

Republic of India
CPE National Round-table Workshop

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STATEMENT

Mr. Oscar A. Garcia

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1. Mr Shobhana k. Pattanayak, Secretary, Ministry of Agriculture and Farmers' Welfare, Government of India
2. Mr Dinesh Sharma, Additional Secretary, Department of Economic Affairs, Ministry of Finance, Government of India
3. Mr Raj Kumar, Joint Secretary (MI), Department of Economic Affairs, Ministry of Finance, Government of India
4. Ms Josefina Stubbs, Associate Vice President, Strategy and Knowledge Department of IFAD

Ladies, Gentlemen and Colleagues,

It is a great honour and pleasure for me to participate in this workshop, at the conclusion of the IFAD Country Programme Evaluation in the Republic of India.

I would like to thank the Government of the United Republic of India, in particular, the Department of Economic Affairs of the Ministry of Finance, for their collaboration in co-organizing this event and for their support throughout the entire evaluation process.

I also wish to recognise the support and presence today, of several representatives from state governments. The collaboration from your agencies was crucial during the intensive field work conducted by the evaluation team last year.

Earlier this week, an IFAD delegation had the opportunity to visit selected field activities co-funded by IFAD in the North Eastern Region of India. We saw project

activities focusing on livelihoods-related issues like market access and natural resource management. And, it was an invaluable opportunity to hear directly from communities, project staff, and state and central government authorities.

We are truly looking forward to today's discussion of the main issues emerging from the evaluation and moving forward in this process. What we accomplish here in India can help to inform our work in other countries, too. After all, India has the largest portfolio of IFAD-supported operations in the world.

Before I say more about our work in this regard, I would also like to thank the Ministry of Development of North Eastern Region, the North Eastern Council, the Government of Meghalaya, and the project teams of NERCORMP II and LAMP for their collaboration and hospitality.

A word of appreciation also goes to IFAD's country and regional teams for their participation and support throughout the process: Associate Vice President for Strategy and Knowledge Department, Ms Josefina Stubbs, who honours us with her presence today; Ms Rasha Omar, Country Programme Manager for India; Mr Nigel Brett, Regional Portfolio Advisor, and the country office staff, Ms Meera Mishra, Mr Vincent Darlong and Mr Sriram Subramaniam.

Finally, I would like to thank Mr Fabrizio Felloni, Lead Evaluation Officer of the Independent Office of Evaluation, who led the evaluation in collaboration with a team of senior consultants.

Allow me to share with you some information about our office. Our mission, ultimately, is to strengthen the performance of IFAD-financed projects in India and other member states by promoting accountability and learning. The Independent Office of Evaluation of IFAD is an integral division in the organizational architecture of the Fund. Structurally, our independence is primarily derived from the fact that we report directly to the Executive Board of IFAD and not to IFAD's Management. The mandate of our office is to undertake impartial and evidence-based evaluations

of projects, country programmes and corporate policies, with the aim of assessing results achieved, and generating lessons that can be used to have a greater impact on the quality of performance, and on people's lives.

In our particular case, the India Country Programme Evaluation will inform the preparation of the next country strategy (or COSOP, in IFAD terminology), which is a responsibility of the Government of India and IFAD, in consultation with other partners. Before writing the new strategy, the Government of India and IFAD will prepare an Agreement at Completion Point, or ACP.

The ACP is a short document summarizing the main recommendations, which the parties agree to adopt and implement within a certain timeframe. The ACP will be presented to the Executive Board along with the new strategy and will also be published along with the main evaluation report.

This is the second country programme evaluation in India which has been conducted by our office. The current evaluation concentrates on the period from 2010 to 2015, though it does look back at the history of several operations, in order to better appreciate their implementation trajectory and progress.

Let me share a few remarks on the content of this evaluation, which Mr Fabrizio Felloni, lead evaluator will present to you shortly and more diffusely.

As you know, in the past decade, India has experienced high GDP growth rate (around 7 per cent per annum) and a reduction in the national poverty headcount rates from 37.2 per cent in 2004-05 to 21.9 per cent nationally as of 2011-12. Poverty prevalence is above national averages for scheduled tribes (45.3 per cent in the rural areas in 2011/12), and for scheduled castes (31.5 per cent).

As you know, India's population is still largely rural (72 per cent). The agricultural sector represents a significant proportion of the GDP (17 per cent) and remains

important on account of national food security issues and employment-generation opportunities.

India has numerous public rural development schemes; some are the largest in the world. A process of greater devolution of funds and powers to the states and local government levels is underway. This creates opportunities for IFAD-funded projects to scale up their results, although we know that it can be challenging in practice.

The IFAD-funded portfolio has consistently targeted poor areas and disadvantaged groups, notably scheduled castes, tribes and, within these, women. The multi-dimensional approach to these interventions (combining social capital, agricultural development, non-agricultural livelihood, financial services and basic needs) responds to structural issues in the targeted areas. Much of the IFAD-funded portfolio emphasis has been on social and economic empowerment and inclusion.

As the welfare of households and communities improves, the needs of people and institutions are evolving. This requires more specialised approaches, notably in agriculture and the impact of climate change. In the past, IFAD project designs were instrumental to improving basic subsistence conditions, though they paid less attention to addressing priorities for rain-fed agriculture development and commercialisation of smallholder agriculture.

Our evaluation finds the portfolio of projects funded by IFAD to be solid overall, with several examples of very good performance, including community mobilization and credit expansion. At the same time, many projects have suffered from slow project start-up, sluggish implementation and other challenges. These are due, in part, to the difficulties faced in operation and implementation in marginalized areas, such as hiring and retaining qualified staff and conducting procurement and financial transactions in a timely manner.

Overall, this also reflects the need to more closely calibrate the design of a project with the existing capacity to meet the objectives of that project. In a large, middle-

income country like India, good project performance continues to be important but not sufficient. We are seeing a greater demand, for knowledge sharing and analysis to inform policies and programmes.

IFAD-funded projects offer a very fertile ground for the sharing of experiences and local knowledge, but only a small part of this is analysed and systematised. One of the key expectations of the Government of India is active involvement by international agencies in exchanges of knowledge, good practice and technical experience, from India and abroad.

IFAD has specific experience and expertise in investing in underserved areas, in rain-fed agriculture and in working with marginalised groups. These, together with commercialising smallholder agriculture, correspond to key national challenges for the development of the agricultural and rural sector. Thus, IFAD continues to be a very pertinent development partner and needs to enhance its capacity to analyse, systematise and convey their experience and lessons to state and national policy makers.

As evaluators, we have offered an impartial assessment of the IFAD's programme. Now, with your support and active participation, we can gain an even better understanding of future opportunities and ways to overcome possible constraints, while promoting a more inclusive, and sustainable, transformation of the rural sector in India.

In closing I would like to share with you the words of BR Ambedkar, best known as the architect of the Indian constitution:

"I measure the progress of a community by the degree of progress which women have achieved."

It is encouraging to note that one of the strongest elements found in IFAD's India portfolio, is progress on gender equity, especially as it relates to improving income

sources for women, enhancing their access to rural institutions, and reducing drudgery in women's daily routines.

Let this be an inspiration to us, as we work together to find ways to make the IFAD partnership with the Government of India even stronger, for a sustainable and inclusive transformation of the rural sector in this country.

Thank you again for being here today. I wish you a very fruitful and pleasant workshop.

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