

# profile

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## India Country Programme Evaluation

**India is the seventh largest country in the world and the second most populous with 1.3 billion people (2014 mid-point). In the decade of 2004-2013, GDP grew at an annual average of 7.5 per cent. The rate of poverty in 2011-12 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 people in rural areas and 270 million nationally), down from 41.8, and 37.2 respectively in 2004-2005. 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).**

India has numerous rural development programmes, notably the Mahatma Gandhi Rural Employment Guarantee Programme and the National Rural Livelihood Mission. The Government is emphasizing greater devolution of funds and powers to the states and local government levels and state governments are allowed larger leeway in opting for, and implementing, different programmes.

India is the largest portfolio of IFAD-supported operations. Since 1979 IFAD has financed 27 projects through 31 loans (US\$928.6 million) for a portfolio that has a total estimated cost of US\$2.6 billion. The national counterpart funding has been US\$711.4 million (27.4 per cent of total portfolio costs). External donor cofinancing mainly took place until the beginning of the last decade to a level of US\$364 million (14 per cent). The balance funding (approximately US\$596 million) came from national financial institutions and foundations and beneficiaries' contributions. IFAD opened its country office in New Delhi in 2001. The country programme manager will be out-posted in 2016.

## Main evaluation findings

IFAD-funded projects have focused on particularly disadvantaged groups, including scheduled tribes, castes, women and the landless. The scheduled tribe areas are perhaps the most challenging due to remoteness, precarious living conditions and cultural differences. Projects have pertinently tackled structural issues such as socio-cultural exclusion, increasingly difficult access to natural resources

and agricultural land, and limited presence of public institutions.

Most projects have made progress towards their objectives (e.g. mobilizing community-level groups and their federations, promoting agricultural production and rural livelihoods, enabling access to credit and financial services, and providing basic community infrastructure), although at a slower pace than envisaged. Results are better consolidated in community mobilization and infrastructure serving basic needs, while emerging in two key areas: promoting agricultural production and rural livelihoods and enabling access to credit and financial services. Although IFAD-funded 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 been well below expectations.



A self-help group trainer in West Rajasthan, Mitigating Poverty in Western Rajasthan Project.

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Delays in project entry into force and slow implementation have been a common problem. This is explained by the challenging physical and socio-economic conditions of the project areas, as well as limitations in implementation capacity at the state level. Portfolio impact has been satisfactory, nonetheless, in terms of household assets and income, human and social capital, while moderately satisfactory in other domains (i.e. impact on natural resources and climate change, and institutions and policies).

Progress on gender equity is one of the strongest elements in the portfolio, particularly as it pertains to making income sources available to women, drudgery reduction and enhancing women's access to rural institutions. One project introduced an approach to control domestic violence (Shaurya Dal or "bravery groups") which is now being considered for scaling-up at the state level in Madhya Pradesh.

Performance in non-lending activities marked some improvements compared to the findings of the previous Country Programme Evaluation completed in 2009. In terms of knowledge management, in the recent years, there have been more attention to communication products. However, compared to the need and demand of government agencies, there is still a gap between the very promising experiences promoted on the ground by projects and the capacity to analyse and systematize them.

Partnerships are generally strong with the state government agencies, with increasing awareness of the importance of partnering with sub-state local government but there have been few exchanges of a substantive nature with central technical ministries (e.g. Ministries of Rural Development, Agriculture and Tribal Affairs). Partnerships have been traditionally strong with national non-governmental organizations and collaboration with private actors is emerging. Some initial contributions to policy dialogue are visible mainly at the state level. The capacity to effectively participate in and enrich policy dialogue is constrained by limitations in knowledge management, partnerships and, ultimately, country office resources.

The 2011 country strategic opportunities programme (COSOP) was aligned with national strategies and brought better in line with national agricultural and rural development priorities. The 2009 Country Programme Evaluation findings and recommendations were well reflected in the strategy and in the preparation of the ensuing investment interventions. COSOP effectiveness has been mixed: provision of basic agricultural and financial services is well established, while attention to more sophisticated financial services, products and value chain support is only emerging.

## INDIA AT A GLANCE

Population: 1.3 billion (2014)

Rural population: 940 million (72%, 2014)

Poverty head count ratio at national

poverty line (% of population): 21.9 (2011-12)

Life expectancy at birth (years): 66 males; 69 females (2015)

Human development index: 0.609 (2015); ranking 130<sup>th</sup> out of 188 countries (2013)

Total number of IFAD loan-funded projects: 27

IFAD lending approved since 1979: US\$928.6 million

Sources: IFAD Flex Cube, United Nations Development Programme, World Bank Development Indicators



Ears of maize drying in the sun in Uttarakhand. Integrated Livelihoods Support Project.

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## Key recommendations

- **Differentiate the approaches.** Continue with the traditional self-help group approach in areas where basic needs, building of grass-roots organizations and subsistence agriculture are still the priority. Where communities are already organized and there is potential to work on the marketing of surplus production from smallholder farmers, explore additional approaches (e.g. producers' groups, mutually-aided cooperative societies and producers' companies).
- Agricultural development components need to **more prominently focus on rainfed agriculture** (especially in light of climate change), support local and national applied research and extension, and the commercialization of smallholder farmers.
- **Address portfolio implementation efficiency aggressively.** First, design needs to be better calibrated to the existing implementation capacity in the state agencies. Second, the central government, state governments and IFAD should reassess items such as: (i) compensation packages for project staff; (ii) concurrent charges of project directors that compete for their time and focus; (iii) project staff recruitment procedures; and (iv) contractual arrangements with non-governmental organizations.
- **Promote scaling up of results by strengthening partnerships at four levels:** state government, central government, private actors and the rural finance sub-sector and South-South cooperation.
- **Enhance capacity and resources for non-lending activities.** Within the current limited resource profile, IFAD could: (i) embed knowledge management and policy dialogue components in individual loan project financing; (ii) take the opportunity of the periodic portfolio review meetings to discuss sectoral/thematic issues and facilitate knowledge transfer across projects. Moreover, establishing partnerships with reputed national and international high-calibre think tanks would enhance the credibility of policy analysis.

## Further information:

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