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## SKILL DEVELOPMENT AND OFF FARM ACTIVITIES: ROLE OF NABARD NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT

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**Ms. Devina Shukla**  
Research Scholar  
Department of Political Science  
Delhi University, Delhi

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NABARD in its mission statement laid emphasis on promotion of Off Farm Sector. The sector assumes significance in the context of the ever pressing need for reducing rural India's over dependence on agriculture for income by encouraging alternate livelihood options. Development of this sector also helps in arresting large-scale migration of small and marginal farmers and agricultural labourers to urban areas in search of livelihood opportunities on account of unemployment/ disguised employment in the agriculture sector.

In its efforts to develop OFF Farm Sector NABARD, over the years, has evolved several refinance and promotional schemes. It has also been making constant efforts to broad base and refine/rationalise its schemes in response to needs at the field level.

The focus has been on programmes which enables increased credit flow, provision of credit to the unreached, and provision of linkages for small, cottage and village industries, handloom, handicrafts and other rural crafts and service sector in rural areas.

Developing markets for the rural Off Farm Sector has been an area where NABARD has taken many initiatives. NABARD has also been actively involved in promoting innovations in rural areas in farm and Off Farm sectors by creating a separate fund and a separate Off Farm Development Department for this purpose.

### Core Functions of NABARD in Relation to Off Farm Sector Development

NABARD has been instrumental in promotion and developmental activities related to small scale industries, cottage and village industries, handicrafts and other rural crafts and other allied economic activities in rural areas. It has been active in providing end-to-end solutions for promotion of activities generating/enhancing livelihoods under the Rural off Farm Sector. It contributes in its rural development and skill enhancement sector by providing financial support as grant depending on the nature of the project, activities within the project, stakeholders involved, etc.

Further, NABARD provides financial support to Government agencies including Panchayat Raj Institutions, Apex/State Level Corporations and Boards, Individuals/Groups of individuals, SHGs, SHG Federations, Farmers' Clubs (FCs), FC Federations, activity based JLGs, NGOs/MFIs, Trusts, Registered Community Based Organisations (CBO), Registered Producers' Organisations/people's organisations, Co-operatives, Banks, RRBs, NSDC affiliated training institutes, Skill Development Council, Corporates (Pvt. Limited and Public Limited), including Section 8 Companies, NBFCs, Private Companies as part of Corporate Social Responsibility, Colleges, Research Institutions, Universities, Krishi Vigyan Kendras (KVKs), Marketing Federations, subsidiaries of NABARD and such other organizations which approach NABARD for financial support for undertaking Off-Farm Sector promotional interventions and whose objectives/activities are catering to the development of Off-farm sector and approved by NABARD.

In order to give boost to rural skill enhancement venture, NABARD works for supporting marketing activities of rural artisans by extending grant assistance for Rural Haats, Rural Marts, Exhibitions and Melas. It has pounded on promoting skill development by extending grant support to rural training institutions like Rural Development and Self Employment Training Institutes (RUDSETIs)/ Rural Self Employment Training Institutes (RSETIs), NSDC affiliated Institutes, NGOs having training establishments, Government agencies, Corporate Partners, etc. Further NABARD intends to extend support to rural artisans for formation of Off Farm Producer Organizations (OFPOs) in clusters to take up collective business activities, build capacity and develop market linkages.

### NABARD Skilling for Livelihood Off Farm Development Initiative

Promoting an entrepreneurial culture among the rural youth and encouraging them to start enterprises in the rural off farm sector has been among the thrust areas of NABARD's promotional initiatives over a period of more than three decades. Recognising the need for imparting necessary entrepreneurial skills to the rural youth, NABARD had initiated capacity building measures in early nineties through the introduction of Rural Entrepreneurship Development Programmes (REDPs) and Skill Development Programmes (SDPs). Subsequently, more new models like Micro Enterprise Development Programme, (MEDP) and fees based skill training programmes like PANIIT Model were also introduced. Cumulatively, NABARD has supported 31,022 REDPS/SDPs, with grant assistance of Rs. 111.72 crore, imparting training to around 8.02 lakh unemployed rural youth as on 31 March 2017.

### NABARD's Skill Policy 2017

Government of India has been giving emphasis on removal of disconnect between demand and supply of skilled manpower, building the vocational and technical training framework, skill up-gradation, building of new skills, and innovative thinking not only for existing jobs but also jobs that are to be created. In tune with GOI's goal, NABARD has developed a structured approach for addressing the skill gap in rural India through demand based and outcome based programmes through the following approaches/Models/Training Partners: NSDC affiliated Training Institutes, Government Agencies RUDSETIs/RSETIs, Corporate Partners and NGOs/VOs

- i. **NSDC affiliated Training Institutes** - The financial support to these training providers is based on the cost norms fixed by NSDC and notified by 'Ministry of Skill Development and Entrepreneurship'. Support for training is provided in the sectors like Textile and Handloom, Tourism & Hospitality Sector, Agriculture, Logistics, Food Industry, Leather, Apparels, Home Furnishings, etc., in collaboration with NSDC/Sector Skill Councils and through discussions with NSDC partners in the respective States/Districts.
- ii. **Government Agencies** - ITIs established and managed by State Governments, State handloom/handicraft corporations and similar State owned corporations/State government undertakings/Panchayati Raj Institutions/ District Industries Centre/ Government sponsored institutions/Krishi Vigyan Kendras/ autonomous institutions set up by Govt. etc. are eligible for NABARD's grant assistance.
- iii. **RUDSETIs/RSETIs** - NABARD supports custom made skill training programmes of eligible RUDSETIs/RSETIs. Institutions rated 'AA' by MoRD, GoI. Institutions rated 'AA', 'AB', 'AC' (Institutions in existence for more than 3 years) & 'A', 'B','C' (Institutions in existence for less than 3 years) in North Eastern States, Andaman & Nicobar Islands, Left Wing Extremist affected/hilly/backward districts having more of SC/ST population will also be eligible for NABARD's assistance. NABARD supports 50% of



the recurring expenditure incurred by RUDSETIs/ RSETIs if the training is sponsored by one bank. If the training is sponsored by two or more banks, the grant assistance is worked out proportionately.

- iv. **Corporate Partners** - NABARD is partner with CSR Trusts, reputed corporates for taking up skill development activities in non-farm sector, where settlement rate of at least 60% is assured or where the concerned corporates can absorb them.
- v. **NGOs/VAs** Good working NGOs and similar agencies are provided assistance for organizing training of SHG groups/rural youth/school drop outs etc. The support, in the form of grant (towards recurring expenditure only) is provided to the organizations who have established/set up training institute with good infrastructural facilities and placement/settlement rate of at least 60% is assured.

### NABSKILL – Digital Interface with NABARD

NABSKILL ([www.nabskillnabard.org](http://www.nabskillnabard.org)), is a digital platform of NABARD to capture the details of all stakeholders (Training seekers, Training Providers, Placement Agencies and NABARD) involved in skill development initiatives of NABARD. The portal facilitates online submission of application for the eligible training provider to seek financial support from NABARD towards conduct of various skill training programmes. The training seeker can view the details of skill courses offered by NABARD supported training agencies. The portal captures the details of training related data viz., trainees' profiles, training programme details, post training settlement rate etc. The eligible training provider can check for their eligibility criteria under "Guidelines" in home page and upon successful registration the training provider can apply online for seeking grant support from NABARD.

### Skill Loan Model – PANIIT Gurukul Centres

#### (a) Pilot Project

To encourage fee based training, a loan based project of Rs.476 lakh under Rural Innovation Fund was sanctioned to "PANIIT Alumni Reach for India" (PARFI) for setting up 20 gurukuls in 9 states. The grant included Rs.60.00 lakh towards organizational cost, Rs. 60.00 lakh towards startup expenses and Revolving Fund Assistance of Rs. 356.00 lakh at 1% service charge towards on lending to identified trainees of the 20 Gurukuls. The agency has set-up 20 gurukul units as part of the pilot, 7 in Jharkhand, 5 in Tamil Nadu, 2 each in Rajasthan and Bihar, and one each in Chhattisgarh, Odisha, West Bengal and Maharashtra. Targeted youth were poor youth from naxalite affected areas. 5659 trainees have been trained in 237 batches with 100% placement rate (including self-employment especially in driving, catering). The total recovery rate has been 58% with some of the Jharkhand gurukuls reporting repayment rates of 75-80%.

#### (b) Institutionalization of PANIIT Model

Based on the success of the PANIIT model, during 2015-16 the project was institutionalised through sanction of grant assistance of Rs.5 crore to NABFINS – NABARD Financial Services Limited (a subsidiary of NABARD) for extending skill loans through Gurukuls set up by PARFI. As on 30 September 2017, 2588 candidates have been supported with loan assistance of Rs.3.325 crore.

In this way the basic objective of Skill India to train youth in such a way so that they get employment and also improve entrepreneurship is being achieved by NABARD. Provisions made for training, support and guidance for all off farm skill development traditional occupations for rural youth is an endeavour in which NABARD is involved with.



## References

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