

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:1377

ANSWERED ON:18.07.2014

FUNDS FOR DEVELOPMENT OF RURAL INFRASTRUCTURE

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**Will the Minister of FINANCE be pleased to state:**

(a) the aims and objectives of the Rural Infrastructure Development Fund (RIDF) created in National Bank for Agriculture and Rural Development (NABARD);

(b) the details of loans disbursed under RIDF for various activities/projects for development of rural infrastructure during each of the last three years and the current year, State/UT- wise including Karnataka and Rajasthan;

(c) whether NABARD proposes to extend financial assistance to non-state entities engaged in rural infrastructure development under the Public Private Partnership (PPP) mode in rural areas;

(d) if so, the details thereof; and

(e) the mechanism put in place to monitor the execution and timely completion of projects undertaken with the assistance of NABARD?

**Answer**

Finance Minister (Shri Arun Jaitley)

(a) : Rural Infrastructure Development Fund (RIDF) was instituted in NABARD in 1995-96 with the objective of giving low cost fund support to State Governments and State Owned Corporations for rural infrastructure projects. Each annual tranche of RIDF is met out of the deposits from commercial banks, including private and public sector banks operating in India, out of the shortfall in achievement of priority sector lending target and /or lending to agriculture and/or lending to weaker sections.

(b) : Details of the loans disbursed under RIDF to various States including Karnataka and Rajasthan during the last three years and current year (upto 30th June, 2014) are given in Annexure.

(c) & (d) : Under RIDF, NABARD extends financial assistance to State Governments and State Owned Corporations/State Government Undertakings. Non-State entities cannot be financed out of RIDF. However, Under Warehousing Infrastructure Fund, NABARD can extend financial assistance to non-State entities engaged in infrastructure development under PPP mode in rural areas.

(e) : Though the primary responsibility of monitoring of RIDF projects vests with State Governments, NABARD monitors the projects mainly to facilitate timely completion of projects, avoid cost over-runs, ensure compliance to quality parameters and identify new investment opportunities. In addition to field level monitoring by NABARD, the High Powered Committee (HPC) chaired by the Chief/Finance Secretary of the concerned State has proved to be an effective forum for monitoring overall implementation of RIDF in each State.