

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2757  
ANSWERED ON:11.03.2011  
AGRICULTURE REFINANCING BY NABARD  
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**Will the Minister of FINANCE be pleased to state:**

- (a) whether the National Bank for Agriculture and Rural Development (NABARD) is repositioning itself in refinancing agriculture and rural lending;
- (b) if so, the details thereof and the reasons therefor;
- (c) the details of the avenues envisaged for less developed areas where agriculture has been growing but investment is not showing any revival; and
- (d) the reaction of the Government in this regard?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) to (d): The Board of Directors of the National Bank for Agriculture and Rural Development (NABARD) have after analytically examining the present and future roles of NABARD decided to initiate a process of repositioning of the institution, to enable it to effectively address emerging and future challenges. It was also decided by the Board to take professional assistance from a strategy-consulting agency through a transparent process.

NABARD has reported that the main reasons for repositioning are as under:

- (i) The declining influence of NABARD in expanding credit coverage and directing credit flow to desired sectors, sub-sectors and geographies.
- (ii) NABARD's limitation on raising cost effective resources, progressively interfering with performance of its mandated role.

The avenues envisaged for less developed areas by NABARD during its Repositioning Initiative could be as under:

- (i) Focus on measures to expand and improve the existing interventions of NABARD.
- (ii) To correlate the financial and developmental roles of NABARD and to operationalize customized credit plus interventions.
- (iii) To access adequate and cost effective resources to enable it to provide higher development support to less developed areas and
- (iv) Technology upgradation of Central Cooperative Banks (CCBs) for speedier and smoother functioning.