3. Minor Irrigation Projects/Micro Irrigation;
4. Soil Conservation;
5. Flood Protection;
6. Watershed Development/Reclamation of waterlogged areas;
7. Drainage;
8. Forest Development;
9. Market Yard/Godown, Apna Mandi, rural haats and other marketing infrastructure;
10. Cold storage, Public or Joint sector cold storage at various exit points;
11. Seed/Agriculture/Horticulture Farms;
12. Plantation and Horticulture;
13. Grading and certifying mechanisms such as testing and certifying laboratories etc.;
14. Community irrigation wells of irrigation purposes for the village as a whole;
15. Fishing harbour/jetties;
16. Riverine Fisheries;
17. Animal Husbandry;
18. Modern Abattoir;
19. Medium Irrigation Projects;
20. Mini Hydel Projects/Small Hydel Projects (upto 10 MW);
21. Drinking Water;
22. Infrastructure for Rural Education Institutions;
23. Public Health Institutions;
24. Construction of toilet blocks in existing schools, where necessary, specially for girl students, so as to improve the amenities available in schools;
25. "Pay & use" toilets in rural areas;
26. Major Irrigation Project (only those projects already sanctioned and under execution);
27. Village Knowledge Centres;
28. Desalination plants in coastal areas;
29. Infrastructure for Information Technology in rural areas;
30. Construction of Anganwadi Centres;
31. Setting up of KVIC industrial estates/centres

2. Phasing (Period of Completion)

Maximum phasing period of three years i.e. upto 31 March 2010 will be allowed for projects sanctioned under the tranche. However, the sanctions would lapse if the State Government fails to ground the project within a period of 2 years from the date of sanction letter.

3. Quantum of Loan

Loans will be available as per the following norms for sectors covered under RIDF-XIII:

Sr. No	Sector / Activity	RIDF loan admissible as %age of eligible project cost
1	Activities related to agriculture such as irrigation, soil conservation, flood protection, etc. (Activity Nos. 3 to 20, 26, 27, 28 & 29 of Para 1 above)	95%
2	Social Sector Projects (Activity Nos.21, 22, 23, 24, 25, 30 & 31 of Para 1 above)	85%
3	Rural connectivity (Activity Nos.1 and 2 of Para 1 above)	80%

4. Type of Projects

Priority would be given to ongoing projects. In case of new projects, only short duration projects which could be completed within 3 years would be considered.

5. Cut Off Date

Expenditure incurred on or after 01 April 2007 only would be eligible for reimbursement. However, pre-appraisal expenses such as expenses incurred on project preparation and cost of detailed technical surveys, incurred prior to the cut-off date, may be reimbursed subject to a ceiling of 0.5% of RIDF loan sanctioned, provided such work has been out sourced.

6. Nodal Department

Finance Department (FD) of the State Government would continue to be the nodal department for documentation, drawal of funds, etc.

7. Mode of Funding

NABARD would release the sanctioned amount on reimbursement basis. However, if the State Government desires, NABARD may consider releasing as start up/mobilisation advance such amounts as per the norms applicable from time to time, so as to enable State Government to commence implementation of the project without any delay. Presently, it is 20% of the total RIDF loan sanctioned. Further, with effect from 01 July 2007, the projects which are not grounded within one year from the date of sanction letter will be considered as non-starter and the mobilisation advance disbursed, if any, will be recalled/adjusted against future release of loans for other projects/other eligible claims of the State Government.

8. Rate of Interest on loans

The State Government will be required to pay interest on loans from RIDF-XIII as decided by Reserve Bank of India.

9. Repayment period of loans

Each drawal by the State Government would be treated as a separate loan and would be repayable in 7 years with a grace period of 2 years, i.e., each drawal would be required to be repaid in five equal annual installments after the grace period of 2 years during which interest will be payable.