

Two Decades of Rural Infrastructure Development Fund *Genesis, Performance and Impact*

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ABSTRACT

For agricultural development, India has been endowed with significant amount of resources viz. land, labor, water, vegetation, livestock, fisheries, forestry accompanied by distinct agricultural seasons, among others. To facilitate these resources to express their potential for agricultural production, productivity and profitability, physical and institutional infrastructure is a *sine qua non*. As agriculture is in the domain of the State Governments their efforts have been constrained to provide financial resources for putting in place the required physical infrastructure for agricultural development. While public sector banks in particular have been increasingly financing agriculture since 1969 the credit absorption capacity of farmers has been constrained because of inadequate infrastructure. Search for innovations has been a continuous process. Government of India in consultation with the Reserve Bank of India and National Bank for Agriculture and Rural Development [NABARD] developed an innovative approach to find financial resources in order to complete the infrastructure projects, more importantly irrigation projects that used to remain uncompleted because of lack of financial resources & subsequently incorporating a plethora of social components. It is the serious concern & commitment of NABARD to implement, monitor, review & incorporate much needed components under RIDF has not only made the innovation most successful but also shows the way to State Governments that this can be done. In this context, this development perspective article briefly highlights the genesis, performance and economic impact of the innovative approach to rural infrastructure both for agricultural and rural development since two decades.

Keywords: Rural Infrastructure, Infrastructure for Agriculture, Agricultural Development

I. INTRODUCTION

Provision of need-based rural infrastructure is a *sine qua non* to improve the quality of human life as it provides basic amenities in rural areas and stimulates agricultural productivity & growth by raising factor productivity. Rural infrastructure facilitates farmers to easy and reliable access to institutional finance and input/output markets. Availability of adequate infrastructure lowers cost of farming & enhances farm productivity and its fast expansion accelerates agricultural and economic growth rate. Infrastructure plays a strategic role in producing larger multiplier effects in the economy with agricultural growth. It is estimated that 1% increase in the stock of

infrastructure is associated with a 1% increase in GDP across the country. Agricultural infrastructure can broadly be categorized as under.

- Input based infrastructure: Seed, Fertilizer, Pesticides, Farm equipment and machinery etc.
- Resource based infrastructure: Irrigation, Farm power etc.
- Physical infrastructure: Road connectivity, Transport, Storage, Processing etc.
- Institutional infrastructure: Agricultural research, extension & education, Information & Communication, financial services, marketing, etc.

Infrastructure, such as irrigation, rural electrification, roads and markets supported by formal credit, agricultural research & extension

and rural literacy determines the nature and the magnitude of agricultural output. Level of physical and institutional infrastructure significantly influences the spread of proven yield enhancing agricultural technology. This paper briefly describes 'Rural Infrastructure Development Fund' a unique innovation which the Government of India introduced in 1995-96 in respect of its genesis, performance, economic benefits as on March-end 2015, more importantly in backward regions in particular since 1995-96 and makes suggestion to accelerate the process of creation of rural infrastructure on on-going basis by drawing a road map for each State .

Genesis of RIDF

Agricultural infrastructure has the potential to transform traditional agriculture and subsistence farming into a most modern, commercial and dynamic farming system in India. The Ninth Five Year Plan [1997-2002] acknowledged the importance of infrastructure in critical sectors [irrigation, roads, bridges etc.] to step up agricultural growth rate at 4.5%. Infrastructure projects involve huge initial capital investments with long gestation periods, high incremental capital output ratio, high risk, and low rate of returns on investments. Lack of financial resources, *inter alia*, with the State Governments, which are primarily responsible for creation, maintenance and improvements of infrastructure, is the most constraining factor. Many of the infrastructure projects have been found languishing for want of adequate financial resources, whereas many commercial banks, which have a mandate to provide 18% of the adjusted net bank credit to agriculture, are not able to meet their commitments. The Government of India, therefore, conceptualized unique innovation to create a *Fund*, by way of deposits out of the shortfall in commercial bank's lending to agriculture as "*Rural Infrastructure Development Fund*"[RIDF] to be operated and managed by National Bank for Agriculture & Rural Development [NABARD]. Thus, commercial banks since 1995-96 have been the important additional source of finance for State

Governments, on liberal terms including lower interest rate, to create rural infrastructure.

Government established RIDF in NABARD with an initial corpus of Rs.20.00 billion by making provision in the Union Budget for 1995-96 [RIDF-I]. RIDF scheme with its localized approach, wider national coverage, operational flexibility, social focus, community's involvement in planning, designing, managing and execution of works, among others, marks a watershed in the participatory planning process in the country. Initially the Fund was established to extend loans at lower interest rates to all State Governments to help them complete infrastructure projects of irrigation, flood protection, rural roads and bridges, which were started in the past but could not be completed for want of funds. Acknowledging the ground realities and pressing needs of farmers and local people, financing under RIDF has been made flexible and broad based. RIDF now covers 31 activities, which are grouped under three major categories to accelerate the process of agricultural and rural development viz. (i) Agriculture and related sectors which are eligible for loans up to 95% of project cost, (ii) Rural connectivity where loans are extended up to 90 % of project cost in North Eastern and hilly States and 80% of project cost in all other States and (iii) Social sectors where loans can be up to 90% of project cost in relatively backward North Eastern and hilly States and 85% of project cost in other States. In the process, resources are getting better/equitably distributed among different activities and across the States with greater share going to the less developed States in Eastern and North Eastern Region (25% at present as compared to 18% earlier]

II. METHODS AND MATERIAL

Policy Prescriptions

The policy guidelines prescribed to operate the RIDF include following terms and conditions.

- The Project Sanctioning Committee has prescribed the norms for allocation of funds among States, viz. rural population, geographical area, comprehensive infrastructure development index, implementation efficiency and rural Credit- Deposit ratio.
- Loans are secured by means of irrevocable letters of authority [mandate] executed by State Governments registered with Reserve Bank of India and Time Promissory Notes.
- Each disbursement of loan under the sanctioned projects is considered a separate loan repayable in five equal installments over seven years including moratorium of two years.
- For the purpose of repayment of loans, phasing of projects is done as per the requirements of the States.
- The implementation phase for projects sanctioned under RIDF is spread over 3-5 years, depending upon the type of the project, physical conditions of the location in the State etc. The maximum phasing is five years in the case of major and medium irrigation projects and other stand-alone projects involving RIDF loan of Rs500 million and above.
- NABARD provides funds on 'reimbursement basis', except for the initial 20% of the project cost given as 'mobilization advance'. North Eastern States and hilly regions have more flexible phasing and 30% mobilization advance.
- With effect from 1 April 2012, the interest rates payable to banks on deposits placed with NABARD and loans disbursed by NABARD from RIDF have been linked to the Bank Rate prevailing at that point of time

Government from 1999-00 widened the scope for lending to Gram Panchayats, Self-Help-Groups and other eligible organizations for implementing village level infrastructure projects

The primary responsibility of monitoring the implementation of the rural infrastructure development vests with State Governments. NABARD having significant amount of professional expertise in rural banking, credit, agriculture and rural development helps State Governments in this endeavor mainly to facilitate timely completion of projects, avoid cost over-runs, ensure compliance to quality parameters and identify new investment opportunities. The effective monitoring of projects right from the initial stage [viz. floatation of tender documents, issuance of work orders and holding of periodical meetings with implementing departments]

has significantly minimized the incidence of delay and non-starter of the projects. NABARD is, also, involved in field level monitoring and studies

Infrastructure Activities

From 1996-97[RIDF-II], the Fund is also used to take up new infrastructure projects, in addition to completion of old projects. Currently, RIDF is funding following activities covering almost all important components of rural infrastructure that have impact on the growth and development of agriculture and accelerating the process of rural development based on the felt-needs of the farmers and rural households in specific locations.

- Agriculture & allied sector covers projects related to irrigation, soil conservation, flood protection, watershed, reclamation of water logged areas, animal husbandry, plantation & horticulture, seed, agriculture and horticulture farms, forest development, fishing harbors/jetties, riverine fisheries, market yards, godowns, marketing infrastructure, cold storages, grading/certifying mechanisms, testing laboratories, hydel projects [up to 10 MW], village knowledge centers, infrastructure for IT in rural areas, desalination plants in coastal areas, and setting up of khadi & village industries/ industrial estates/centers.
- Rural connectivity sector covers projects for rural roads & rural bridges.
- Social sector covers projects for drinking water, public health institutions, construction of toilet blocks in existing schools for girls, and 'Pay & Use' toilets in rural areas, infrastructure for rural education, construction of anganwadis [local health centers]

Two Decades of Performance

- As on March-end 2015, the RIDF completed two decades of successful operations. Starting with allocation of Rs.20 billion under the first trench in 1995-96, RIDF had till March-end 2006 [trench I-XI] allocated Rs.500 billion and sanctioned projects worth Rs.602.04 billion [with phasing of Rs.594.37 billion]of which disbursement/ utilization of Rs.532.98 billion accounted for 89.67%.
- In 2006-07, additionally a separate window was introduced for funding rural roads under Government's Bharat Nirman [rejuvenation]

Program, with allocation of Rs.185.00 billion till 2009-10. This was contributed by domestic banks which had not achieved their target in lending to the priority sector and/or agriculture as on March-end 2007.

- In view of increased demand and absorption capacity of the State Governments, between March-end 2006 and March-end 2015 [trench XII-XX], allocations & disbursements significantly increased to Rs.1390 billion [177%] & RS.946.93billion[131.88%] as compared to Rs.785.00 billion & Rs.717.98 billion respectively for I to XI trenches..
- As on March-end 2015, amount of Rs.1664.91 billion [89.29%] was disbursed against the cumulative phasing of Rs.1864.50 billion for projects under 20 tranches, including projects for rural roads sanctioned under Bharat Nirman and Warehousing.
- During 20 years, out of 5,68,887 projects sanctioned share of irrigation projects[2,89,994] was as high as 50.97% followed by 22.48% share of projects of rural roads & bridges together[1,27,906], 18.37% share of social sector projects [1,04,517] whereas agricultural-related projects[46,470] accounted for only 8.17%.
- In terms of amount [Rs.2124.5119 billion] sanctioned, rural rods & bridges together had a share as high as 42.55% [Rs903.9787 billion] followed by 29.33% for irrigation [Rs.623.116 billion], 15.04%for social sector [Rs.319.6279 billion] & 13.07% agricultural related [Rs.277.3893 billion].
- The average cost per project at aggregate level was Rs.3.73 million whereas it was the highest [Rs.13.58 million for rural bridges, followed by agricultural related projects [Rs.5.98 million], rural roads [Rs.5.94 million] and social sector [Rs.3.06 million]. It was the lowest [Rs.2.15 million for irrigation projects.

III. RESULT AND DISCUSSION

Table 1. Allocations, Sanctions and Utilization percentage [Rs .Billion] RIDF I to XX [1995-96 to 2014-15]

Tranche	Allocations	Sanctioned	Phased	Disbursement	Utilization%
I to XII closed	600	602.04	594.37	532.98	89.67
BharatNirman	18.5	18.5	18.5	18.5	100
XIII	120	125.38	111.58	111.76	100
XIV	140	145.68	137.94	125.39	90.90
XV	140	153.42	144.59	124.43	86.05
XVI	160	181.94	175.93	140.35	79.78
XVII including Warehousing	180	196.02	184.11	144.03	78.23
XVIII including warehousing	200	206.30	168.15	139.27	82.82
XIX	200	227.36	134.07	106.11	79.14
XX	250	286.37	21.76	55.59	
Total	2175	2309.51	1864.50	1664.91	89.29

Source: NABARD, Annual Report 2014-15

Table 2. RIDF I to XX: Number of projects and amount sanctioned up to 31st March 2015. Rs. Billion]

	Rural roads	Rural Bridges	Irrigation	Agri. Related	Social sector	Total
Number	1,08,996 [19.16]	18,910 [03.32]	2,89,994 [50.95]	46,470 [07.91]	1,04,517 [18.70]	5,68,887 [100]

Amount	647.2136 [30.46]	256.7651 [12.08]	623.1160 [29.33]	277.7893 [13.07]	319.6279 [15.04]	2124.5119 [100]
Amount/ Project	5.94	13.58	02.15	5.98	3.06	3.73

Figures in parentheses indicate percentage share in the total
Source: NABARD, Annual Report 2014-15

Sector-wise Performance

Since demand for rural infrastructure among districts within State differs quite significantly there have been a number of different types of projects under each of the major sectors.

Irrigation sector:

- In case of 2,89,994 irrigation projects, minor irrigation projects accounted for a lion share of 97.8% of the total whereas micro, medium and major irrigation projects had insignificant share of 2.64%, 0.15% and 0.14% respectively.
- In terms of amount sanctioned, the share of major and medium projects was 36.58% and 11.64% in the total respectively as compared to 47.69% for minor and 4.10% for micro projects respectively.
- Average cost per major irrigation project was the highest [Rs.56.55 million] followed by medium [Rs.18.41million] and micro projects [Rs.3.34 million] whereas it was the least for minor irrigation project [Rs.1.05 million]. .

Table 3. Number of Types of projects and Amount under Irrigation as on March-end 2015

	Major	Medium	Minor	Micro	Total
Number	403 [0.14]	394 [0.13]	2,81,538 [97.08]	7659 [2.64]	2,89,994 [100]
Amount Rs. Million	227.9132 [36.58]	72.5445 [11.64]	297.1038 [47.69]	25.5545 [04.10]	623.1160 [100]
Amount/Project Rs. Million	56.55	18.41	01.05	03.34	02.15

Source: NABARD, Annual Report 2014-15

Agriculture-Related Sector

Accepting the specific demand of farmers in different geographical locations, the Infrastructure that can support agricultural development & growth, was created for 24 activities as under.

- Strengthening the agricultural base through funding 27.94% projects concerning soil conservation, watershed development, drainage and flood protection
- Production, processing, transport, storage and marketing through 16.57 % projects relating to seed, agro-industries, food park, inland waterways, cold storage, godowns/warehousing and market yards
- Storage of water and enhancing water use efficiency under irrigation through 11.08% projects under rainwater harvesting and command area development authority
- Information & communication services through 13.06% projects relating to farmer's information, village knowledge centers & e-vikas kendras [Development Centers]
- Supporting activities allied to agriculture through 30.96% projects comprising animal husbandry, forestry, riverine fisheries, fishing harbors/jetty, rubber plantation

Table 4. Number of Types of projects and Amount under Agriculture as on March-end 2015

Type of project	Number	Amount in Rs. Million	Amount/ Project
Soil conservation	5799 [12.69]	16594.9 [06.53]	028617
Flood protection	3155 [06.90]	73371.3 [28.86]	232556
Watershed development	2534 [05.54]	22719.5 [08.94]	089659
Drainage	794 [01.74]	16825.2 [06.62]	211904
Forestry development	2855 [06.25]	13937.4 [05.48]	048817
Rural market yards/Godowns	1883 [04.12]	11573.5 [04.55]	061464
Fishing harbours/Jetties	319 [00.70]	09681.5 [03.81]	303495
Rainwater harvesting	3960 [08.66]	07074.5 [02.78]	017865
Command Area Development	30 [00.06]	06755.5 [02.66]	2251833
Inland waterways	01 [00.00]	00100 [00.04]	100000000
Food park	05 [00.01]	00413.7 [00.16]	827400
Seed /Agriculture/Horticulture. Farms	1670 [03.65]	04731.7 [01.86]	028333
Cold storage	08 [00.02]	00275.2 [00.11]	344000
Animal husbandry	12873 [28.17]	21177.0 [08.33]	016451
Rubber plantation	23 [00.05]	00304.4 [00.12]	132174
Riverine fisheries	297 [00.65]	00731.4 [00.29]	024626
Modern abattoirs	21 [00.04]	00646.6 [00.25]	307905
Citizens information centres	221 [00.48]	02493.5 [00.98]	112828
Village know. centres/e- vikas kendras [Development Centers]	5479 [11.99]	06010.3 [02.36]	010970
Rural industrial estates /centres	08 [00.02]	01164.0 [00.46]	1455000
Comprehensive infrastructure	249 [00.54]	00837.7 [00.33]	033642
Grading/certification/testing	03 [00.01]	00131.9 [00.05]	439667
Solar, wind alternate sources of energy	05 [00.01]	00066.3 [00.03]	132600
Rural Godowns/warehouses	3509 [07.68]	36569.3 [14.39]	104216
Total	45701 [100.00]	254186.3 [100.00]	055619

Source: NABARD, Annual Report 2014-15

Rural Connectivity:

- Infrastructure for Rural connectivity was funded through 1,08,996 projects involving Rs647.2136 billion for rural roads and 18,910 involving Rs.256.7651 billion for rural bridges.

Social sector

- Infrastructure to support social sector having impact on human resources development was funded through 1,04,515 projects involving sanctioned amount of Rs.319.5564 billion which comprised [i] 12.81% drinking water projects [ii] 46.36% for public health through public health centers, pay & use toilets, anganwadis [local health agencies] [iii] 40.83 % for educational activities through primary/middle schools, secondary/college/rural service centers and rural libraries.

Table 5. Number of projects and Amount under Social Sector as on March-end 2015 [Rs.Billion]

Type of project	Number	Amount Rs. Billion	Amount/Project Rs. Million
Drinking water	13389 [12.81]	177.7993 [55.64]	13.28
Primary/middle schools	21213 [20.30]	15.2282 [04.76]	0.718

Secondary/college/Rural Service Centres	21420 [20.49]	65.7511 [20.57]	3.07
Public health	14212 [13.60]	41.4705 [12.98]	2.92
Pay & Use Toilets	3635 [03.52]	04.0541 [01.27]	1.11
Aanganwadis [local health agencies]	30605 [29.28]	15.2279 [04.76]	0.50
Rural libraries	41 [00.04]	00.0255 [00.01]	0.62
Total	104515 [100]	319.5566 [100]	3.06

Source: NABARD, Annual Report 2014-15

Power sector

- Under Power sector 80 mini hydel power projects and 691 projects for system improvements involving sanctioned amount of Rs.11.6956 billion and Rs.11.9787 billion were approved as on March-end 2015.

Economic Impact

Implementation of RIDF supported projects created critical infrastructure, facilitated expansion of the production base, increased credit disbursement and generated additional employment opportunities [recurring and non-recurring]. As on March-end, 2015 at national level RIDF created impact in areas, namely

- Contributed Rs.478.43 billion to country's Gross Domestic Product
- Irrigation potential on an area of 2.88 million hectares with non-recurring employment of 3417.4 million person days
- Construction of rural bridges of 9,61,171 meters & rural roads of 3,96,084 km length with non-recurring employment of 5045 million person days
- Non-recurring employment of 2853 million person days in other sectors
- Recurring employment generation of 1,179,11,579 persons
- Hydel power generating 229 MW power & system improvement to minimize transmission & distribution losses of 2234.1 million units per year
- Health centers benefiting 39.077 million persons
- Primary & secondary schools benefiting 9.204 million students
- Rural drinking water supply benefiting 90.735 million persons.

Table 6. State-wise Economic Benefits Cumulative As On 31st March 2015

Region/ State	Potential			Value Rs. Billion	Employment Generated			
	Irrigation hectares	Roads Kilometres	Bridges Metres		Recurring Person days	Non-recurring Million Man Days		
						Irrigation	Roads	Others
North-Eastern	822665	7788	89143	04.47	197445	41.40	266.50	121.7
Arunachal	00	1206	3145	00	00	00	32.9	09.8
Assam	754667	1360	57311	03.57	144549	24.8	113.6	24.0
Manipur	19550	00	00	00.29	8808	02.0	00.00	14.7
Meghalaya	15795	1427	4568	00.10	8921	08.0	29.10	07.2
Mizoram	5390	760	283	00.03	1996	01.2	06.50	03.6
Nagaland	7471	2415	759	00.08	3727	02.2	19.90	26.9
Sikkim	2805	607	450	00.02	604	01.3	17.50	16.1
Tripura	16987	13	22627	00.38	28840	01.9	47.00	19.4
Eastern	4831375	42983	309568	88.50	2649921	562.70	1350.90	681.3
Bihar	988366	6959	72605	22.10	343437	40.6	413.7	067.6
Jharkhand	311869	10871	102521	03.38	100075	41.9	181.3	054.4

Odisha	2080345	8061	112624	37.79	1250594	341.2	428.6	083.1
West Bengal	1450795	17092	21818	25.23	955815	139.0	327.3	476.2
Northern	3779694	102462	65588	110.51	1391349	466.00	773.60	686.9
Haryana	1108730	3363	4903	18.43	177070	76.5	47.90	023.4
Himachal	130362	9733	22526	10.23	790822	77.4	79.90	040.6
J& K	134595	11560	16207	02.25	122227	24.0	156.60	021.3
Punjab	1607981	10511	8606	71.61	301230	140.1	126.50	107.8
Rajasthan	798026	67295	14224	07.99	312740	148.0	362.70	493.5
Western	3881136	49972	88487	30.04	7145812	550.30	463.90	188.5
Goa	94994	326	4512	00.48	15444	11.5	26.40	009.9
Gujarat	2754717	20124	4346	13.31	1914883	167.0	99.00	143.1
Maharashtra	1031425	29522	79629	16.25	5215485	371.8	338.50	035.5
Central	8593504	68314	164504	165.59	3332534	899.5	702.70	319.0
Chhatisgarh	505028	10809	31603	09.72	89306	107.9	113.20	008.6
MP	1707926	16658	48082	60.93	1257107	385.3	215.80	047.8
UP	6157325	29209	66610	89.00	1885131	348.2	246.60	252.4
Uttarakhand	223225	11638	18209	05.94	100990	58.1	127.10	010.2
Southern	3971621	124567	243004	79.30	2881780	897.8	1487.2	855.9
Andhra	2466638	34152	71134	50.34	2092791	559.7	597.0	373.8
Karnataka	508125	41874	53234	11.86	161780	185.6	337.8	125.9
Kerala	343381	5281	32826	07.83	116758	44.6	088.6	071.6
Puducherry	3373	314	792	00.01	2146	34.4	005.7	007.7
Tamil Nadu	650104	42946	85018	09.26	508305	73.5	458.1	276.9
Total	25879995	396084	961171	478.43	17911579	3417.4	5045.0	2853.0

Hydel power generation [MW]: 221.75 And Savings in Transmission & Distribution losses: 22341 lakh units/year
Source: NABARD, Annual Report 2014-15

Table 7. Region-wise Percentage Share of Economic Benefits in Total As On 31st March 2015

Region/ State	Potential			Value Rs. Billion	Employment Generated			
	Irrigation hectares	Roads Kilometres	Bridges Metres		Person days	Non-recurring Million Man Days		
Irrigation				Roads		Others		
NER	0822665 [03.18]	07788 [01.97]	089143 [09.28]	04.47 [00.93]	197445 [01.12]	041.40 [01.21]	0266.50 [05.28]	121.7 [04.26]
Eastern	4831375 [18.67]	42983 [10.85]	309568 [32.24]	88.50 [18.50]	2649921 [15.06]	562.70 [16.46]	1350.90 [26.78]	681.3 [23.88]
Central	8593504 [33.20]	68314 [17.25]	164504 [17.13]	165.59 [34.61]	3332534 [18.94]	899.50 [26.32]	0702.70 [13.93]	319.0 [11.18]
Sub-total	14247544 [55.05]	119085 [30.07]	563215 [58.65]	258.56 [54.04]	6179900 [35.12]	1503.60 [43.99]	2320.10 [45.99]	1122.0 [39.32]
Northern	3779694 [14.60]	102462 [25.87]	065588 [06.83]	110.51 [23.10]	1391349 [07.90]	466.00 [13.63]	0773.60 [15.33]	686.9 [24.07]
Western	3881136 [15.00]	049972 [12.62]	088487 [09.21]	30.04 [06.28]	7145812 [40.60]	550.30 [16.10]	0463.90 [09.19]	188.5 [06.61]
Southern	3971621	124567	243004	79.30	2881780	897.80	1487.20	855.9

	[15.34]	[31.45]	[25.30]	[16.58]	[16.37]	[26.27]	[29.48]	[30.00]
Sub-total	11632451 [44.95]	277001 [69.93]	397079 [41.35]	219.85 [45.96]	11418941 [64.88]	1914.10 [56.00]	2724.70 [54.01]	1731.3 [60.68]
Total	25879995 [100]	396086 [100]	960294 [100]	478.41 [100]	17598841 [100]	3417.7 [100]	5044.8 [100]	2853.3 [100]

Source: NABARD, Annual Report 2014-15

Backward Regions

More importantly, in relatively backward regions, such as North-East, Eastern and Central region where potential for agricultural development has been quite high, which, however, could not be adequately exploited in view of severe gaps in the infrastructure, have now been showing signs of development. In these three regions, which comprise 16 States [including Sikkim] out of 29 in the country, the developments are as under.

- Increase in terms of percentage in 2015 over that of 2011 in three regions as against total of six regions in the country was [i] irrigation potential created: 45.50% against 57.06% [ii] road constructed: 13.19% against 19.71% [iii] bridges constructed: 40.75% against 43.91% [iv] value of farm output: 104.44% against 100.91% [v] recurring employment generated: 73.69% against 106.06% [vi] non-employment generated in general :62.65% against 26.83% [vii], irrigation: 46.22% against 29.47% [viii] road& bridges: 64.09% against 38.29% and [ix] others: 87.06% against 41.32%
- Percentage share of three regions in the total of six regions in the country in 2011 and in 2015 in various areas was [i] irrigation potential created 59.42% & 55.05% [ii] rural roads 31.80% & 30.07% [iii]rural bridges 59.97% & 58.65% [iv] value of farm output 53.11% & 54.04% [v] recurring employment generated 41.67% &35.12% [vi] non-recurring employment in general 37.24% & 43.71% [vii] irrigation 38.90% & 43.99% [viii] roads & bridges 38.76% & 45.99% [ix] others 31.96% & 39.32%.

Table 8. Share of Backward Regions in Total Economic Benefits as on March-end 2011 &2015

Particulars	Total of Three Regions		Grand Total 2011 [2015]	% increase in 2015 over 2011	
	2011 [2015]	% Share in Grand Total		Three Regions	All India
Irrigation [ha]	97,91,982 [1,42,47,544]	59.42 [55.04]	1,64,78,050 [2,58,79,995]	45.50	57.06
Rural Roads [km]	1,05,211 [1,19,085]	31.80 [30.07]	3,30,855 [3,96,086]	13.19	19.71
Rural bridges [mt]	4,00,162 [5,63,215]	59.97 [58.65]	6,67,306 [9,60,294]	40.75	43.91
Value of produce Rs. .Billion	126.47 [258.56]	53.11 [54.04]	238.12 [478.41]	104.44	100.91
Recurring employment	35,57,987 [61,79,900]	41.67 [35.12]	85,40,478 [1,75,98,841]	73.69	106.06
Non-recurring Million	3040.6 [4945.7]	37.24 [43.43]	81,646 [1,03,552]	62.65	26.83
Irrigation Million	1026.9 [1503.60]	38.90 [43.99]	2639.8 [3417.7]	46.42	29.47

Roads& Bridges	1413.9	38.76	3647.9	64.09	38.29
Million	[2320.10]	[45.99]	[5044.8]		
Others	599.8	31.96	1876.9	87.06	41.37
Million	[1122.00]	[39.32]	[2653.3]		

Figures in parentheses indicate total of three regions & percentage share in grand total in 2015

Source: NABARD, Annual Report 2014-15

Effective coordination of NABARD with State Governments in planning, implementing & monitoring the infrastructure projects in backward States significantly improved the development in Chhatisgarh, Madhya Pradesh, Uttar Pradesh [Eastern], Uttrakhand, Bihar, Jharkhand, Orissa & West Bengal whereas in States of Assam, Arunachal Pradesh, Meghalaya, Manipur, Mizoram, Nagaland, Tripura, & Sikkim the development has started in the right direction.

Focused attention

Government's efforts made since country's independence were piecemeal and a fraction of the total needs. Government launched in 2005-06 Bharat Nirman [rejuvenation] program providing basic amenities in rural areas, viz. rural housing, irrigation potential, drinking water, rural roads, electrification and rural telephony. This is an important initiative for reducing the gap in respect of amenities between rural and urban areas but it cannot address comprehensively the total rural infrastructure needs which rural households should have at least comparable to urban households. Following aspects, therefore, need focused attention.

- Agriculture & Rural Development Ministry of State Governments in coordination with all stakeholders [rural households, Government departments, PRIs, NABARD, Banks & NGOs] should address all critical issues of rural infrastructure and formulate a road map to provide area-specific rural infrastructure by end of March 2025. For this purpose, a perspective comprehensive Block & District level Rural Infrastructure Development Plan for five years should be formulated and integrated into State's and country's annual budgetary and planning process with strategic action plan to implement within a time-frame and putting in place a mechanism to monitor, review & evaluate the implementation process to yield expected results. Since April 1989, NABARD has been formulating annual potential linked credit plan for each district in India sharply focusing, among others, gaps in infrastructure that need to be addressed with serious concern & commitment by Government and Panchayati Raj Institutions [local level institutions] at block & district level. NABARD also prepares a State Focus document, inter alia, emphasizing this need. These can serve as resource-documents and that NABARD's initiative to leverage private resources and its capacity to implement rural infrastructure development projects can fruitfully be capitalized.
- Since State Governments alone cannot bridge the huge gap in rural infrastructure in view of their limited resources, organizational structure, capabilities and efficiency, it is necessary that this program is planned and implemented as a public-private-partnership model in a mission mode seeking involvement of corporate houses and local people. It should aim at developing an integrated planning for rural infrastructure across the country, based on shared concern and collaborative leadership structure whose scope can extend to establish program/project-based institutional arrangements for taking up projects commercially feasible/viable and implementing in a time-frame.
- In order to accomplish this Herculean task in a time-frame, Rural Infrastructure Development Company can be considered and incorporated to plan, implement and mobilize financial resources from within the country as well as from international agencies viz. the World Bank, Asian Development Bank, New Development Bank & attracting Foreign Direct Investment, Foreign Institutional Investors etc. More than mobilizing financial resources the major problem under India's current political and administrative environment is to create, improve & maintain a quality infrastructure that can accelerate and sustain the healthy growth of agriculture and human life.
- Experience of last two decades suggest that despite Fund is available under RIDF & a large number of activities have been eligible under the RIDF, most districts in the country and more importantly in North

East, East & Central regions have not utilized the available fund. This necessitates the pro-active role of the State Governments & other stakeholders.

- Under Government's stipulated Corporate Social Responsibility mandate Corporate Houses can effectively participate in this program and contribute their resources, experiences and expertise to yield expected results which would also be mutually advantageous and profitable.
- Under the existing scheme of Members of Parliament Local Area Development for which annually sum of Rs.40 billion is provided and only a fraction of the earmarked fund is productively utilized can be considered as additional source of finance for this program.
- NABARD, while working with departments of all State Governments in last two decades, has already demonstrated the capability and showed the way to achieve the results through the process and mechanism for effective planning, implementing, monitoring and reviewing the program. The State Governments should, therefore, commit to take up the responsibility for completing the program.

RIDF ultimately makes use of common peoples' deposits placed with public sector banks. The depositors should have the right to be proportionately compensated by way of interest as State Governments avail this fund at a very low rate of interest. Why depositors should suffer on account of banks' inability to achieve mandated/imposed credit targets [which have been continuing since 1990s] and Government's inability to mobilize resources from open market?

IV. CONCLUSION

It is time that rural households identify their needs for infrastructure and place demand as a matter of right on elected representatives; Governments must allocate adequate resources in their annual budgets and implementing agencies must have concern, commitment and accountability to put in place infrastructure in each village in a time bound program. Performance of each and every program/scheme should necessarily be monitored & discussed quarterly at district level, half yearly at State level & annually at the national level including comprehensive discussion in State Assemblies & Parliament. Besides, performance in terms of measurable indicators must be available to the public every half year through local print and electronic media and on the website, as a part of right to information.

V. REFERENCES

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