

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2951
ANSWERED ON:02.08.2002
STRENGTHENING OF RURAL CREDIT SYSTEM
SUBODH MOHITE

Will the Minister of FINANCE be pleased to state:

- (a) whether the National Bank for Agriculture and Rural Development has formulated a programme for strengthening rural credit system;
- (b) if so, the details thereof;
- (c) whether the NABARD has examined the report submitted by Prof. V.S. Vyas, Committee on Rural Credit;
- (d) if so, the details thereof; and
- (e) the steps taken by the Government to implement it?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANT G. GEETE)

(a) & (b): National bank for Agriculture & Rural Development (NABARD) has reported that it has taken several initiatives such as introduction of Development Action Plan/Memorandum of Understanding (DAP-MoU), introduction of prudential norms, providing assistance to the banks towards business development, assistance from the Cooperative Development Fund (CDF) for setting up Technical Monitoring and Evaluation Cells (TMECs) and business development cells

(BDCs), Human resources Development through conduct of organizational development initiatives, institution of best performance award to motivate better performance of cooperative banks, cooperators' awareness programme, recovery-linked refinance, etc. for strengthening Rural Credit System.

(c), (d) & (e): Prof. V.S. Vyas Committee on Rural Credit was set up by NABARD and the Committee submitted its report in July 2001. The Committee has made wide ranging recommendations relating to revitalization of Co-operative credit Institutions, Human Resource Development of rural credit institutions like rural branches of commercial banks, regional rural banks and co-operatives and in the field of planning, supervision and coordination of rural credit delivery. NABARD is coordinating its implementation and has taken steps in this regard to open more offices of District Development Managers, widening of scope of Co-operative Development Fund and making direct contribution in institution development like promoting Agriculture Insurance Corporation, etc.