

# Republic of India

## Country Programme Evaluation

### Overview

This is the second country programme evaluation (CPE) in India carried out by the Independent Office of Evaluation of IFAD (IOE). The first was conducted in 2009 and its report published in 2010. Focusing on the time frame 2010-2015, the present CPE assesses: (i) the performance and impact of the portfolio of projects supported by IFAD loans (13 projects were reviewed of which nine are ongoing); (ii) the performance and results of non-lending activities (policy dialogue, knowledge management and partnership-building); and (iii) performance of the country strategic opportunities programme (COSOP).

India represents the largest portfolio of IFAD-supported operations. Since 1979 IFAD has financed 27 projects through 31 loans (US\$928.6 million) for a portfolio with a total estimated cost of US\$2.6 billion. National counterpart funding amounts to US\$711.4 million (27.4 per cent of total portfolio costs). External donor cofinancing up to 2012 amounted to US\$364 million or 14 per cent of portfolio costs (principally from the World Bank and the United Kingdom's Department for International Development). The remaining funding (approximately US\$596 million) came from national sources (e.g. national financial institutions and foundations) and beneficiaries' contributions. IFAD established a country office in New Delhi in 2001 on the World Food Programme premises. In 2011 IFAD submitted a request to the Government of India to outpost the country programme manager. A final agreement was reached in June 2015.

Evidence for this CPE comes from analysis and triangulation of data from multiple sources: (i) a desk review of the available documentation, including past independent evaluations; (ii) a self-assessment conducted by IFAD's Asia and the Pacific Division; (iii) annual outcome surveys conducted by several projects (involving a sample of 200-400 households from project and comparison households); (iv) interviews at IFAD headquarters and in New Delhi with national government stakeholders, and non-governmental and international stakeholders; (v) field visits, individual interviews and focus group discussions with beneficiaries; and (vi) interviews with state-level policymakers, project staff, and representatives of local governments (district, block and *Gram Panchayat* levels).

**The country context.** India is the seventh largest country in the world and the second most populous, with 1.3 billion people (2014 midpoint). In the decade of 2004-2013, GDP grew at an annual average rate of 7.5 per cent. The 2014 per capita gross national income (Atlas method) was US\$1,570, setting India in the category of lower middle-income countries (World Bank classification). In India, 72 per cent of the population is rural. The agriculture sector's share of GDP declined from 19.4 per cent in 1991 to 17.0 per cent in 2014 but remains important on account of national food security issues, food-price-led inflationary pressures and employment generation opportunities.

The poverty headcount in 2011-2012 was estimated at 25.7 per cent in the rural areas and 21.9 per cent for the country as a whole (about 217 million in rural areas and 270 million nationally). Poverty prevalence has dropped significantly since 2004-2005 when these percentages were 41.8 and 37.2 respectively, but it is above the national average for scheduled tribes (45.3 per cent in the rural areas in 2011-2012), and scheduled castes (31.5 per cent). India has numerous and very large rural development schemes, notably the Mahatma Gandhi National Rural Employment Guarantee Programme (MGNREGS) and the National Rural Livelihoods

Mission (NRLM). The Government is emphasizing greater devolution of funds and powers to the states and local government levels in opting for and implementing different development schemes.

India has the largest area under rainfed farming in the world. About 42 per cent of rice cultivation is rainfed; 77 per cent for pulses, 66 per cent for oilseeds and 85 per cent for coarse cereals. However, policies to address productivity in rainfed agriculture have received less attention than deserved. Groundwater irrigation accounts for 70 per cent of the irrigation needs of the country, leading to severe depletion of groundwater reserves and increased soil salinity. Bridging the productivity differentials between the irrigated and rainfed areas could help address a number of other sectoral development issues, in addition to relieving stress on irrigation systems.

### **Findings on the portfolio of projects**

**Relevance** is assessed as satisfactory. In terms of socioeconomic targeting, IFAD-funded projects focus on particularly disadvantaged groups among the rural poor, including scheduled tribes, scheduled castes, women and the landless. The areas inhabited by scheduled tribes pose operational challenges due to remoteness, precarious living conditions and cultural specificities. Projects are pertinently tackling four structural issues: (i) material deprivation; (ii) sociocultural exclusion; (iii) increasingly difficult access to natural resources and agricultural land; and (iv) limited presence of public institutions.

A considerable portion of the investments was allocated to agricultural activities. In the past, the technical content of agricultural interventions was not always based on a sound analysis of local farming systems and marketing opportunities, and did not optimize opportunities for collaboration with local agricultural research and extension centres. These issues are better addressed in recent project designs.

Compared to the situation at the time of the 2010 CPE, recent projects have tried to build “convergence” with national rural development schemes, notably with NRLM and MGNREGS. Furthermore, recent project designs have included coordination with local government entities (Panchayat Raj Institutions).

**Effectiveness** is assessed as moderately satisfactory. Outreach has been encouraging. As of late 2015 (latest data available), projects had reached 1.9 million households, slightly exceeding targets (102 per cent). Project results are better consolidated in the areas of community mobilization and infrastructure serving basic needs, and are beginning to emerge in two other key areas: promoting agricultural production and rural livelihoods, and enabling access to credit and financial services. Although IFAD projects have established a solid operational basis for credit expansion in the rural areas, the response from the public-sector banks in extending credit support has not been encouraging. A possible reason is that the response from the public-sector banks was inhibited by past experiences of politically driven waiving of repayments.

**Efficiency** has been rated moderately unsatisfactory. The main problems have been low process and managerial efficiency, as signalled by: (i) delays in entry into force; and (ii) delays in implementation, reflected in loan disbursement lags. The average time from approval to entry into force of the loans considered for this CPE is 16 months, almost twice the regional average (8 months). The factors causing delays and sluggish implementation are, on the one hand the challenging agro-ecologic and socioeconomic conditions of the project areas, and on the other, the limited implementation capacity at the state level, because of: (i) high turnover of project staff, especially at the senior level; (ii) long, drawn-out procedures for obtaining staff on deputation from other public services and agencies; (iii) non-competitive compensation packages for project staff; and (iv) non-conducive contractual arrangements and cumbersome procurement procedures at the state, district and block levels.

**Rural poverty impact** is assessed as satisfactory in the domains of household assets and income, human and social capital, and moderately satisfactory in food security, natural resource management and climate change, institutions and policies. The available documentation illustrates several instances in which IFAD projects have contributed to raised income and diversification of income sources and helped build assets for the targeted households. This has happened mainly through: (i) increases in agriculture productivity or employment opportunities; (ii) secured access to land, forest, ponds and trees; (iii) diversification and establishment of microenterprises; and (iv) improved farm animal stock.

Most projects have been successful at establishing high numbers of community-based organizations (such as self-help groups, village development committees, or natural resource management committees). People are more aware of opportunities to improve their lives, and are keen to learn new skills and undertake collective initiatives. Project-assisted households have benefited in terms of agricultural productivity and risk management, although this varies across crops, households and projects.

IFAD-funded projects are implemented in remote, less productive areas and include interventions to improve soil and water management, reduce reliance on inorganic inputs, promote forest conservation and generally make farmers active participants in improving their ecological environment. In many cases, results are emerging slowly due to delays in project start-up.

Usually the rural poor, landless, and socially excluded populations have little say in shaping the institutions and the policies that govern them. Initiatives under some projects have set in motion a process of change. For example, in the state of Odisha, projects have been instrumental in operationalizing and implementing the existing land and forest rights regulations in favour of tribal groups. In Madhya Pradesh and Maharashtra, project-funded interventions to control violence against women were used as an input into the preparation of dedicated state policies.

**Sustainability** of benefits is overall assessed as moderately satisfactory due to the combination of political support, community-based support to the initiatives, and good (albeit variable) prospects of technical and financial sustainability. In terms of social sustainability, in most projects, the engagement of communities (notably women's groups) in collective action, the sense of emancipation and the quest for better livelihoods are likely to continue even in the absence of external support. The capacity of community-based organizations to continue operations varies between and within projects.

In the past, attention at project design to "sustainability" was confined to creating federations of self-help groups, but attention to economic viability and to linkages with Panchayat Raj Institutions and public schemes was not at the forefront. More recent projects have better acknowledged at the design stage the need for long-term support to institutions and capacity-building and to market linkages.

**Innovation and scaling up** is assessed as satisfactory. The 2011 COSOP had identified the following as areas for innovation: (i) renewable energy; (ii) resilience to climate change; (iii) remittances and microinsurance; (iv) fair and effective value chains; and (v) information and communications technology for blending local and modern knowledge. There has been progress in introducing improved agricultural technologies and techniques, which are also pertinent to climate change adaptation. There have been some recent initiatives on information and communications technology, commodity value chains and insurance products (crop, life). Investments involving renewable energy concentrated on one project only. There is little evidence on activities involving remittances.

There are several examples of scaling up (that have either taken place or are firmly planned), some of which can be considered exemplary. In Odisha, the state

government is funding the largest share of a follow-up tribal community development project (US\$85 million out of the total cost of US\$100 million) to expand outreach to 90,000 households in 1,500 villages spread over 525 micro-watersheds. In addition, convergence with central government schemes such as MGNREGS, NRLM and other national and state initiatives is being pursued. In the North-Eastern Region, there is another example of a third phase of a tribal community development project, entirely funded by the central Government of India, aimed at covering new districts.

Overall, **gender equality and women's empowerment** is assessed as satisfactory. IFAD-funded projects try to create an enabling environment for women to take part in village councils, claim rights to agricultural land, and access natural resources and financial services. In the past, projects typically established a minimum quota for women's participation (e.g. minimum 50 per cent of members are women) and provided basic infrastructure (e.g. access to water) to reduce drudgery. In more recent times, as a consequence of the evolving thinking at IFAD, project designs have required the preparation of a gender strategy, emphasizing the analysis of gender roles, the sensitization of men and women and the importance of gender balance for project staff.

Most projects have adopted the self-help group approach, and membership of these groups is reserved for women only. The purpose was to provide members with access to financial resources in the form of savings and small loans. There is qualitative evidence that intra-family household decision-making is now more participatory, rather than it being solely in the hands of the husband or adult males. An increasing number of women are running for local elections. In Maharashtra, 3 per cent of the self-help group members formed by IFAD-funded projects have been elected to various Panchayat Raj Institutions.

Women face considerable drudgery, especially in hilly and remote areas, and projects have focused on reducing both household and livelihood-related drudgery. Project initiatives include the introduction of smokeless stoves, access to drinking water, sanitation and roads, increasing forest cover and access to fodder. In some projects, they also included agricultural tools and equipment that are ergonomically appropriate for women and post-harvest processing equipment.

In Madhya Pradesh, the Tejaswini Rural Women's Empowerment Programme cooperated with a state initiative to introduce *Shaurya Dal* or a "courage brigade" (a village-level committee made up of five to eight members). The main purpose of the *Shaurya Dal* initiative is to mobilize the communities against gambling, alcoholism and domestic violence, which directly affect the welfare of women and their families. The Madhya Pradesh Government plans to scale up this strategy to the entire state.

### **Non-lending activities**

**Knowledge management.** The India 2011 COSOP incorporated knowledge-sharing and learning as a cross-cutting objective. Individual projects and the IFAD Country Office ran knowledge-sharing and learning initiatives, primarily geared at encouraging knowledge-sharing and learning processes and communication (websites, videos, blogs, newsletters and booklets). Yet, much of the knowledge from the programme has not been documented or analysed. Knowledge on the IFAD programme is generated out of the insights, understanding, and practical know-how that the project professionals possess and apply. Over time these projects generated a significant body of knowledge on a range of rural development and poverty issues emerging from project cycle experiences. This type of experiential knowledge has not been adequately documented or transformed into explicit knowledge products for wider use by the public sector and development practitioners in India (particularly, into guidelines on "how to do and not to do" under specific intervention typologies).

The CPE observed that in India there is a higher level of expectation from IFAD as a knowledge broker to help address a range of issues confronting rural poverty alleviation. The capacity of the country programme and key partners to generate knowledge products for use at a higher policy level or to address emerging demands is limited, due to lack of financial and technical resources. IFAD at present does not have a strong “institutional mentor” (e.g. a think tank) to oversee or conduct background analytical and intellectual work.

**Partnership-building** is critical for enabling IFAD’s limited investments to achieve greater outreach and deeper impact on rural poverty reduction in India. During the evaluation period, the relationship with the central coordinating ministry (Department for Economic Affairs, Ministry of Finance) was cordial and characterized by mutual respect. However, IFAD has had little engagement with key related technical ministries (e.g. of Tribal Affairs, Rural Development, Agriculture) in the central Government.

Overall, there is good ownership at the state level: state governments are responsible for the implementation of IFAD-funded projects and some projects and project subcomponents have been replicated with state funding (e.g. in Odisha and in Madhya Pradesh). The appreciation of the importance of a sustained relationship with the Panchayat Raj Institutions is emerging. Partnership with the non-governmental organization (NGO) community for project implementation at the grass-roots level has been an intrinsic strength of the IFAD business model.

IFAD is engaged in various cooperative efforts sponsored by the United Nations (United Nations Country Team, United Nations Development Assistance Framework Task Teams) but fully fledged programmatic partnerships with United Nations agencies have yet to materialize. According to the CPE interviews, multilateral donors such as the World Bank and Asian Development Bank recognize IFAD’s comparative advantage and niche in rural poverty alleviation interventions, especially involving the extreme poor. However, the present level of interaction with IFAD is only one of consultation during project formulation. There have been few proactive steps in terms of substantive partnership in either project or non-lending activities. In the past, the central government was in favour of separate financing by multilateral donors, rather than cofinancing. However, partnerships need not only be in the form of cofinancing. More systematic coordination and exchanges of experience and lessons from the respective activities are also valid forms of partnership and may lead to interest by international financial institutions in scaling up promising experiences and results.

Partnership with the National Agricultural Research System, including state and local research centres, presents opportunities for projects to benefit from cutting-edge research and apply appropriate farming solutions. IFAD-funded projects have not made full use of this valuable resource. A welcome exception is the Integrated Livelihood Support Project, which is building cooperative partnerships in Uttarakhand on fruit, vegetable and milk production.

Private-sector partnerships are flagged as an important aspect of IFAD’s strategy but, in practice, this is still only an emerging area. A recent addition to the Indian Companies Act, stipulating that companies should earmark a portion of their profits for corporate social responsibility activities, presents new opportunities to leverage private-sector support. Arrangements with private-sector companies (Tata, Tesco, East West Seed, FieldFresh Foods, Unilever) have been piloted in Maharashtra and some forms of collaboration have also been tested in Uttarakhand. Moving forward, an analysis of these experiences, and of progress and constraints would be of high interest to state and national authorities, and to international partners interested in supporting private-public-producer partnerships.

**Policy dialogue.** According to IFAD, at the time of the preparation of the 2011 COSOP, the Government was not inclined to engage in policy dialogue with the

Fund. This might have been due to some misunderstanding of the term and its implications. The current environment looks more conducive to producing analytical and policy-related work. Policy-level interaction and input by IFAD have been more accessible and practical at the state level. Efforts to provide policy inputs at the central level have been constrained by distance with policy makers.

At the state level, some projects usefully contributed to policy-related inputs. In Odisha, an IFAD-funded project facilitated the implementation of the laws on tribal groups' access to forests, including the Forest Rights Act (2006). These laws were aimed at reinstating traditional rights to forest occupancy and use that had been challenged by earlier regulation. Projects in Maharashtra and Madhya Pradesh provided an input into the Maharashtra Women Policy 2013 and the Madhya Pradesh Vision 2018. There have also been missed opportunities: in Jharkhand and Chhattisgarh little policy dialogue took place on convergence options with public programmes in the states and, at the central level, there was limited awareness of the project at the Ministry of Tribal Affairs, and the Ministry of Rural Development.

For a policy input to reach a central-level forum, much more preparatory work is required: champions need to be identified and high-quality presentations need to be prepared and shown at suitable forums. Moreover, for policy input to be acceptable at central level, it must have wider validation across states. Policy engagement is a subtle exercise and, to be effective, calls for preparedness, i.e. substantive documented evidence, contextual knowledge of issues, understanding of the national sensitivities and processes, and nationally recognized facilitation champions.

### **Strategic (COSOP) performance**

**COSOP relevance** is assessed as satisfactory. The 2011 COSOP was aligned with national strategies and national agricultural and rural development priorities. The previous CPE findings and recommendations were well reflected in the strategy and in the preparation of the ensuing investment pipeline. Reaffirming the overall relevance of the previous two COSOPs (2001, 2005), the COSOP 2011 maintained IFAD's focus on the deeper poverty segments, with a thrust on convergence with public schemes. The 2011 COSOP recognized more explicitly the "technical" side of rainfed agriculture development and linkages to markets and processing. It had two key strategic objectives: (i) increased access to agricultural technologies and natural resources; and (ii) increased access to financial services and value chains. These are not only strategically relevant to the IFAD portfolio but imperatives for agricultural and rural development, nationally. The 2011 COSOP brought in, for the first time, the cross-cutting objective of sharing knowledge and learning on poverty reduction and nutritional security and learning.

1. Following the recommendations of the 2010 CPE, the average size of lending volume per project in the portfolio was increased and the portfolio did not expand to states that had no previous IFAD-funded interventions. However, from a country-level perspective, the geographical spread of the portfolio is still considerable. This strains the limited resources of the country office.

**COSOP effectiveness** is assessed taking into account the two strategic objectives and the cross-cutting objective on knowledge-sharing and learning. As for the first strategic objective, the overall programme contributed to productivity increase and risk management for rainfed agriculture, albeit with variations between projects. Most project interventions contributed to increased yields and enhanced risk management by promoting sustainable agricultural practices, in situ water conservation, agroforestry, soil fertility management, selected livestock breeds and vaccination campaigns. Progress is visible across the portfolio, although with implementation delays. In the older project cohorts, agricultural intervention strategies were not defined sharply enough and did not address upfront linkages to markets (upstream and downstream), processing and value addition. The design

of more recent projects shows better awareness of these issues, although results will be visible in the years to come.

With reference to the second strategic objective, monetary savings and credit linkages – propelled by self-help groups (SHGs) – have helped beneficiaries invest in circulating capital, sometimes also fixed capital. Despite the good track record of SHGs and associated borrowers, and solid operational basis for credit expansion established by IFAD projects in the rural areas, in the majority of cases, public sector banks have been extremely cautious in extending credit support to community-based organizations. The lack of bank credit remains a major limitation for SHG members in engaging in any productive venture, either on- or off-farm. Apart from provision of basic but useful financial services through SHGs, the programme has experimented with insurance and risk reduction financial products, mainly within two projects (in Maharashtra and Tamil Nadu). There have been initial pilot tests of sms-based mobile banking. There is little progress to report on channeling remittances.

The cross-cutting objective of knowledge-sharing and learning on poverty reduction and nutritional security has been partly achieved. In spite of the efforts at project level to prepare communication products, there is a gap between the rich experiences on the ground and the capacity to analyse and systematize them in a way that is suitable for higher-level policy discussion.

Overall, COSOP effectiveness is assessed as moderately satisfactory and this takes into account considerable outreach to targeted households and progress in achieving the COSOP objectives, albeit with variations between and within projects. Provision of basic agricultural and financial services is well established, while more sophisticated services, products and alliances are emerging. Gaps exist in knowledge management capacity and resources allocated to it. The overall COSOP performance is also assessed as moderately satisfactory, giving special weight to the achievement of the results.

#### **Evaluation of the Government/IFAD partnership**

	<i>Ratings*</i>
Performance of the portfolio	4
Non-lending activities	4
COSOP performance	4
Overall Government/IFAD partnership	4

\*Rating scale: 6 = highly satisfactory; 5 = satisfactory; 4 = moderately satisfactory; 3 = moderately unsatisfactory; 2 = unsatisfactory; 1 = highly unsatisfactory.

#### **Conclusions**

The traditional IFAD intervention paradigm is well established for highly disadvantaged areas and marginalized groups and the women within these groups. The multidimensional intervention paradigm of the IFAD-funded portfolio (combining social capital, agricultural development, non-agricultural livelihoods, financial services and basic needs) responds to structural issues in the targeted areas. The self-help group paradigm has demonstrated its effectiveness in stimulating beneficiaries' (notably women's) self-awareness, community engagement, access to basic but important financial services. However, as households' and communities' welfare improves, their needs evolve, thus requiring more specialized approaches, notably in agriculture.

Traditional agricultural development approaches were instrumental in improving basic subsistence conditions. However, three aspects have not been prominent in project design in the past: (i) analysis of constraints and opportunities for rainfed agriculture development; (ii) organization of interventions around territorial and

product clusters, which also facilitates connectivity to markets and value chains; and (iii) collaboration with state and local agricultural research and extension centres to hasten adoption of technology in rainfed agriculture. The more recent project designs have acknowledged some of these gaps.

The general portfolio performance is overall solid. There are several cases of strong performance although results are dampened by extant implementation delays. There are two main orders of factors behind this. On the one hand, there are inherent challenges related to the conditions of project areas and target groups. Multi-pronged interventions and multiple decision-making nodes add to the challenge. On the other hand, there are issues with implementation capacity in the state agencies responsible for the projects: problems of staff turnover are widespread. Similar problems are faced by other international development agencies.

In a large, middle-income country like India, good project performance continues to be important but not sufficient. Demand is emerging for knowledge-sharing and analysis to inform policies and programmes. There is still an imbalance between the richness of experiences at the project level and the limited analysis and systematization at a level of rigour that is suitable for policy-level discussion.

One of the key expectations of the Government of India is active involvement by international agencies in exchanges of knowledge, best practice and technical experience, from India and abroad. Moreover, contribution to policy dialogue is important to support the revision of policies and facilitate the scaling up of promising interventions and their results.

There is still demand and need for IFAD's interventions in India. IFAD has specific experience and expertise in underserved areas and socioeconomic groups and in rainfed agriculture. These, together with commercializing smallholder agriculture, are among the main national challenges for the agricultural and rural sector. However, IFAD needs to enhance its capacity to analyse, systematize and convey its experience and lessons to state and national policymakers.

## **Recommendations**

**Recommendation 1: Continue prioritizing disadvantaged areas and groups but explore differentiated approaches.** IFAD-funded interventions should continue to target disadvantaged areas, particularly in states with large rainfed areas amenable to the establishment of effective approaches for future replication and scaling up of results. At the national level, it will be important to avoid an excessive geographic spread of the portfolio: given the human resources available in the IFAD Country Office, there is a limit to the number of states and projects that can be effectively supervised.

The future programme should continue to target disadvantaged communities, with special attention to women and scheduled tribes. However, in different agroecological and socioeconomic contexts, the design approach, component-mix and level of specialization will need to be adapted. The traditional self-help group paradigm will continue to be relevant for areas and groups where basic needs, building of grass-roots organizations and subsistence agriculture are still the priority. Instead, in areas where communities are already organized and there is potential for marketing of surplus production, project design should continue to explore additional approaches to community- and group-building with a focus on collectively linking them to markets and commercialization.

**Recommendation 2: Projects' agricultural development components need to focus more prominently on technical solutions for rainfed agriculture, local and national applied research, and commercialization of smallholder agriculture.** From a technical perspective, interventions should place a more direct emphasis on reducing the large intra-district yield differentials, and better analyse



constraints, risks, and opportunities of farming systems. More systematic programme-based partnerships are needed with state and local public research and extension organizations on technical packages to improve productivity of crops, fodder, fruit trees and livestock, and mitigate weather-related losses.

Investments in agriculture need to be crafted more strategically around territorial and commodity clusters, to concentrate on a critical mass and streams of initiatives. This will also facilitate linkages to markets and opportunities for value addition.

Emphasis on market access and value chains also implies: (i) better diagnostics upfront to identify the barriers that smallholder farmers face; (ii) clearer identification of the envisaged role of projects; and (iii) exploring the interest of private-sector operators at the design stage. Recent legislation on reinvesting a percentage of corporate profits in corporate social responsibility activities provides new opportunities.

**Recommendation 3: Complementary interventions in non-agricultural activities should be pursued** not only to diversify rural incomes but also to develop processing and value addition in the agricultural commodity supply chain. In particular, there is scope to better connect these activities with projects' agricultural investments (e.g. in the areas of processing and packaging of products, agricultural tool repair shops, marketing of agricultural inputs, eco-tourism).

**Recommendation 4: Portfolio implementation efficiency needs to be addressed as a priority.** A first area of action is to simplify project design to the extent possible. This may entail more conservative plans for project coverage (e.g. fewer blocks or districts, following a saturation approach). In addition, in particularly disadvantaged communities (e.g. scheduled tribes), projects could follow a more programmatic approach. A first loan could focus on building human and social capital, and supporting food self-sufficiency and a sustainable livelihood approach. A follow-up loan could then emphasize market linkages and support in collaboration with public programmes and local governments.

The central government, state governments and IFAD should review issues that cause delays in recruiting the project team, staff turnover and lengthy procurement, for example: (i) project personnel recruitment procedures, particularly for senior staff, given the difficulty of hiring staff on deputation from state agencies; (ii) procurement procedures and contractual arrangements that have proved to be non-conducive; (iii) remuneration packages for project staff, to ensure equal treatment with other public programmes; and (iv) concurrent charges of project directors that compete for their time and focus. IFAD could also prepare guidelines based on previous implementation experience and training modules on financial management, procurement and other fiduciary aspects.

**Recommendation 5: Strengthen partnerships and non-lending activities at four levels.** First, at the state level, project partnerships and experiences could be supported by analytical work to provide inputs into policy design and revision. Second, at the central level, building on previous state-level experiences, lessons on processes and experiences could then be distilled at a higher level and shared with central-level authorities and international development partners, including Rome-based agencies and international financial institutions.

Third, the private sector needs to be involved more prominently at the time of the new COSOP preparation and project design. Pilot experiences with private operators need to be analysed in more detail to extract lessons and approaches. Fourth, experiences need to be shared with other countries in the subregion (and beyond). The subregional mandate of the IFAD Country Office in India creates fertile ground for South-South knowledge exchanges.

**Recommendation 6: Enhance capacity and resources for non-lending activities.** At present, non-lending activities are constrained by limited in-house technical expertise and budget. Within the current resource profile, some improvements could be made by exploring the following options: (i) embedding knowledge management and policy dialogue components in individual loan project financing; (ii) using the already existing tripartite meetings to discuss also selected sectoral/thematic issues; and (iii) mobilizing additional funding from external sources (e.g. national and international foundations). IFAD could consider creating an engagement forum comprising of researchers/scholars and practitioners and convene with the Government through an annual or biannual high-profile event.

