

STATEMENT BY SUBHASH CHANDRA GARG, SECRETARY (ECONOMIC AFFAIRS) AND GOVERNOR OF INDIA AT THE 42nd SESSION OF THE GOVERNING COUNCIL OF IFAD, 14-15 FEBRUARY 2019, ROME, ITALY

Mr. Chairman,
Distinguished Governors,
Delegates,
Ladies and Gentlemen,

I am very happy to represent India at this 42nd session of the Governing Council of IFAD and would like to thank President Hounbo and his staff for organizing this excellent meeting. The theme selected for this Session of **“Rural Innovation and Entrepreneurship”** is very appropriate in today's context, especially of the developing countries, as we see transition taking place from agriculture economy to rural economy.

IFAD has an important role to play in this transition by encouraging rural innovation and entrepreneurship. For this purpose, its Programme of Loans and Grants (PoLG) of US\$ 3.5 billion in IFAD-11 (2019-21) will play a good part in translating IFAD's ambition into reality. This increased programme, in the face of challenges being faced all around for development partner resources, is a good size of programme and would certainly help IFAD contribute its share in achieving the Sustainable Development Goals set out in the 2030 agenda for Sustainable Development. However, IFAD will need to target its limited resources very well to invest in programme, projects and innovations which give better value for money for the poorer people of the World.

Agriculture remains still low-tech in many countries even as most other sectors witness rapid technological development. For raising productivity of agriculture and for providing additional avenues for income to rural people, technological and business innovation can be the real answer. The scope of innovations in the farm as well as non-farm sector is huge and can act as a catalyst for growth in the rural economy. While modern-day technologies developed and transferred to farmers are being undertaken on a large-scale, innovations in the form of grass root level technologies and methodologies developed by innovative farmers and rural youth have an equally important role to play.

It has been witnessed that innovation in rural areas tends to be localized and, more often than not, restricted by the specific social, economic and ecological context. The key challenge for any approach to promote innovation in the rural sector is, therefore, to scale-up these localized innovations. This calls for blending the farmers' innovations with modern scientific knowledge and providing the required boost for up scaling these for the benefit of farming community at large.

India's **AGRI UDAAN- Food and Agribusiness Accelerator Programme** could be a good example in this regard. The Programme's aim was to convert innovative ideas from India's rural youth into viable businesses start-ups and help them connect with potential investors. Such initiatives can go a long way in promoting the rural entrepreneur spirit.

In India, the agriculture sector, especially horticulture, is witnessing a vibrant interest from start-ups that are deploying technology to improve farm-to-fork supply chain and offer farmers better prices. These start-ups are procuring directly from farmers, thereby offering them better prices, and also helping them take informed decisions about which crops to grow

and how to trim waste. The Indian Government, too, has taken the online route to reach farmers. It has launched a programme to create a unified national market for agricultural commodities by integrating regulated markets with a common e-market platform 'e-NAM' which stands for electronic-National Agriculture Market. Farmers are not only be able to get better price of their crop through E-NAM but are also benefiting from ease of access to the market.

Focus on promoting innovation and entrepreneurial opportunities can also be instrumental in addressing the issue of unemployment among rural youths. I am happy to say that IFAD is already taking many steps to enhance rural people's productive capacities, link them to the markets, and strengthen the environmental sustainability and climate resilience of their economic enterprise. IFAD must come forward to invest in innovations, technologies and initiatives that specifically target the constraints faced by the rural youth.

For the Government of India, IFAD is a well-respected partner. India's partnership with IFAD goes back more than 30 years. In fact, IFAD runs its largest portfolio in our country. Through the years, IFAD-financed projects in India have targeted the poorest and most vulnerable groups, and have consistently addressed structural issues to deliver benefits to an estimated 4.78 million households.

For IFAD 11, India has pledged an amount of USD 40 million as a core contribution, up from USD 37 million it contributed during IFAD10. Apart from core resources, India has also pledged an amount of USD 20 million as Concessional Partner Loan (CPL) which has been introduced by the IFAD for the first time. This is significant because India has increased its commitment despite overall commitment to IFAD resources going down as compared to earlier replenishment.

We have ensured that our national priorities are well-aligned with the Sustainable Development Goals. Inclusive Growth (Sabka Sath Sabka Vikas) has been given the topmost priority by the Government of India. As agriculture is the key livelihood source of a majority of population in India, faster agriculture growth is the most effective route to inclusive growth. Hence, the Government of India has put tremendous emphasis on agriculture and rural development through a number of targeted initiatives. Notably, the present Government has put in place strategy to double farmers' income by 2022. As part of this strategy, the Government aims to put special focus on irrigation with sufficient budget to ensure "per drop more crop", provide quality seeds and nutrients based on soil health of each field, promote ancillary activities like poultry, beekeeping and fisheries, among others. This will have a direct impact on almost half of the population and is evidence of the Government's commitment towards the development of the sector.

To conclude, I would like to say IFAD has a key role to play in not only ending rural poverty and hunger, but also creating opportunities for rural youth by promoting innovations and rural entrepreneurship and, thereby, addressing the structural challenge of migration from rural areas. IFAD, with its expertise and knowledge of the rural sector, must focus its interventions on improving agricultural productivity, food security, off-farm income and rural employment, and promoting environmentally sustainable technologies.

India stand committed to extend all possible support to IFAD in its drive towards inclusive and sustainable rural transformation.