



Pragati 1.0

Beyond Tomorrow

NABARD@2028



FOREWORD

Over the last four decades, NABARD has created a legacy: of being an institution that ceaselessly is working towards transforming the lives and livelihoods of the rural poor, while remaining empathetic to the cause it has been created to address.

NABARD's interventions have always had the hallmark of being innovative, while also being inclusive. I recall the African proverb, "If you want to go fast, go alone; If you want to go far, go together." In this journey of taking people together, NABARD has supplemented and complemented the initiatives of the Governments, both at the Centre and the States. Our institutional philosophy is based on *convergence* and *collaboration*, with initiatives and institutions that share our perception of rural development. Thus, we shall continue to be the solution-provider to the problems facing the rural sector through constructive policy formulation, imaginative financial products and empathetic people's institutions, while leveraging our developmental and supervisory prowess.

We, in NABARD, realise that bringing holistic rural prosperity is an onerous, yet noble, task. What we have achieved together thus far pales in comparison to what remains to be done. A pandemic-ravaged economy, ongoing global economic and political turmoil, growing incidences of climate disasters, food shortages...the list is getting disconcertingly long! We need to find answers, together, very fast!

In this milieu, NABARD has to re-strategise its approaches for more adequately addressing these and other emerging issues. Our performance, over the years, has demonstrated that as an organisation, we are not overawed by circumstances; rather we find ways to overcome them with our customary panache.

This strategy plan document "PRAGATI 1.0: Beyond Tomorrow: NABARD@2028" is our well thought-out institutional response on how we plan to forge ahead over the next five years, while addressing all these challenges in adequate measure. This document is a concerted, yet collaborative, effort of various departments of NABARD, well co-ordinated by Strategic Planning and Product Innovation Department (SPPID).

It portrays our achievements, puts in perspective our journey so far, and also proposes a set of visions, strategies and milestones to go ahead, with greater ardour. The imperative to find, and raise, cost-effective resources to realise these visions is also highlighted. To ensure its relevance, Pragati 1.0 will be a dynamic document, evolving as we go ahead with its implementation.

This strategy document has been timed perfectly, as we enter the fifth decade of our journey. While providing an aspirational blueprint for the coming years, it is also a promise that we make to ourselves to take NABARD to still greater heights, yet remain guided by our overarching mandate.

We are a one-of-a-kind development finance institution. In the spirit of Team NABARD, let us all combine our energies to realise the visions identified, thereby contributing to our mandate of connecting India with *Bharat*, with aplomb.

Shaji KV
Chairman



Pragati 1.0

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PREFACE

Strategic planning is an ongoing organizational process of using available knowledge to document an institution's intended business and developmental direction. This process is used to prioritize efforts, effectively allocate resources, align ourselves to the expectations of our stakeholders and employees, all backed by data and sound reasoning. Strategic planning requires time, effort and continual reassessment.

'Pragati 1.0' embodies NABARD's continuing desire to embrace change, while going beyond annual planning. This change shall not only be strategic, but also people-centric, technological and remedial. It has been formulated for the medium term, upto FY 2028. Pragati 1.0's roadmap is built on 7 comprehensive Visions, 86 strategies and 386 milestones. Through 'Pragati 1.0', we not only decide 'WHAT to do?' but also 'HOW we get it done?' and 'WHO will do it?', while remaining moored to the WHY of our institutional being.

During this journey, we shall remain steadfast in our institutional resolve to usher in rural prosperity, yet be aware of the need for periodic stock-taking and course-correction, as and when needed. In our endeavours, we shall always be guided by Gandhi's talisman *'Recall the face of the poorest and the most helpless man whom you may have seen and ask yourself, if the step you contemplate is going to be of any use to him. Will he be able to gain anything by it? Will it restore him to a control over his own life and destiny?'* Towards this end, 'Pragati 1.0' shall be NABARD's North Star, going forward, and the guiding beacon for our institutional endeavours in fully realising our noble mandate.

“Strategy is about making choices; it's about deliberately choosing to be different.”

Michael E. Porter

CHAPTER 1

Introduction and Structure

Introduction

1. NABARD has completed over four decades of its dedicated service to the Nation and has entered the fifth decade. During its glorious journey, NABARD has transformed the lives of millions, in one way or another. However, our noble Mission continues to beckon us. Challenges such as poverty and deprivation, low agriculture productivity, unemployment, migration, climate change and infrastructure deficit, among many others, remain to be addressed. Yet, emerging trends, such as vibrant start-ups, technological advancements especially in fintech and changing demographics, all present a myriad of opportunities amidst these challenges.
2. While in the past, planning has been done annually in NABARD, a need has now been felt to formulate a longer-term dynamic strategy framework. ‘Pragati 1.0’ is the institutional expression of this felt need. Considering the fact that NABARD has to focus equally on Finance as well as Development, ‘Pragati 1.0’ charts a middle path, seeking a fine balance between the two functions, while remaining rooted in our pursuit of the triple bottom-line encompassing People, Planet and Profits.
3. Hence, this strategy document is a comprehensive endeavour to broaden the planning horizon from annual to a longer time frame of five years and set the course for NABARD’s efforts to respond effectively to rural India’s changing and emerging needs. Through this, NABARD will continue to catalyse change, with maximum impact.
4. This document is a joint effort of various departments of NABARD and is an attempt to further the “One NABARD” approach, seamlessly bringing together knowledge and expertise across the organization, and putting it to effective use.
5. NABARD’s *raison d’etre* is more wholly understood through its Preamble, Mission and Vision. These provide the guiding beacon for all its activities, programmes and policies. True to its dynamic nature, these statements have evolved over the last 40 years of NABARD’s functioning and today is representative of what NABARD is and WHY it does what it does!

PREAMBLE TO THE ACT

An Act to establish a development bank to be known as the National Bank for Agriculture and Rural Development for providing and regulating credit and other facilities for the promotion and development of agriculture, micro-enterprises, small enterprises and medium enterprises, cottage and village industries, handlooms, handicrafts and other rural crafts and other allied economic activities in rural areas with a view to promoting integrated rural development and securing prosperity of rural areas, and for matters connected therewith or incidental thereto.



VISION

“Development Bank
of the Nation for
Fostering Rural
Prosperity”



MISSION

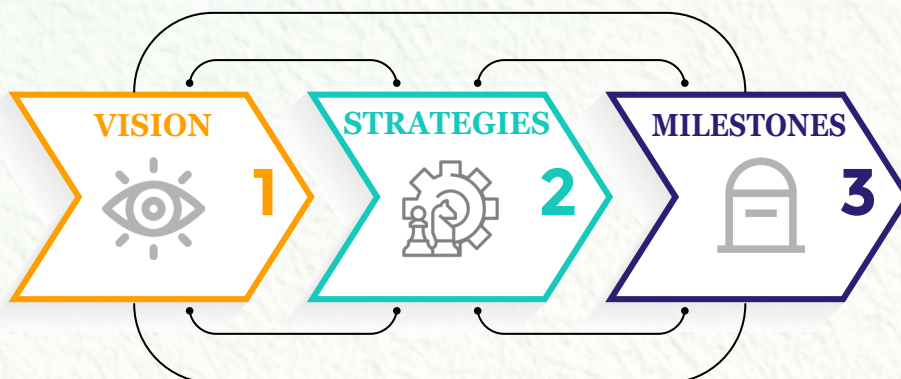
“Promote sustainable
and equitable agriculture
and rural development
through participative
financial and non-
financial interventions,
innovations, technology
and institutional
development for securing
prosperity.”

CORE PURPOSE

- To promote ground-level credit for agriculture and rural development through credit planning, monitoring and coordination, direct financing and refinancing.
- To foster efficiency, inclusiveness and competitiveness among Rural Financial Institutions through institutional development.
- To supervise institutions under its ambit to ensure stability and protection of depositors' interests.
- To encourage the formation of people's institutions to enhance farmers' incomes and improve rural livelihoods.
- To encourage, test, pilot and successfully mainstream innovations for improving production, productivity and access to credit.
- To support balanced, equitable and sustainable agriculture and rural development in the country.

STRUCTURE OF THE DOCUMENT

‘Pragati 1.0’ adopts a three-tiered approach, comprising Visions, Strategies and Milestones.



The ultimate aim is to grow like a rising tide lifting up all the boats in the rural ecosystem, viz., all our stakeholders, together, all in pursuit of a common objective.

There are seven visions, encapsulated as under:

Vision 1	Impactful Business Growth through Direct Finance, Refinance and Related Interventions
Vision 2	Fostering Inclusive Growth & Sustainable Development
Vision 3	Deepening Resource Mobilisation for Sustained Growth
Vision 4	Enhancing Resilience of Rural Credit Institutions through Supervision and Institutional Development
Vision 5	Best-in-Class and Environment-friendly Digital as well as Physical Infrastructure
Vision 6	Evolving as a Robust, Dynamic and Ethics Driven Institution
Vision 7	Towards Effective Internal Control and Risk Management

In order to accomplish the seven visions, 86 strategies and 386 milestones have been formulated through a bottom-up approach and mapped to nodal departments with timelines. The milestones are, thus, **Specific, Measurable, Achievable, Relevant** and **Time-bound**.

“Organisations with decision-making speed & imagination will thrive as nobody can claim to have a monopoly over creativity.”

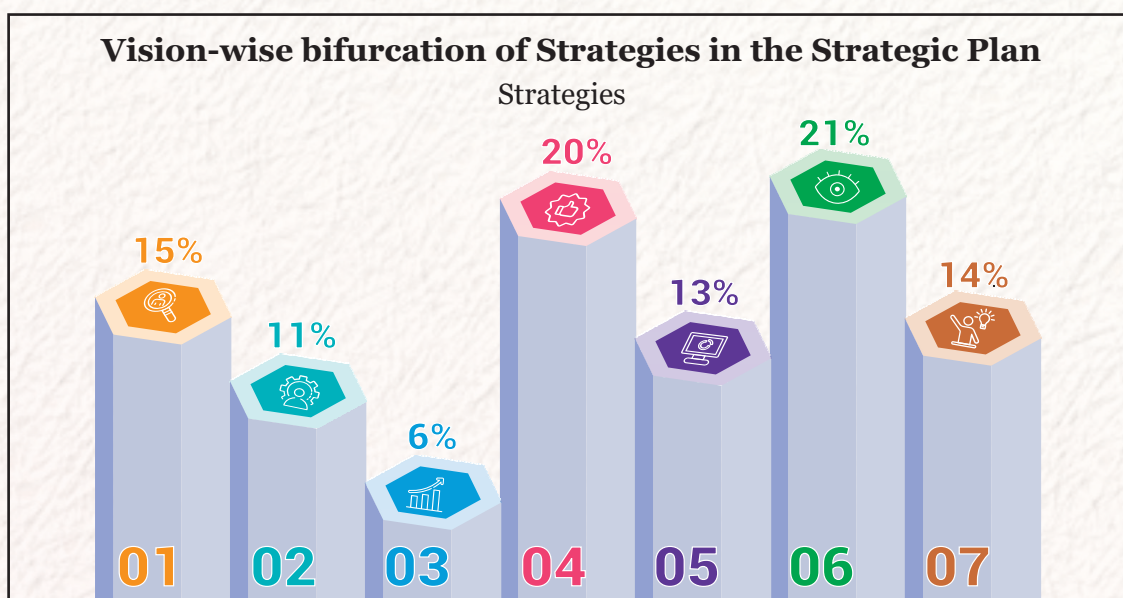
N. R. Narayana Murthy

CHAPTER 2

PRAGATI 1.0

- 1.1. Basis the reflections on the journey traversed thus far and an objective analysis of the organisation’s Strengths, Weaknesses, Opportunities and Threats (SWOT), strategies have been formulated for each vision. Further, milestones have been identified for each strategy through a bottom-up approach. As part of these, new products/initiatives have been planned and shall be kept dynamic, keeping the fast changing profile of banking sector, the emerging needs of the rural clientele, market and other conditions, the provisions of the NABARD Act, availability of Development Funds/ concessional funding/ interest subvention support, directions of the Board, etc.
- 1.2. Also, while progressing forward towards these milestones, it is necessary to have in place a robust system of Internal Control and Risk Management and due care has been taken to address this adequately in this document. Risk management is critical in the ever-changing business scenario and the bank is on the right path to implement Basel III norms as and when made applicable by the regulator.
- 1.3. A summary of the vision-wise strategies is given below:

Number of Strategies under each Vision								
	Vision 1	Vision 2	Vision 3	Vision 4	Vision 5	Vision 6	Vision 7	Total
Strategies	13	10	5	17	11	18	12	86



Impactful Business Growth through Direct Finance, Refinance and Related Interventions

- 2.1 NABARD's economic model aligns its business operations with an inclusive development agenda, in keeping with its goal of comprehensive and all-encompassing agriculture and rural prosperity. NABARD's balance sheet size has increased by over 15% to ~ ₹7.50 lakh crore during 2021-22. The revenue receipts and net profit increased by 6% and 18%, respectively, during 2021-22, indicating healthy business growth while serving the needs of the rural and agrarian economy.
- 2.2 NABARD provides loans and advances to Rural Financial Institutions (RFIs) that, in turn, finance farmers to carry out seasonal agricultural operations (SAO). NABARD also provides long term refinance to RFIs, Commercial Banks and other eligible institutions to promote capital formation in agriculture. Our refinance is also given for various other purposes like working capital loans for weavers and artisans; marketing support; and conversion of short-term loans into medium-term loans in the event of natural calamities, etc. NABARD also lends directly to District Central Cooperative Banks (DCCBs).
- 2.3 Further, NABARD recognises the importance of quality infrastructure in nation building and its multiplier effect on the welfare of people. About one-third of its assets are on account of infrastructure finance and in the coming years, this is expected to grow manifold with innovative means of raising resources and collaborative efforts.
- 2.4 NABARD is committed to be a complete solution provider for issues plaguing rural areas and grow holistically. There is a greater potential for funding social sector projects in terms of housing, sanitation, waste management, communication, health, education etc., in rural India, which NABARD has not capitalised in full measure, more particularly in Eastern and North Eastern States.
- 2.5 NABARD seeks to expand its business to create deep and valuable impact in the most ethical way. We are committed to forge partnerships to create exponential impact (with institutions like the National Bank for Financing Infrastructure and Development (NaBFID), Export-Import Bank of India (EXIM Bank), Small Industries Development Bank of India (SIDBI), National Housing Bank (NHB) and multi-lateral institutions.)

Table 1: Vision 1-Impactful Business Growth through Direct Finance, Refinance and Related Interventions

Sl No	Strategies
1	Sustaining refinance (through existing client institutions)
2	Scaled engagement for extending refinance to smaller RRBs/Coops/SFBs
3	Sustaining refinance through Expansion of Client Base
4	Strategizing for increased offtake of refinance under ST (ASAO) & ST (others)
5	Robust pre & post-sanction monitoring
6	Bridging inequities in credit access through innovative credit delivery models and digitalisation measures.
7	Developing an appropriate framework for NBFC documentation in view of NABARD's increasing exposure
8	Towards sustainable non-credit facilitation
9	Business Process Re-engineering (taking into account rapid changes in the eco-system with the Strategy Plan in place)
10	Facilitating Ease of Doing Business
11	Increasing Direct Finance
12	Broad-basing the clientele base for CFF product
13	Accelerating direct infrastructure financing

Fostering Inclusive Growth & Sustainable Development

- 3.1 Since its inception, NABARD has been committed to bringing inclusive growth while ensuring rural prosperity. NABARD came into existence with the transfer of the agricultural credit functions of RBI and refinance functions of the then ARDC and was informally then referred to as 'Agricultural RBI'. Naturally, development of farm sector continues to be at the core of NABARD's functioning, since its inception till date.
- 3.2 Over the years, NABARD has been successful in addressing multiple challenges in agriculture. However, due to the impact of climate change, new challenges are emerging. The Bank is making headway in inching towards *Krishi Atmanirbharata* by focusing on the FPO eco-system through training, capacity building, credit, value addition, marketing, guarantee support and by integrating them with the entire value chain.
- 3.3 Recognizing the power of collective action, the Bank has been actively propagating and promoting community-centric models to improve lives and livelihoods. Over the last four decades, NABARD has played a major role in building community-level institutions such as: (i) *Vikas Volunteer Vahini* (VVV) which transformed into farmers' clubs, some of which eventually became farmer and off-farm producers' organisations (FPOs and OFPOs); (ii) self-help groups (SHGs) to

- enable asset less poor (particularly women’s collectives) to access bank credit; and (iii) joint liability groups (JLGs) to enable primarily landless farmers and share-croppers’ access to formal credit.
- 3.4 The Bank also recognized early on that agriculture sector is overburdened with surplus labour, which needs to be channelized towards other remunerative sectors. Hence, NABARD’s developmental programmes offer sustainable livelihood and income generation opportunities, even outside the farm sector. These are designed to catalyze the setting up of agri and agri-allied micro-industries and rural entrepreneurial services through skill development, creating marketing platforms, forming Off Farm Producer Organisations (OFPOs) and facilitating micro-finance initiatives for the rural poor, especially women. These initiatives improve the employability of rural semi-skilled and unskilled workers, while also encouraging self-employment.
 - 3.5 Over the years, NABARD has made great strides ushering in inclusive rural development and positively impacting the remotest villages in the country through interventions such as Watershed Development Programme and Tribal Development Programme.
 - 3.6 Further, NABARD is playing a pivotal role in mitigating/adapting to the impact of climate change by funding environmental-friendly projects, while also being the nodal agency for the Green Climate Fund (GCF). Given that the threat is especially severe in places where people’s livelihoods depend more on natural resources, NABARD would further strengthen its climate adaptation measures for safeguarding rural livelihoods and ensuring sustainable development. Further, to direct financial flows to support investment in clean and green technologies in rural areas, green financing products are being envisaged in the medium term.

Table 2: Vision 2-Fostering Inclusive Growth & Sustainable Development

Sl No	Strategies
1	Strengthening FPOs
2	Encouraging innovations in Farm Sector for holistic Farm Sector Development
3	Reinforcing Watershed Development
4	Focussed Tribal Development with enhancing tribal income
5	Promoting Off- Farm Sector development
6	Driving Green Eco-system Development
7	Leveraging blended finance for climate action
8	Enable Financial Institutions to fund transition towards net zero
9	Strengthening Micro Finance
10	Deploy Impact Balance Sheet to monitor and prioritize initiatives

Deepening Resource Mobilisation for Sustained Growth

- 4.1 One of NABARD's frailties lies in its inability to have continued access to cost-effective deposits/funds to rely upon, for providing refinance assistance. The Bank's dependence on market borrowings in the present high-interest rate scenario is driving down business margins, possibly making our rates even more non-competitive.
- 4.2 Though it is increasingly challenging for the Bank to mobilise adequate cost-effective resources to meet its growing financing needs, NABARD has been up to the challenge in keeping with the expectations of stakeholders and would strengthen its efforts to deepen cost-effective resource mobilisation. Towards this, in the medium term, NABARD would pursue alternate financing sources like Impact Bonds, partnering with global agencies to finance development initiatives, attracting Green Investments, policy advocacy with the govt. to issue green bonds with tax credit to investors, etc. to become self-sustainable.

Table 3: Vision 3- Deepening Resource Mobilisation for Sustained Growth

Sl No	Strategies
1	Enhancing Borrowing Power through Policy Advocacy
2	Supporting critical interventions through interest subsidy/interest subvention
3	Strategizing for a robust capital framework and diversification of source of capital
4	Raising resources through Innovative means (De-risking the liability to protect future impact)
5	Augmenting resources through Market

Enhancing Resilience of Rural Credit Institutions Through Supervision and Institutional Development

- 5.1 Over the years, NABARD, through its institutional development initiatives, has made concerted efforts to bring professionalism in the functioning of cooperative banks, facilitating their capacity building and recapitalisation, technology adoption through Core Banking Solution (CBS), on-boarding onto the Payment Systems, etc.
- 5.2 While NABARD had taken the initiative of bringing the State and District Central Cooperative Banks (StCBs and DCCBs) on CBS platform, the Primary Agricultural Credit Societies (PACS) have so far been largely left out of the ambit of technology adoption. As the implementing agency for the project on 'Computerisation of 63,000 functional PACS', NABARD will take the initiative

of digitising cooperatives by bringing in all the core and non-core activities of the PACS on a computerised platform. It includes automation of membership, deposits, lending, trading, procurement, warehousing, public distribution, HR management, accounting and comprehensive MIS to be generated for reporting to higher tier structures and NABARD, and for audit, reporting and compliance, legal requirements, etc.

- 5.3 NABARD has an onerous task in facilitating formation of 2 lakh PACS and dairy societies in uncovered villages in the next 5 years along with other stakeholders.
- 5.4 The capital infusion of GoI in RRBs will be guided by a viability plan to implement comprehensive reforms in the functioning of RRBs. NABARD shall play an anchor role in turning around the RRBs by providing centralised services in technology adoption, capacity building, product innovation, etc.
- 5.5 Financial Inclusion is a national priority and an enabler of inclusive growth. NABARD supports the creation of financial inclusion infrastructure in banks that helps speedier financial transactions. It also builds digital and payment acceptance infrastructure that drives digital and financial awareness activities.
- 5.6 At the core of the financial system of any economy, public (and business) confidence in the soundness and functioning of banks is paramount. This necessitates regulation and effective supervision. NABARD supervises Regional Rural Banks (RRBs); Rural Cooperative Banks (RCBs) including State and District Central Cooperative Banks (StCBs and DCCBs); Primary Agricultural Credit Societies (PACS); Primary Cooperative Agriculture and Rural Development banks (PCARDBs) and State Cooperative Agriculture and Rural Development Banks (SCARDBs). NABARD's supervisory activities are designed to protect the interests of the depositors, ensure stability and growth of the financial system and assure compliance to regulatory guidelines.
- 5.7 Identifying and managing risks is of utmost importance in banking, and there is a need to move to Risk Based Supervision (RBS) from the traditional CAMELSC approach. In the interim, and as recommended by the Internal Working Group (IWG) for Revisiting Supervision Strategy, the enhanced CAMELSC approach is being rolled out from April 1, 2023. NABARD has devised manuals / guidance notes and templates on stress testing tools for credit, market and liquidity risks as part of the enhanced CAMELSC approach.
- 5.8 An innovative project, "SuperSoft - Digitalisation of Inspection Process", under implementation by the Bank, envisages digitalisation of the entire inspection process right from budgeting until the closure of compliance to inspection

observations and carry-over of the pending observations to the next inspection cycle in a seamless manner.

- 5.9 India's G20 Presidency is grounded in the theme of "*Vasudhaiva Kutumbakam*" or "One Earth One Family One Future", which underlines the message of equitable growth and shared future for all. As a part of the mega event, NABARD, as the domestic knowledge-partner, is actively participating with DEA & RBI in highlighting India's achievements in digital Financial Inclusion to a global audience.

Table 4: Vision 4-Enhancing Resilience of Rural Credit Institutions Through Supervision and Institutional Development	
Sl No	Strategies
1	Leverage digital to reimagine Cooperatives and RRBs for meeting the aspirational needs of rural India
2	Reimagine PACS as end-to-end last mile farmer service delivery points
3	Striving for efficient utilization of Co-operative Development Fund (CDF)
4	Expanding scope of CDF
5	Enhancing skills of client institutions (RFIs)
6	Improving Financial Risk Management in RFIs
7	Strengthening Digital Financial Ecosystem
8	Aligning FI measures with G20 Theme
9	Strengthening onsite inspection
10	Adoption of Enhanced CAMELSC
11	Digitising the inspection process through SuperSoft
12	Strengthening Compliance module for effective compliance monitoring
13	Effective remedial measures through Supervisory Action Framework for Prompt Corrective Action (SAF-PCA)
14	Creating Automated Data Flows
15	Responsive Complaints Management System
16	Effective cybersecurity through CSITE Cell
17	Aligning cybersecurity controls with best in the Banking industry

Best-in-Class and Environment-friendly Digital as well as Physical Infrastructure

- 6.1 NABARD is an apex institution in the field of Agriculture and Rural Development, having lot of expectations from policy makers, farmers, financial institutions, clients, business partners, RBI and GoI alike.

- 6.2 The physical and digital environment is essential for the Bank to function and grow faster and better. It involves a robust infrastructure for the Bank to operate at ease and in a non-disruptive manner. Therefore, NABARD needs to be a Data-Driven organisation. To this end, many projects have been formulated over the next five years to ensure that our operations are digitalised, while also taking care of cyber security and information security aspects.
- 6.3 The Digital Strategy Map proposed over five years includes features such as Artificial Intelligence (AI) & Machine Learning (ML), Zero trust, subsidiary development, usage of Block Chain, containerisation, software factory, setting up of dedicated Cyber Security Operations Center (CSOC) and Network Operations Center (NOC), cloud readiness and migration to the cloud, etc.
- 6.4 In order to align its initiatives with the all-pervasive priorities of GoI, NABARD is establishing a central data repository in the form of Data Warehouse, which will eventually act as an eco-system enabler for evidence-based policy making and setting the developmental agenda for rural India.

Table 5: Vision 5-Best in Class and Environment-friendly Digital as well as Physical Infrastructure

Sl No	Strategies
1	Creating a robust and modern information management system
2	Broad-basing data flow to enterprise dashboard
3	Using analytics for digital monitoring
4	Using technology and data analytics in promoting evidence-based decision making
5	Accelerating Digital Drive - Building sustainable ICT infrastructure, adapting to emerging technologies through implementation of NextGen applications with focus on resilience, reliability, security and Upgradation of existing applications/ infrastructure to enhance accessibility, usability and inclusion
6	Making PLPs stakeholder-friendly
7	Leveraging Digital initiatives
8	Reinforcing Asset management and Safety of Goods and People
9	Improving facilities through IT in management of Bank's Premises and security operations
10	Energy Conservation
11	Strengthening Legal certainty of operations

Evolving as a Robust, Dynamic and Ethics Driven Institution

- 7.1 NABARD immensely values the faith and trust placed on it by its stakeholders and continues to strive towards gaining excellence. Towards upholding this commitment, the Bank unflaggingly endeavours to ensure effective management, good governance, happiness of the people the Bank works for and those working with it, through efficient systems and procedures, while maintaining probity.
- 7.2 Further, NABARD as a knowledge-based organisation constantly trains its staff and upgrades their skills to suit its emerging needs and would continue to do so, in the coming years. Given the changing scenario, the Bank would focus on developing competency framework for all operations and re-skilling, wherever necessary. Specialized areas such as Treasury, Credit, Risk Management, Venture funding, Climate Finance, etc. would be given appropriate specialized human resources to nurture and ensure stability and growth.
- 7.3 The Bank is also committed to promoting the use of *Rajbhasha* in its operations and documentation.

Table 6: Vision 6-Evolving as a Robust, Dynamic and Ethics Driven Institution

Sl No	Strategies
1	Strengthening corporate strategy & Business continuity framework
2	Reviewing Business Budget
3	Enabling uniform understanding of rules and regulations to improve compliance
4	Optimisation of Staff Performance
5	Digitizing the Service Files
6	Building a proficient and facilitative employee interface for effective communication, enhanced employee engagement
7	Re-skilling and leveraging on technology for building dynamic human resources
8	Aligning Marketing and Communication Strategy
9	Efficient Research and Knowledge Management
10	राजभाषा के प्रयोग को बढ़ावा देना
11	Excellence in consultancy backed by data driven decisions (NABCONS)
12	Delivering through stronger subsidiaries - Expanding footprints (NABFINS)
13	Towards becoming a Small Finance Bank (NABFINS)
14	Expanding clientele base (NABKISAN)
15	Expanding footprints (NABSAMRUDDHI)
16	Networking, Collaborating and coordinating for impactful development initiatives (NABFOUNDATION)
17	Bolster lender's confidence for sustained agriculture and rural development. (NABSanrakshan)
18	Food and agri transformation through Portfolio investments (NABVENTURES)

Towards Effective Internal Control and Risk Management

8.1 NABARD has put in place a comprehensive risk management framework at the enterprise level. The framework complies with the risk management guidelines prescribed by the regulator and also adopts some of the industry-best practices. It is based on NABARD's business profile and operational strategy and has facilitated in decision making with better operational efficiency. It has also helped to have a holistic overview of all risks at the enterprise level, while enabling the Bank to take coordinated action to manage various risks.

8.2 The unique structure of the Bank, with three major mandates, viz, Developmental, Supervisory as well as Financial/Business, leads to challenges in adopting existing risk models in its entirety. Mandated business products, Low Default Portfolio (LDP) and the Institutional Development mandate make it imperative for NABARD to evolve its own, dynamic risk management mechanism.

Table 7: Vision 7-Towards Effective Internal Control and Risk Management

Sl No	Strategies
1	Greater convergence in risk assessment between Inspection Dept. & Risk Management Dept.
2	Better Internal Control Mechanism
3	Strengthening the Risk Based Inspection & Internal Audit (RBIIA)
4	Preparedness for adoption of Basel III norms
5	Preparedness for adoption of IND-AS guidelines
6	Improving Financial Risk Management
7	Mitigating Operational and Other Strategic Risks
8	Assessment of emerging risks in the Bank
9	Strengthening the mechanism of new product/ process introduction
10	Adoption of international best practices in Risk Management
11	Fostering Risk culture in the Bank
12	Periodic review of aspects of Internal governance

“If you really look closely, most overnight successes took a long time.”

Steve Jobs

CHAPTER 3

Conclusion

1. Historically, there has been a trend of introduction of breakthrough products in each of the last four decades of NABARD's existence. This has been a major contributor to the growth of NABARD, both in the developmental and business spheres. Over the years, NABARD's loan portfolio and credit (refinance and direct) products have evolved to meet the diverse financial needs of the rural communities at the grassroots.
2. NABARD seeks to continue being dynamic, nimble-footed and responsive to the changing needs and aspirations of rural India it so assiduously serves. NABARD draws lessons from its own past experiences as also success stories of development banks in other countries. To augment NABARD's role as the development Bank of the nation for fostering rural prosperity, the Bank is committed to transform the way it currently works, and the visions under Pragati 1.0 would serve as the guiding beacon for the same.
3. NABARD's seven strategic visions are aligned well with the seven priorities or *Saptarishi* in the Union Budget, viz., inclusive development, reaching the last mile, infrastructure and investment, unleashing the potential, green growth, youth power and financial sector, that will guide India's vision during *Amrit Kaal* (next 25 years up to 2047 leading to the centenary of India's independence). NABARD, sometimes informally referred to as 'Agricultural RBI' in its early days, is committed to making agriculture lucrative, diversified and sustainable and our villages well equipped with infrastructure, opportunities and technologies on par with the urban areas.
4. As NABARD embarks on implementing 'Pragati 1.0' from next fiscal year, it is optimistic that the efforts would be more collaborative, focused and hence translate into not only greater output, but more importantly, better outcomes.
5. As a development financial institution, NABARD finds no parallel in the entire world, in terms of its scale, mission, vision, spirit and ethos. The repositioning process is all about CHANGE – change in our thinking, mind-sets, work styles, etc. This will provide a lot of opportunities, at the same time posing certain problems – the Bank would try to feed the opportunities and starve the problems – for the ultimate measure of an institution is not where it stands in moments of comfort

and convenience, but where it stands in times of challenge and change. This calls for originality of ideas, clarity of thought and innovativeness in implementation.

6. In that sense, through Pragati 1.0, NABARD has dared to dream higher and pledged to perform better.

You are what your deep, driving desire is.

As your desire is, so is your will.

As your will is, so is your deed.

As your deed is, so is your destiny.

Brihadaranyaka Upanishad



Pragati 1.0



The Banyan is great, not because of its trunk, but because of its offshoots. We take pride in our partners because they enable us to reach out to rural India.

Strategic Planning and Product Innovation Department

National Bank for Agriculture and Rural Development

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