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THE YEAR OF CHALLENGES

> ***We are at war with a virus. I see three critical areas for action: First, tackling the health emergency. Second, we must focus on the social impact and the economic response and recovery. Third, and finally, we have a responsibility to 'recover better'. More than ever before, we need solidarity, hope and the political will to see this crisis through together.***
>
> *—António Guterres*[1]

The COVID-19 pandemic has, since early 2020, put the world economy in serious jeopardy, and forced a transformation of human lives and livelihoods globally. And yet, in the midst of this unprecedented crisis, Indian agriculture stood out as an exception, growing at 3.6% during FY2021, while the other sectors contracted.[2]

We, at NABARD, too have emerged stronger from this adversity with a record 23.6% growth in our balance sheet size to reach close to ₹6.6 lakh crore in FY2021 (Chapter 9). While a detailed account of our operations and performance during FY2021 is presented in subsequent chapters, this chapter recapitulates the major developments of FY2021 that had a significant bearing on us.

1.1 The 'lives versus livelihoods' dilemma

The trying times brought on by the pandemic placed extremely difficult choices before India, especially given the country's size and complexity. Hoping for long-term gain at the cost of some short-term pain, India imposed stringent nationwide lockdown. The poor and the vulnerable as well as the business sector (especially the micro, small, and medium enterprises) bore the brunt of the extreme economic disruption.

Under the AtmaNirbhar Bharat package, the Government of India endeavoured to cushion the economic shock faced by these segments through a variety of measures. The Pradhan Mantri Garib Kalyan Yojana ensured food security through the public distribution system; direct benefit transfers were made to widows, pensioners, and women holding Jan Dhan accounts; additional funds sanctioned for the Mahatma Gandhi National Rural Employment Guarantee Scheme; and debt moratoria and liquidity support extended to businesses. With the easing of movement- and health-related restrictions in the third quarter of FY2021, government support shifted to a calibrated push for growth in investment and demand through the AatmaNirbhar Bharat (ANB) 2.0 and 3.0 economic recovery packages which focused on boosting capital expenditure.

1.2 Severe economic contraction

According to the International Monetary Fund[3] and the World Bank,[4] the global economy contracted 3.5%–4.3% due to the pandemic in 2020. Demand compression coupled with supply disruptions led to contraction in fixed investment, private consumption, and exports.

The Indian economy contracted sharply due to the stringent lockdown imposed during March–May 2020. Its real gross domestic product (GDP) recorded a whopping 23.9% de-growth in Q1 of FY2021 followed by a 7.5% drop in Q2.[5] The protracted nationwide lockdown, social distancing norms, and the mass exodus of migrant workers led to a steep decline in manufacturing, construction, trade, and transportation sectors. Credit conditions also remained muted.

Box 1.1: AatmaNirbhar Bharat package for economic recovery

> We have to be dedicated to make ourselves self-reliant. This magnificent building of self-reliant India will stand on five pillars, namely, economy, infrastructure, technology, demography, and demand.
>
> – Prime Minister Shri Narendra Modi

The government is seeking to address the challenges presented by the pandemic head-on by creating an AatmaNirbhar Bharat (ANB) with focused endeavours such as Sankalp (pledge) of Nation First; Doubling Farmers' Income; Strong Infrastructure; Healthy India; Good Governance; Opportunities for Youth; Education for All; Empowerment of Women; and Inclusive Development.

While the ANB 1.0 package is meant to sustain the recovery process, ANB 2.0 and ANB 3.0 packages are aimed at stimulating further growth. In FY2021, the total financial outlay encompassing all three ANB packages and monetary measures taken by the Reserve Bank of India was estimated to be 15.7 % of the GDP.[a]

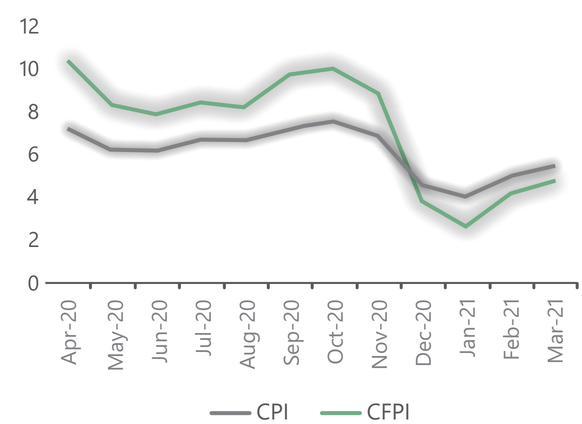
a RBI (2021), *Annual Report 2020–21*, Reserve Bank of India, Mumbai.

However, with the announcement of multiple packages under the ANB Mission, economic activity started to gain traction in the second half of FY2021 (Box 1.1). Provisional Estimates of National Income FY2021 indicated real GDP growth of 0.4% in Q3 and 1.6% in Q4 and put the GDP contraction for entire FY2021 at 7.3%.[6]

1.3 Inflation targets missed

Inflation as measured by the Consumer Price Index (CPI) breached the upper tolerance threshold of 6% for eight months in a row from April 2020 due to supply chain disruptions. Favourable base effects and a sharp fall in key vegetable prices helped the headline CPI inflation to moderate below 6% from December 2020 (Figure 1.1). Even though CPI inflation stayed within the target range (4±2%) during December 2020–March 2021, upward pressures continue owing to supply chain disruptions and rising inputs costs. Concerted supply side interventions by the centre and states may help cool down inflation in the ensuing months, provided disruptions caused by the pandemic ebb.

Figure 1.1: Monthly consumer price index and consumer food price index



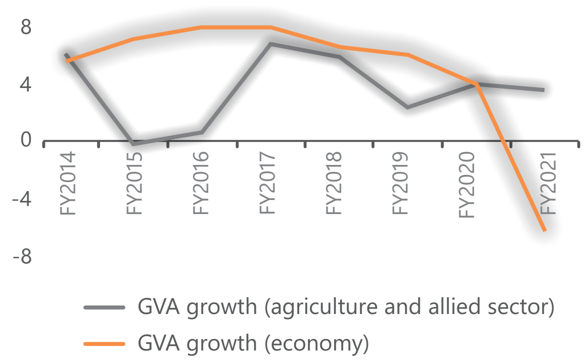
Notes: CPI = Consumer Price Index; CFPI = Consumer Food Price Index

Source: Ministry of Statistics and Programme Implementation, Government of India, www.mospi.nic.in.

1.4 Record agricultural production

The abrupt countrywide 'COVID-lockdown' coincided with the harvesting of rabi crops, restricting movement of farm inputs and machinery. More significantly, the lockdown halted the seasonal migration of workers, precipitating a shortage of farm labourers in destination states while increasing pressure on land in their native states; many were stranded in cities-on-brakes without earnings. Despite these odds, there was no aggregate shortage of food supply, thanks to the Indian farmer and other stakeholders in the agricultural supply chains. As a result, the agriculture and allied sector recorded a robust growth in gross value added (GVA) of 3.6% at constant prices (2011–12 series) (Figure 1.2).[7]

Figure 1.2: GVA growth (%) trends at constant prices (2011–12 series)

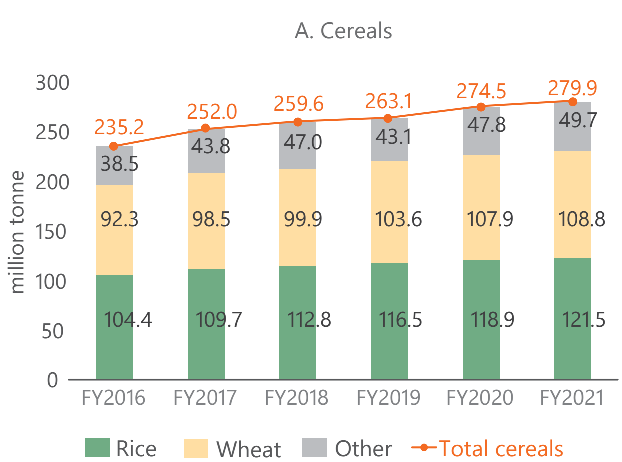


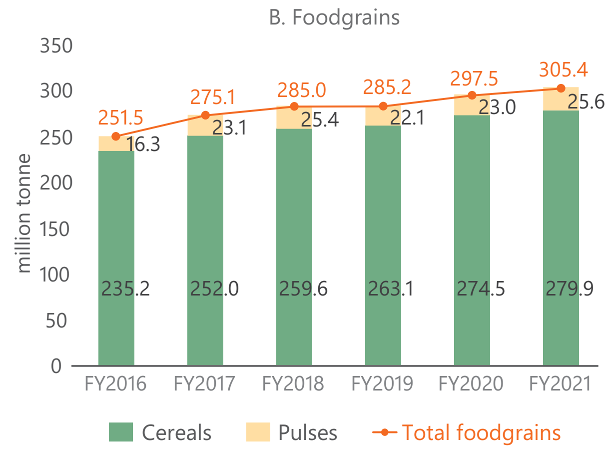
Note: GVA = Gross Value Added.

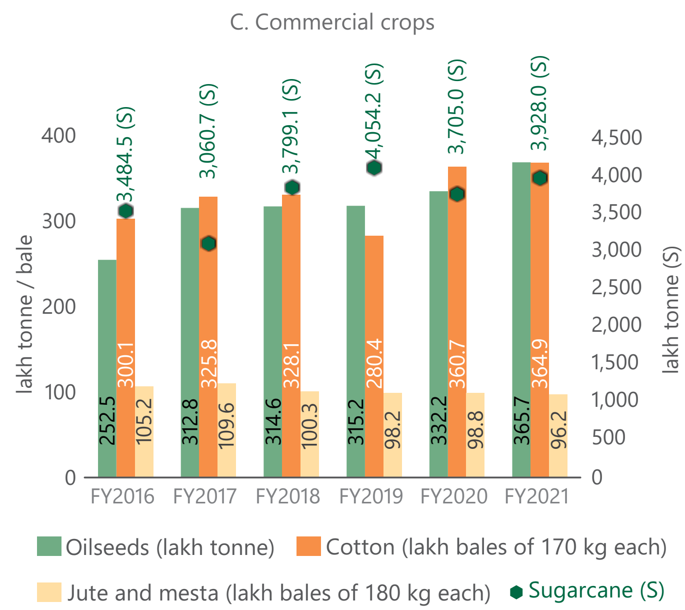
Source: GOI (2021), Provisional Estimates of National Income 2020–21, National Statistical Office, Ministry of Statistics and Programme Implementation, Government of India.

The agriculture sector became the driving force of the Indian economy during the COVID-19 pandemic. In FY2021, our farmers increased sown area by 5.7% in kharif season and 4.3% in rabi season over FY2020. Consequently, foodgrain production peaked at a record 305.4 million tonne in FY2021, 8 million tonne over the previous year.[8] Total foodgrain production was

Figure 1.3: Agricultural production







Note: Components may not add up to the total due to rounding off.

Sources: GOI (2021), Third Advance Estimates of Production of Foodgrains (for Figures 1.3 A and B) and Third Advance Estimates of Production of Oilseeds and Commercial Crops (for Figure 1.3 C), Directorate of Economics and Statistics, Department of Agriculture, Cooperation and Farmers' Welfare, Ministry of Agriculture and Farmers' Welfare, Government of India.

26.6 million tonne higher than the average between FY2016 and FY2020 (Figure 1.3A and B).

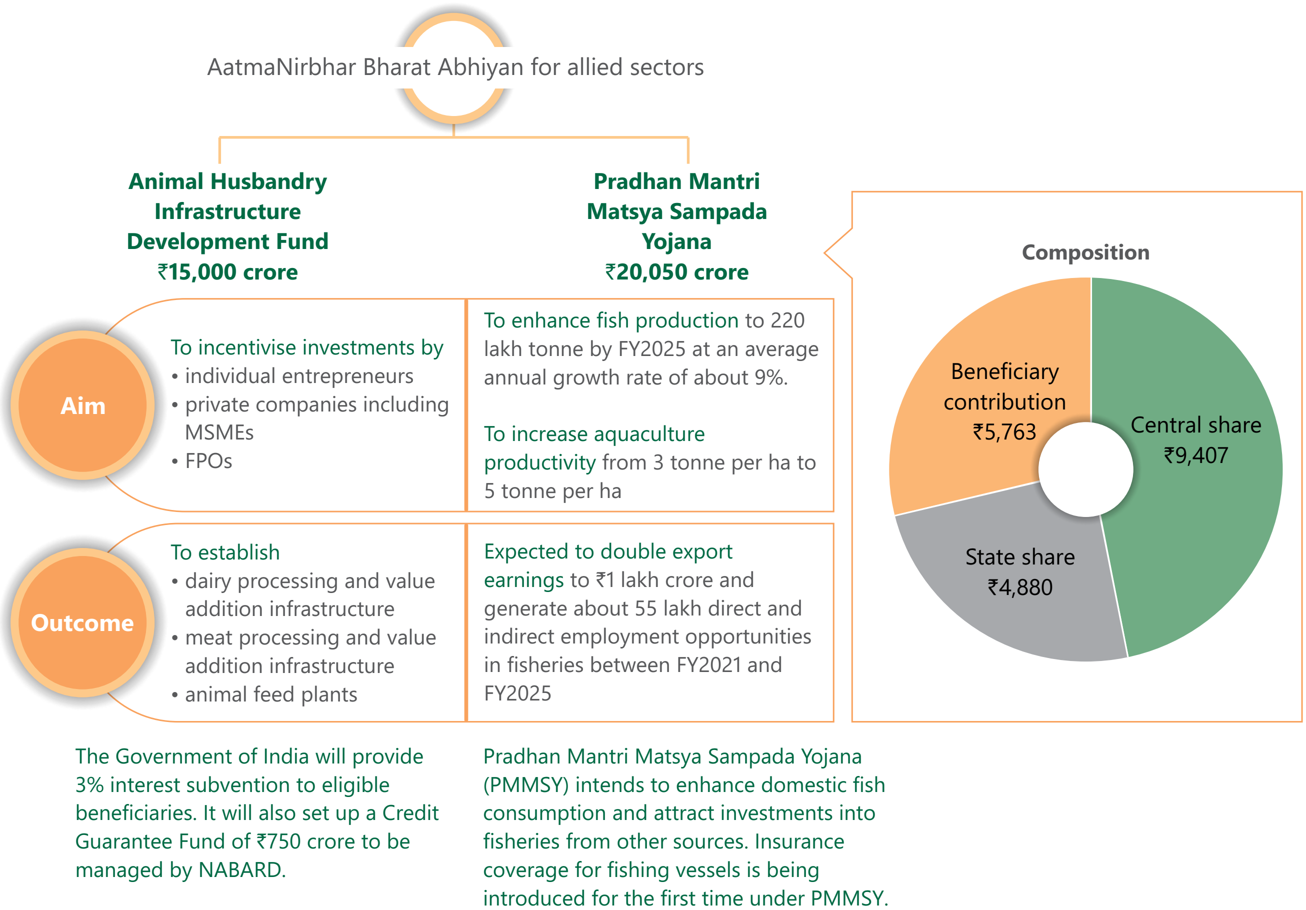
Compared to FY2020, production of three major commercial crops increased—oilseeds (10%), sugarcane (6%), and cotton (1.1%) (Figure 1.3C). Growth in production of medicinal and aromatic plants (10.6%) and vegetables (2.5%) were the highest amongst all horticulture produce (estimated at 326.6 million tonne) (Table 1.1).

Table 1.1: Horticulture crops—Area and production

	Area (lakh hectare)			*Production (million tonne)*		
	FY2019	*FY2020*	*FY2021*	*FY2019*	*FY2020*	*FY2021*
Fruits	66.0	67.6	69.6	98.0	102.0	103.2
Vegetables	100.7	103.0	107.1	183.2	188.9	193.6
Tomato	*7.8*	*8.1*	*8.3*	*19.0*	*21.2*	*20.1*
Onion	*12.2*	*14.3*	*16.0*	*22.8*	*26.1*	*26.3*
Potato	*21.7*	*20.5*	*22.5*	*50.2*	*48.6*	*53.1*
Aromatic and medicinal plants	6.3	6.4	6.5	0.8	0.7	0.8
Flowers	3.0	3.2	3.2	2.9	3.0	2.8
Honey	NA	NA	NA	0.1	0.1	0.1
Plantation crops	40.7	40.8	41.1	16.6	15.7	15.8
Spices	40.7	43.5	44.1	9.5	10.3	10.2

Source: GOI (2021), Area and Production of Horticulture Crops for 2020–21 (1st Advance Estimates), National Horticulture Board, Ministry of Agriculture and Farmers' Welfare, Government of India.

Figure 1.4: Initiatives for the allied sector under the AatmaNirbhar Bharat Abhiyan



Notes: 1. FPO = Farmer Producers' Organisation; ha = hectare; MSME = Micro, Small, and Medium Enterprises.
2. Composition of PMMSY is in ₹ crore.
3. Beneficiary contribution to PMMSY only from FY2021 to FY2025.

Source: GOI (2020), AatmaNirbhar Bharat Package-Part 3, Press Information Bureau, Press Release dated 15 May 2020. https://static.pib.gov.in/WriteReadData/userfiles/Aatma%20Nirbhar%20Bharat%20Presentation%20Part-3%20Agriculture%2015-5-2020%20revised.pdf.

1.5 Good performance by the allied sector

Growing at a compounded annual growth rate of 8.2% between FY2015 and FY2019, the livestock sector increased its contribution to the GVA from agriculture and allied sectors from 24.3% to 28.6% (at constant prices). Its contribution to total GVA for FY2019 stood at 4.2%.[9]

India produced 14.2 million tonne of fish in FY2020, second highest globally, with a share of 7.6%. The sector contributes 1.2% to total GVA and 7.3% to agricultural GVA. The country exported 1.3 million tonne of marine produce during FY2020, valued at ₹46,662 crore. Fish production has contributed to meaningful socio-economic development of over 28 million Indians (mostly from marginalised and vulnerable communities) who depend on the sector for their livelihood.[10] Initiatives under ANB for allied activities are presented in Figure 1.4.

1.6 Impressive agricultural exports

India's exports of agriculture and allied products grew 17.3% to $41.3 billion in FY2021 after stagnating around $38 billion in FY2018 and FY2019 and dipping to $35.2 billion in FY2020.[11] Although India is a leader in global trade in marine products, basmati rice, buffalo meat, spices, non-basmati rice, raw cotton, oil meals, sugar, castor oil, and tea, it accounts for just a little over 2.5% of global agri-trade (Figure 1.5).[12]

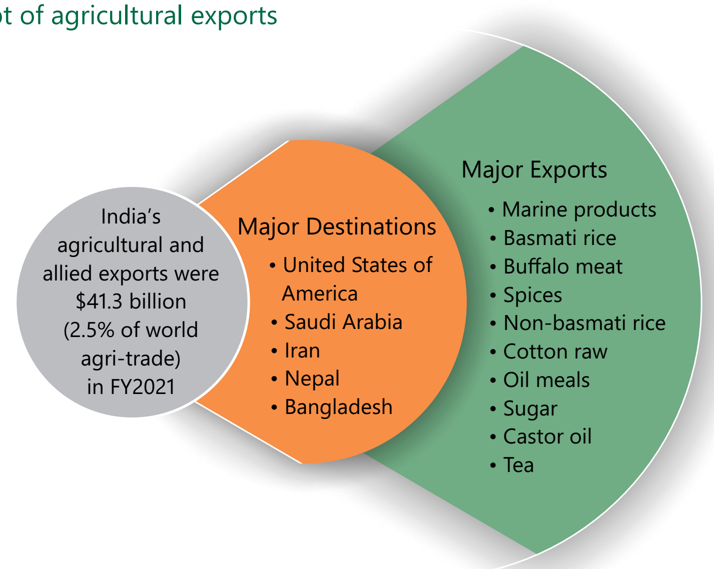
India's agricultural exports have grown since May 2020 despite the pandemic, with cereals leading the way. It emerged as the largest exporter of rice in the world (especially, non-basmati), driven by a strong international demand from households in Europe to stock rice during COVID-19 lockdowns. Indian exports also gained from supply side disruptions affecting other major exporters, including Viet Nam and Thailand.

1.7 Double digit growth of agricultural credit

Timely credit is vital for Indian agriculture, with predominantly capital-starved smallholders. Initiatives of the central and state governments, the Reserve Bank of India (RBI), NABARD, and financial institutions have been instrumental in steadily expanding the institutional credit flow to agriculture. In FY2021, ₹15.6 lakh crore of agriculture credit was disbursed till 31 March 2021 against a target of ₹15.0 lakh crore.[13] To keep up the momentum, the target for FY2022 was set at ₹16.5 lakh crore in the Union Budget.

Access to affordable credit can enable farmers to adopt new technology, farm mechanisation, and commercialisation, thus increasing incomes. However, we need to go beyond supply enhancement to demand stimulation through the expansion of credit absorption capacity by building infrastructure; improving financial, agri-technology, and digital literacy of farmers; and encouraging farm investments.

FIGURE 1.5: Snapshot of agricultural exports



Sources:

1. PIB (2021), India registered excellent growth in Agriculture Exports during 2020-21, Press Information Bureau, Ministry of Commerce & Industry, Government of India, 10 June. https://pib.gov.in/Pressreleaseshare.aspx?PRID=1725891.
2. GOI (2021), *Economic Survey 2020–21*, Ministry of Finance, Government of India, New Delhi.

In May 2020, 11 measures (3 reforms and 8 initiatives) for agriculture and allied activities were announced under the ANB package to add liquidity of up to ₹1.5 lakh crore (for the reforms, see Box 1.2).

Box 1.2: Agri-reforms 2020 announced under the AatmaNirbhar Bharat package

1. The **Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, 2020** is expected to allow open trade, increase competition amongst buyers, remove barriers to interstate trade and offer more options to farmers to sell their produce leading to enhancement of farmers' income. It is hoped that demarcating the jurisdiction of the APMC will facilitate greater trade outside the APMC market yard.
2. The **Farmers' (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, 2020** aims to give price assurance to farmers at the time of sowing. Cropping decisions based on forward contracts (say, with corporate entities) are expected to minimise market risks and solve issues of erratic food pricing.
3. The **Essential Commodities (Amendment) Act 2020** aims to boost private investment in agriculture supply chains, food processing industries, and export infrastructure.

It is hoped that collectively, these reforms will provide farmers access to organised agri-business houses directly and in turn also facilitate backward integration of agri-business entities. This may enable modernisation of agriculture, technology adoption, enhancement of systemic transparency, and agri-infrastructure development towards building a robust and functional value chain ecosystem.

Note: APMC = Agricultural Produce Marketing Committee.

March 2020 onwards, the RBI took several conventional and unconventional measures to ease the monetary policy in the wake of COVID-19 (Figure 1.6).

Agriculture witnessed the highest credit growth in FY2021 with year-on-year gross bank credit outstanding (as on 26 March 2021) at 12.3%, compared to industry (0.4%) and service (1.4%).[14] The total loan and advances of NABARD grew by 25.2% in FY2021 compared to 11.5% last year. Encouragingly, half of

Figure 1.6: Response of the Reserve Bank of India to the pandemic

Conventional measures	Unconventional measures
• Reduction in the policy repo rate by 115 bps • Reduction in the cash reserve ratio by 100 bps	• Extended lending or term funding operations including liquidity support through refinance • Asset purchase programmes including operation twists • Forward guidance

Note: bps = basis points.

Source: GOI (2021), *Economic Survey 2020-21*, Ministry of Finance, Government of India, New Delhi.

this total went into production and investments and a third into infrastructure development. With the package unfolding over the coming years, the retail credit off-take in agriculture and rural sector is likely to remain buoyant.

1.8 Renewed thrust on agricultural infrastructure

The pandemic has re-emphasised the need to create resilient future-ready infrastructure. In response, the government proposed an outlay of ₹5.5 lakh crore in FY2022 for infrastructure (34.5% more than that budgeted in FY2021). The unforeseen events of FY2021 also underscored the need for long-term debt financing by professionally-managed development finance institutions to enable and catalyse the financing of such infrastructure.

The pandemic has reminded us of the importance of investing in agricultural infrastructure at the farm gate during peace time for it to be useful during crises. Such investments are needed to create adequate storage, post-harvest value addition, and supply chain integration. Creating the ₹1 lakh crore Agriculture Infrastructure Fund (AIF) to build infrastructure at the farm gate as a central sector scheme can be a game changer under the ANB package (Box 1.3).

The Union Budget FY2022 also seeks to promote fisheries and seaweed cultivation while enhancing credit

Box 1.3: Agriculture Infrastructure Fund

The Agriculture Infrastructure Fund (AIF) will remain operational from FY2021 to FY2030 to extend medium- to long-term debt financing facility for investment in viable infrastructure projects for post-harvest management and community farming assets. Under the scheme, banks and financial institutions will extend loans up to a limit of ₹2 crore with an interest subvention of 3% per annum for a maximum period of seven years to individual farmers as well as entities such as primary agricultural credit societies; marketing cooperative societies; farmer producers' organisations; self-help groups; joint liability groups; multipurpose cooperative societies; agri-entrepreneurs; start-ups; and central-, state-, or local body-sponsored public–private partnership projects.

The AIF also offers credit guarantee coverage to eligible borrowers through the Credit Guarantee Fund Trust for Micro and Small Enterprises scheme for loans up to ₹2 crore.

flow to allied sectors. This aims to create additional employment and income for farmers.

The Budget proposal to expand 'Operation Green' from 3 crops (onion, tomato, and potato) to 22 perishable commodities will improve efficiencies of supply chains, dampen price fluctuations, and boost agricultural exports.

The extension of the AIF to Agricultural Produce Marketing Committees (APMCs) and integration of 1,000 additional APMC mandis with e-NAM (over the 1,000 mandis already on board) will offer better market access and boost marketing efficiency, potentially improving returns for farmers.

1.9 Managing fiscal pressure during the pandemic

India's fiscal position witnessed a scissor effect during FY2021 of revenue shortfall owed to lockdowns along with additional expenditure to mitigate the fallout from the pandemic. In contrast to other countries, India opted for medium-sized revival packages enabling a graduated stepping up of capex and a calibrated and targeted response to the evolving situation. With the gradual unlocking of the economy, the government ramped up spending to revive domestic demand. According to the Union Budget FY2022, this resulted in expenditure of ₹34.5 lakh crore in Revised Estimates as against ₹30.4 lakh crore in Budget Estimate for FY2021. This fiscal deficit, pegged at 9.5% of GDP (Revised Estimates), was funded through government borrowings, multilateral borrowings, small saving funds, and short-term borrowings.

In view of the COVID-19 pandemic, for FY2021, states were allowed additional borrowing limit of up to 2% of Gross State Domestic Product, half of it being subject to the implementation of state level reforms.[15]

1.10 Moving ahead with hope

By the close of FY2021, the second wave of the pandemic had brought most of India to a standstill again. However, with vaccinations underway there is hope of containing the virus in the medium to long term. Support to shore up private investment and consumption, the key drivers of India's growth story, continues to be an absolute priority for the Union as well as state governments. Consistent, proactive, graded, and calibrated policy support and reforms are expected to help the Indian economy build back better. Riding on this hope and expectation, NABARD remained functional throughout FY2021 with all precautions in place. The resilience and promise held out by the agriculture sector through the pandemic and our own ability to support the agricultural and rural sectors in FY2021 gives us confidence for the future.

NABARD's performance in FY2021 has been good and our experience in growing through the apocalyptic year is articulated in the ensuing chapters. Through this challenging period, we have taken a pragmatic view of the issues faced by the credit and non-credit institutions at the grassroots and wholeheartedly facilitated their operations to meet the needs of rural India. In the process, we scaled up grant-based interventions wherever possible and relaxed (or substituted) eligibility norms for financial intermediaries such as cooperatives and regional rural banks. As will be evident later in this report, our approach helped widen and deepen our refinance activity. Throughout the lockdown, we continued to be agile, if not mobile. Chairman, NABARD held ice-breaker discussions with chief ministers, ministers, and officials from several state governments. This catalysed productive engagement with many state governments increasingly availing finance facility from NABARD. Significantly, we learnt that technology can help more-than-overcome physical constraints to scaling up our interventions. The COVID-19 crisis compelled us to think and act outside the box and create new opportunities to build back better, continuing our commitment to take rural India forward.

Notes

1. UN Secretary-General (excerpt from his speech dated 19 March 2020).
2. GOI (2021a), Provisional Estimates of National Income 2020–21, National Statistical Office, Ministry of Statistics and Programme Implementation, Government of India.
3. IMF (2021), *World Economic Outlook*, International Monetary Fund, Washington D.C.
4. World Bank (2021), *Global Economic Prospects* (January 2021), World Bank, Washington D.C.
5. GOI (2021b), *Economic Survey 2020-21*, Ministry of Finance, Government of India, New Delhi.
6. GOI (2021a), Note 2.
7. GOI (2021a), Note 2.
8. GOI (2021c), Third Advance Estimates of Production of Foodgrains, Directorate of Economics and Statistics, Department of Agriculture, Cooperation and Farmers' Welfare, Ministry of Agriculture and Farmers' Welfare, Government of India.
9. GOI (2021b), Note 5.
10. All data related to fisheries are drawn from GOI (2021b), Note 5.
11. PIB (2021), India registered excellent growth in Agriculture Exports during 2020-21, Press Information Bureau, Ministry of Commerce & Industry, Government of India, 10 June. https://pib.gov.in/Pressreleaseshare.aspx?PRID=1725891.
12. GOI (2021b), Note 5.
13. According to data entered by banks in the ENSURE portal of NABARD.
14. Data drawn from RBI (2021), *Monthly Bulletin*, May, Reserve Bank of India, Mumbai. Data is provisional and relates to select banks which cover about 90% of total non-food credit extended by all scheduled commercial banks.
15. As recommended by the 15th Finance Commission, the net borrowing ceiling for the 28 states had been fixed at ₹6.4 lakh crore for FY2021 in line with the fiscal deficit target of 3% of gross state domestic product for each state.

APPENDIX TO CHAPTER 1

NABARD's Response to the COVID-19 Pandemic

The COVID-19 pandemic has brought with it prolonged and monumental human suffering, disrupting the world economy in unimaginable ways. Humankind has survived such episodes in history by responding with grit and determination; the intensity of the crisis, notwithstanding.

The Government of India was quick and decisive in responding to the pandemic. Besides health sector interventions, immediate short-term economic relief measures included three months of free rations to the needy under the Pradhan Mantri Garib Kalyan Anna Yojana, while revival and recovery packages such as the AatmaNirbhar Bharat 2.0 and 3.0 focused on course correction in the medium and long term to bring the Indian economy back on rails.

We all acknowledge that disaster response is seldom a set of static one-time decisions. Depending on the path and pace of recovery, response measures need to be phased, regulated, and calibrated. Most importantly, existing institutions and mechanisms that can be pressed into action immediately need to be identified. In this note, we discuss the challenges that came our way during the pandemic and the measures initiated by us in response.

NABARD's initiatives and projects, with deep and wide implications for the rural economy, faced

- disruption of communication between project implementing staff and communities;
- delays owing to restrictions on movement of people and materials; and
- choking of fund flows, an economy-wide pandemic outcome, further exacerbated by low digital penetration.

Rural communities in the meanwhile reeled from the effects of

- meagre rural health infrastructure;
- abrupt job loss, forced reverse migration, increased pressures on land, scarcity of rural livelihood options;
- disruptions in supply chains of essentials; and
- loss of income, crippling repayment capacity.

Many communities leveraged technology and communication tools such as mobile phones and social media to reach out to those in need, mobilise resources and people, and initiate activities related to supplying essentials, participating in government efforts, producing masks and kits, and helping returning migrants.

Community-level institutions such as self-help groups (SHGs) and farmers' producer organisations plunged into action. NABARD's district development managers and regional offices coordinated with government agencies to notify these institutions so that they would be allowed to sell their members' produce, thus supplying essentials like vegetables and groceries on behalf of the state.

Besides direct staff contribution of ₹9 crore to the PMCARES Fund, NABARD devised multi-pronged response to the pandemic.

Liberalising loan-related policies and regulations

- Special Liquidity Fund and Additional Special Liquidity Fund extended by RBI fuelled NABARD's drive to improve the financial health of RFIs by liberalising its refinance policy to cover rural financial institutions (RFIs) that are otherwise ineligible.
- It deferred principal and interest payments of borrowing entities to the tune of ₹8.38 crore under Food Processing Fund (FPF) to mitigate the burden of debt servicing and ensure business continuity.
- The 'Resolution Framework for COVID-19 Related Stress' also granted an extension of 18 to 24 months (with moratorium) to borrowers under FPF for principal repayment. The borrowers were sanctioned funded-interest term loan to service the accumulated interest.

Building capacity and meeting credit needs

- NABARD's initiatives such as converting primary agricultural credit societies into multi-service centres, impetus to agriculture infrastructure, and refinance for projects related to water, sanitation, and hygiene seamlessly melded into its pandemic-response actions.
- Since the pandemic precipitated reverse migration, allocations were increased to provide adequate skilling opportunities for re-employment in rural areas in the worst-affected districts. This facilitated 744 micro-enterprise development programmes, 500 livelihood and enterprise development programmes, and capacity building programmes in the worst-affected states such as Assam, Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Odisha, Rajasthan, Uttar Pradesh, and West Bengal.

Investing in preparedness

Infrastructure

Well-developed infrastructure provides the bulwark for minimising adverse effects of a disaster such as the pandemic. NABARD's infrastructure development initiatives to enable state governments to ensure good road connectivity, access to health and social facilities, potable drinking water, hygiene, and sanitation, etc., and to ensure regional balance in distribution are presented in Figure A1.1.

Financial inclusion

The pandemic called for interventions such as cash dispensation at doorsteps and livelihood cash subsidies to rural women. Though technology penetration in rural areas improved banking reach and affordability while facilitating direct benefit transfers and online trading, most rural citizens were not fully prepared for radical technology solutions. NABARD therefore, focused on building digital–financial preparedness for future calamities.

- The NABARD supported banks for on-boarding to Bharat Bill Payment System platform for providing online utility payment services to their rural customers.
- Technology-based doorstep banking was extended by 148 mobile demo vans [under Financial Inclusion Fund (FIF)], benefitting more than 3.5 lakh people in rural areas.
- NABARD also facilitated the implementation of the Pradhan Mantri Garib Kalyan Yojana that provides direct cash transfer to Jan Dhan accounts of 10.7 lakh women in 108 rural cooperative banks.
- NABARD urged regional rural banks to treat banking correspondents, who faced hardships during the pandemic, with compassion and provide them with healthcare support, insurance cover, and performance-based remuneration for three months.

Figure A1.1: Dovetailing pandemic response with infrastructure development

Revised parameters of state-wise allocation	Rural poverty and per capita priority sector credit flow were added as parameters.
Increased delegation for ISC	Sanctioning of projects was fast-tracked.
Secured access to undrawn balances under RIDF	Approval was obtained from RBI to sanction more projects under the ongoing RIDF tranches by utilising undrawn balances from closed tranches of RIDF.
Extended time for RIDF projects	Timeline was extended for administrative approval and technical sanction of projects sanctioned under RIDF.
RIDF XX & XXI projects extended	Phasing of projects under Tranches XX and XXI was extended to allow more time for completion.
RIDF and MIF corpus augmented	RIDF corpus was increased to ₹40,000 crore and MIF doubled to ₹10,000 crore in the Union Budget FY2022 to boost rural economy through infrastructure development.
Digitalised RIDF records	A dedicated web portal and mobile app were launched for remote monitoring of RIDF projects that helped reduce physical contact.

Notes: ISC = Internal Sanctioning Committee; MIF = Micro-Irrigation Fund; RBI = Reserve Bank of India; RIDF = Rural Infrastructure Development Fund.

Figure A1.2: Measures to improve financial inclusion towards ensuring crisis preparedness

- Micro-ATMs to increase banking transaction points
- Green PIN for activation of RuPay card at micro-ATMs
- Increase in financial literacy through mobile demo vans
- Solar-powered V-SATs and mobile signal boosters in remote areas for improved connectivity

Awareness generation

- NABARD announced new schemes and programmes for awareness building among rural people to enhance digital outreach and access to financial services, thus reducing crowding at the bank branches (Figure A1.2).
- NABARD made 14 educational movies in regional languages about the usage of digital banking through mobile demo vans, micro-ATMs, and point of sale devices and mobile point of sale apps.
- For awareness building on various FIF schemes, micro-modules were created using gamification for enhanced learning. These micro-modules are available to users on mobile platform for anytime–anywhere access.
- NABARD's E-Shakti portal was used for sending 40 lakh health advisory text messages to SHG members.
- Besides curating a dedicated page on COVID-19 advisories on their website, NABARD brought out several products to meet the business and communication needs during the pandemic. These included an animation film on 'Safe Banking' during the pandemic and a film and booklet on NABARD's pandemic-response interventions.