National Bank for Agriculture and Rural Development (NABARD) - a catalytic agent to prevent market failures and to address financial scarcity and the opportunity for Public Private Partnership

R Amalorpavanathan, Deputy Managing Director, NABARD
NABARD.....

Wide Mandate

Farmer >>> Market

Individual >>> Institutions

Private >>> Public

Development >>> Financial supervision

Finance >>> Economy

Social >>> Environment

Biggest Development Financial Institution in India established in 1982

USD 703 Million - 1982

USD 54.4 Billion – 2017
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<td><strong>What it does</strong></td>
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<td>Capacity building of formal banks and FIs</td>
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<td>Product/Process innovations</td>
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Financial support....

- Refinance support to RFIs during 2015-16 & 2016-17 –
  - Short Term Refinance
  - Medium/Long Term Refinance

- Cheaper source of fund to RFIs;
- Enhances credit flow to rural sectors for raising crops
- Capital formation in Agriculture

USD 18.63 Billion (2015-16)
USD 19.98 Billion (2016-17)

NABARD Infrastructure Fund – Government Undertakings – USD 778 Million
Credit facility to Federations – Procurement & Marketing – USD 1.1 Billion
Direct finance to Coops. USD 401 Million
# Rural Infrastructure Development

## Fillip to Rural Infrastructure

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<th>Dedicated fund in NABARD</th>
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<td>Deposits raised from banks which fail to extend credit to priority sectors as per stipulations of Central Bank</td>
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<td>Loans to State Government for creation of Rural infrastructure</td>
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## Irrigation

- 291.28 lakh ha of potential
- Value of production – USD 8.3 Billion
- Non-recurring employment – 1340 million mandays

## Rural Connectivity

- 0.43 million kilometers of roads
- 1 million metre bridges
- Non-recurring employment – 560 million mandays
Long Term Irrigation Fund

“Water to all Farmers” & “Per drop more crop”

Dedicated fund in NABARD

For Completion of 99 identified major irrigation projects worth USD 12.17 Billion

Funded by Government of India, State Government and NABARD

Assured/Protected Irrigation

Will encourage USD 2.5 Billion Deposits

Farmers to invest more in technology and inputs

Leading to USD 6 Billion annual credit flow

Productivity enhancement and farm income
SHG-Bank Linkage Programme

One of the most successful pilots

NABARD has piloted in 1992 and later mainstreamed

Organising individual women into Groups

Linkage between the informal SHGs and formal banking institutions

World’s largest MF Prog

100 million Households

8.5 Million SHGs

USD 2.5 Billion Deposits

USD 6 Billion annual credit flow

USD 9 Billion Loan outstanding
SHG-Bank Linkage Programme

What NABARD has done?

100% Refinance to Banks

Grant support for training and capacity building of stakeholder institutions

Grant support to partner agencies viz., Banks and Non-Government Organisations for promotion of groups

Capital support to some MFIs/NBFCs to enable them to borrow from banks

Capacity building of members of SHGs in book-keeping

Micro Enterprise promotion among SHG members

Promotion of Joint Liability Groups

Refinancing: USD 6.8 Billion

Training of 3.8 million – stakeholder personnel

Grant of USD 57 million for promotion of SHGs

Creation of Centre for Microfinance Research

Grant of USD 24 Million to promote 2.25 million JLGs
Supporting Environmental Sustainability, Warehousing, etc.

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<th>Watershed Development</th>
<th>Tribal Development</th>
<th>Farmers’ Collectives</th>
<th>Warehouse Infrastructure &amp; Food Processing</th>
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</table>
| • Grant of USD 65 Million  
  • 600 projects  
  • Area of 0.6 million hectares  
  • 18 states | • Grant of USD 209 million  
  • 673 projects  
  • Benefitting 0.5 million families  
  • 27 states | • Promotion of 2157 Farmers’ Producers Organisations  
  • 0.7 million farmers  
  • Collective production and marketing of agri commodities  
  • Aggregation of farm produce, marketing and input distribution | • 9096 projects  
  • Scientific storage of 9.97 MT  
  • Loan component of USD 1.4 billion  
  • 14 Mega Food projects & two processing units in food parks |
Risk mitigation

Crop Insurance

- Revamped Crop insurance to mitigate the risks of farmers
- NABARD’s equity participation in the state-owned Agricultural Insurance Corporation of India

CGTMSE

- Credit Guarantee Fund Trust for Medium and Small Enterprises – Risk mitigation for lenders

Commodity Exchanges

- Commodity exchanges – NCEDX, MCX – for mitigation of Price risk – NABARD’s equity participation in the exchanges
Sectors which need focus....

• Agriculture production group covering entire value chain;- Production group in the sectors allied to agriculture like fisheries, dairy, animal husbandry, support activities to these sectors

• Non-agricultural job creation in rural areas;- in manufacturing and service sectors both to supplementing the above sectors and the household sectors

• Other sectors dealing with the development and life style sectors like health, education

• Social empowerment and development sectors by improving participation and social sustainability
Thank You