



NABARD subscribes ₹4 Crore to NSDC's Social Stock Exchange Issue to support overseas employment of rural youth

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The National Bank for Agriculture and Rural Development (NABARD) has fully subscribed ₹4 crore to the maiden Zero Coupon Zero Principal (ZCZP) issue of the National Skill Development Corporation (NSDC) on the Social Stock Exchange (SSE) platform of the National Stock Exchange (NSE), marking an important milestone in the evolution of outcome-based social finance in India. The project, with an estimated outlay of ₹11.25 crore, seeks to create sustainable overseas employment opportunities for 600 rural youth belonging to Other Backward Classes (OBCs) in Madhya Pradesh.

The initiative is being implemented by NSDC in collaboration with the Government of Madhya Pradesh and is structured around an innovative financing framework that aligns funding with measurable social outcomes. Under the model, NABARD is participating through its subscription to the ZCZP issue, while the Government of Madhya Pradesh is expected to provide outcome-linked funding of ₹5.60 crore upon the achievement of agreed employment outcomes. The remaining funding is proposed to come through beneficiary contributions.

The programme aims to equip rural youth with internationally relevant skills required for employment opportunities in Japan and Germany. Beneficiaries will receive language training, technical skill development, certification, cultural orientation and end-to-end support for overseas placement, including documentation and deployment assistance. The initiative seeks to create sustainable livelihood opportunities and improve income prospects for rural households through access to global labour markets.

A distinctive feature of the project is its emphasis on outcomes rather than activities. The programme is designed to focus on verified overseas employment and sustained livelihood enhancement rather than merely on the completion of training. This approach represents an important shift towards evidence-based development financing, with social impact remaining central to programme design and implementation.

The transaction also demonstrates the growing potential of the Social Stock Exchange as a platform for mobilising resources towards measurable developmental outcomes. Established under the regulatory framework of the Securities and Exchange Board of India (SEBI), the SSE seeks to facilitate greater participation by institutions, philanthropies,

foundations, corporates and other stakeholders in financing social initiatives through transparent and accountable mechanisms. The ZCZP instrument is one such innovation that enables the funding of social projects without creating repayment obligations for implementing entities.

NABARD's participation reflects its commitment to strengthening the Social Stock Exchange ecosystem and exploring innovative financing mechanisms capable of addressing complex rural development challenges. Beyond supporting a single project, the initiative is expected to provide valuable experience in designing, implementing and monitoring outcome-linked development interventions and leveraging capital for social impact at scale.

The project also showcases the potential of collaborative financing models that bring together development finance institutions, government agencies and specialised implementation partners around clearly defined and measurable outcomes. Such models can help improve accountability, optimise resource utilisation and expand the reach of development programmes to underserved communities.

By linking rural aspirations with global employment opportunities and connecting capital with verifiable social outcomes, the initiative seeks to demonstrate how innovative financial instruments can contribute to inclusive and sustainable rural transformation. NABARD hopes that the experience and learnings emerging from this programme will encourage wider adoption of Social Stock Exchange-based financing models across multiple development sectors.

Source : NABARD, PIB Mumbai | Edgar Coelho / Priti Malandkar

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