

# NABARD TO PROVIDE BANK REFINANCE OF RS 5,000 CRORE FOR WATERSHED DEVELOPMENT PROJECTS

Relevant for: Indian Economy | Topic: Issues Related to Poverty, Inclusion, Employment & Sustainable Development

The National Bank for Agriculture and [Rural Development](#) (Nabard) on Monday announced Rs 5,000 crore of refinance scheme for banks and [financial institutions](#) for providing finance to the beneficiaries of its 2,150 watershed development projects. The [development finance](#) institution also earmarked another Rs 5,000 crore for turning [Primary Agricultural Credit Societies](#) (PACS), building blocks of the country's cooperative banking structure, into multi service centres.

Nabard organised its first ' [Digital Choupal](#)' on Monday to mark its 39th foundation day.

"In a move which will boost offtake of economic activities in areas grappling with reverse migration, concessional bank refinance to the tune of Rs 5,000 crore will be made available to banks and financial institutions for lending to beneficiaries in the 2,150 watershed development projects of Nabard," a release said.

These projects cover 23.04 lakh hectares of rainfed area, watershed and tribal development project areas.

The concessional line of assistance will be available for three years from 2020-21 to 2022-23, it said.

Nabard also introduced a grant-based scheme for computerisation of PACS, which will enable these ground-level entities to provide seamless credit services to their farmer members.

It has earmarked Rs 5,000 crore during FY21 for turning PACS into multi service centres, which are one-stop shops for meeting the varied needs of the farmers.

Under this initiative, Nabard said, assistance will be extended to each state which will have to contribute a matching amount, to kick-start the process of computerization of PACS.

As many as 5,000 PACS will be upgraded this year followed by 15,000 PACS in FY22 and 15,000 PACS in FY23, it said.

"PACS can support farmers in post-harvest and marketing activities in addition to playing a key role in the physical and financial supply chain of commodities by acting as spokes to the upcoming Gramin Agriculture Markets (GrAMs)," Nabard's newly appointed Chairman G R Chintala said.

These upgraded PACS can be vehicles for creating investment opportunities for rural youth in agriculture, including those impacted by reverse migration in the ongoing COVID-19 pandemic," he added.

Nabard, today, conducted Digital Choupal, a video conference, with participants of different projects initiated by it, to share their experiences about the projects they are involved in.

The participants in the video conference will be from seven projects - Rural Livelihoods Matter Immensely, Empowering Tribal Communities, Soil Health is Real Health, Direct Marketing to

Urban Consumers, Climate Resilience, Climate Proofing of Koutuguda and Collectivisation of Weavers.

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