

**03– 06 – 2024**

**News:** National Bank for Agriculture and Rural Development (NABARD)

- Recently, National Bank for Agriculture and Rural Development (NABARD) unveiled its Climate Strategy 2030 document which aims to address India's need for green financing.

## **Climate Strategy 2030**

- National Bank for Agriculture and Rural Development (NABARD) recently unveiled its Climate Strategy 2030 document which aims to address India's need for green financing.

The Climate strategy 2030 is structured around four key pillars:

- **Accelerating Green Lending:** Focusing on increasing green financing across various sectors.
- **Market-Making Role:** Playing a broader role in creating a conducive market environment for green finance.
- **Internal Green Transformation:** Implementing sustainable practices within NABARD's operations.

- **Strategic Resource Mobilisation:** Mobilising resources effectively to support green initiatives.

## Objective

- This strategy is designed to tackle the financial gap between the required investment for sustainable initiatives and the current inflow of green finance.
- India requires approximately USD 170 billion annually by 2030, aiming for a cumulative total of over USD 2.5 trillion.
- However, current green finance inflows are critically insufficient, with only about USD 49 billion garnered as of 2019-20.
- Also, the majority of funds in India are earmarked for mitigation efforts, with only USD 5 billion allocated towards adaptation and resilience.
- This reflects minimal private sector engagement in these areas due to challenges in bankability and commercial viability.

## **National Bank for Agricultural and Rural Development (NABARD)**

- NABARD is a statutory body established in 1982 under Parliamentary act-  
National Bank for Agriculture and Rural Development Act, 1981.

- It was established on the recommendations of **Shivaraman Committee**.
- It is responsible **for the development of the small industries, cottage industries, and any other such village or rural projects.**
- NABARD is responsible for **regulating and supervising the functions of Co-operative banks and RRBs.**
- It provides refinance support for building rural infrastructure.
- NABARD is the **implementing agency of Rashtriya Gokul Mission (RGM).**
- NABARD would contribute towards the Acceptance Development Fund (ADF) proposed by RBI.

## **Funds managed by NABARD**

- National Adaptation Fund for Climate Change (NAFCC)
- Rural Infrastructure Development Fund (RIDF)
- Tribal Development Fund (TDF)
- Agri-Market Infrastructure Fund.
- **Micro Irrigation Fund corpus of Rs. 5000 crore** has been created with **NABARD** for the implementation of PM Krishi Sinchayee Yojana.

- The Long-Term Irrigation Fund (LTIF) was instituted under NABARD in 2016-17, under the 'Pradhan Mantri Krishi Sinchayee Yojana-Accelerated Irrigation Benefits Programme'.
- DIDF - Dairy Processing & Infrastructure Development Fund.