As you are aware NABARD has been implementing watershed development projects on participatory approach for conserving natural resources and Adivasi Development Projects, popularly known as “wadi” in tribal habitations across the country for more than two decades. The uniqueness of the watershed programmes is the peoples participation in planning and implementation the projects, monitoring as well as the financial management through community based organisations. All these projects are implemented with grant/ grant cum loan assistance by NABARD with the help of local NGOs. These developmental initiatives have transformed the natural and human resource endowments in compact areas and are conducive for absorption of higher capital and economic avocations. The main features of the wadi model are the economic upliftment of the
farmers, through sustainable agriculture, social empowerment, improvement in quality of life including health and women empowerment.

2. The major outcomes of the watershed development programme include increase in area under cultivation (up to 35%), improvement in productivity of various crops (29–53%), enhancement of groundwater recharge, change in net sown area and irrigated area, generation of additional employment, reduction in migration due to creation of employment, increase in cropping intensity and reduction in soil loss. In order to make efficient use of conserved resources and social capital formed viz. Village Watershed Committees (VWCs), Joint Liability Groups (JLGs), SHGs etc., it is felt that further investments by the farmers/tribals for taking up appropriate economic activities are required in watershed as well as wadi project areas. The spread of the Novel Coronavirus (COVID-19) pandemic has also severely impacted the lives of millions in the rural areas on account of lack of employment and livelihood opportunities due to lockdown. The severity of this problem has further been compounded due to reverse migration of labour force from urban areas to rural areas necessitating the need to create investment opportunities for rural youth in agriculture. Accordingly, a concessional refinance scheme has been conceived not only to encourage banks to lend to economic activities and create sustainable livelihood and employment opportunities in the rural areas but also to address the issues arising out of reverse migration.

3. In the above context, financing economic activities covering primary, secondary and tertiary sectors in watershed development project areas and micro agro
4. Concessional long term refinance support to all eligible banks/FIs at 3% to enable banks to deepen investment credit to beneficiaries in these project areas. This will be a great enabler to banks in accelerating capital formation in agriculture. The refinance will be sanctioned under Automatic Refinance Facility (ARF) which shall enable banks to obtain financial accommodation from NABARD, without going through the detailed pre-sanction procedure formalities. However, Banks are expected to claim refinance to the extent of support provided to beneficiaries in identified watershed areas and beneficiaries of wadi projects supported by NABARD. Further, the banks have to maintain separate database for lending against such activities as per the banking plan. The detailed operational guidelines are furnished in the Annexure.

4. We request you to widely canvass the scheme in your bank and take advantage of concessional refinance. We have advised our Regional Offices to share the details of our project areas in respective States and guide in preparation of Area development Plans / Banking Plans in identified clusters.

5. We advise you to be in touch with our Regional offices for further guidance and information on the subject.

भवदीय

एन. ऑर रामदीन (एन ऑर समावजन)
मुख्य महाप्रबंधक

अनुंलग्रक Encls : 4 पृष्ठ pages
ANNEXURE

नाबार्ड वाटरशेड और वाडी परियोजना क्षेत्रों में विशेष पुनर्वित्त योजना
Special Refinance Scheme in NABARD Watershed and Wadi Project Areas

परिचालनांक
Operational Guidelines

1. उद्देश्य Objective

प्रस्तावित विशेष योजना के मुख्य उद्देश्य नाबार्ड समर्थित वाटरशेड और वाडी परियोजना क्षेत्रों में संधारणीय आर्थिक गतिविधियों, आजीविकाओं और रोजगार के अवसरों का प्रसार, बैंकों को वाटरशेड/वाडी क्षेत्रों में रियायती व्याज दर पर ऋण प्रदान करने के लिए प्रोत्साहन देना, कोविड महामारी के कारण शहरों से ग्रामीण क्षेत्रों में लौटने लंबी समय से निपटना, कोविड उपरांत कृषि और ग्रामीण क्षेत्रों को बढ़ावा देना, प्राथमिक क्षेत्र में आधार स्तर पर ऋण संभावना बढ़ाना और वाटरशेड तथा वाडी परियोजना क्षेत्रों को सुधार और संधारणीय बनाना है.

The main objectives of the proposed special scheme is to promote sustainable economic activities, livelihoods and employment opportunities in NABARD supported watershed and wadi project areas, encourage banks to lend at concessional rate in watershed/wadi areas, address the issues related to reverse migration on account of the covid pandemic, give a boost to the agriculture and rural sector in post-COVID era, credit intensification and enhancing GLC flow in priority sector and make watershed and wadi project areas more robust and sustainable.

2. पुनर्वित्त की स्वीकृति Sanction of Refinance

वर्तमान में देश के विभिन्न राज्यों में लगभग 1000 चालू और पूर्ण हुई वाटरशेड और 791 जनजाति परियोजनाएं हैं. तथापि, परियोजना क्षेत्रों में जहां ग्राम वाटरशेड समितियों और गैर सरकारी संगठन कार्यरत और सक्रिय हैं, उन्हें इसमें हाफिल करने का प्रस्ताव है ताकि ग्राम वाटरशेड समितियां/गैर-सरकारी संगठनों के सदस्य ऋण आदेशों तैयार कर सके या बैंकों के बीसी के रूप में बैंकों के मानदंडों का अनुपालन करने में सहायता दे सकें.

There are around 1000 ongoing and recently completed watershed projects and 791 TDF projects in different states of the country. However, the project areas where Village Watershed Committees(VWC) are functional and NGOs are active are proposed to be covered so that the members of VWC/NGOs may facilitate origination of loan applications or can act as BCs to banks.
The concessional LT refinance support in watershed and wadi project areas can be implemented through preparation of Banking Plans by DDMs/ROs of NABARD in association with banks for easy adoption. Regional Offices of NABARD will share the details of our project areas to banks and guide them in preparation of Banking Plans in identified clusters for extending loans proactively by banks. The refinance will be sanctioned under Automatic Refinance Facility (ARF) which enables banks to obtain financial accommodation from NABARD, without going through the detailed procedure of pre-sanction formalities. Accordingly, banks have to maintain separate database for claiming refinance against lending for such activities. ROs will interact with all the banks in their area of jurisdiction and sensitise on scheme guidelines.

3. पात्र गतिविधियां Eligible activities
वाटरशेड विकास परियोजना क्षेत्र में बैंकों द्वारा दिए गए सभी प्राथमिक क्षेत्र ऋण और वाडी परियोजना क्षेत्र में जनजातीय किसानों को कृषि-प्रसंस्करण गतिविधियों के लिए दिए गए ऋण पुनर्वित्त के लिए पात्र होंगे। एक निदर्शी सूची निर्माणसार है:

All priority sector loans extended by banks in watershed development project areas and agro-processing activities for tribal farmers in wadi project areas will be eligible for refinance. An indicative list is given below:

- कृषि क्षेत्र के अंतर्गत लघु सिंचाई, कृषि यात्रीकीयरण, भूमि विकास, मृदा संरक्षण, डेवलप, बैंकरी/भेड़ पालन, पुर्ण पालन, सूअर पालन, बागान/बागवानी, वानिकी, मल्टी पालन, गोदाम और मार्केट वार्ड, बायो-गैस और अन्य ऊर्जा के वैकल्पिक स्रोत, रेशम पालन, मधु मक्खीपालन, पप्पुपालन और पप्पू चालित गड्ढिया (वालगाड़ी आदि), कृषि-प्रसंस्करण, कृषि-सेवा केन्द्र आदि;
- कृषि केंद्र (एमएसएमई) के अधीन शिल्पकार, हस्तशिल्प, हस्तक्रिया, कृषि और हस्तक्रिया प्रसंस्करण आदि,
- सुखम वित्त, ग्रामीण आवास आदि पात्र हैं। वाटरशेड और वाडी विकास परियोजना क्षेत्र में बैंकों द्वारा प्राथमिक क्षेत्र दिशानिर्देशों का पालन करते हुए अन्य कोई गतिविधि भी पात्र होगे.

Minor irrigation, Farm mechanisation, Land development, Soil Conservation, Dairy, sheep/goat rearing, poultry, piggery, Plantation/horticulture, forestry, Fishery, Storage
and market yards, Bio-gas and other alternate sources of energy, Sericulture, Apiculture, Animals and animal driven carts, Agro-processing, Agro-service centres, etc. under farm sector; Artisans, Handicrafts, Handlooms, Agro and Food Processing etc. under off-farm Sector (MSME); Micro-Finance, Rural Housing etc. are eligible. Any other activity complying with priority sector guidelines financed by banks in the watershed and wadi development project area are also eligible.

4. **Pátra Lábhárdhí Eligible Beneficiaries**

इस योजना में, वाटरशेड परियोजना क्षेत्र में सभी पात्र लाभार्थी शामिल होंगे. समान्यतया एक वाटरशेड क्षेत्र लगभग 1000 हेक्टेयर का होता है जिसमें खेती करने वाले लगभग 400 कृषि परिवारों की जमीन हो सकती है. इसी तरह नाबार्ड समर्थित जनजाति विकास निधि-परियोजनाओं के सभी लाभार्थी पात्र हैं बैंक उन्हें प्रस्तावित योजना के अधीन रूप्रणाली कर सकते हैं. छोटे और सीमित किसानों, जनजातीय किसानों, अन्य किसानों, कृषिक उत्पादक संगठनों, स्वयं-सहायता समूहों, संयुक्त देपता समूहों, कृषि सामुदायिक संस्थाओं आदि को बैंक रूप द्वारा करने पर विचार कर सकते हैं.

The scheme will cover all the eligible beneficiaries in watershed project areas. Generally, in a watershed project of approx. 1000 ha area, about 400 farm households will be owning and cultivating the lands. Similarly all the beneficiaries of TDF projects supported by NABARD in Wadi area are eligible and banks may consider extending loans under the proposed scheme. Loans may be given to Small & Marginal farmers, tribal farmers, other farmers, FPOs, SHGs, JLGs, farmers’ collectives etc.

5. **Pátra Víttih Sásthan Eligible financial institutions**

वर्तमान पुनर्वित्तीय नीति के अनुसार, वाणिज्य बैंक, लघु वित्त बैंक, क्षेत्रीय ग्रामीण बैंक, सहकारी बैंक और नाबार्ड की सहायक कंपनियाँ योजना के अधीन रियायती पुनर्वित्त के लिए पात्र हैं.

As per the extant refinance policy, Commercial Banks, SFBs, RRBs, Cooperative Banks and subsidiaries of NABARD are eligible for concessional refinance under the scheme.

6. **Márríñ Margín**

प्रत्येक बैंक के रूप्रण अंदराइटिंग मानक और इस संबंध के भारतीय रिजर्व बैंक के दिशानिर्देशों के अनुसार मार्जिन होगी.

As per credit underwriting standards of individual banks and in accordance with RBI guidelines in this regard.
7. **Interest rate**

The interest rate on this Special Refinance Scheme will be at @3% per annum and the ultimate lending rate to be charged by banks/FIs should not be more than 2.5% over & above the interest rate charged by NABARD. NABARD reserves the right to change the interest rate from time to time.

8. **Repayment**

The refinance shall be repaid within a maximum period of 5 years.

9. **Monitoring and Review**

For effective implementation of the scheme, monitoring may be done in the fora like Village Watershed Committee Meetings/ TDF PMC meetings/ SLBC/ BLBC/ DCC. Close monitoring shall be done by geo-tagging and geo-fencing of long term economic activities financed by banks through NAB Parikshan Mobile App of NABARD. Generation of digital loan application on bank neutral platform with clear digital map demarcation of watershed and wadi areas will also be attempted for delivery of loan by banks and refinance disbursement.

10. **Other Terms and Conditions**

All other terms and conditions as applicable to schematic refinance shall remain unchanged.