

“ We must invest in infrastructure development and rebuilding communities to create jobs. ” —Carol Moseley Braun¹

7

FINANCING RURAL INFRASTRUCTURE



7.1 NABARD in rural infrastructure financing

NABARD has emerged as an important player in rural infrastructure financing over time, leveraging various funds that Government of India (GOI) has vested in it. India's rural infrastructure landscape changed forever with a creative policy masterstroke in FY1996 that mopped up the priority sector lending (PSL) shortfall of commercial banks to institute the Rural Infrastructure Development Fund (RIDF) for reviving stalled fund-starved irrigation projects. Started with a corpus of just ₹2,000 crore in FY1996 for financing irrigation, flood control, and watershed management projects, RIDF was later extended to cover 37 activities to serve a gamut of rural infrastructure needs; its journey has been marked by many impactful achievements. Endorsing the need to scale up infrastructure at this juncture, NABARD pitched for a higher corpus for RIDF in FY2022. The GOI allocated a corpus of ₹40,000 crore for XXVII RIDF Tranche (FY2022), a big jump from ₹29,763 crore in FY2021.

The PSL shortfall funds have since been used for warehousing, food processing, as also for catalysing short-term and long-term credit by augmenting loanable funds of cooperatives and regional rural banks. In 26 years, RIDF has funded states, state-owned corporations, and other eligible agencies to reach a cumulative sanction of ₹4.1 lakh crore (including ₹18,500 crore under Bharat Nirman), disbursing ₹3.2 lakh crore for financing projects pertaining to agriculture, connectivity, and social infrastructure.

TABLE 7.1: Sanctions and disbursements under various infrastructure funds of NABARD (₹ crore)

Fund	FY2020		FY2021		Cumulative (as on 31 March 2021)	
	Sanctions	Disbursements	Sanctions	Disbursements	Sanctions	Disbursements
RIDF	30,342.0	26,266.0	34,830.0	29,193.0	4,09,063.0	3,23,677.0
LTIF	6,094.9	10,469.8	2,461.8	7,761.2	84,326.6	52,479.7
MIF	2,841.6	0.0	1,128.6	1,827.5	3,970.2	1,827.5
PMAY-G	20,000.0	10,811.0	20,000.0	19,999.8	61,975.0	48,819.0
SBM-G	0.0	3,600.0	0.0	0.0	15,000.0	12,298.2
WIF	1,056.0	844.0	200.0	909.0	9,728.0	7,621.0
FPF	149.0	43.0	116.5	53.2	701.2	409.4
DIDF	564.6	670.0	943.6	120.7	3,665.9	1,230.7
FIDF	348.0	0.0	0.0	193.8	348.0	193.8
NIDA	4,382.3	3,727.1	22,767.8	7,506.1	57,724.3	22,800.1
RIPF	0.0	1.2	25.0	20.0	25.0	37.9
Total	65,778.4	56,432.1	82,473.3	67,584.3	6,46,527.2	4,71,394.2

Notes: DIDF = Dairy Processing and Infrastructure Development Fund; FIDF = Fisheries and Aquaculture Infrastructure Development Fund; FPF = Food Processing Fund; LTIF = Long Term Irrigation Fund; MIF = Micro-Irrigation Fund; NIDA = NABARD Infrastructure Development Assistance; PMAY-G = Pradhan Mantri Awaas Yojana-Gramin; RIDF = Rural Infrastructure Development Fund; RIPF = Rural Infrastructure Promotion Fund; SBM-G = Swachh Bharat Mission-Gramin; WIF = Warehouse Infrastructure Fund.

To ensure regional balance and sectoral diversity, we developed and refined an objective decision tool for allocating scarce resources across states. To determine the quantum of RIDF sanction to a state, the tool took into consideration a host of factors such as its geography, demography, current level of infrastructure development, past performance under RIDF, and share of agricultural infrastructure under RIDF.

In response to the high demand for rural infrastructure financing, NABARD has also instituted other funds such as the NABARD Infrastructure Development Assistance (NIDA) and Rural Infrastructure Promotion Fund. As on 31 March 2021, the cumulative sanctioned amount under rural infrastructure portfolio stood at ₹6.5 lakh crore with disbursements of ₹4.7 lakh crore (Table 7.1).

7.2 Rural Infrastructure Development Fund

7.2.1 Trends and patterns

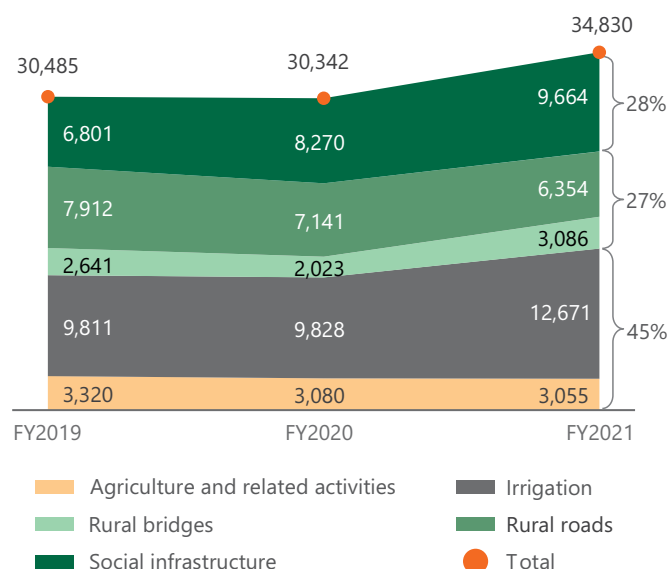
Despite the pandemic, our sanctions during FY2021 grew by 15% over FY2020, with states prioritising investments in irrigation and social infrastructure, perhaps as a counter-pandemic strategy. Disbursements too grew at an impressive 11.1% in FY2021, recovering from a decline in FY2020 (over FY2019).

Cumulative data since inception of RIDF reveals that fund utilisation (ratio of disbursements to sanctions) is high at 78% for ongoing tranches and 93% for closed tranches (I–XIX). The Reserve Bank of India (RBI) has allowed NABARD to use the undrawn balance, if any, at the time of closure of any RIDF tranche, to the full extent of the corpus; this has freed up an additional amount of ₹9,665 crore, which can be disbursed to projects under subsequent tranches on an ongoing basis, spurring growth in sanction and disbursement.



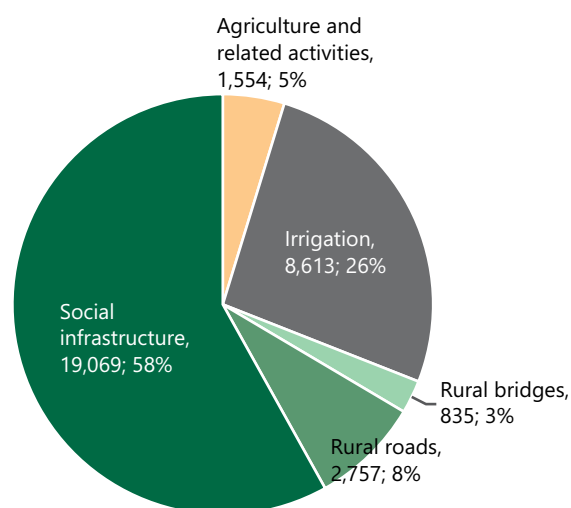
NABARD sanctioned ₹34,830 crore under RIDF XXVI during the FY2021 as compared to ₹30,342 crore in FY2020 and ₹30,485 crore in FY2019 (Figure 7.1).

FIGURE 7.1: Sanctions under Rural Infrastructure Development Fund by sector, FY2019 to FY2021 (₹ crore)



Agriculture and related projects including irrigation accounted for 45% of the sanctions with irrigation being the single-most preferred investment. At the same time, social sector seemed to be on priority of state governments with a 58% share in the number of sanctioned projects during FY2021 (Figure 7.2).

FIGURE 7.2: Projects under Rural Infrastructure Development Fund by sector in FY2021

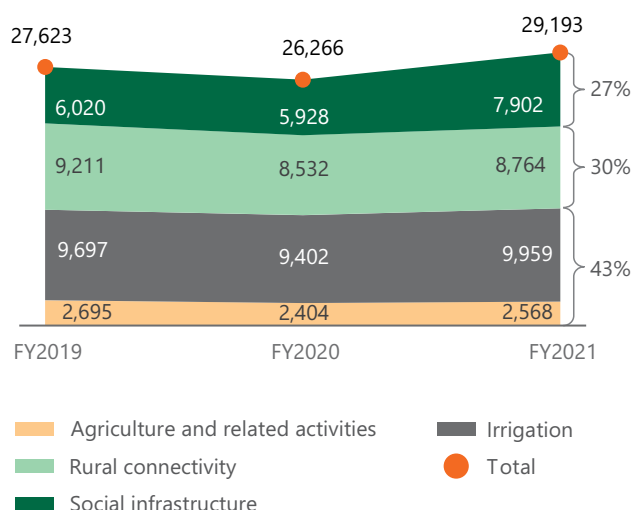


Disbursements under RIDF peaked at ₹29,193 crore in FY2021 with agriculture (including irrigation) accounting for 43% share (Figure 7.3).

Agriculture including irrigation has been the most important sector for RIDF assistance since inception with agriculture and related sector projects accounting for 44% of cumulative funding followed by rural connectivity (38%) and social sector projects (18%).

A recent study commissioned by NABARD revealed wide inter-state disparities in rural infrastructure development and suggested sector-wise reprioritisation of fund allocation for better outcomes (Box 7.1).

FIGURE 7.3: Disbursement under Rural Infrastructure Development Fund by sector, FY2019 to FY2021 (₹ crore)



Box 7.1: Renewed effort at the construction of state-wise rural infrastructure indices

The study aimed to construct state-wise rural infrastructure indices (RIIs) and use them to develop a scheme for state-wise Rural Infrastructure Development Fund (RIDF) allocation. This study took into account 9 components captured by 71 indicators of rural infrastructure, which were broadly grouped into agriculture and allied activities including irrigation, rural connectivity, and rural social sector.

The study revealed wide interstate disparity in rural infrastructural development, indicating that if the quantum of loans to state governments from RIDF were to be scientifically derived, based on their RII, it would greatly rationalise fund allocation while maximising impact.

The study classified states into top 10, middle 10, and bottom 10 on the basis of their share in RIDF allocation. Populous states such as Uttar Pradesh, Bihar, and Madhya Pradesh, occupied positions in the top category with sizable share in RIDF assistance across almost all components of rural infrastructure. The bottom states included those from the North East with very low share.

For a more equitable and balanced approach, the study recommended that 2%–3% of the total RIDF outlay be reserved for each of the 10 poorest performing states in terms of RII and the remaining be distributed to other states in accordance with their respective shares.

The study suggested that of the total RIDF funding,

- rural social infrastructure such as health care system and delivery, provision of drinking water and sanitation, and educational facilities receive 38.3%,
- agriculture and allied activities including irrigation receive 34.5%, and
- rural road connectivity be allocated 11.4%.

Source: Dennis J. Rajakumar, Vijayata B. Sawant, and S.L. Shetty (2020), Construction of State-wise Rural Infrastructure Indices, Economic and Political Weekly Research Foundation, Mumbai (sponsored by NABARD).

A quick look at Figure 7.4 reveals that between FY2019 and FY2021, Eastern India received the highest share of both sanctioned as well as disbursed funds (25%), while the North East including Sikkim received the lowest (7%). However, the fact that the share of the East and North East in sanctions and disbursements is double their respective shares in net sown area reflects NABARD's emphasis on alleviating regional disparities through strategic RIDF deployment. Continuing its efforts towards promoting greater regional balance and ensuring adequate investments in rural infrastructure for supporting livelihoods, NABARD has instituted the Rural Infrastructure Assistance to State Governments (Box 7.2).

Over the years, the cumulative RIDF sanctions to the regions with low credit–deposit ratio have witnessed a steady upward trend. Credit-starved states of the Central, East, and the North East have benefitted immensely from RIDF and the combined share of these regions has gone up in the RIDF cumulative sanctions. During FY2021, the ground level credit (GLC) in East,

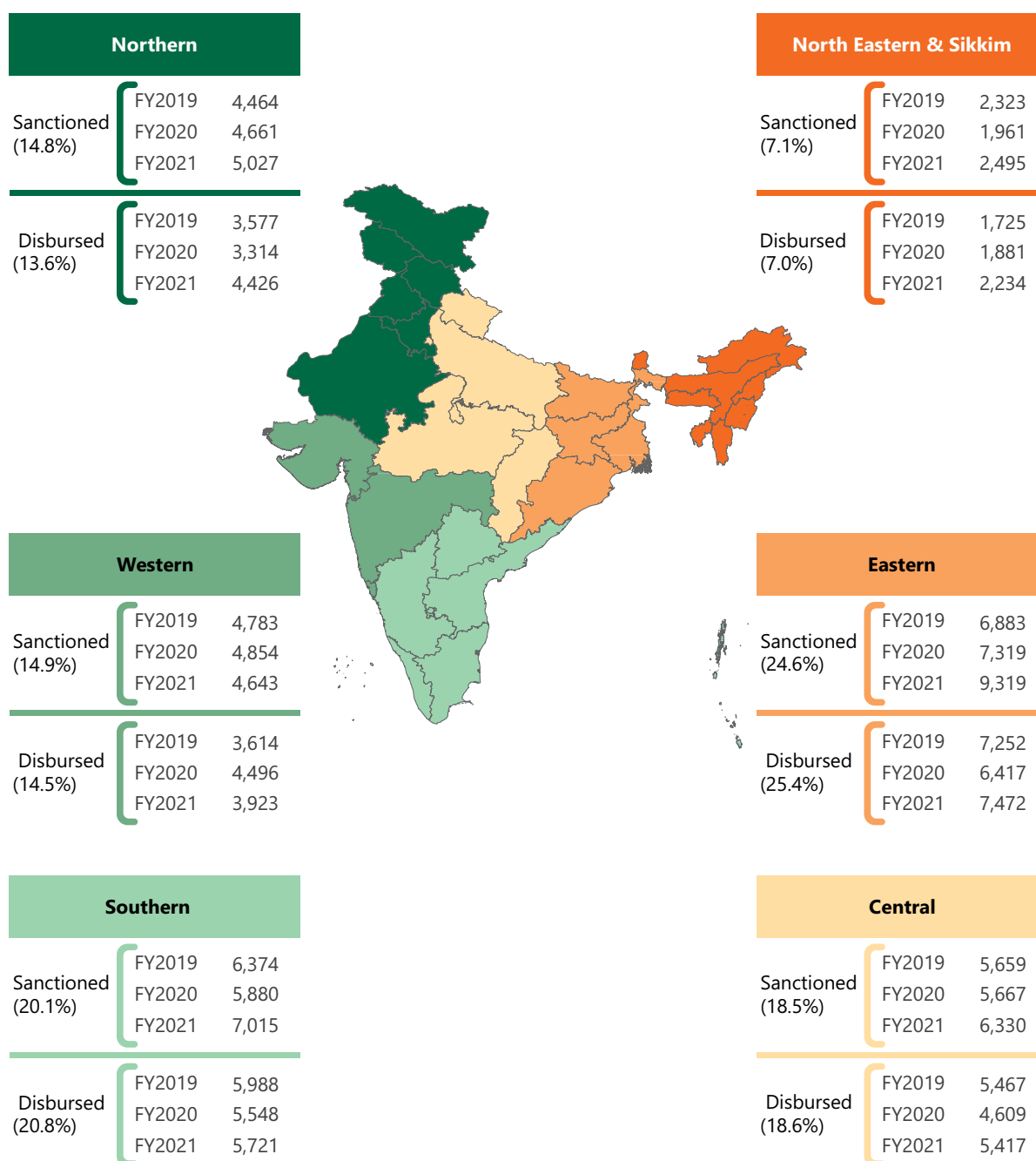
Box 7.2: Rural Infrastructure Assistance to State Governments

In the wake of the announcements made by Prime Minister Narendra Modi regarding the investment of ₹100 lakh crore in infrastructure with the objective of making India a \$5 trillion economy by FY2025 and unveiling of the report of the Task Force on National Infrastructure Pipeline by the Union Finance Minister, it was felt that NABARD could play a more significant role in boosting investments in rural infrastructure. Against this backdrop, NABARD decided to institutionalise a new product viz., Rural Infrastructure Assistance to State Governments (RIAS), to create infrastructure that supports livelihoods.

The RIAS will initially focus on Eastern India including Bihar, Jharkhand, Odisha, Chhattisgarh, West Bengal, and Eastern Uttar Pradesh because not only are these areas more deficient in physical and social infrastructure but also under maximum pressure from pandemic-induced reverse migration from other parts of the country.



FIGURE 7.4: Region-wise sanctions and disbursements under the Rural Infrastructure Development Fund (₹ crore)



Note: Figures in parentheses represent the region's share in total sanction/disbursement during FY2019–FY2021.

North East, and Central zones was 25% of the total GLC in the country, whereas the RIDF sanctions to these regions was to the tune of 52% of the total sanctions.

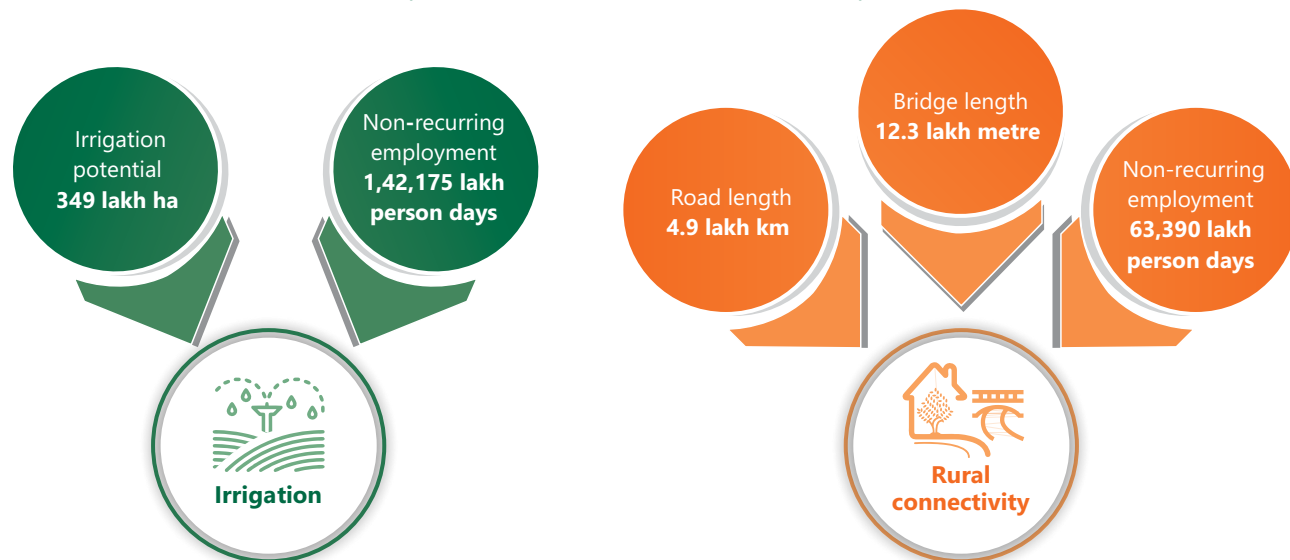
It may also be pertinent to observe that RIDF loans in the credit-starved backward districts, as identified by the Internal Working Group of the RBI, constituted about 20% of the total RIDF sanctions during FY2019

and 15% over the five-year period ended FY2020, which is much healthier than the reported share of these districts in the total outstanding priority sector credit of only 3.1%.

7.2.2 Economic and social impact

The RIDF projects consistently deliver positive outcomes for rural production, productivity, income, employment, environment, and sustainability (Figure 7.5 and Showcases 7.1–7.3).

FIGURE 7.5: Economic and social impact of the Rural Infrastructure Development Fund



SHOWCASE 7.1: Narmada–Malwa–Gambhir link, the first prepaid metered irrigation project in Madhya Pradesh

Objective

To provide piped irrigation up to 40 ha *chak* to the water deficit areas in the upper reaches of the Chambal basin.

Financials

- Total financial outlay: ₹2,187.3 crore
- Rural Infrastructure Development Fund loan
 - ❖ Phase I ₹1,035 crore (Tranche XX)
 - ❖ Phase II ₹931 crore (Tranche XXI)

Project description

- This single turnkey project, linking rivers Narmada and Gambhir, is in the last stage of implementation.
- Water is lifted from the Omkareshwar Project reservoir on the Narmada in the Nimar region and delivered to the river Gambhir to meet the irrigation and drinking water needs of the Indore and Ujjain districts of the Malwa region.
- The gross command area under the project is 83,000 ha.
- The cultivable command area is 50,000 ha.
- Annual irrigation across 78,000 ha in the Indore and Ujjain districts is planned along with water supply for both drinking and industrial use.



(Continued)



- Narmada Valley Development Authority is in the process of forming 'water user associations' to look after the operation and management of the project.

Prepaid metering process

- Under the project, assured irrigation is available through prepaid connections at the farmer's field.
- Details of the beneficiary farmers and their land are entered in the software operated and managed from the command centre at Khargone (Nimar region).
- Water user charges are levied by land area and cropping pattern of each farmer.
- The farmers recharge their irrigation accounts digitally using their mobile phones.
- Every group of 15–20 farmers in a 40 ha *chak* is represented by a team leader.
- Irrigation water is released from the command area on the telephonic request of the team leader.

Impact

- The project is expected to benefit 158 villages from 6 tehsils of Indore and Ujjain districts.
- Irrigation to 26,000 ha has been made available covering about 65,000 farmers.

Note: The command area of an irrigation outlet is called *chak*, which is a basic unit for irrigation management. Establishing layouts of the *chaks* in the command of a given channel is the first step of the irrigation planning process.

SHOWCASE 7.2: Reclamation of waterlogged areas in Sri Muktsar Sahib, Fazilka, and Ferozpur districts of Punjab

Objective

To rejuvenate agriculture production systems by reclaiming seasonally or permanently waterlogged areas of south-western districts of Punjab.

Financials

- Total financial outlay: ₹60 crore
- Rural Infrastructure Development Fund assistance: ₹51.3 crore

Project description

- Under the project, water from waterlogged areas is tapped to augment canal irrigation of water-deficit areas.
- The canal water is carried to tail-end farmers through underground pipelines for conveyance efficiency.
- The project received the Sustainable Development Goals Action Award from the Sustainable Development Goal Coordination Centre of the United Nations under the category 'Integration, Convergence, Joint Action and Holistic Solutions Approach'.

Impact

- The project aims to benefit 7,551 ha of land cultivated by 6,090 farmers from 91 villages of Sri Muktsar Sahib, Fazilka, and Ferozpur districts.
- It has already resulted in a significant increase in crop productivity (approximately 18% for paddy and 52% for wheat).
- On an average, 36.1% water is being saved in the paddy fields and 43.3% in wheat fields.
- The underground pipelines have reduced both labour cost and drudgery for the farmers.
- Land-use saving by around 3%; elimination of water logging near the channel (1.5%); elimination of additional wells in the area; and higher safety in operations are additional benefits.



SHOWCASE 7.3: Modernisation of tea processing centres in Tamil Nadu

Objective

- To facilitate phased technological upgrade of industrial cooperative tea processing centres of INDCOSERVE (Nilgiris district, Tamil Nadu), which is the largest cooperative federation of small tea growers in India.

Financials

- Rural Infrastructure Development Fund assistance: ₹16.8 crore

Project description

- The project aimed to replace existing crush-tear-curl lines in four factories and switch to orthodox line in one.
- Modernisation of pre-processing facilities involved automation of grading of green tea leaves using artificial intelligence.
- The project also entailed automation of packaging facilities.
- Besides improvements through civil works, major infrastructure upgrade included installation of new machinery at the collection centres and processing lines.

Impact

- Benefits were secured for 8,985 small tea growers spread across 68 villages of Nilgiris district.
- Improvements in processing and marketing techniques led to better price realisation by small and marginal tea farmers.



7.3 Long Term Irrigation Fund

Announced in the Union Budget FY2017, Long Term Irrigation Fund (LTIF) is meant to fast track 99 irrigation projects and augment irrigation potential by 34.6 lakh ha. NABARD has been providing assistance for meeting both central and state government shares of funding required to complete stalled priority irrigation projects. The central share is provided to the National Water Development Agency, under the aegis of Ministry of Jal Shakti, GOI, whereas state governments concerned can choose to avail loan towards their share. (Figure 7.6).

From 1 April 2018, loans towards central share have been entirely funded through extra-budgetary resources in the form of fully serviced GOI bonds while the state

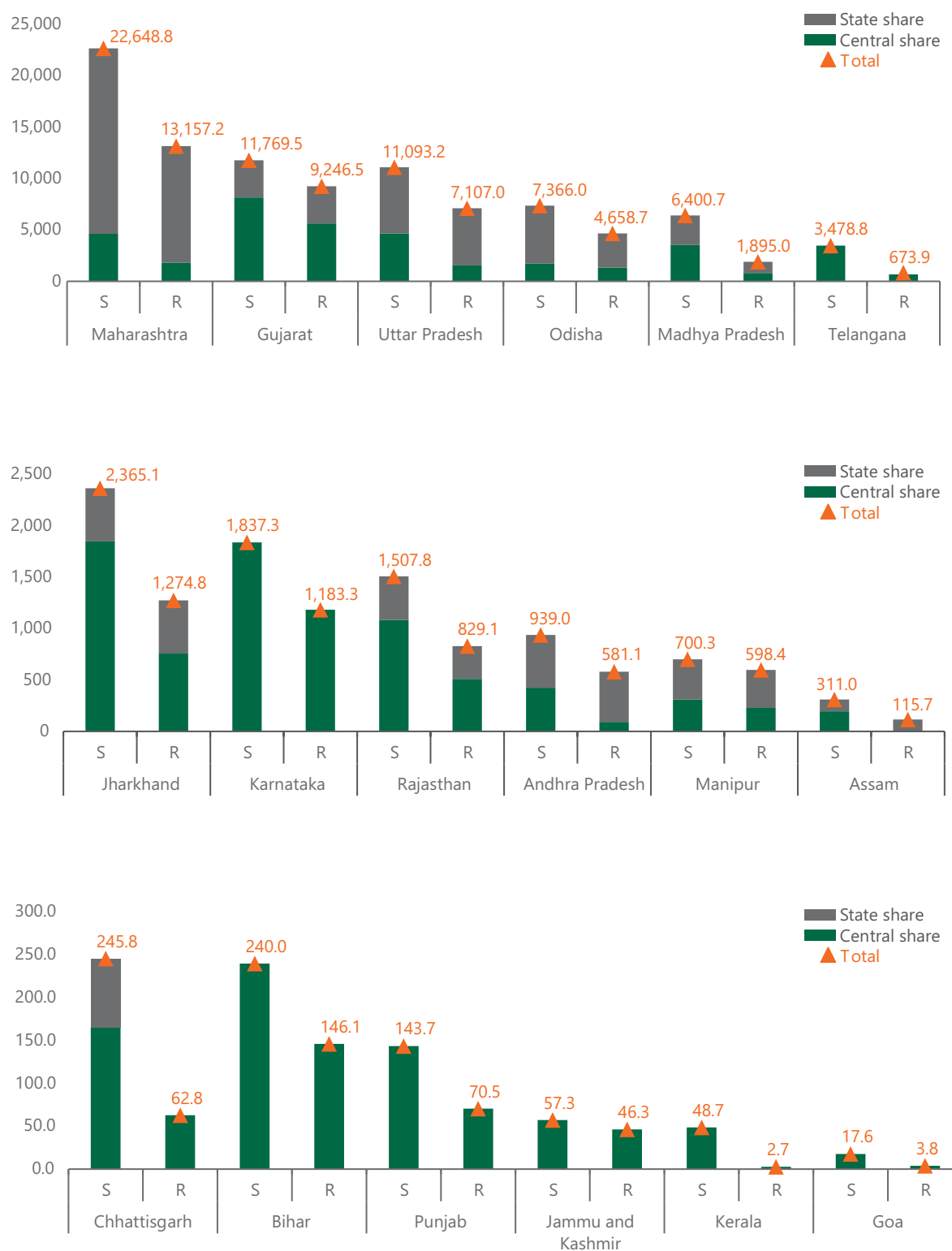
share has been fully funded through market borrowings. The loans are extended to state governments at 6% interest per annum.

Funding under LTIF has been instrumental in creating irrigation potential of 21.3 lakh ha during 2016–2020

—Ministry of Jal Shakti, Government of India.



FIGURE 7.6: State-wise funds sanctioned and released under Long Term Irrigation Fund as on 31 March 2021 (₹ crore)

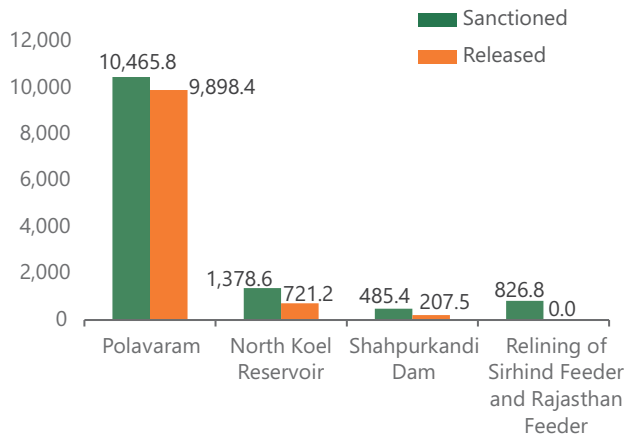


Notes:

1. S = Sanctioned; R = Released
2. Loans sanctioned across the 18 states in the figure: central share ₹32,588 crore, state share ₹38,582 crore
3. Loans released across the 18 states in the figure: central share ₹14,921.9 crore, state share ₹26,731.0 crore

In addition to the 99 projects identified initially, four new projects have been brought within the ambit of LTIF (Figure 7.7).

FIGURE 7.7: Funds sanctioned and released under Long Term Irrigation Fund for additional projects as on 31 March 2021 (₹ crore)



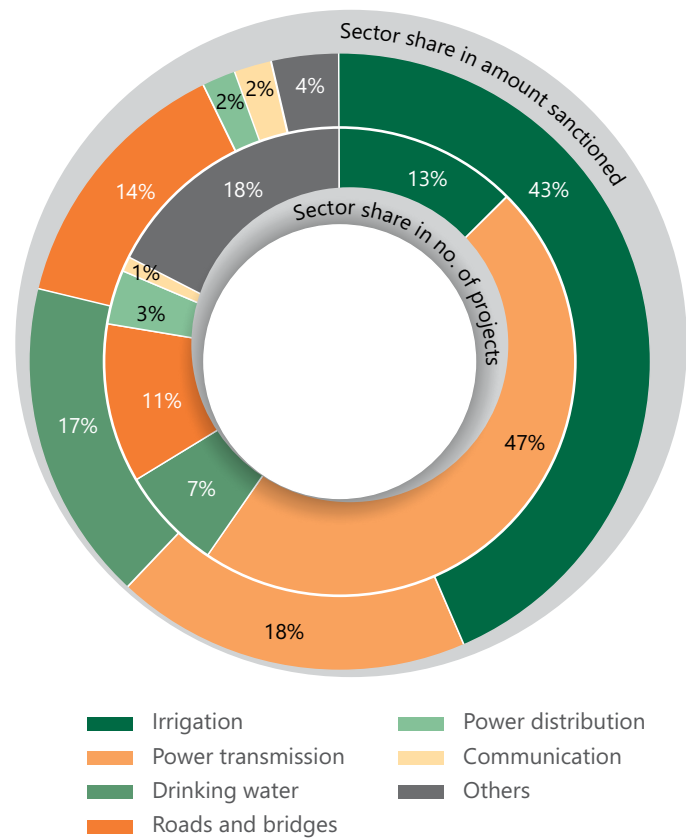
Note: These loans were extended towards 'central share' in entirety.

7.4 NABARD Infrastructure Development Assistance

NABARD Infrastructure Development Assistance (NIDA) offers flexible long-term loans to well-managed public sector entities for financing rural infrastructure, including projects for agriculture infrastructure, rural connectivity, renewable energy, power transmission, drinking water and sanitation, and other social and commercial infrastructure. Inclusion of public-private partnership (PPP) and non-PPP projects (undertaken by registered entities like corporates/companies, cooperatives, etc.) has further broadened NIDA's scope of funding.

During FY2021, term loan of ₹22,767.8 crore was sanctioned for eight irrigation projects (60.9%; ₹13,865 crore); four drinking water projects (21.7%; ₹4,931.5 crore); three transmission projects (3.9%; ₹893.7 crore); and one each under rural connectivity (5.1%; ₹1,158.5 crore), rural housing (3.5%; ₹792.4 crore), sewerage (0.3%; ₹64.9 crore), and communication sector (4.1%; ₹1,061.7 crore).

FIGURE 7.8: Sector share in NIDA as on 31 March 2021



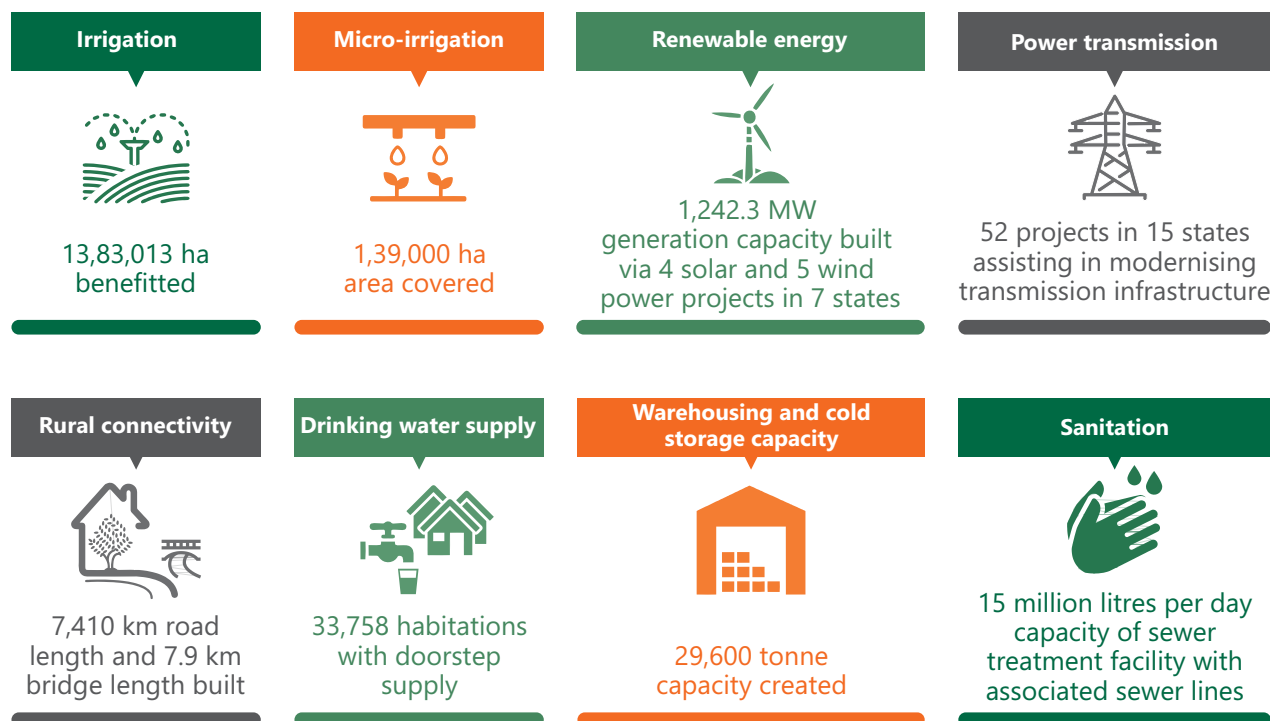
Note: 'Others' include rural housing, wind power, solar power, warehousing, hydro power, sewerage, watershed development, and development of market yard.

Cumulatively, 111 projects have been sanctioned under NIDA with term loan of ₹57,724.3 crore, of which ₹22,800 crore has been disbursed so far (Figure 7.8).

NIDA has created profound socio-economic impact by enhancing agri-production and productivity, better connectivity, employment, and also facilitating access to improved sanitation and assured supply of water, with implications for reducing child malnutrition and child mortality as well as improving female enrolment in schools. The NIDA projects are also instrumental in achieving targets under Sustainable Development Goal 6 of Clean Water and Sanitation (Figure 7.9).



FIGURE 7.9 Impact of NIDA projects



7.5 Funding warehouse infrastructure

NABARD provides financial support under the Warehouse Infrastructure Fund (WIF) to state governments, state-owned agencies, and corporates for the creation of scientific warehouse capacity to support value chains in agriculture (Table 7.2 and Figure 7.10). This investment is instrumental in aiding farmers' access to finance through negotiable warehouse receipts. Foodgrains production has grown more than six times since 1950 and trends indicate that by 2030 it will cross 350 million tonne. To accommodate the increase in production, there will be sustained demand for investment in storage during the current decade.

Loans amounting to ₹909 crore were disbursed under WIF during the year as against ₹844 crore in FY2020. Further, a term loan of ₹200 crore was also sanctioned to the Government of Madhya Pradesh in FY2021. As part of pandemic response, NABARD extended relief by deferring principal and interest repayments to two borrowing entities to the tune of ₹38.9 crore in line with the relief measures announced by the RBI.

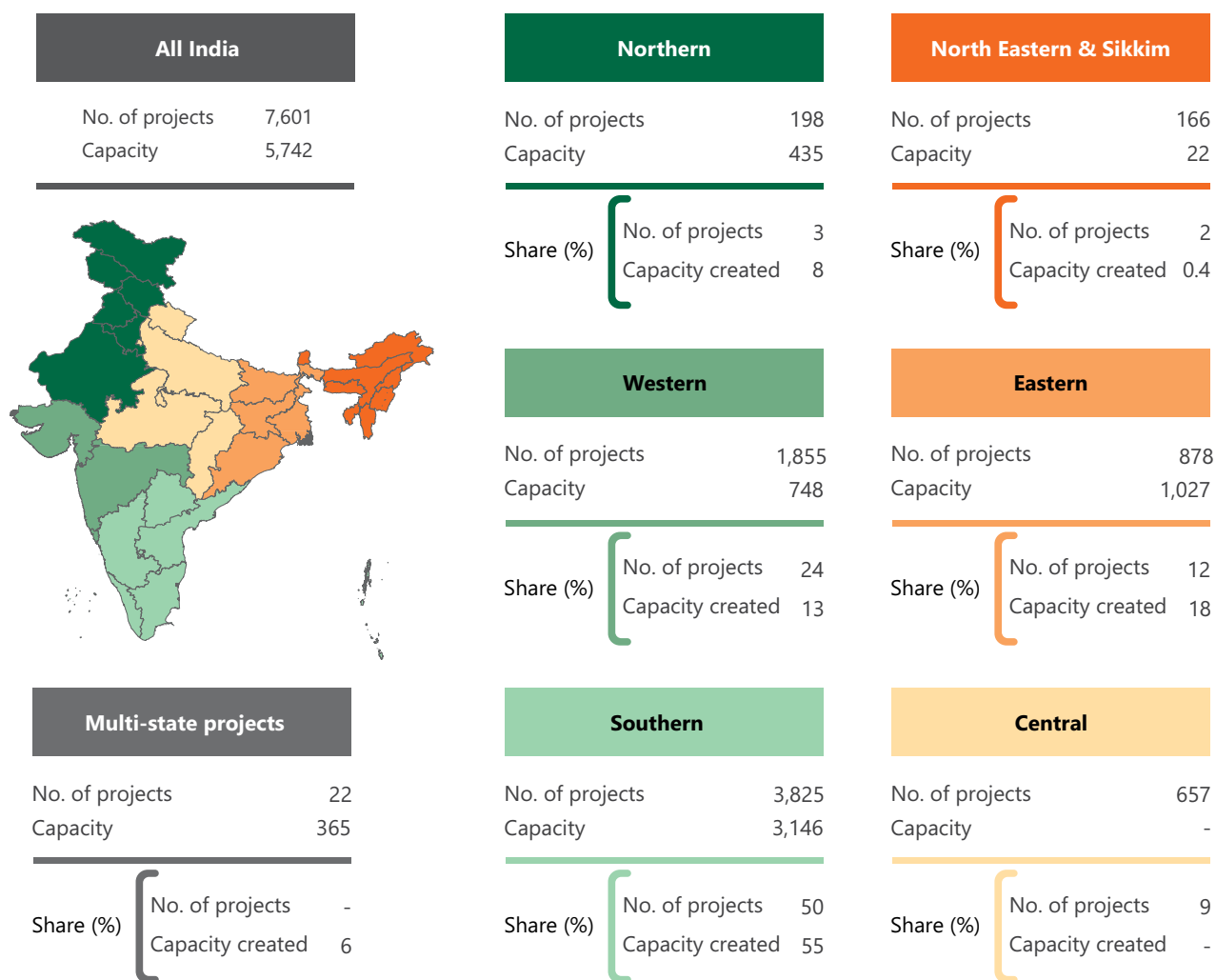
NABARD developed a web-based agri-storage infrastructure information system that captures geo-spatial coordinates and provides physical details, amenities, and contact information of each storage asset (Box 7.3).

TABLE 7.2: Loan sanctions and disbursement under Warehouse Infrastructure Fund as on 31 March 2021 (₹ crore)

Tranche	Corpus allocated	Sanctions	Cumulative disbursement
FY2014	4,481	4,535	3,237
FY2015	5,000	5,193	4,384
Total	9,481	9,728	7,621

Note: Of the ₹5,000 crore corpus of the WIF Tranche FY2014, ₹519 crore was refunded to commercial banks.

FIGURE 7.10: Region-wise performance of Warehouse Infrastructure Fund (capacity in '000 tonne)



Note: Share (%) represents the region's share in all India.

Box 7.3: Geo-tagging of agri-storage infrastructure across India

NABCONS, a subsidiary of NABARD, has developed a web-based agri-storage infrastructure information system which enables

- efficient use of existing warehousing capacity,
- integration of small farmers with the commodity value chain,
- reduction in post-harvest losses in agriculture and allied commodities, and
- uberisation of warehousing given the scalability of the platform.

Since the information system captures location, capacity, facilities, and contact details of each warehouse, geo-tagging has also led to the development of a farmers' app (Kisan Bhandar). The app helps farmers and other stakeholders locate the nearest storage structure within a radius of 30 km, enabling them to take a conscious decision in choosing the right storage structure for holding their produce.



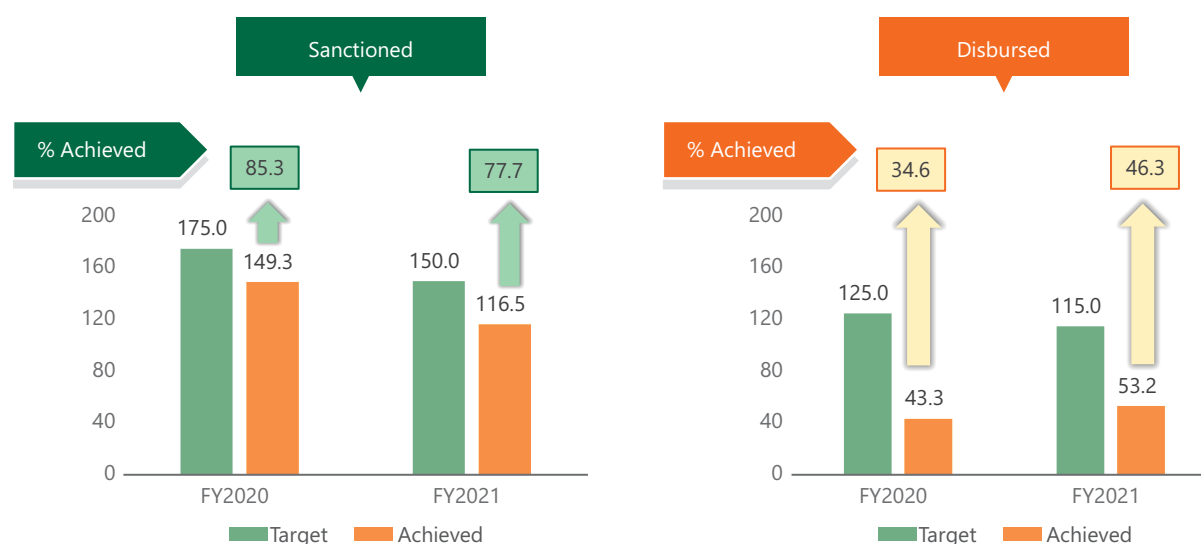
7.6 Funding food processing infrastructure

NABARD provides affordable credit under the Food Processing Fund (FPF) to public and private players for setting up agro-processing clusters in designated food parks (DFPs) notified by the Ministry of Food Processing Industries, GOI, and for establishing food processing units therein (Figure 7.11). Cumulative disbursement as on 31 March 2021 through FPF is

₹409.4 crore. While investing in infrastructure within DFPs helps prospective entrepreneurs save on capital expenditure, financing individual units helps both DFPs and enterprises become viable.

As on 31 March 2021, NABARD has sanctioned term loan of ₹701.2 crore for 12 mega food parks, 10 agro-processing clusters, and 10 individual food processing units (Showcase 7.4).

FIGURE 7.11: Loan sanctions and disbursement under Food Processing Fund (₹ crore)



SHOWCASE 7.4: Gurukripa Mega Food Park, Ladhawal, Ludhiana district, Punjab

Objective

- To set up a mega food park (MFP) in Ludhiana.

Financials

- Total financial outlay: ₹117.6 crore
- Food Processing Fund term loan: ₹27.1 crore to Punjab Agro Industries Corporation Limited

Project description

- The MFP was planned on an area of 100 acres with common facilities on 46 acres.
- Ten sheds for micro, small and medium enterprises were provided over an area of 2,619 square meters so that minor food processing units could access the plug-and-play infrastructure.
- Four primary processing centres (based on hub-and-spoke model) enabled procurement of raw material for the food processing units.



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- The project led to the creation of
 - ❖ 2,900 tonne of cold storage capacity (including cold store, spiral freezer etc.),
 - ❖ 20,000 tonne of dry warehouse and silos capacity, and
 - ❖ 100 tonne of ripening chambers capacity along with incubation centres and testing lab.
- The MFP provided backward and forward linkages to food growers across 12 districts of Punjab.



Impact

- The MFP brought together stakeholders to create infrastructure for food processing and maximise gains for farmers through the agri-value chain.
- The food processing sector in Punjab received impetus through the creation of supply chain infrastructure including collection centres, primary processing centres, central processing centres, and the cold chain.
- Besides these services, the availability of fully developed plots for entrepreneurs contributed to making food processing units commercially viable.
- The MFP will potentially provide direct as well as indirect employment to 12,000 persons.

7.7 Housing for all by 2022

The Pradhan Mantri Awaas Yojana–Gramin (PMAY-G) aims at providing a pucca house with basic amenities to all houseless households and those living in kutchha and dilapidated houses, by 2022. The scheme envisages construction of 2.95 crore houses: 1 crore houses under Phase I (FY2017 to FY2019) and 1.95 crore under Phase II (FY2020 to FY2022) (Figure 7.12).

NABARD has been extending support to the National Rural Infrastructure Development Agency, a special purpose vehicle of the GOI, towards part funding of the central share under the PMAY–G since FY2018. As on

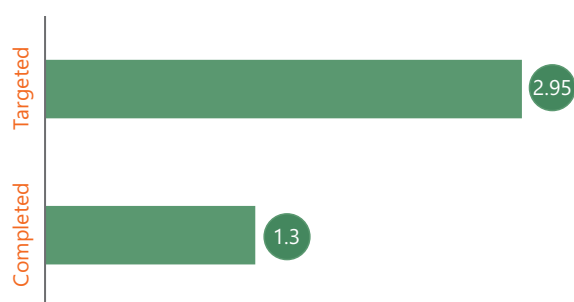
31 March 2021, NABARD has sanctioned ₹61,975 crore and released ₹48,819 crore for this purpose.

7.8 Dairy Processing and Infrastructure Development Fund

Dairy Processing and Infrastructure Development Fund set up in NABARD envisages creation and modernisation of milk processing facilities and other dairy related infrastructure within an implementing period of up to FY2023.

Cumulatively, as on 31 March 2021, 43 projects in 11 states have been sanctioned to the National Dairy Development Board and the National Cooperative Development Corporation with loan amount of ₹3,644.5 crore for an investment of ₹5,256.5 crore in the dairy processing sector. The cumulative amount disbursed is ₹1,230.7 crore. The sanctioned projects are expected to create milk-processing capacity of 162.7 lakh litre per day (LLPD), modernisation of existing plants of 10.6 LLPD, value addition capacity of 2,794.8 metric tonne per day (MTPD), and milk drying capacity of 300 MTPD in implementing states (Figure 7.13).

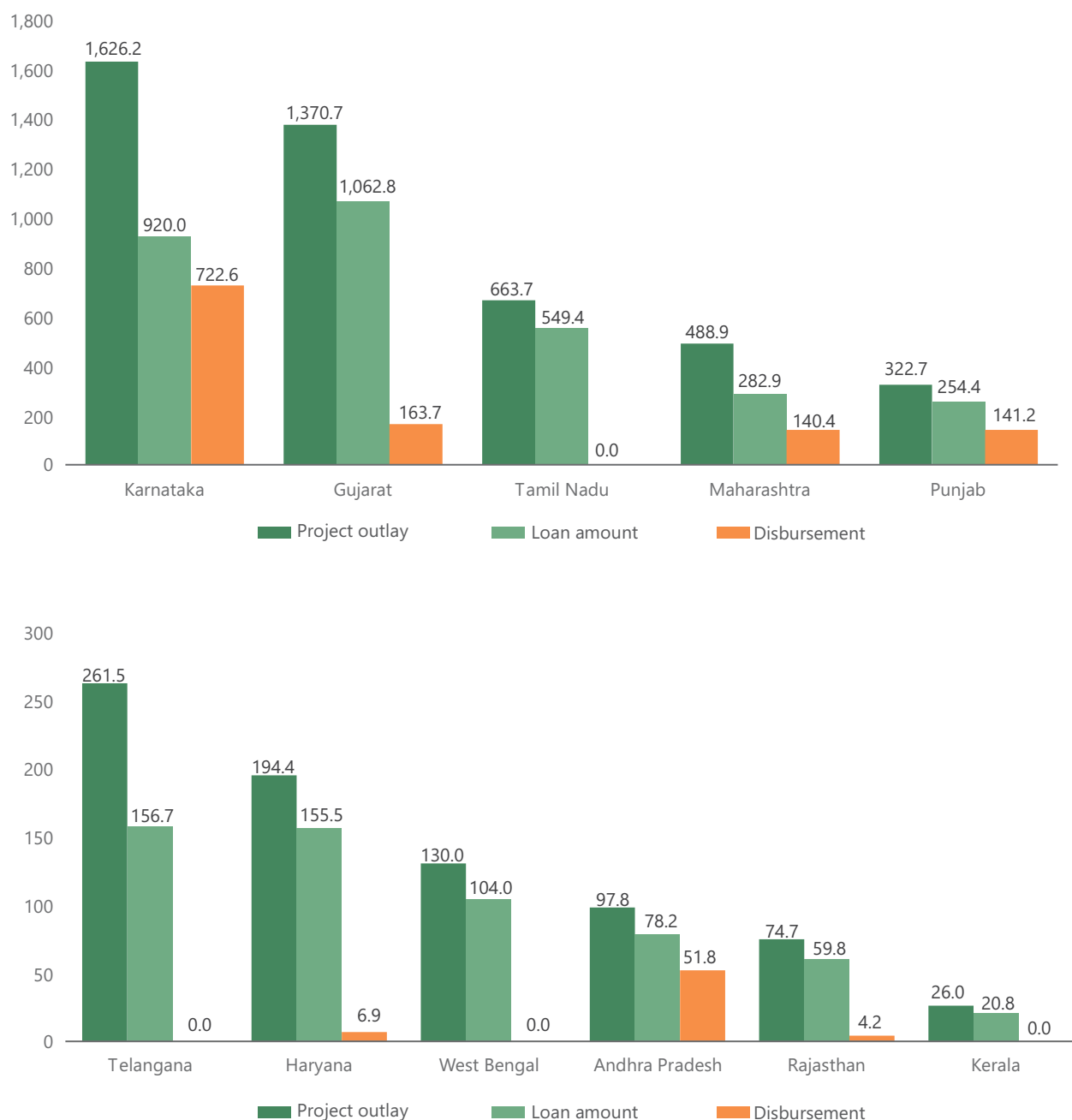
FIGURE 7.12: Rural houses built under PMAY–G as on 27 February 2021 (in crore)



Source: Ministry of Rural Development, Government of India.



FIGURE 7.13: Cumulative state-wise sanctions and disbursement under Dairy Processing and Infrastructure Development Fund as on 31 March 2021 (₹ crore)



Note: For the 11 states in the figure, the total project outlay is ₹5,256.5 crore, loan amount is ₹3,665.8 crore, and disbursement is ₹1,230.8 crore.

7.9 Other Infrastructure Initiatives

7.9.1 Per Drop More Crop

Micro-Irrigation Fund (MIF), operationalised in NABARD in FY2020, has, in this fiscal too, continued to support efforts of state governments in mobilising additional resources for expanding coverage under micro-irrigation and incentivising its adoption beyond

provisions of Pradhan Mantri Krishi Sinchayee Yojana—Per Drop More Crop.

During FY2021, loan amount of ₹1,128.6 crore was sanctioned to four states, viz., Haryana, Punjab, Uttarakhand, and West Bengal. Further, loan amount of ₹1,827.5 crore was released to the states of Andhra Pradesh, Gujarat, Haryana, and Tamil Nadu during the year.

This fund ensures water-use efficiency and water conservation while increasing irrigation coverage. As on 31 March 2021, the cumulative sanction under MIF stood at ₹3,970.2 crore and release at ₹1,827.5 crore. The implementation of sanctioned projects will facilitate expansion of micro-irrigation to an area of 12.8 lakh ha.

7.9.2 Developing fisheries and aquaculture infrastructure

NABARD, being one of the nodal loaning entities under the Fisheries and Aquaculture Infrastructure Development Fund, will fund the public infrastructure components to the tune of ₹2,508 crore through state governments/UTs for various fishery-based infrastructure activities. NABARD has executed tripartite memoranda of agreement with nine state governments, viz, Tamil Nadu, West Bengal, Andhra Pradesh, Gujarat, Karnataka, Kerala, Maharashtra, Goa, and Haryana.

So far, NABARD has sanctioned ₹348 crore and disbursed ₹93.8 crore for the development of three fishing harbours in Tamil Nadu. The proposed fishing harbours are expected to provide employment to 12,115 sea-going fishermen and additional employment to 9,000 persons in shore-based establishments related to distribution and marketing of fish and crustacean products.

7.9.3 Swachh Bharat Mission–Gramin

Under Swachh Bharat Mission–Gramin (SBM–G), NABARD has extended loans to the National Centre for Drinking Water, Sanitation, and Quality during FY2019 and FY2020 towards part funding of central share for construction of 3 crore household toilets.

As on 31 March 2021, the cumulative sanction under SBM–G stood at ₹15,000 crore and release at ₹12,298.2 crore. The loan assistance from NABARD has facilitated construction of 3.3 crore household toilets.

7.10 Rural infrastructure, key to a \$5 trillion economy

As India's economy strives to sustain through the pandemic, the role of infrastructure development as an essential enabler for economic growth, income augmentation, and improved standard of living becomes more pertinent. Infrastructure development and upgrading will be key to raising India's competitiveness and achieving the target of a \$5 trillion economy by FY2025.

NABARD has been playing a significant role in expanding rural infrastructure through various programmes and funds like RIDF, LTIF, WIF, and NIDA, and shall continue its support for infrastructure development in the country. NABARD's strategy in the infrastructure space is unique as it focuses on expansion to achieve scale and diversification to cater to new and emerging rural needs.

Notes

1. Carol Elizabeth Moseley Braun is an American diplomat, politician and lawyer who represented Illinois in the United States Senate from 1993 to 1999.
2. e-NAM = Electronic National Agricultural Market.