

profile

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INDIA COUNTRY PROGRAMME EVALUATION 2009

Effective partnership between India and IFAD

India is IFAD's largest borrower, both in terms of the number of projects financed and the resources invested. Since 1979, the Fund has financed 24 agriculture and rural development projects and programmes in the country on highly concessional terms (nine of which are ongoing), corresponding to total project costs of USD 1.9 billion including USD 656 million in IFAD loans and USD 877 million in counterpart funding from the Government. The majority of operations have been aimed at promoting tribal development and women's empowerment, and at establishing sustainable rural financial services. IFAD has also provided grants, for example, for capacity-building, networking among projects and agriculture research. India is also the largest developing-country financial contributor to IFAD's resources, which makes for a special relationship between the Government and the Fund.

The present Profile provides a summary of the first country programme evaluation (CPE) of India undertaken by the Office of Evaluation. The main objectives of the CPE were to assess the results and impact of IFAD-funded activities in the country, and to generate findings and recommendations that will serve as building blocks for the next country strategic opportunities programme (COSOP) for India, planned for 2010.

Main findings

The evaluation confirms the value of IFAD's work in addressing rural poverty in India. While the Fund has contributed to promoting pro-poor innovations, it has also served as a 'demonstrator' of how, systematically, to design, implement, supervise, and monitor and evaluate pro-poor agriculture and rural development projects and programmes. Satisfactory results have been achieved, especially with regard to promoting livelihoods among tribal people, empowering women through the formation of self-help groups, and developing rural finance systems at the grass-roots level. There is also evidence of policy impact, for example, in ensuring secure land titles for tribal people and including NGOs in development activities.

INDIA AT A GLANCE

Population: 1.14 billion

GNI per capita
(current US\$): 1,070

People living under
US\$1.25 per day
(% of population): 41.6

Life expectancy at birth: 65 years

Agriculture, value
Added (% of GDP): 18

Source: World Bank, World
Development Indicators 2008

A snapshot of IFAD-funded operations in India (1979-2009)

Total number of
loan-funded projects: 24

Total lending
approved: US\$656 million

Counterpart funding from
Government: US\$877 million

Total project portfolio
cost: US\$1.9 billion

Focus of operations:
tribal development,
women's empowerment,
rural microfinance

Number of ongoing projects: 9
(of which 1 is not yet effective)

Total grants: 16 country-specific
grants since 1997 with total
amount of US\$3.3 million and
21 global and regional grants
covered India as well



Women's Self-Help Groups, Tejaswini Rural Women's Empowerment Programme

Bhor District, Pune, Maharashtra, India

Community-based approaches, such as women's self-help groups, have become the cornerstone of India's approach to empowering women.

Photo by Kendra White

The evaluation found, however, that limited attention had been paid to agriculture (e.g. crop development, research and extension, etc.) in rainfed areas, despite recent IFAD-supported operations having included agricultural activities. The establishment of market links, engagement with the private sector and involvement of *panchayati raj* institutions have been limited in the past, and are therefore deserving of greater attention in the next COSOP. This also applies to the need for forging partnerships with multilateral and bilateral organizations, and for greater attention to knowledge management and policy dialogue. The CPE also underlined the importance of strengthening collaboration with technical ministries within central government.

Perhaps the most important message emanating from the CPE is that the context in India has changed significantly since IFAD started its partnership with the Government in 1979. India's emerging middle-income economy status will have

important implications for IFAD's role and focus in the country during the course of the coming decade and beyond. Together with the vast array of national-level technical expertise and funds now available, both through centrally-sponsored schemes and state-financed initiatives, the aforementioned status will pose a major challenge to IFAD in terms of articulating its future objectives and priorities in the country. What is, however, becoming increasingly evident is that the transfer of financial resources from IFAD to the Government will not be the main focus of the partnership in the future; transfers of knowledge and lessons are likely to be of greater value. All in all, the implications are far-reaching and, after 30 years of cooperation, IFAD and the Government are now at a crossroads as far as their partnership is concerned. As such, they will need to carefully, and jointly, reflect on alternative options, directions and approaches to pursue, in order to ensure the continued high relevance of their fruitful collaboration thus far.

Key recommendations

STRATEGIC ISSUES

- Give more priority to smallholder agriculture, particularly in rainfed areas;
- Continue to support rural women and tribal people, and narrow the geographic focus within the country;
- Enhance private-sector engagement, in line with the principles of corporate, social responsibility;
- Support innovation, giving greater attention to scaling up;
- Launch a coherent knowledge programme for sharing experiences and filling knowledge gaps;
- Leverage government resources through greater convergence with government-funded programmes;
- Engage more proactively with the central Ministry of Agriculture, other ministries, and the Planning Commission;
- Ensure ownership and commitment with State Governments; and
- Increase loan sizes in order to lower transaction costs and allow for greater attention to implementation support.

OPERATIONAL ISSUES

- Strengthen IFAD's country office in India to enhance, among other issues, implementation support, policy dialogue and partnership building; consider establishing a subregional office in India, which could also cover other countries in the subregion;
- Ensure greater continuity of project directors through agreements with State Governments;
- Improve project efficiency by limiting implementation delays, strengthening local capacity, and enhancing results-oriented monitoring and evaluation;
- Undertake a detailed cost analysis to implement the CPE recommendations in a timely manner, so that commensurate resources can be allocated by the Fund for the purpose; and
- Explore opportunities for supporting the Planning Commission's efforts to establish an independent evaluation outfit in India.



Wet-paddy land. The introduction of new farming technologies helped to improve productivity. These technologies should also have a positive effect on the environment.

Photo by Dr Dusmanta Kumar Giri

Further information:

Republic of India, Country Programme Evaluation, Report No. 2199-IN, March 2010, ISBN 978-92-9072-142-0, Office of Evaluation, IFAD, Via Paolo di Dono 44, 00142 Rome, Italy. The full report and Profile and two Insights are available online at www.ifad.org/evaluation; email: evaluation@ifad.org.