

COUNTRY STRATEGY AND
PROGRAMME EVALUATION

Republic of **India**

Executive Summary



IOE

IFAD
Investing in rural people

Independent Office of Evaluation

Executive summary

A. Background

1. In line with the International Fund for Agricultural Development (IFAD) Revised Evaluation Policy and the results-based programme of work and budget of the Independent Office of Evaluation of IFAD (IOE) for 2023 approved by the IFAD Executive Board at its 137th session in December 2022, IOE has undertaken a country strategy and programme evaluation (CSPE) in the Republic of India in 2023.
2. **Scope.** This CSPE is the third country programme evaluation (CPE) conducted in India, and it covers the period 2016-2022, examining 13 projects with IFAD financing of US\$737 million. This formed part of a total portfolio cost of US\$2.46 billion, including government and beneficiary contributions and international co-financing. The evaluation also covered non-lending activities (knowledge management, partnership-building, policy engagement and grant-funded activities) and the country strategy, with the main reference being to the 2018 country strategic opportunities programme (COSOP). Previous evaluations were performed in 2009 and in 2015-2016, with the latter (referred to as the 2016 CPE) covering the period 2010-2015.
3. **Objectives.** The main objectives of the CSPE are to: (i) assess the results and performance of the IFAD strategy in the period 2016-2022; and (ii) generate findings and recommendations for the future partnership between IFAD and the Government of India to enhance development effectiveness and rural poverty eradication. The findings, lessons and recommendations from this CSPE will inform the preparation of the new COSOP in 2024.
4. **Country context.** India is the seventh largest country in the world, with geography ranging from mountains to fertile plains, tropical jungles and deserts. It has the world's largest population of more than 1.4 billion people (UN 2023), with a rich ethnic, religious and cultural diversity. Although agriculture constitutes only approximately 17 per cent of India's GDP, it plays an important role in the lives of its rural population. Almost half of the working population relies on the agriculture sector for employment, and 85 per cent of rural households rely on marginal or small landholdings. India is a net exporter of many agriproducts, but some groups still face food deficits. Rainfed farming accounts for more than half of the total cultivated area. The livestock subsector is emerging as an important source of livelihoods for not only the small and marginal farmers, but also the landless labourers. Some of the significant issues faced by the smallholder population include low incomes (with scheduled castes and tribes over-represented among the poor), gender inequality, youth unemployment, land degradation and the negative impacts of climate change. The government has established large-scale direct transfers/delivery of welfare and subsidy schemes (in cash and in kind) for social protection, poverty reduction and agriculture and rural development. India has made significant strides in poverty reduction, however many households remain in vulnerable situations.
5. **IFAD in India.** India became a Member State of IFAD in 1977, and the first IFAD-financed project began in 1979. IFAD opened a Country Office in Delhi in 2001. The current COSOP was prepared in 2018 and its overarching goal was to maximize IFAD's contribution to the governments' strategy for doubling farmers' income by 2022, with its single strategic objective that "smallholder food and agricultural production systems are remunerative, sustainable and resilient". IFAD's resource envelope for India is the largest among all recipient Member States of IFAD, although quite small relative to the government budget for welfare and development schemes. Given the size and variation in socio-economic, geographic and agroecological zones, and a highly decentralized context, it is challenging to develop a clear strategy at country level and a cohesive set of interventions to support it. The main government

partners of IFAD have been the state governments and the Department of Economic Affairs in the Ministry of Finance.

B. Main findings

6. **Relevance** is rated as satisfactory. IFAD-funded activities have been well aligned with key, central and state-level government policies and strategies – particularly with the focus on making small-scale farming more remunerative, and linking to the development of rural livelihoods, microfinance and women’s empowerment. The geographic selection of states reflects the government’s priorities – particularly in the support for hilly, remote and poor regions and scheduled tribes. It is also well aligned with IFAD’s strategic framework and policies.
7. The 2018 COSOP was relevant, but not all of the later projects were well aligned with the strategic objective, which was more focused on economic aspects. However, the project designs were responsive to the needs of the target groups and their geographical contexts and the targeting strategies were sound. The choices of lead project agencies generally reflected the different state contexts and project intends.
8. **Coherence** is rated as moderately satisfactory. External coherence has been good overall, with the areas of IFAD’s comparative advantage recognized by other partners and the Government (particularly its work with smallholders, tribal groups and women). The portfolio elements and thrusts have been coherent but as all projects are anchored at the state level, it is difficult to achieve synergy between the states or at the central level. There have been only a few grants linked to the country programme, although, recently there have been some promising national or international grant activities, which are likely to contribute to knowledge management and partnership-building.
9. **Knowledge management** is rated as moderately satisfactory. There were increasing efforts for improving management information systems, preparing knowledge products and dissemination at project level, although there are still weaknesses in disaggregated data on outcomes. Knowledge exchanges between projects have contributed to some replication and adaptation of good practices within the portfolio (including tripartite portfolio review meetings with IFAD, central government and the project teams and exchange visits between projects). There was less work on identifying and analysing experiences from different areas and contexts on similar issues and development challenges, distilling lessons and packaging them to share with external audiences. The Government has indicated a wish for more value addition of this kind, but this was not achieved so far, due to the limitations of personnel in the ICO, as well as COVID-19 restrictions.
10. **Partnership development** is rated as moderately satisfactory. The partnership with the Department of Economic Affairs at central level has been strong, with regular consultations and monitoring of project performance. Engagement with other central-level ministries has proved more difficult. In general, partnership with state ministries has been good, especially in the longer-term investment projects. However, strategic partnerships with government agencies, research institutions or think tanks beyond the investment portfolio were limited. Partnerships with the private sector were pursued in some projects, but not in the majority, where the emphasis has been on developing community-based organizations. There have been increasing collaborations with international development partners, including co-financing investments (with the World Bank) and mobilizing grant resources.
11. **Policy engagement** is rated as moderately satisfactory. Policy-related inputs with evidence of scaling up have been mainly through investment projects at state level, particularly in states with a long history of collaboration. The evaluation appreciates it is challenging to get much traction in policy discussions at national level.
12. **Effectiveness** is rated as moderately satisfactory. General outreach of the portfolio has been satisfactory, despite the clearly negative impact of the COVID-19

pandemic. The portfolio is large and broadly spread across 12 states, and was generally focused on the poor, marginalized and disadvantaged, especially in remote areas. All completed projects (except one which finished early) almost achieved their original or revised targets for households. The seven completed projects plus three ongoing, mature projects, achieved 97 per cent of their targets. While the availability of disaggregated data on participation by ethnicity, caste, gender or age is good overall, disaggregated data on outputs, outcomes and benefits are often not robust. This makes it difficult to clarify whether the project benefits are reaching all groups targeted.

13. Community mobilization has been a key element in the portfolio and contributed not only to making production systems and livelihoods remunerative and resilient, but also to social empowerment. Self-help groups (SHGs) and federations have been the basis of eight projects, while production and marketing organizations have been used in others. The quality and level of community participation and institutional capacity of grassroots organizations were influenced by the process, approach and the context. For instance, working with particularly vulnerable tribal groups (PVTG), which had limited experience of formal organization processes, required many more visits. The SHG model is now scaled up to state and national rural livelihoods missions, which have a mandate to establish and support SHGs nationwide.
14. IFAD-supported projects contributed to improved and sustainable agricultural production systems and livelihoods to a varying degree. For instance, improved techniques, such as applying a system of rice intensification, vermiculture or mixed cropping or use of improved seeds, were reported to increase yields. Small-scale irrigation and soil conservation efforts (including efforts to reduce small-scale slash and burn agricultural practices and strengthen land titling) supported increased production, however further capacity-building is needed. Machinery and equipment support brought direct benefits in improving the efficiency of farming operations and production, although there were also questions on their coverage, relevance and effectiveness. Support to animal husbandry and health care particularly benefited women (including providing employment as paravets).
15. Improved access to financial services has been a key achievement of the programme. Banks are enthusiastic to provide loans to SHGs and federations working with the investment projects due to the good financial discipline developed via strong facilitation and community development (particularly in Nav Tejaswini). Some interventions have also facilitated access to insurance products. There is evidence of capacity-development of grassroots member-based organizations and contributions to linking small-scale producers to markets. In some cases, this has included market or collection centre construction and roads, however these impacts are not documented. In addition, some projects have supported value addition and off-farm employment opportunities. The financial viability and business cases for investments were not always clearly established. More systematic efforts are needed to develop partnerships with the private sector. The projects have pursued convergence to align with government schemes (such as the Mahatma Gandhi National Rural Employment Guarantee Act), although the value of convergence varied. In some cases, IFAD support helped inform and provide inputs to government programmes and brought line ministries to remote communities. Support to grassroots organizations oriented to production and marketing activities has been largely output- and incentive-driven and has not provided a strong basis for the development of self-reliant institutions.
16. **Innovation** is rated as moderately satisfactory. Several innovations have been successfully introduced, such as social, institutional, technical and financial products. In particular, social innovations such as the bravery squads in Tejaswini (*shaurya dal*) and other community-level cadres have been successfully replicated and disseminated. However, most of these were from previously established, long-running projects, which have had more time for development.

17. **Efficiency** is rated as moderately unsatisfactory. This CSPE finds that the efficiency issues identified in the previous 2016 CPE have remained mostly unresolved. Most projects have experienced challenges related to staffing, procurement and the timely release of funds, leading to implementation delays and in some cases time overruns. At the country portfolio level, two fully designed projects failed to materialize, and there were significant partial loan cancellations in two projects. There are also positive aspects. All completed projects were reported to have been economically viable and to have had low or reasonable management costs, high co-financing through convergence and economic efficiency. However, some caution is needed in drawing conclusions as the costing approach may have resulted in understated expenditure on project management.
18. **Rural poverty impact** is rated as moderately satisfactory. Overall, the interventions supported by IFAD have made a strong contribution to social and human capital and strengthening the institutions of and for the rural poor. Operating in convergence not only enhanced the results with project investment but also provided the projects with opportunities to influence to some extent how government schemes are planned and implemented. While most projects reported increased incomes and assets, data on the scale of impact and the contribution of the projects is consistently lacking – there were consistent issues with the methodology in outcome/impact assessments and the quality of the reported data. Projects contributed to improving dietary diversity with a number of focused interventions, especially among women, children and PVTGs (there was less impact on food security, mainly because this was not particularly problematic in most project areas prior to the intervention).
19. **Gender equality and women’s empowerment** is rated as moderately satisfactory. Women’s participation has been significant in all projects, and the programme has clearly increased women’s opportunities and access to resources. Women’s confidence and voice has been improved significantly in some projects (especially in Maharashtra and Uttarakhand) and to some extent in others. Some efforts were made to address the workloads of women by introducing labour-saving equipment (with mixed success). The underlying premise in the design and delivery of the programme is that increasing women’s access and opportunity to incomes, financial services and business, will raise women’s status and help overcome bias. In this regard it has been generally very successful. A range of mainstreaming measures were applied to a varying degree, including the development of gender strategies and action plans, training, setting quotas and women-focused interventions. Efforts to go further to understand and address deep-seated systemic structural inequalities within the household, community and market institutions are evident only in one project.
20. **Sustainability** is rated as moderately satisfactory. Sustainability of grassroots institutions has depended largely on continuing support from either the state (for instance, with some states establishing institutions to continue providing technical or financial support) or from strong apex organizations (such as the SHG federations). In addition, state-run rural livelihood missions are taking over responsibility for SHGs. In some cases, private sector support was also available, for instance via banks. The activities of community-level cadres providing advisory and technical services seems to be sustainable as many have been absorbed into government structures. The adequacy of operational and maintenance arrangements for infrastructure or machinery is mixed.
21. **Environment, natural resource management and climate change adaptation** have been important topics for most projects. While the portfolio generally promoted sustainable farming practices and invested in soil and water conservation activities (11 out of 13 projects supported water irrigation development, reflecting the critical role of water), the extent to which various activities were planned in an “integrated” manner was unclear. There was also insufficient attention to water use efficiency and a gap in ensuring adequate monitoring of environmental safeguards. In general,

there is lack of evidence on changes in the state of natural resources as a result of interventions, except for some qualitative reporting. An important strategy employed by most projects has been crop diversification and sustainable farming practices, and the introduction of insurance for developing resilience to climate change.

22. **Scaling up** is rated as moderately satisfactory. The scaling up of many practices and policies is successful, especially due to the active involvement of state government funding (convergence) and extension staff in project activities (and community-level cadres, trained and facilitated in their work by the projects, are often subsequently adopted by the state governments). However, scaling up to different states (with different geographical and socio-economic contexts) and at central government level was less evident. More strategic planning to facilitate scaling up could have achieved greater results and coverage beyond the state level.

Performance of partners

23. **IFAD** has been generally seen by government counterparts as a trusted and responsive partner. IFAD has supported the preparation of investment projects of high relevance and provided regular supervision and implementation assistance, although in issues such as procurement and monitoring, IFAD could have strengthened its supervision and implementation provision and engagement with project teams (for instance in the north-east states). Upgrading non-lending activities and strengthening partnerships has been challenging due to various factors, including lack of sufficient financial and staffing resources.
24. **Government.** At the central level, the Department of Economic Affairs has been highly collaborative and supportive. At the level of state government, the leadership, ownership and sustained support for projects has been mixed. Frequent changes of project management leadership have affected the project implementation. The government performance on issues such as procurement and disbursement has remained weak, partly due to a lack of capacity. Government counterpart fund contribution was generally rated better than other indicators due to convergence.

C. Conclusions

25. **The IFAD country programme has been relevant and aligned well with government policies and priorities.** The IFAD programme generally maintained a focus on disadvantaged areas (hilly, remote, drought-prone) and disadvantaged groups, notably scheduled tribes, particularly vulnerable tribal groups, scheduled castes and poor rural women. IFAD is recognized as having a specific focus on supporting such disadvantaged areas and groups.
26. **Overall, the country strategy and programme performance has continued to be relatively strong in IFAD's historical areas of investment.** The areas of visible results have included: community development and addressing basic needs with multifaceted interventions; strengthening grassroots institutions (especially with SHGs and their federations); access to finance including leveraging funds from banks; improving livelihoods; tribal development; and women's enhanced participation and empowerment. Interventions in these areas have progressed, building on experiences and lessons from previous projects, especially where successive projects were supported with the same partners. The positive results and achievements came mostly from the older completed projects, while ongoing projects close to completion (approved in 2014, 2015 and 2017) suffered from implementation delays, in part due to the COVID-19 pandemic, which affected the results and sustainability.
27. **The programme strengths, innovations and achievements have not significantly progressed since the 2016 CPE.** For example, progress in connecting small-scale producers to remunerative markets and generating off-farm income-earning opportunities has not been consistent. Projects have supported grassroots organizations (such as federations of SHGs and cooperatives) to better

connect them to markets and promote commercialization, but the approach has not always enabled them to continue to operate independently.

28. **The portfolio generally lacked an integrated approach to natural resource management and climate change adaptation.** The programme has done reasonably well in promoting organic farming or reducing chemical-intensive farming practices or in some cases, promoting soil and water conservation practices (often combined with physical interventions). However, the focus on natural resource management has been more on infrastructure subprojects and natural resource utilization, rather than the sustainable management of natural resources with attention given to broader ecosystems. There have also been some gaps in environmental safeguards with the risk of adverse impacts on the environment.
29. **There have been positive examples of impact on institutions and policies and scaling up, mainly at state level.** Convergence with government schemes and working with local governance institutions paved the way for providing inputs to government schemes and institutions, particularly in the portfolio's areas of strengths such as work with SHGs, women and tribal groups.
30. **On the other hand, a number of factors have limited the scope for the country programme to inform policy issues and other interventions.** First, project monitoring and evaluation systems have tended to focus on inputs and outputs, with inadequate assessment and analysis of outcomes for adaptive management and for drawing lessons. While clear efforts have been made to better document and disseminate experiences and stories from the field, more solid data and analysis were required to ensure the quality and utility of knowledge. Second, there has been limited investment in systematically analysing, distilling and packaging knowledge from different projects. Third, with state-based projects, it has proved -- understandably - difficult to build relationships with central line ministries.
31. **Potential for partnerships has not been sufficiently explored.** Recently developed partnerships with international organizations (e.g. the Gates Foundation and the German Federal Ministry for Economic Cooperation and Development [BMZ]) are positive. However, insufficient progress has been made in partnership-building with research institutions, the private sector or other non-governmental actors as part of wider strategic and programmatic collaboration (e.g. with a shared vision to address critical challenges). While the 2018 COSOP identified public-private-producer partnerships as a potential area of innovation and a number of projects were expected to promote multi-stakeholder platforms, concerted efforts in this respect have been limited.
32. **The portfolio inefficiency issue raised in the 2016 CPE has not been resolved and continues to affect performance.** At least half of the ongoing projects have suffered from serious implementation delays, leading to a risk of missed objectives as well as sustainability concerns. The main causes included impediments in staff recruitment and designation/deputation, high staff turnover, procurement delays (largely due to weak capacity) and the late release of government funds.

D. Recommendations

33. **Recommendation 1: The next COSOP should clearly establish IFAD's added value, to be supported by multipronged strategies based on the profiles of target groups, partners' capacities and the types of development challenges to be addressed.** Given its relatively small resource envelope, IFAD-supported interventions should be driven by opportunities for piloting innovative solutions and approaches to address key rural development challenges in the country, taking into consideration IFAD's experience in India and elsewhere. The COSOP should identify potential common threads in the portfolio in terms of development challenges to be addressed and priorities relative to the primary target group; and clarify the strategic considerations for the selection of states and engagement with them.

34. **Recommendation 2: Emphasise the promotion of effective monitoring, feeding into knowledge management and innovation to scale up in all aspects of the country strategy and programme.** This will include the identification of different types of partners and more focus on planning and implementation to ensure that piloted innovations are scaled up. To support this, project-level monitoring and evaluation needs further investment and technical advice to focus on robust data collection on results and outcomes. IFAD should support analysis of experiences and lessons on similar challenges from different projects to improve knowledge management and dissemination at programme level.
35. **Recommendation 3: Ensure adequate attention, investment and capacities in social capital enhancement for strengthening grassroots organizations.** Good planning, time and efforts are needed to develop a shared vision, build social capital for inclusive member-based grassroots organizations (especially producer organizations), to monitor progress and assess institutional capacities. IFAD should maintain its focus on inclusion of disadvantaged groups, while recognizing that this will require more time and effort and that the issue of intragroup power relations would require monitoring. Subsidies and grants for productive activities and business development should be considered only after adequate social mobilization and the development of a shared vision by members.
36. **Recommendation 4: Strengthen market and business orientation in interventions aimed at improving small-scale producers' access to markets.** Business development support needs to be based on solid market analyses and financial viability assessment. The Government and IFAD should also explore opportunities to form partnerships with different types of players in the private sector, depending on areas and commodities (including beyond state-level actors). Clustering production should be pursued, where possible, as a means of facilitating connections to markets and private sector actors.
37. **Recommendation 5: Strengthen the care and consideration for the environment and natural resource management (ENRM) and climate resilience in a more integrated manner.** The design and planning of interventions on ENRM and agricultural productive activities should be based on more integrated approaches to ecosystems rather than sporadic interventions (for example with physical structure schemes). It is important to assess results with traditional soil, forest and water conservation methods, participatory land use planning and watershed approaches and the use of newer ICT tools (e.g. drones, geodata). More rigorous environmental and social risk assessment processes must be conducted in design and planning, and be properly monitored. 'Do no harm' should be the foundational principle, but interventions should also integrate a more proactive 'do good' focus.
38. **Recommendation 6: Higher prioritization and specific measures to improve efficiency are needed.** IFAD and the Government should carry out a critical review of issues and identify the measures and actions needed to address them. The commitment by the leading government agencies needs to be secured prior to the commencement of the design process, while the design work and timing should take into account political events such as elections. It is critical that procurement capacity and performance be upgraded. The programme should devise a strategy to attract and retain qualified procurement specialists with competitive remuneration packages, and ensure adequate ongoing support by IFAD.