



राष्ट्रीय कृषि और ग्रामीण विकास बैंक

NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT

www.nabard.org

अध्यक्ष

Chairman

DO.NABARD.SPD/

/RIDF XVI (Gen)/ 2010-11

12 May 2010

Launching RIDF XVI -- 2010-11

I would like to bring to your kind notice that _____ **(State)** has performed extremely well in implementing RIDF projects. It would not have been possible without your personal attention and continuous monitoring of the implementation of RIDF projects. RIDF XVI has been launched with an allocation of Rs.16,000 crore. **The Normative Allocation to your State under RIDF XVI is Rs. _____ crore for sanctioning rural infrastructure projects during 2010-11.** A broad list of the categories of projects eligible for funding under RIDF and the terms and conditions of our sanction are enclosed in **Annexure I** and **Annexure II**.

I request you to please issue necessary directions to the Departments for early submission of the projects proposals in different categories. It will be my endeavour to sanction them expeditiously. This will provide reasonable time span to the implementing Depts for expeditious execution and completion of the projects sanctioned during the year.

You may kindly convene a special meeting of HPC ('High Power Committee' on RIDF) (Convener, Finance Dept; Chairman, Chief Secretary) to draw a suitable strategy for posing RIDF project proposals at the earliest. NABARD Regional Office in the State will coordinate with Finance Dept in this regard.

Yours sincerely,

Sd/-

Umesh Chandra Sarangi

encl. : as above

The Chief Secretary

All State Govts.

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“कृपया अधिकाधिक पत्राचार हिंदी में करें”

RIDF XVI (2010-11) --
ELIGIBLE CATEGORIES OF PROJECTS

Agriculture and related sectors (RIDF loan: 95%)

1. Minor Irrigation Projects/ Micro Irrigation;
2. Soil Conservation;
3. Flood Protection;
4. Watershed Development/ Reclamation of waterlogged areas;
5. Drainage;
6. Forest Development;
7. Market Yard, Godown, Mandi, rural haat, marketing infrastructure;
8. Cold storage, Public/ Joint sector cold storage at various exit points;
9. Seed/ Agriculture/ Horticulture Farms;
10. Plantation and Horticulture;
11. Grading/ certifying mechanisms; testing/ certifying laboratories;
12. Community irrigation wells for the village as a whole;
13. Fishing harbour/ jetties;
14. Riverine Fisheries;
15. Animal Husbandry;
16. Modern Abattoir;
17. Medium Irrigation Projects;
18. Mini Hydel Projects/ Small Hydel Projects (upto 10 MW);
19. Major Irrigation Projects (already sanctioned and under execution);
20. Village Knowledge Centres;
21. Desalination plants in coastal areas;
22. Infrastructure for Information Technology in rural areas;

Social Sectors (RIDF loan: 85%)

- 23. Drinking Water;
- 24. Infrastructure for Rural Education Institutions;
- 25. Public Health Institutions;
- 26. Construction of toilet blocks in existing schools, specially for girls
- 27. "Pay & use" toilets in rural areas;
- 28. Construction of Anganwadi Centres;
- 29. Setting up of KVIC industrial estates/ centers.

Rural connectivity (RIDF loan: 80%)

- 30. Rural Roads;
- 31. Rural Bridges;

State-specific infrastructure projects can be covered under any of these broad categories, or a combination thereof. Fresh suggestions are welcome for inclusion of more activities/ areas/ sectors/ innovative categories of agriculture and rural infrastructure.

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RIDF -XVI
other terms and conditions

1. **'Phasing' of RIDF projects (or 'Period for Completion')**:

(A) Projects from hill states of Himachal Pradesh, Jammu & Kashmir, Uttarakhand and North Eastern States including Sikkim

- Normally, 2 to 3 years for smaller projects in diversified sectors.
- Maximum phasing period of 5 years for projects related with major and medium irrigation and other stand alone projects involving RIDF Loan of Rs.50 crore and more.
- Maximum phasing period of 4 years for other projects.

(B) Projects from Other States

- Normally, 2 to 3 years for smaller projects in diversified sectors
- Maximum phasing period of 5 years for projects related with major and medium irrigation and other stand alone projects involving RIDF Loan of Rs.50 crore and more.
- Maximum phasing period of 3 years for all other projects

(C) 'Phasing' for projects sanctioned in second half of Financial Year

The phasing of projects, sanctioned in second half of the financial year i.e. between 1st October 2010 and 31 March 2011, will be reckoned from 1st April 2011. The works can however be executed ahead of the schedule and reimbursements claimed therefor immediately.

2. Quantum of Loan

Sr. No	Sector	Hill States (NE States, Himachal, J&K, Sikkim, Uttarakhand)	Other States
1	Projects for agriculture, Irrigation, AH, Fishery, Soil Conservation, Flood protection, etc.	95%	95%
2	Social Sector Projects	90%	85%
3	Rural connectivity	90%	80%

3. Priority Projects

Priority would be given to the incomplete, ongoing projects and the new projects which could be completed within 3 years.

4. Cut-Off Date for RIDF XVI reimbursements

Only the expenditure incurred on or after 01 April 2010 would be eligible for reimbursement under RIDF XVI.

5. Pre-appraisal expenses

However, pre-appraisal expenses for the projects posed under RIDF XVI, even if incurred prior to 01 April 2010, may be reimbursed subject to a ceiling of 0.5% of the RIDF loan eventually sanctioned in respect of that project, -- provided such work was outsourced. Pre-appraisal expenses include expenses incurred on project preparation, cost of detailed technical surveys, etc.

6. Nodal Department

Finance Department of the State Government would continue to be the nodal department for recommending projects to NABARD, documentation, drawal of funds, repayment etc. as also for allocation of the resources to State's different departments for posing RIDF projects to NABARD.

7. Mode of Funding

NABARD would release the sanctioned amount on reimbursement basis except for the initial mobilisation advance.

8. 'Mobilisation Advance'

'Mobilisation Advance' for RIDF projects can be granted upto 20% of the total RIDF loan sanctioned (30% for hill states), immediately after sanction of the projects, on acceptance of terms and conditions of the sanction.

9. 'Non-Statrter Project'

If a project is not grounded within one year from the date of sanction letter, it will be considered as 'non-starter' project. The 'mobilisation advance' in respect of such project, if disbursed, will be recalled/ adjusted against future release of RIDF loans for other projects/ other eligible claims of the State Govt.

10. 'Lapse of Sanction'

The sanctions for a project would automatically lapse if the project fails to start within a period of 2 years from the date of sanction letter. The NABARD Regional Office will advise the State Govt. in this regard.

11. Rate of Interest on loans

The State Government will be required to pay interest on RIDF-XVI loans at the rate decided by Reserve Bank of India at present 6.5% p.a. The interest is payable at quarterly rests during the entire period.

12. Repayment period of loans

Each drawal by State Government would be treated as a separate loan repayable in 7 years with a grace period of 2 years. Each drawal would be required to be repaid in five equal annual installments, after the grace period of 2 years.

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