
République de l'Inde

Programme d'options stratégiques pour le pays

2026–2033

Cote du document: EB 2025/OR/25

Date: 11 novembre 2025

Distribution: Publique

Original: Anglais

POUR: EXAMEN

Mesures à prendre: Le Conseil d'administration est invité à examiner le programme d'options stratégiques pour la République de l'Inde (2026-2033).

Questions techniques:

Reehana Raza

Directrice régionale
Division Asie et Pacifique
courriel: r.raza@ifad.org

James Marc de Sousa-Shields

Directeur de pays
Division Asie et Pacifique
courriel: m.desousashields@ifad.org

Table des matières

Carte des zones d'intervention du FIDA dans le pays	iii
Résumé	iii
I. Contexte du pays	1
A. Contexte socioéconomique	1
B. Scénarios de transition	2
C. Enjeux liés au système alimentaire et au secteur agricole et rural	2
II. Engagement du FIDA: bilan de l'expérience	5
A. Résultats du précédent COSOP	5
B. Enseignements tirés du précédent COSOP et d'autres sources	5
C. Valeur ajoutée du FIDA	6
III. Stratégie pour des programmes de pays porteurs de transformation	6
A. Théorie du changement du COSOP	6
B. Objectif général et objectifs stratégiques	7
C. Groupe cible et stratégie de ciblage	11
IV. Interventions du FIDA	12
A. Instruments de financement	12
B. Contribution à l'élaboration des politiques au niveau du pays	12
C. Renforcement des institutions	12
D. Innovations	12
E. Gestion des savoirs	13
F. Partenariats stratégiques et coopération Sud-Sud et triangulaire	13
V. Exécution du COSOP	14
A. Volume et sources des investissements	14
B. Ressources à l'appui d'autres activités	16
C. Transparence	16
D. Gestion du programme de pays	16
E. Participation du groupe cible	16
VI. Gestion des risques	16

Appendices

I. Results management framework
II. Key files
III. Transition projections
IV. SECAP background study
V. Agreement at completion point
VI. COSOP preparation process
VII. South-South and Triangular Cooperation Strategy
VIII. Financial management issues summary
IX. Integrated country risk matrix

Équipe d'exécution du COSOP

Directrice régionale:	Reehana Raza
Directeur de pays:	James Marc de Sousa-Shields
Économiste régional:	Abdelkarim Sma
Spécialiste technique, inclusion sociale:	Gitika Goswami
Spécialiste technique, institutions:	Elizabeth Ssendiwala
Spécialiste de la communication:	Yamini Lohia
Spécialiste climat et environnement:	Anupa Rimal Lamichhane

Spécialiste technique, coopération Sud-Sud et
triangulaire et partenariats:

Ama Brandford-Arthur

Responsable des finances:

Norpulat Daniyarov

Responsable de la passation des marchés:

Shankar Achuthan Kutty

Résumé

1. La République de l'Inde est la quatrième économie mondiale de par son produit intérieur brut (PIB) nominal, et aspire à devenir un pays développé (vision « Viksit Bharat ») d'ici à 2047. En dépit de sa croissance rapide, l'Inde reste un pays à revenu intermédiaire de la tranche inférieure, dont le revenu national brut par habitant était de 2 686 USD en 2024. La part de l'agriculture dans le PIB a chuté pour s'établir à 16%, bien que le secteur emploie 45% de la main-d'œuvre.
2. En 30 ans, l'Inde a réduit la pauvreté, amélioré la santé, fait reculer l'analphabétisme et quadruplé le revenu par habitant. L'extrême pauvreté est passée de 40% en 2004 à 2,3% en 2022, mais 11% de la population est encore touchée par la pauvreté multidimensionnelle. Les principales stratégies pour améliorer la productivité et les revenus restent le renforcement des capacités des petits exploitants agricoles, la promotion de la diversification et l'investissement dans les technologies climato-compatibles.
3. Le plan de transformation rurale de l'Inde comprend un programme en faveur de la prospérité et de la résilience en milieu rural et des réformes qui s'inscrivent dans la vision Viksit Bharat@2047. Un grand nombre d'initiatives mises en place par les pouvoirs publics en faveur de la diversification des revenus, de la résilience face aux changements climatiques, du développement des coopératives et de l'autonomisation des populations tribales offrent au FIDA des possibilités de collaboration.
4. L'objectif stratégique du programme appuyé par le FIDA est d'établir, au cours des huit prochaines années (2026–2033), une prospérité et une résilience générales dans les zones rurales dans le cadre de la vision Viksit Bharat@2047. Le programme d'options stratégiques pour le pays (COSOP) contribuera à la prospérité en réduisant la pauvreté et en promouvant l'inclusion, la résilience et la diversification des revenus, et en produisant des connaissances fondées sur des données factuelles pour transposer les meilleures pratiques à plus grande échelle dans le pays et les partager avec le monde du Sud.
5. Le programme de pays a deux objectifs stratégiques:
6. **Objectif stratégique 1: renforcement de la résilience sociale, économique et climatique des communautés rurales, conformément à l'engagement de l'Inde en faveur de villages sans pauvreté.** Le COSOP favorisera des filières inclusives axées sur les marchés et climato-résilientes pour accroître les revenus agricoles. Il étayera les institutions de petits exploitants agricoles, améliorera l'accès aux services et renforcera les capacités dans le cadre de partenariats avec des acteurs du secteur privé. Il vise en outre à développer les moyens de subsistance hors exploitation et non agricoles des ménages démunis par la formation professionnelle, l'appui aux entreprises et l'accès aux financements et aux marchés.
7. **Objectif stratégique 2: amélioration de la performance, de la visibilité et de l'extensibilité des interventions par le renforcement des systèmes de connaissances.** Le COSOP étayera la production et l'échange de connaissances par un suivi-évaluation et des pratiques d'apprentissage plus efficaces et des études fondées sur des données factuelles pour éclairer les politiques et reproduire à plus grande échelle des meilleures pratiques ciblées sur l'amélioration des effets directs et de l'impact du programme. Il renforcera la collaboration avec d'autres organismes de développement et partenaires du monde du Sud pour promouvoir des stratégies efficaces de réduction de la pauvreté rurale.
8. La stratégie de ciblage du COSOP comprend un ciblage géographique des États himalayens pauvres et vulnérables face aux changements climatiques, en particulier les 10 États les plus pauvres, ainsi que 112 districts modèles. Le ciblage de la pauvreté donnera priorité aux petits exploitants agricoles, aux personnes

sans terre, aux ménages dirigés par une femme, aux jeunes et aux personnes handicapées, et le ciblage des groupes sociaux sera axé sur les castes et les tribus répertoriées et d'autres communautés marginalisées.

9. Le présent COSOP couvrira trois cycles de financement du FIDA. Des fonds provenant de la Treizième reconstitution des ressources du FIDA (FIDA13) financeront deux investissements, dont la phase II du Projet d'encouragement aux systèmes d'exploitation agricole résilients aux changements climatiques dans les hautes terres du Nord-Est. Les allocations de crédits au titre des deux cycles suivants permettront de cofinancer entre trois et cinq investissements supplémentaires.

République de l'Inde

Programme d'options stratégiques pour le pays 2026–2033

I. Contexte du pays

A. Contexte socioéconomique

1. Ces cinq dernières années (2019–2024), le développement économique de la République de l'Inde a été porté par des réformes structurelles, la transition numérique et des investissements infrastructurels. Le produit intérieur brut (PIB) a augmenté de 6 à 8% chaque année entre 2015 et 2025, et devrait progresser de 6,5% entre 2025 et 2026¹. L'Inde est un pays à revenu intermédiaire de la tranche inférieure; il s'agit de la quatrième économie mondiale de par son PIB nominal et de la troisième de par son PIB en parité de pouvoir d'achat. Le revenu national brut (RNB) par habitant a été estimé à 2 686 USD en 2024, son indice de développement humain (IDH) était de 0,644 en 2022, et le taux d'inflation a atteint 5,4% en 2024.
2. Depuis sa libéralisation en 1991, le secteur des services s'est développé rapidement, et contribue pour 55% au PIB. La part du secteur agricole dans le PIB a reculé, passant de 32% en 1991 à 16% en 2023². La part de l'emploi agricole reste élevée (44,8%), malgré un taux de croissance annuel de 3,5% au cours des cinq dernières années³, ce qui met en évidence un manque d'efficacité du secteur et un potentiel non exploité d'augmentation de la productivité. Au cours des dix dernières années, l'agriculture et le développement rural en Inde ont connu de grandes transformations du fait de l'adoption de pratiques modernes, de technologies et d'approches climato-compatibles et de l'amélioration de l'intégration des marchés, ce qui a renforcé la productivité et la résilience. L'accent mis sur l'entrepreneuriat rural, l'inclusion des femmes et les infrastructures a également favorisé la croissance et l'équité.
3. Au cours des 30 dernières années, l'Inde a vu son revenu par habitant quadrupler, a fait reculer la pauvreté, a réduit le taux d'analphabétisme et a amélioré l'état de santé de sa population⁴. Le taux d'extrême pauvreté (seuil de pauvreté de 2,15 USD par jour fixé au niveau international) a diminué: de 40% en 2004, il est passé à 2,3% en 2022, soit une quasi-éradication de l'extrême pauvreté en 20 ans⁵. D'importantes poches de pauvreté subsistent, en particulier dans les régions rurales et sous-développées, et 11% de la population est considérée comme étant touchée par la pauvreté multidimensionnelle⁶. Le plan national de lutte contre la pauvreté n'a pas été mené à son terme; si l'on considère le seuil de pauvreté applicable à la classe moyenne inférieure (3,65 USD/jour), on compte encore 28,1% de pauvres dans la population⁷.

¹ Fonds monétaire international, consultation au titre de l'article IV (FMI, 2024).

² <https://donnees.banquemondiale.org/pays/inde> (Banque mondiale).

³ Kumar, A. et Pathak, H., State of Indian Agriculture (Situation de l'agriculture en Inde). National Academy of Agricultural Sciences, New Delhi (2024).

⁴ Groupe de la Banque mondiale, India Systematic Country Diagnostic: Realizing the Promise of Prosperity (Inde - Diagnostic systématique du pays: concrétiser la promesse de prospérité) (Banque mondiale, 2024).

⁵ Groupe de la Banque mondiale, Macro Poverty Outlook for India: April 2024 (Aperçu macroéconomique de la pauvreté en Inde: avril 2024) (Banque mondiale).

⁶ National multidimensional poverty index: A progress review 2023 (Indice national de pauvreté multidimensionnelle: examen des progrès 2023).

⁷ India, Poverty and Equity Brief (Inde, Compte rendu sur la pauvreté et l'équité) (Banque mondiale, 2025).

Tableau 1
Indicateurs concernant le pays

Indicateur	Données	Année
RNB par habitant (en USD)	2 686	2024 – données ouvertes de la Banque mondiale
Croissance PIB (%)	6,5	2025 – estimation du Fonds monétaire international (FMI)
Dette publique (en % du PIB)	82	2024–2025 – estimation de la Banque mondiale
Ratio du service de la dette (%)	6,6	2024 – Reserve Bank of India – communiqué de presse du 30 septembre 2024
Taux d'inflation (%)	5,4	2024 – étude économique 2024-2025
Population (millions)	1 438	2023 – données ouvertes de la Banque mondiale
Population féminine (millions)	696	2023 – données ouvertes de la Banque mondiale
Population jeune (millions)	371	Inde – politique nationale pour la jeunesse (2024)
Taux de chômage (%)	8,2	2024 – Trading Economics
Indice de fragilité	72,3	2024 – indice des États fragiles, rapport annuel 2024
Indice de risque INFORM	5,3 – risque élevé, diminution importante au cours des dix dernières années	2024 – indice de risque INFORM, Banque mondiale, Prosperity Data360
Valeur IDH	0,644	134 ^e rang sur 193 pays, Programme des Nations Unies pour le développement

B. Scénarios de transition

4. L'Inde aspire à devenir un pays développé d'ici à 2047. Pour y parvenir, elle doit d'abord accéder à la catégorie des pays à revenu intermédiaire de la tranche supérieure. Compte tenu de la croissance économique relativement rapide de l'Inde et de ses fondamentaux macroéconomiques solides (voir à l'appendice III les projections relatives à la transition), on peut s'attendre à ce que le pays obtienne le statut de pays à revenu intermédiaire de la tranche supérieure d'ici à la fin de la période couverte par le programme d'options stratégiques pour le pays (COSOP) ou peu après.
5. La stratégie budgétaire de l'Inde à moyen terme table notamment sur un excédent primaire à compter de l'exercice 2025-2026. Cet objectif, associé à la récente note attribuée à l'Inde par des agences de notation telles que Standard & Poor et Fitch (BBB – avec perspective stable, février 2025)⁸, souligne la confiance croissante dans la trajectoire budgétaire du pays. Ce bon résultat va améliorer son accès aux marchés des capitaux, mais risque de restreindre son accès à des ressources financières à des conditions concessionnelles.
6. Les priorités du COSOP et les modalités de participation devraient rester d'actualité dans les différents scénarios de transition. À mesure que l'Inde progressera vers le statut de pays à revenu intermédiaire de la tranche supérieure, il conviendra de mettre davantage l'accent sur les activités hors prêt. Le FIDA doit diversifier ses outils, renforcer ses activités d'appui à l'élaboration des politiques sur la base de données probantes et nouer de nouveaux partenariats à l'échelle nationale pour favoriser une transformation durable et inclusive du monde rural.

C. Enjeux liés au système alimentaire et au secteur agricole et rural

Vue d'ensemble

7. **Les systèmes alimentaires constituent l'un des grands fondements de l'économie indienne, tant par leur contribution actuelle que par leur potentiel dans les temps à venir.** L'agriculture contribue pour 16% au PIB de

⁸ <https://www.fitchratings.com/research/sovereigns/indias-budget-outlines-credible-path-for-medium-term-debt-reduction-04-02-2025> (Fitch Ratings, 2025).

l'Inde, et fournit des moyens de subsistance à plus de la moitié de la population. Le secteur fait face à des difficultés d'ordre structurel, économique, environnemental et institutionnel: i) fragmentation des terres; ii) faiblesse et instabilité des revenus; iii) insuffisance des liens avec les marchés, des financements et des services aux entreprises; iv) dépendance vis-à-vis des monocultures; iv) faiblesse des services de vulgarisation et des activités de recherche-développement; vi) changements climatiques et dégradation de l'environnement.

8. **Les systèmes agroalimentaires indiens sont dominés par des petits paysans cultivant des terres à rendement marginal.** Les petits exploitants agricoles jouent un rôle central dans la production et la distribution de denrées alimentaires et la dynamique globale des systèmes alimentaires. Quelque 86% des agriculteurs indiens sont classés dans la catégorie des petits paysans cultivant des terres à rendement marginal, et ils exploitent 47% environ de la superficie ensemencée nette. Malgré les superficies limitées dont ils disposent, les petits exploitants agricoles contribuent pour plus de 50% de la production agricole totale⁹.
9. **L'évolution des habitudes de dépenses alimentaires montre une transition vers des aliments nutritifs et prêts à l'emploi.** L'évolution des habitudes de dépenses alimentaires est marquée par une tendance à la réduction des dépenses de nourriture et à l'augmentation des ressources consacrées aux articles non alimentaires¹⁰. Cette tendance s'explique par l'augmentation des revenus, les programmes de distribution de vivres des pouvoirs publics et l'évolution des modes de consommation. Les ménages consacrent une plus grande part de leurs dépenses à des produits comme le lait, les fruits, les légumes et les aliments transformés, et moins aux céréales et aux légumineuses¹¹, ce qui indique une évolution vers des aliments plus nutritifs et prêts à l'emploi.
10. **L'Inde est un exportateur net de produits agricoles.** L'Inde fait partie des 10 principaux exportateurs de produits agricoles. De 2022 à 2023, le pays a exporté plus de 53 milliards d'USD de produits agricoles et assimilés¹². La croissance des exportations est limitée par la faible création de valeur ajoutée, le respect insuffisant des exigences en matière de qualité, les insuffisances d'ordre logistique et les obstacles non tarifaires. Il est possible de diversifier les marchés, d'accroître les revenus des agriculteurs et de renforcer la résilience en favorisant des cultures de grande valeur associées à de bonnes pratiques agricoles, en développant les exportations et en tirant parti de partenariats commerciaux stratégiques.
11. **L'accès des petits exploitants agricoles aux marchés est essentiel pour augmenter les revenus ruraux et réduire la pauvreté.** Les canaux de commercialisation actuels dont disposent les petits exploitants agricoles comprennent les marchés locaux, les marchés hebdomadaires traditionnels, les marchés sous juridiction fédérée et les acheteurs à la sortie de l'exploitation, comme les agrégateurs et les négociants au niveau des villages, auxquels le surplus de production peut être vendu. On constate une évolution vers une production axée sur les marchés avec la participation d'organisations d'agriculteurs-producteurs à des plateformes de commerce électronique et des dispositifs d'agriculture contractuelle, évolution qui doit être favorisée.
12. **Les ménages qui ont un accès limité aux ressources naturelles (ménages sans terre) et aux ressources financières appartiennent aux groupes les plus pauvres en Inde.** Une enquête menée sur la période 2012-2013 a révélé

⁹ Recensement agricole 2015-2016.

¹⁰ Gouvernement indien, enquête sur les dépenses de consommation des ménages du Bureau national des enquêtes par sondage (NSSO), 2022-2023.

¹¹ Enquête sur les dépenses de consommation des ménages 2022-2023.

¹² Eximpedia, [Agri Products Exports from India 2024-25: A Comprehensive Analysis](#) (Exportations indiennes de produits agricoles 2024-2025: analyse globale) (2024).

que 56,4% des ménages ruraux environ ne possédaient pas de terre ou en possédaient très peu (moins de 0,01 hectare)¹³. Ces ménages dépendent souvent d'emplois informels, mal rémunérés, ce qui contribue à faire augmenter les taux de pauvreté. Il est essentiel de soutenir les programmes visant à créer de nouveaux moyens de subsistance pour améliorer la situation économique de ces ménages.

Difficultés et perspectives

13. **Les petits producteurs agricoles font face à diverses difficultés dans leurs activités de production et de commercialisation.** Les facteurs de stress climatique, la dégradation des terres, le manque d'eau, l'utilisation excessive de produits agrochimiques et l'appauvrissement de la biodiversité, auxquels s'ajoute un accès limité aux financements, aux technologies et aux marchés, sapent la productivité et la rentabilité de l'agriculture. La petite taille des exploitations et les faibles volumes restreignent encore l'accès aux marchés, tandis que les opérateurs du secteur privé manquent de capitaux. Un environnement favorable est nécessaire pour encourager l'adoption de technologies durables.
14. **La diversification, les technologies climato-compatibles et les liens avec les marchés sont essentiels pour réaliser le plein potentiel des systèmes agroalimentaires en Inde.** Il faut une diversification au-delà des céréales, une intensification durable, une agriculture intelligente face au climat et des outils agrotechnologiques/numériques, ainsi que des liens avec les marchés qui favorisent la participation des femmes et des jeunes, une réforme des politiques et des investissements (publics et privés). La diversification comprendra un appui à l'élevage et à la gestion des ressources selon une approche écosystémique, et un renforcement de la résilience des pêcheurs. De nombreux acteurs du secteur privé – sociétés de producteurs agricoles, entreprises des secteurs public et privé – proposent les moyens nécessaires pour accéder aux marchés, aux technologies et aux ressources financières dans les différentes filières. Ces activités doivent être développées.
15. **L'écosystème du commerce agricole national et international doit être renforcé.** L'Inde est dotée d'un marché agricole interne dynamique, porté par une forte demande des consommateurs, une production à grande échelle et le développement du secteur de la transformation alimentaire. La commercialisation des produits agricoles est facilitée par les marchés réglementés par les États, notamment les comités chargés des marchés de produits agricoles et les plateformes commerciales numériques eNAM (marché agricole national électronique). Les principales difficultés sont liées au manque d'efficacité et à la fragmentation, aux pertes après récolte importantes, aux écarts de prix dus à une absence d'intégration des prix en temps réel sur les plateformes eNAM des différents États et au manque d'infrastructures, et à un accès limité des petits exploitants agricoles aux marchés, surtout dans les régions reculées et les zones tribales.

Contexte institutionnel et cadre de l'action publique

16. Des politiques en faveur de systèmes agroalimentaires inclusifs et durables sont menées dans le cadre de la vision Viksit Bharat@2047 visant à transformer l'Inde en un pays développé. Une croissance annuelle de 7,8% pendant 22 ans sera nécessaire. Le budget 2025-2026 de l'Union définit quatre moteurs de croissance: l'agriculture, les micro-, petites et moyennes entreprises, le capital humain/l'innovation et les exportations. Un programme en faveur de la prospérité et de la résilience en milieu rural permettra d'élargir les possibilités dans les zones rurales, de réduire la migration et d'offrir des perspectives d'investissement stratégique au FIDA.

¹³ Bureau national des enquêtes par sondage (NSSO), 70^e série d'enquêtes (2012-2013).

17. En 2021, le Gouvernement indien a créé le Ministère de la coopération pour renforcer les coopératives au moyen d'un cadre politique et administratif spécifique. Une nouvelle politique pour les coopératives, en cours d'élaboration, offre des possibilités d'investissement au FIDA, notamment dans les entreprises semencières, l'agriculture biologique et les exportations agricoles.
18. Le Ministère du développement rural contribue à la réduction de la pauvreté par des programmes tels que Deendayal Antyodaya Yojana-National Rural Livelihoods Mission (mission nationale en faveur des moyens de subsistance en milieu rural), qui est en cours de réorganisation, destinés à améliorer l'accès aux services financiers et les moyens de subsistance. Le Ministère de l'agriculture concourt à la prospérité rurale à travers des programmes portant sur la diversification des cultures, les semences, le stockage et le crédit. Le Ministère des affaires tribales vient en aide aux tribus répertoriées dans le cadre de la loi sur les droits forestiers et des programmes Pradhan Mantri Van Dhan Yojana et Pradhan Mantri Janjati Adiwasi Nyaya Maha Abhiya (PM JANMAN). Le Ministère de l'environnement mène l'action climatique par l'intermédiaire du Plan d'action national de lutte contre les changements climatiques. L'Inde aura besoin de plus de 170 milliards d'USD par an pour atteindre les objectifs fixés pour 2030¹⁴. Ces programmes et initiatives offrent au FIDA de nouvelles possibilités de partenariat qui s'inscrivent dans le cadre du plan pour la prospérité rurale.

II. Engagement du FIDA: bilan de l'expérience

A. Résultats du précédent COSOP

19. L'objectif stratégique du précédent COSOP (2018-2024) du FIDA était de contribuer du mieux possible à la stratégie du Gouvernement visant à doubler le revenu des agriculteurs d'ici à 2022. Le programme de pays ne comportait qu'un seul objectif stratégique: « faire en sorte que les systèmes de production agricole et alimentaire des petits exploitants soient rémunérateurs, durables et résilients ».
20. Le portefeuille a permis d'obtenir des résultats significatifs en matière de portée globale, de productivité agricole et de développement des entreprises rurales. Ces activités ont permis de fournir des services à 1,98 million de personnes (75% de la cible), de former 230 049 personnes (88% de la cible) aux pratiques et aux technologies de production agricole, de donner accès à des services financiers ruraux à 812 338 ruraux (90% de la cible) et d'adopter des pratiques de gestion climato-résilientes sur 13 444 hectares de terres agricoles (186% de la cible); enfin, 86 541 ménages (23% de la cible) ont fait état de l'adoption de technologies et de pratiques écologiquement viables et résilientes face aux changements climatiques.

B. Enseignements tirés du précédent COSOP et d'autres sources

21. Le FIDA a mené: i) en 2024, un examen du COSOP 2018-2024 (lequel a été prolongé jusqu'en 2025), ii) en 2023-2024, une évaluation de la stratégie et du programme de pays; iii) un diagnostic complet du suivi-évaluation et de l'apprentissage en rapport avec le portefeuille du FIDA en Inde, diagnostic qui a permis de tirer les principaux enseignements mentionnés ci-après.
22. **Accès aux marchés et participation du secteur privé.** Le renforcement des filières, des partenariats avec le secteur privé et de l'inclusion financière et numérique est essentiel pour améliorer la rentabilité et la durabilité des activités des petits exploitants et favoriser la création d'emplois et l'efficacité des marchés.
23. **Résilience aux changements climatiques.** Les investissements futurs devront intégrer de manière plus complète l'agriculture intelligente face au climat,

¹⁴ Banque nationale de l'agriculture et du développement rural, <https://www.nabard.org/PressReleases-article.aspx?id=25&cid=554&EID=87> (2025).

l'agriculture naturelle et la gestion des ressources afin de faire face aux risques climatiques croissants et d'accroître la résilience des communautés.

24. **Inclusion sociale.** Une place centrale doit être faite aux approches porteuses de transformations en matière de genre et à une collaboration ciblée avec les jeunes et les personnes handicapées pour approfondir l'impact social et éliminer les obstacles structurels.
25. **Intégration de la nutrition et de la santé.** Les indicateurs de nutrition et de santé doivent être intégrés dès la phase de conception pour garantir des résultats plus vastes.
26. **Reproduction à plus grande échelle par la participation à l'élaboration des politiques.** Des modèles novateurs ont été mis au point, mais peu d'initiatives ont été menées pour influencer sur les politiques. Les futures stratégies devront donner la priorité à la production et à la diffusion de connaissances fondées sur des éléments probants pour appuyer l'élaboration de politiques et de stratégies aux niveaux étatique et national.
27. **Renforcement de l'efficacité.** Des problèmes persistants tels que la rotation du personnel et les retards dans les décaissements de fonds soulignent la nécessité de renforcer les capacités institutionnelles, de rationaliser la planification et d'améliorer les systèmes de gestion de projet. On s'assurera de l'engagement des principales agences gouvernementales, et les manifestations à caractère politique, telles que les élections, seront prises en compte lors de la conception.
28. **Suivi-évaluation.** La gestion adaptative et la communication de données sur l'impact nécessitent de renforcer les systèmes de planification et de suivi-évaluation et de veiller à la disponibilité de données de qualité en temps opportun.

C. Valeur ajoutée du FIDA

29. Malgré les progrès accomplis, il reste des insuffisances auxquelles il faut remédier, telles que la pauvreté rurale, la faiblesse des institutions locales et le manque d'investissements en faveur du climat. Parmi les points forts du FIDA, on peut citer sa capacité à cibler les ruraux pauvres, à améliorer l'accès aux financements, à mettre en place des institutions autonomes, à autonomiser les femmes et à tirer parti des programmes gouvernementaux. La souplesse et l'adaptabilité lors de la mise en œuvre des financements du FIDA sont essentielles, car elles permettent de répondre à l'évolution du contexte et des besoins des communautés. Le Gouvernement salue la valeur ajoutée apportée par le FIDA par la reproduction à plus grande échelle de ces atouts en tant que modèles phares dans son cadre de développement rural.

III. Stratégie pour des programmes de pays porteurs de transformation

A. Théorie du changement du COSOP

30. Le COSOP 2018-2024 visait à doubler les revenus des agriculteurs grâce à une agriculture paysanne durable et résiliente, mais peu d'attention a été portée aux connaissances et aux politiques. Le COSOP 2026-2033 s'appuiera sur les investissements d'institutions financières internationales (IFI) de plus grande envergure, tirera parti des atouts du FIDA pour ce qui est de l'appropriation par les communautés et des filières inclusives, et mènera des interventions pilotes modulaires en tant que projets phares.
31. La productivité des petits exploitants est entravée par les changements climatiques, la dégradation des terres, le manque d'eau, l'utilisation excessive de produits agrochimiques et l'appauvrissement de la biodiversité, auxquels s'ajoute un accès limité aux financements, aux technologies et aux marchés. La petite taille des exploitations limite les liens avec les marchés, la création de valeur ajoutée et

la croissance des entreprises, et les acteurs privés manquent de capitaux. Il existe des modèles solides, mais le manque de partage des connaissances et de visibilité fait obstacle à la reproduction à plus grande échelle.

32. La résolution de ces difficultés passera par: i) le soutien aux petits exploitants, qui favorisera l'accès des institutions communautaires/organisations de producteurs ruraux aux services, aux marchés et à l'agriculture intelligente face au climat et axée sur les marchés; ii) la promotion de moyens de subsistance agricoles et non agricoles auprès des ménages pauvres par l'inclusion financière et le renforcement des capacités. Pour résoudre les difficultés liées à la production et à la diffusion de connaissances, des partenariats seront noués avec des institutions réputées dans le domaine du partage des connaissances ainsi qu'avec des acteurs publics/privés pour faire progresser la coopération Sud-Sud et triangulaire (CSST).
33. Ces mesures devraient produire les effets directs suivants: i) augmentation des revenus agricoles; ii) accroissement des moyens de subsistance agricoles et non agricoles axés sur le marché et climato-compatibles ainsi que des débouchés pour les entreprises; iii) renforcement de la production et de l'échange de connaissances, qui contribuera à l'amélioration de la performance et de la visibilité du portefeuille en vue d'une participation plus étroite à l'élaboration des politiques et d'une transposition à plus grande échelle; iv) renforcement des partenariats avec les acteurs des secteurs public et privé, notamment dans le cadre des activités en cours des projets du FIDA, telles que le centre d'excellence sur les approches porteuses de transformations en matière de genre, qui contribue à la CSST. Une collaboration étroite avec le Gouvernement permettra d'allouer les crédits nécessaires et d'attribuer les rôles et les responsabilités pour faire passer la gestion des connaissances et la CSST à la vitesse supérieure. Ces effets directs contribueront à la stratégie d'éradication de la pauvreté mise en œuvre par le Gouvernement et aux progrès vers l'objectif de Viksit Bharat@2047.

B. Objectif général et objectifs stratégiques

Approche stratégique

34. Les principaux éléments stratégiques du COSOP 2026-2033 sont tirés du budget 2025 de l'Union, qui définit les objectifs des cinq prochaines années de croissance inclusive et durable nécessaires pour atteindre les visées de Viksit Bharat@2047. Ces éléments sont les suivants:
 - i) **Prospérité.** Le plan du Gouvernement pour la prospérité met l'accent sur la productivité, la diversification et la résilience au moyen de l'agriculture intelligente face au climat, de l'agrotechnologie et de l'intégration des filières. Le FIDA dispose d'une expérience importante dans la plupart de ces domaines.
 - ii) **Inclusivité.** Le budget 2025 de l'Union vise un taux d'activité des femmes de 70% et l'élimination de la pauvreté. Le FIDA apporte son expérience des activités avec les femmes, les castes et les tribus répertoriées, les jeunes, les petits exploitants, les personnes sans terre et les ménages les plus pauvres dans des zones géographiques difficiles¹⁵.
 - iii) **Résilience.** La stratégie du Gouvernement en matière de résilience est conforme aux cadres mondiaux, et vise à donner les moyens de faire face aux changements climatiques et aux catastrophes et aux chocs qui s'y rapportent. Le FIDA renforcera la résilience dans trois domaines: i) économique, par l'accroissement des capacités de financement; ii) social, par l'autonomisation des communautés; iii) environnemental, par la promotion de pratiques climato-compatibles.

¹⁵ Recommandation n° 1 de l'évaluation de la stratégie et du programme de pays 2023.

- iv) **Innovations.** Le FIDA apporte une valeur ajoutée en transposant, à des niveaux modestes, les innovations (en matière de technologies, de pratiques et de modèles) dans l'agriculture et le développement rural. Le Fonds s'attache à la convergence avec les programmes gouvernementaux et au partage des connaissances entre les projets pour améliorer les moyens de subsistance et la résilience en milieu rural.

Objectif stratégique

- 35. L'objectif stratégique du programme appuyé par le FIDA est d'établir, au cours des huit prochaines années (2026–2033), « une prospérité et une résilience générales dans les zones rurales dans le cadre de la vision Viksit Bharat@2047 ». Le COSOP contribuera à la prospérité générale dans le pays, en mettant l'accent sur les questions de développement liées à la pauvreté rurale, à l'inclusion, à la résilience économique et climatique et à la diversification durable des sources de revenus (petite agriculture et activités connexes, notamment). Ce COSOP fera progresser les plans relatifs aux connaissances par l'élaboration de supports de connaissances fondés sur des données probantes visant à reproduire les meilleures pratiques à plus grande échelle et à partager l'expérience de l'Inde avec d'autres pays.
- 36. Le COSOP 2026-2033 s'inscrit dans le droit fil de la stratégie du Gouvernement visant à favoriser la prospérité rurale et à faire de l'Inde un pays développé d'ici à 2047, et du cadre stratégique mondial du FIDA, qui fait de l'investissement dans la prospérité et la résilience des populations rurales une priorité. Le COSOP contribuera à la réalisation des objectifs de développement durable n^{os} 1 (pas de pauvreté) et 2 (faim zéro), ainsi que des objectifs de développement durable n^{os} 5 (égalité entre les sexes), 8 (travail décent et croissance économique), 13 (mesures relatives à la lutte contre les changements climatiques) et 17 (partenariats pour la réalisation des objectifs).

Objectifs stratégiques

- 37. **Objectif stratégique 1: renforcement de la résilience sociale, économique et climatique des communautés rurales, conformément à l'engagement de l'Inde en faveur de villages sans pauvreté.** Les projets financés par le FIDA favoriseront une approche de renforcement des institutions locales pour contribuer à la promotion sociale et économique des ménages ruraux et accroître leur résilience climatique. Pour ce faire, il faudra i) établir des institutions communautaires durables; ii) diversifier les sources de revenus en milieu rural et renforcer les capacités d'adaptation; iii) faciliter l'accès aux compétences, aux technologies, aux financements, aux infrastructures du premier kilomètre et aux marchés; iv) soutenir les filières et les entreprises inclusives et climato-résilientes; v) renforcer la collaboration avec le secteur privé. Le FIDA étudiera les possibilités de mener des projets avec le secteur central ainsi que des projets cofinancés qui tirent parti des points forts d'autres IFI et banques multilatérales de développement, en particulier celles qui investissent dans les infrastructures, et leur associera l'atout fondamental du FIDA, à savoir les services du premier kilomètre, au moyen d'un modèle phare (voir le paragraphe 30).
- 38. **Effet direct 1.1. Accroissement des revenus agricoles par la promotion de filières inclusives grâce à la diversification vers des systèmes de production climato-résilients et axés sur les marchés et à l'amélioration de l'accès aux services.** Il s'agit d'autonomiser les petits paysans cultivant des terres à rendement marginal par le renforcement des institutions communautaires/organisations de producteurs ruraux, aux fins d'un développement durable, et d'accroître leur capacité à diversifier leurs moyens de subsistance et à privilégier une production climato-résiliente et axée sur les marchés, grâce à un accès aux services amélioré, fondé sur les technologies, et au soutien du secteur privé. Cette stratégie axée sur les marchés présente des risques (déficit d'information, dépendance vis-à-vis des intermédiaires et effets sur l'environnement, notamment), qui seront atténués par une agriculture naturelle, de

bonnes pratiques agricoles et une concurrence accrue dans la chaîne d'approvisionnement. Les systèmes agroalimentaires climato-résilients devront également comptabiliser les émissions des agriculteurs de subsistance, car l'agriculture ne figure pas dans les contributions déterminées au niveau national de l'Inde.

39. Les produits escomptés sont notamment des institutions communautaires/organisations de producteurs ruraux renforcées et durables, qui englobent les organisations et coopératives d'agriculteurs existantes (y compris les coopératives de pêche), lesquelles constitueront le point d'ancrage. À cette fin, il faudra notamment dispenser des formations et renforcer les capacités pour accroître la résilience face aux changements climatiques et la durabilité environnementale, et utiliser des modèles de partenariat innovants, tels que le modèle de partenariat coopérative-public-privé. Il s'agira en outre d'accompagner la transition numérique des coopératives agricoles, l'utilisation de l'intelligence artificielle, de l'Internet des objets et d'autres technologies numériques, d'élaborer des systèmes d'alerte rapide et de veiller à la préparation des communautés. Il conviendra de faciliter le renforcement des filets de protection sociale, la restauration des écosystèmes, l'accès aux intrants et à la mécanisation, les services financiers et les liens avec les marchés.
40. **Effet direct 1.2. Accroissement des moyens de subsistance agricoles et non agricoles.** Il s'agit d'accroître la capacité et les chances des ménages démunis d'obtenir un emploi rémunéré dans des activités connexes telles que l'élevage, la pêche et la création de microentreprises. Il conviendra à cette fin de doter les jeunes de compétences, d'appuyer les start-ups et les services liés au développement des entreprises, et d'assurer l'accès des microentrepreneurs aux services de financement des entreprises et de gestion des risques. Les produits attendus sont notamment un renforcement des institutions communautaires/organisations de producteurs ruraux durables, la création d'entreprises formelles et informelles, l'accès à des services financiers inclusifs et à des services liés au développement des entreprises, des financements pour les microentreprises et un soutien à la commercialisation, et un appui à l'autonomisation et à la promotion de la nutrition.
41. **Objectif stratégique 2: amélioration des résultats, de la visibilité et de l'extensibilité des interventions par le renforcement des systèmes de connaissances.** Pour réaliser cet objectif, il faudra: i) renforcer les partenariats avec les organismes de développement et les institutions du savoir et celles qui définissent les grandes orientations; ii) mettre au point des outils et des plateformes pour les échanges de connaissances en interne et en externe, tels que la mise en commun de savoirs entre agriculteurs; iii) faciliter la CSST en vue de reproduire et de transposer à plus grande échelle l'expertise des projets au-delà de l'Inde.
42. **Effet direct 2.1. Renforcement des échanges de connaissances pour contribuer aux stratégies et aux politiques.** Cet effet direct sera obtenu grâce à des études fondées sur des données probantes et à des outils de gestion des connaissances qui favoriseront les échanges en interne et en externe, et fourniront aux décideurs, aux praticiens et aux responsables de la mise en œuvre les informations nécessaires pour reproduire les meilleures pratiques à plus grande échelle. Les principaux produits seront les suivants: i) des supports de connaissance axés sur les politiques relatives à l'agriculture, à la pêche, à la nutrition et aux modèles coopératifs; ii) l'utilisation des institutions communautaires/organisations de producteurs ruraux en tant que pôles de connaissances mêlant savoirs scientifiques et traditionnels; iii) la constitution de référentiels numériques et de réseaux avec des institutions réputées. Ces produits amélioreront la visibilité, les résultats et l'extensibilité des interventions du FIDA,

lesquelles seront financées sur le budget des projets et par des dons qui seront mobilisés en fonction des besoins.

43. **Effet direct 2.2. Renforcement de la collaboration et des partenariats pour le financement de projets, et avec le Sud global, afin de présenter des stratégies de lutte contre la pauvreté porteuses de transformation qui favoriseront la prospérité rurale.** Cet effet direct sera obtenu grâce à une interaction continue avec des institutions financières tant nationales qu'internationales et divers programmes gouvernementaux sous la direction du Département des affaires économiques du Ministère des finances. Les produits escomptés comprennent l'intégration des investissements du FIDA avec ceux d'autres organismes externes et nationaux, une convergence plus étroite avec les programmes nationaux/étatiques et la promotion de la coopération avec le monde du Sud.

Tableau 2

Objectifs stratégiques du COSOP

<i>Principale priorité de développement (objectif stratégique)</i>	<i>Institutions sous-jacentes</i>	<i>Enjeux de réforme des politiques publiques</i>	<i>Interventions proposées (au titre de prêts ou hors prêts)</i>
Objectif stratégique 1: renforcement de la résilience sociale, économique et climatique des communautés rurales, conformément à l'engagement de l'Inde en faveur de villages sans pauvreté	Organisations d'agriculteurs ruraux pauvres Entreprises du secteur privé Administrations locales	Des politiques et des directives d'accompagnement qui: <ul style="list-style-type: none"> • apportent un appui aux institutions communautaires/organisations de producteurs ruraux associé aux progrès la durabilité et la résilience climatique; • mettent en place des incitations, sur une base dégressive, pour amener les agriculteurs à une collectivisation en vue d'axer la production et l'agrégation sur les marchés; • encouragent les investissements du secteur privé dans les zones rurales, en diminuant progressivement le soutien. 	Documenter les enseignements et les meilleures pratiques à partir de données probantes, en collaboration avec le ministère compétent.
Objectif stratégique 2: amélioration des résultats, de la visibilité et de l'extensibilité des interventions par le renforcement des systèmes de connaissances	Département des affaires économiques, Ministère des finances Partenaires de cofinancement	<ul style="list-style-type: none"> • Un cadre structuré de collaboration entre bailleurs de fonds. • Un cadre pour la production et la diffusion de connaissances fondées sur des données probantes, en interne et dans le cadre de la CSST. 	<ul style="list-style-type: none"> • Accroître les investissements grâce au cofinancement et à la convergence. • Renforcer les arrangements institutionnels pour une reproduction à plus grande échelle dans le pays et dans le cadre de la CSST.

Pérennisation

44. Les principaux moteurs de durabilité seront les suivants: i) soutien aux communautés et à leurs institutions pour l'élaboration et la mise en œuvre de plans d'activités participatifs au service de l'inclusion, de la réduction de la pauvreté, de la résilience climatique et de la rentabilité; ii) viabilité financière, technique et sociale des investissements réalisés; iii) renforcement des capacités des communautés locales à adopter des pratiques d'adaptation aux changements climatiques et à mobiliser des investissements substantiels auprès d'institutions financières nationales et de programmes gouvernementaux; iv) collaboration avec le secteur privé et d'autres acteurs des marchés pour une production durable axée sur les marchés; v) renforcement des capacités techniques et financières des partenaires d'exécution à assurer la convergence avec les programmes gouvernementaux et à reproduire les meilleures pratiques à plus grande échelle;

vii) bénéfices durables pour des groupes clés, notamment les peuples autochtones, les personnes handicapées, les femmes et les jeunes.

Reproduction à plus grande échelle

45. Les activités de plaidoyer et la collaboration avec le Gouvernement concourront à la reproduction à plus grande échelle des modèles efficaces appuyés par le FIDA, s'agissant notamment des institutions communautaires durables, du financement rural inclusif, de la création de microentreprises, de la gouvernance des biens communs, de la conservation des sols et des eaux, des infrastructures climato-résilientes et des filières inclusives et résilientes qui entretiennent des liens avec le secteur privé. Le secteur privé développe déjà des modèles de financement rural et de financement des entreprises. Avec ce COSOP, le FIDA entend renforcer les capacités des partenaires, la gouvernance et la gestion des connaissances pour favoriser une reproduction à plus grande échelle efficace et la durabilité.

Thématiques transversales

46. **Climat et environnement.** Tous les investissements intégreront la gestion des ressources naturelles ainsi que l'adaptation aux changements climatiques et l'atténuation de leurs effets, et le ciblage géographique sera axé sur la vulnérabilité aux changements climatiques et le potentiel d'atténuation.
47. **Égalité des sexes et autonomisation des femmes.** Tous les investissements du FIDA intégreront systématiquement la question de l'égalité des sexes pour assurer des conditions équitables, et garantiront la participation active des femmes à la planification et à la prise de décisions au moyen de cibles clairement définies dans les principaux produits des projets. Des stratégies porteuses de transformations en matière de genre¹⁶ seront intégrées dans la mesure du possible, à partir des enseignements tirés de l'exécution du portefeuille actuel.
48. **Jeunes, communautés tribales et personnes handicapées.** Les interventions favoriseront des possibilités inclusives d'activités agricoles, hors exploitation et non agricoles, la promotion de l'entrepreneuriat des jeunes, notamment par la fourniture de services et d'intrants, les innovations numériques et vertes, et le soutien aux start-ups et à l'incubation. Une attention continue sera portée aux tribus répertoriées et la participation des personnes handicapées sera facilitée.
49. **Nutrition.** La situation nutritionnelle des ménages sera améliorée grâce à l'augmentation des revenus, à l'agriculture tenant compte des enjeux nutritionnels, au soutien à la production visant à assurer une alimentation diversifiée et riche en nutriments, à la diversité alimentaire au niveau des communautés et à des programmes de sensibilisation assortis d'un suivi régulier.

C. Groupe cible et stratégie de ciblage

Ciblage et égalité des sexes

50. La vision stratégique énoncée par le FIDA d'une transformation inclusive et durable du monde rural repose sur l'élimination de l'extrême pauvreté et sur des moyens de subsistance plus sûrs et plus résilients pour tous les ruraux pauvres¹⁷. Le ciblage tiendra compte de la géographie, de la pauvreté et des groupes sociaux.
51. **Ciblage géographique.** Les taux de pauvreté les plus élevés sont enregistrés dans le Bihar, le Meghalaya, le Jharkhand, l'Uttar Pradesh, le Madhya Pradesh, l'Assam, le Nagaland, le Chhattisgarh, le Tripura et l'Odisha. En dehors de ces États, les 112 districts modèles du Gouvernement et les États himalayens vulnérables aux changements climatiques seront des zones prioritaires.
52. **Ciblage de la pauvreté.** Le FIDA adopte une approche qui favorise les pauvres et tient compte des questions de genre, et soutient les ménages qui se situent en

¹⁶ Approches qui permettent de remettre en question les normes et les stéréotypes de genre néfastes, d'autonomiser les groupes marginaux et de s'attaquer aux inégalités structurelles.

¹⁷ FIDA, Cadre stratégique du FIDA 2016-2025: Favoriser une transition inclusive et durable du monde rural (FIDA, 2026).

dessous du seuil de pauvreté, les petits paysans et ceux qui cultivent des terres à rendement marginal, les personnes sans terre, les pêcheurs, les ménages dirigés par une femme, les jeunes et les personnes handicapées.

53. **Ciblage social.** Les castes et tribus répertoriées restent les groupes les plus pauvres; 65 millions de personnes appartenant à des castes répertoriées, concentrées dans le Madhya Pradesh, l'Odisha, le Maharashtra, le Rajasthan, le Chhattisgarh, le Mizoram, le Nagaland et le Meghalaya, sont en situation de pauvreté multidimensionnelle. Les principaux groupes cibles sont les castes et tribus répertoriées, les pasteurs, les pêcheurs et les communautés tributaires des forêts. Le principe du consentement préalable, libre et éclairé sera intégré dans la conception des projets afin de protéger les droits tribaux.

IV. Interventions du FIDA

A. Instruments de financement

54. Au cours du présent COSOP, le FIDA financera des projets par le biais du Système d'allocation basé sur la performance (SAFP) et du Mécanisme d'allocation des ressources empruntées (MARE) à des conditions ordinaires, tout en recherchant des fonds supplémentaires auprès de donateurs pour réduire le coût des prêts pour les administrations. Les opérations non souveraines s'appuieront sur des prêts à des conditions spécifiques à l'Inde. Des instruments tels que des prêts axés sur les résultats, des programmes adaptatifs par phases et des interventions en cas d'urgence et de catastrophe seront étudiés, ainsi que des dispositifs souples pour faire face aux situations d'urgence.

B. Contribution à l'élaboration des politiques au niveau du pays

55. L'Inde promeut une initiative inclusive de réforme des politiques pour la transformation rurale. Le FIDA appuiera cette initiative en aidant les équipes de projet à mettre en œuvre des politiques, à expérimenter des approches et à documenter les difficultés en vue afin d'éclairer le processus d'amélioration des politiques. Le Fonds établira des partenariats de cofinancement et de partage des connaissances avec des organisations internationales et des institutions nationales [par exemple la Banque nationale pour l'agriculture et le développement rural (NABARD), Tata Trusts, des banques commerciales et des entreprises agricoles]. Les mécanismes de coordination entre le Gouvernement, l'Organisation des Nations Unies et les donateurs seront mis à profit pour contribuer à l'élaboration des politiques.

C. Renforcement des institutions

56. Le Gouvernement reconnaît la capacité du FIDA à favoriser des institutions communautaires durables. Cette capacité sera le socle sur lequel les équipes de projet concevront leurs interventions. Le programme de pays renforcera les capacités des partenaires dans les principaux domaines suivants: i) approches participatives et stratégies permettant d'atteindre efficacement les communautés vulnérables; ii) expertise technique en matière de diversification des moyens de subsistance et d'adaptation aux changements climatiques et d'atténuation de leurs effets, ainsi que de facilitation de l'établissement de partenariats avec le secteur privé; iii) systèmes de gestion financière et de passation de marchés, suivi-évaluation et gestion des connaissances.

D. Innovations

57. Les innovations financières et technologiques seront encouragées, y compris les dispositifs d'incitation à la discipline financière, le financement par fonds propres et capital-risque pour réduire la dépendance à l'égard des dons, et les financements par crédit avec renforcement des capacités. Le COSOP appuiera des initiatives relatives aux intrants tolérants aux facteurs de tension, à l'IA générative, aux technologies numériques, aux échanges de droits d'émission de carbone, aux outils

de planification, de commercialisation, de production et de prévision météorologique, et à la promotion de politiques pour la reproduction à plus grande échelle.

58. La demande et la disponibilité de capacités numériques augmentent dans le pays. Les technologies de l'information et des communications au service du développement de l'agriculture sont axées sur les marchés; elles permettent d'autonomiser les agriculteurs et de réduire les disparités entre les zones rurales et les zones urbaines. Les principales initiatives comprennent e-Choupal, Digital Green, les centres d'appels Kisan, l'application AgriMarket, eNAM et le portail mKisan. Le FIDA améliorera ces outils et recherchera des solutions numériques pour la fourniture de conseils, l'adaptation aux changements climatiques, les services agrométéorologiques et l'inclusion financière, et tirera parti de collaborations avec le secteur privé pour atteindre le « premier kilomètre ».

E. Gestion des savoirs

59. La gestion des savoirs aura deux objectifs: améliorer la performance des projets (par la documentation et l'échange de connaissances) et apporter des contributions à l'élaboration de politiques pour la reproduction à plus grande échelle (dans le cadre de partenariats avec des instituts de recherche et de stratégie de haut niveau, de supports de connaissances fondés sur des données probantes et de partenariats renforcés). Le programme de pays associera des prêts et des opérations hors prêts, en mettant un accent particulier sur la CSST. Un plan de communication stratégique complémentaire contribuera à améliorer la transparence et la visibilité.

F. Partenariats stratégiques et coopération Sud-Sud et triangulaire

Pouvoirs publics et société civile

60. Le Département des affaires économiques est l'organisme faîtière au niveau central. La collaboration avec les principaux ministères et Niti Aayog (ancienne Commission de planification)¹⁸ au niveau central sera renforcée. Les équipes s'efforceront de concevoir les projets conjointement avec le Ministère de la coopération afin de veiller à ce que les coopératives agricoles primaires et les organisations d'agriculteurs-producteurs soient utilisées comme des moyens de mise en œuvre durable des activités. Un partenariat stratégique avec la NABARD sera étudié en vue de promouvoir le développement de marchés inclusifs et des arrangements innovants de financement de l'action climatique. Le FIDA continuera de s'associer aux gouvernements des États concernés et de nouer des partenariats avec des institutions locales et des organisations de la société civile.

Partenaires de développement (dont les organismes des Nations Unies, les institutions financières internationales et les organisations non gouvernementales)

61. Le FIDA continuera de collaborer avec l'équipe de pays des Nations Unies et les organismes ayant leur siège à Rome. Les projets de développement rural conçus par les partenaires de développement et les fonds pour le climat et l'environnement, y compris les IFI, les organismes bilatéraux et autres acteurs, offriront des possibilités de financement parallèle et de cofinancement. Le partenariat en cours avec le Ministère fédéral allemand de la coopération économique et du développement et la Gates Foundation sur le Mécanisme de transformation de la dynamique femmes-hommes dans le cadre de l'adaptation climatique sera encore consolidé et élargi.

¹⁸ Principal groupe de réflexion sur les politiques publiques du Gouvernement indien.

Secteur privé

62. Le FIDA continuera d'intensifier sa collaboration avec ses partenaires du secteur privé pour élaborer des feuilles de route en faveur d'un financement et de filières accessibles à tous, notamment en fournissant des intrants et des technologies améliorés pour l'adaptation climatique et en proposant des services numériques de vulgarisation et de conseil, de commercialisation et d'assistance technique. Le programme de pays reflète une volonté affirmée de participation au développement des filières, dans le cadre de partenariats public-privé-producteurs.

Coopération Sud-Sud et triangulaire

63. Dans le cadre de l'objectif stratégique 2, le FIDA renforcera la CSST en améliorant la coopération en matière de connaissances. Les modèles du FIDA qui ont fait leurs preuves et l'expertise de l'Inde en matière de développement rural, notamment les modèles de réduction de la pauvreté, d'inclusion financière, de coopératives laitières et d'incubation de start-ups, seront mis à profit. Au Maharashtra, un Centre d'excellence sur les approches porteuses de transformations en matière de genre, appuyé par un don au titre du Mécanisme de transformation de la dynamique femmes-hommes, sera un lieu actif d'échange d'informations. Le COSOP utilisera également des dons régionaux et mobilisera des ressources pour appuyer la CSST et le partage des connaissances.

V. Exécution du COSOP

A. Volume et sources des investissements

64. La somme allouée à l'Inde au titre du SAFP dans le cadre de la Treizième reconstitution des ressources du FIDA (FIDA13) s'élève à 159,458 millions d'USD, auxquels s'ajoutent 47,124 millions d'USD annulés pour le Projet pour une croissance agricole accélérée et inclusive dans les zones rurales du Chhattisgarh en raison de ses mauvais résultats; les crédits disponibles se chiffrent donc à 206,582 millions d'USD. Deux projets en attente, le Projet d'encouragement aux systèmes d'exploitation agricole résilients aux changements climatiques dans les hautes terres du Nord-Est – Phase II (FOCUS 2.0) (45,80 millions d'USD) et le Projet de réseau agroalimentaire du Maharashtra (MAGNET 2.0) (75,00 millions d'USD), s'ils sont approuvés, laisseront environ 85,782 millions d'USD disponibles pour la conception d'autres projets. Le Projet d'amélioration de l'aquaculture et de l'élevage dans l'État du Bihar, s'il était réactivé, pourrait absorber 100 millions d'USD, et son éventuel déficit de financement serait comblé lors des futures reconstitutions. Compte tenu de l'évolution rapide du contexte indien, l'équipe du COSOP concevra les projets en faisant preuve de souplesse et d'adaptabilité pour répondre aux nouveaux besoins.

Tableau 3

Projets en cours ou prévus: financements du FIDA et cofinancements

(en millions d'USD)

Projet	Financement du FIDA	Source (SAFP, MARE)	Critères de sélection (COSOP)*	Cofinancement		Ratio de cofinancement
				National	International	
En cours						
Projet d'amélioration des moyens de subsistance et de l'accès aux marchés	20,58					
Projet d'amélioration des moyens de subsistance et de l'accès aux marchés	50,06	FIDA10 (SAFP)	I, PS	135,12		1,90
Nav Tejaswini	12,00	FIDA10 (SAFP)				
Nav Tejaswini	38,00	FIDA11 (SAFP)	I, PS, GS	363,28		7,30
Projet de dynamisation de l'entrepreneuriat rural	105,00	FIDA11 (SAFP)	I, PS, GS	273,05		2,60
Projet pour une croissance agricole accélérée et inclusive dans les zones rurales du Chhattisgarh	67,00	FIDA11 (SAFP)		71,69	100,00	2,56
Projet d'amélioration de la compétitivité au Jammu-et- Cachemire	100,00	FIDA12 (SAFP)	I, PS, GS	117,18		1,17
Programme d'autonomisation et d'amélioration des moyens de subsistance des groupes tribaux particulièrement vulnérables dans l'État d'Odisha – Phase II (OPELIP II)	61,33	FIDA12 (SAFP)				
OPELIP II	25,00	FIDA (MARE)	I, PS, GS	197,9		2,29
Évaluation des modèles de développement tribal en Inde	0,03	FIDA12 (SAFP)	I, PS, GS	0		
		Ministère fédéral allemand de la coopération économique et du				
Agroécologie	9,93	développement		0		
Don au titre du Mécanisme de transformation de la dynamique femmes- hommes – Gates Foundation	5,25	Gates Foundation		0		
Prévus						
FOCUS 2.0	45,80	FIDA13 (SAFP)	I, PS, GS	26,48		0,58
MAGNET 2.0 ^a	75,00	FIDA13 (SAFP)	I, PS, GS	52,5	100,00	2,03
Total	614,98			1 237,2	200,00	2,33

* I: développement rural durable; PS: pilotage stratégique d'approches innovantes; GS: gestion des savoirs à des fins de changement d'échelle.

^a Montant estimé.

B. Ressources à l'appui d'autres activités

65. Le FIDA compte quatre dons régionaux en cours, d'un montant de 11,218 millions d'USD, et deux dons spécifiques à l'Inde avec le Ministère fédéral allemand de la coopération économique et du développement (13 700 000 euros) et la Gates Foundation (5 250 000 USD). Des ressources additionnelles seront mobilisées auprès de fondations, d'institutions financières nationales et internationales, et de fonds climatiques, notamment le Fonds pour l'adaptation, le Fonds vert pour le climat et le Fonds pour l'environnement mondial. Une analyse sera réalisée pour déterminer les interventions les plus efficaces des projets.

C. Transparence

66. Le programme de pays prévoit d'utiliser les systèmes mis en place par les autorités publiques et le FIDA pour la gestion financière, l'audit et la communication des données. La plupart des documents seront rendus publics, à l'exception de ceux dont la non-divulgaration aura été convenue. Des cadres de transparence seront définis pour les projets, notamment des mécanismes de réclamation et des codes de conduite internes. Des données annuelles sur les ressources, les finances et la portée seront publiées sur les sites Web des projets.

D. Gestion du programme de pays

67. Le programme sera géré par le bureau du FIDA en Inde, avec l'appui technique du bureau régional et du siège. La bonne performance du portefeuille sera une priorité. Un appui sera apporté aux organismes d'exécution des projets pour les aider à procéder à la nomination en temps voulu du personnel d'encadrement.
68. **Suivi-évaluation.** La performance du COSOP fera l'objet d'un suivi au regard du cadre de résultats, au moyen d'examens annuels et d'évaluations consolidées à mi-parcours (2029) et à l'achèvement (2033). Le FIDA renforcera les systèmes de suivi-évaluation et de gestion des connaissances pour permettre un apprentissage à partir de données factuelles, et utilisera des outils numériques tels que le système d'information géographique et la télédétection (conformément à la Politique du FIDA relative à la gouvernance des données¹⁹) pour cartographier les interventions. Les résultats documentés chaque année au regard des objectifs de développement durable et à l'échéance de 2030 éclaireront la conception de nouveaux projets.

E. Participation du groupe cible

69. Le programme du FIDA gardera les mécanismes de collaboration efficaces en place, notamment en ce qui concerne les données au niveau des ménages relatives à la pauvreté, à la vulnérabilité socioéconomique et climatique, et à l'exclusion. Une planification participative avec les principales parties prenantes et les responsables de la mise en œuvre éclairera la prise de décision. La collaboration avec la société civile sera poursuivie afin de mieux faire entendre la voix des groupes vulnérables. Les projets prévoiront des mécanismes de réponse aux doléances et des dispositions budgétaires pour l'atténuation des risques au titre des Procédures d'évaluation sociale, environnementale et climatique.

VI. Gestion des risques

70. Le niveau de risque global des projets est jugé modéré, de même que les risques politiques, macroéconomiques et institutionnels et ceux liés à la gouvernance. Les risques climatiques et environnementaux sont importants, tout comme les risques liés à la gestion financière et à la passation de marchés, du fait des capacités institutionnelles limitées. Les équipes des projets financés par le FIDA veilleront à un recrutement transparent pour les postes financiers, et des formations régulières et adaptées seront dispensées. Les achats seront effectués conformément au cadre

¹⁹ Politique du FIDA relative à la gouvernance des données (EB 2022/137/R.8).

de passation des marchés des projets du FIDA, ce qui comprend l'utilisation du Système de bout en bout de passation électronique des marchés relatifs aux projets mis en place par le Fonds pour la planification et la communication des informations, et le personnel sera invité à participer à BuildPROC, un programme de certification conçu pour renforcer les capacités en matière de passation de marchés et améliorer l'efficacité et l'efficacité des projets.

Tableau 4

Risques et mesures d'atténuation

<i>Risques</i>	<i>Niveau de risque</i>	<i>Mesures d'atténuation</i>
Gestion financière	Substantiel	<ul style="list-style-type: none"> - Limiter les avances aux partenaires des projets et utiliser des services bancaires en ligne et des systèmes de dépôt de documents pour remédier aux faiblesses des contrôles internes. - Normaliser l'utilisation des systèmes nationaux dans tous les projets pour assurer la cohérence. - Privilégier le recrutement par voie de mise en concurrence de personnes qualifiées et expérimentées pour les postes de gestion financière afin de remédier à l'insuffisance des capacités du personnel. - Mettre en œuvre des solutions informatiques avancées pour renforcer le contrôle interne et réduire les risques de détournement. - Veiller à répertorier et résoudre rapidement les conflits entre les unités de gestion de programme et les organismes gouvernementaux.

Results management framework

Country Strategy Alignment	Related SDG/UNSCDF outcomes	IFAD's Strategic Objectives	COSOP Strategic Objective	Key COSOP Results		
				Lending and non-lending activities during the COSOP period	Outcome indicators	Output indicators (Estimated)
Long-term development in India is embedded in the aspiration to be a developed country by 2047. GoI has developed a comprehensive strategy to eradicate poverty and achieve the vision of Viksit Bharat@ 2047 . GoI has identified agriculture, micro-and-small enterprises, investment in people, economy, and innovations as the four engines of growth. The prosperity and knowledge-related plans focusing on social, economic and climatic resilience of this COSOP is in complete	<p>SDG Outcomes</p> <p>1 (No poverty) 2 (Zero Hunger) 3 (Good Health & wellbeing) 5 (Gender equality); 6 (Ensure availability and sustainable management of water and sanitation for all). 8 (Decent work & Economic Growth); 10 (reduced Inequalities) 11 Sustainable cities and communities. 12 (Responsible consumption and production). 13 (Climate Action); and 15 (Life on land); 17 (Partnership for global development)</p> <p>UNSCDF Outcomes Outcome 1: Relative poverty and rural-urban gaps reduced. More people especially vulnerable groups have more access to economic</p>	<p>SO1: Improve poor rural people's productive capacities – their access to natural resources and technologies, financial services</p> <p>SO2: Increase poor rural people's benefits from market participation through diversified rural enterprises /producers' organizations and employment opportunities, improved investment environment, and infrastructure.</p> <p>SO3: Strengthen environmental sustainability and climate resilience of poor rural people's economic activities. In contrast, strengthen the institutional capacities of government and organizations of the rural poor to drive sustainable rural</p>	SO 1: Social, Economic and climatic resilience of rural communities is enhanced in line with India's commitment towards poverty-free villages	<p>Lending /Investment activities</p> <p>Ongoing projects LAMP Nav Tejaswini REAP JKCIP</p> <p>In pipeline FOCUS2.0 MAGNET Projects to be developed under the new COSOP</p> <p>Non-lending activities Gender Transformation Mechanisms grant from Bill Melinda Gates Foundation with Nav Tejaswini to establish a Centre of Excellence. Investments in Agroecology Value Chain Projects that focuses on identifying viable business opportunities linked to agro-ecology clusters and value chains, providing investment support for integrated agroecology production</p>	<p>CI 2.2.1: 300,000 beneficiaries with new jobs/employment opportunities 60% of rural producers' organizations are sustainable/ able to break-even. CI 2.2.5: 60% of supported RPOs reporting an increase in sales. 60% of households switched to market-led production with technology access provided by the private sector. CI 1.2.6: 80% of the partner financial service providers with PAR >30 days below 5%. 30% productivity increase of value chain crops. 3.2.1: Number of tons of greenhouse gas emissions of CO2e avoided or sequestered (to be tracked) CI 3.2.2: 1,000,000 households reporting adoption of environmentally sustainable and climate-</p>	<p>2.3.1 3,000,000 persons (women 60%, youth 20%, Indigenous people 15% and PwD 3%) receiving services promoted or supported by the project CI 2.1.4 500,000 rural producers that are members of RPOs. CI 2.1.2 400,000 persons trained in income-generating activities or business management. 400,000 farmers have market linkages with formal buy-back arrangements with private sector CI 1.1.4: 500,000 persons trained in production practices and/or technologies. CI 1.1.5: 1,600,000 persons accessing financial services – savings, credit insurance, remittance, etc. 600 marketing, processing and storage infrastructure built. I.E. 2.1 80% of beneficiaries demonstrating an improvement in empowerment (WEAI) CI 1.1.8: 500,000 households provided with targeted support for nutrition.</p>

Country Strategy Alignment	Related SDG/UNSCDF outcomes	IFAD's Strategic Objectives	COSOP Strategic Objective	Lending and non- lending activities during the COSOP period	Key COSOP Results Outcome indicators	Output indicators (Estimated)
alignment with GoI's priorities.	opportunities. Outcome 2: reduced social and gender inequality Outcome 3: people benefit from healthier and resilient environment Outcome 4: India transit to people centred, inclusive, low carbon and circular economy	development while safeguarding global public goods.	SO2: Enhanced performance, visibility, and scalability of interventions through strengthened knowledge systems.	systems, and offering grants to MSMEs and agroecology Producer Organization Enterprises (POE) to improve their value addition and market linkages. Possible Non Sovereign Operations (NSOs) which will be identified/developed during IFAD 13 period.	resilient technologies and practices CI 1.2.8 50% Women reporting minimum dietary diversity. Policy 3: Five existing/new laws, regulations, policies or strategies proposed to policymakers for approval, ratification or amendment. (Target 5) Leveraging from external co-financing (loans and grants) mobilised. (to be tracked) 1:4 leveraging of convergence, private sector and domestic co- financing. A framework developed for the Integration of SSTC in Agriculture and Rural Development within IFAD operations.	S.F 2.1: 80% of the households satisfied with the project-supported services Policy 1: Nine policy-relevant knowledge products completed. Two external agencies integrating investments with IFAD projects. (Target 2) Six national and state level schemes converging with IFAD Number of SSTC initiatives promoted (to be tracked)

Key files

Key file 1 - Rural Poverty and Agricultural Sector Issues

Priority Areas	Affected Group	Major Issues	Actions Needed
Community Institution Development	Women and small and marginal farmers	<ul style="list-style-type: none"> Poverty and livelihood insecurity. Social exclusion and inequality. Limited access to services (finance, market, technologies, knowledge) and entitlements. Lack of voice and empowerment. Fragmentation and lack of collective action. Gender inequality. Lack of attention to environmental and climate change adaptation and risk mitigation. High unemployment rate Youth outmigration Digital illiteracy Financial education and business illiteracy 	<ul style="list-style-type: none"> Promotion of sustainable community institutions. Strengthen gender-responsive community platforms to ensure women's participation in decision-making, leadership roles and access to Government entitlements. Promote convergence with existing government schemes and social protection measures to reduce livelihood insecurity and enhance resilience of women and small & marginal farmers. Streamline and intensify inclusion, empowerment, nutrition and climate resilience. Building credit history-based transition to access rural finance. Building input and output aggregation and common service facilities for the benefit of the members to achieve economies of scale and reduction in transaction costs. Develop commodity and/or service-specific community institutions for scale-up. Introduce digital, financial, marketing and leadership training programs through Institutions such as the National Council for Co-operative Training (NCCT) will be used for women, small and marginal farmers, and youth to promote empowerment, digital access, and stronger local leadership.
<p>Targeted interventions for poorest of the poor</p> <p>(Extreme poverty, defined by the World Bank as living on less than US\$2,15 a day in India, is estimated to be below 1% in 2024)</p>	Poorest of the Poor	<ul style="list-style-type: none"> Dependence on social security and manual labour. Chronic food insecurity and malnutrition. Lack of stable livelihoods. Lack of assets. Low human capital. Social exclusion and marginalization. Weak access to services and entitlements. Lack of voice and representation. High vulnerability to shocks. No risk-bearing ability. 	<ul style="list-style-type: none"> Comprehensive support – technical and financial support to develop livelihood options. Facilitate women's direct access to entitlements, credit and skill-building opportunities. Support systems that allow gradual growth with incentivisation of financial discipline. A support system that underwrites failure (not wilful default) and simultaneously provides support to address reasons for failure. Provides additional support for growth until they become bankable. Build environmental concerns into livelihood expansion.

Priority Areas	Affected Group	Major Issues	Actions Needed
			<ul style="list-style-type: none"> • Provide financial and technical assistance along with hand holding support that is phased in, includes safety nets, incentives for financial discipline, and interventions that are specifically designed for women, youth and PwDs.
Nano and Micro-enterprise promotion	Poor households, particularly landless	<ul style="list-style-type: none"> • Unemployment and underemployment of poor households. • Income insecurity and low earnings. • Lack of access to productive assets/natural resources (land and water). • Limited financial inclusion. • Low skills and education. • Limited enterprise growth due to regulatory hurdles, gender-specific challenges, and poor access to digital marketplaces. • Inadequate awareness and poor accessibility to the government schemes available for them. • Structural issues related to farming profitability and dignity resulting in rural youth outmigration. 	<ul style="list-style-type: none"> • Provide business development services, including support for business plan preparation, mentorship, technical and financial management training, legal and regulatory compliances including environment-related compliance and safeguards, access to finance and technology, and marketing. Support transition from group-led credit to credit history-based individual credit. The institutions such as the NCCT will be used for the capacity building activities. • Access to environment-friendly and cost-effective technology. • Support systems that allow gradual growth with incentivisation of financial discipline. • Enable enterprise growth through simplified compliance, dedicated support hubs for women entrepreneurs, and training for digital marketing and e-commerce access. • Creation of profitable rural enterprise models to address distress migration and continuity in farming.
Access to remunerative markets and climate resilient Value Chains	Poor and non-poor rural producers	<ul style="list-style-type: none"> • Fragmented land holding and low productivity. • Surplus marketing of traditional produce strategy that is low risk and low reward. • Lack of diversification into high-value agricultural produce and focus on readily marketable low-value and cereal crops. • Lack of access to remunerative output markets and market-led production strategy. • Lack of understanding of target market requirements regarding quality, quantity and timing. • Difficulties in meeting formal requirements/regulations to access premium markets. • High logistic costs increase transaction costs for smallholders. • Limited access to advisory services and market 	<ul style="list-style-type: none"> • Develop the capacity of community institutions to provide services to smallholders in terms of mechanisation, input supply and output aggregation. • Improve capacity of producer organisations/associations in management, marketing and coordination. • Introduce diversified and climate-resilient high-value crop production with required advisory services focusing on outreach, relevance and cost efficiency and climate resilience. • Build linkages with the private sector to facilitate farmers to switch to market-led production. • Build support to agri-tech companies and market players to provide sustainable services to the farmers. • Reduce transaction and logistical costs through community organisations and invest in supportive infrastructure and services (storages, common facility centres, processing units cold chain, market information system, etc.).

Priority Areas	Affected Group	Major Issues	Actions Needed
		<p>information systems.</p> <ul style="list-style-type: none"> Market risks due to price fluctuations, middlemen exploitation, and inadequate quality testing and certification facilities. 	<ul style="list-style-type: none"> Mitigate market risks by introducing price-risk tools, promoting direct farmer-to-consumer channels, establishing niche market for some high value products and establishing local quality assurance facilities. Knowledge dissemination and Promotion of successful initiatives through print media, local television and social media. Support some successful young entrepreneur both men, women and PwDs to take leadership role and become an influencer in the society, use social media at the highest level for all initiatives.
Access to rural finance	Smallholders, Micro Enterprises, FPOs, CLFs & other VC actors	<ul style="list-style-type: none"> Limited efforts to build the credit history of rural communities to grow from group-led finance to the next level of individual finance. Old-generation Government policies of loan write-offs, government-driven loan disbursements, and interest subventions have not incentivised financial discipline but have left an indelible mark on the credit history of rural communities. Without appropriate collateral, finance is not provided to many rural poor and small entrepreneurs. For mechanisation, intensification and commercialisation, investments in machinery, infrastructure and improved technology, finance is required, which banks do not necessarily provide under acceptable/viable conditions. Access to funding by market players and agri-tech start-ups/companies remains extremely limited. Inequitable access to finance due to gender bias (bias in assessing women's creditworthiness independently), exclusion of tenants and sharecroppers, and lack of diverse financial products tailored to rural needs. 	<ul style="list-style-type: none"> Systems for developing credit history-based lending to rural communities with the introduction of digital transaction and business accounting. A higher guarantee cover for women entrepreneurs so that banks are more confident in lending to them. Gender sensitization training to Bank staff to overcome unconscious bias and ensure fair and inclusive lending practices. Systems for starting with small loans with guaranteed access to higher-order credit to rural communities based on credit discipline. Guarantee funds for mitigating lenders' risks in financing rural communities, market players, agri-techs and entrepreneurs. Facilitate market players and agro-techs to access grants, blended finance and loans for sustainable and climate resilience-focused expansion in rural areas. Promote inclusive rural finance through gender and youth - sensitive credit, formal recognition of tenancy for loan eligibility, and financial products aligned with crop cycles and diverse livelihood needs.

Priority Areas	Affected Group	Major Issues	Actions Needed
Natural resource management	Smallholders	<ul style="list-style-type: none"> • Inadequate soil fertility management - Over-application of chemical fertiliser leading to soil acidity. • Over-use of land and inappropriate land management causing degradation. • Limited focus on water resources development, management and water use efficiency. • Limited focus on agroforestry as a long-term wealth generation. • Limited integration of traditional ecological knowledge, neglect of biodiversity, and inadequate attention to sustainable livestock management indicate inadequate community management of natural resources. 	<ul style="list-style-type: none"> • Promotion of appropriate land use and land fertility management practices focusing on technological development, organic farming, and climate-proofed traditional crops (millets, etc.). Ensure that millets or sorghum varieties are diverse (avoid promoting monoculture of another sort). • There is limited research on the impacts of climate change and natural resource base degradation on NUS (neglected and underutilized species), and it is likely that suitable zones for cultivation will shift. Since NUS is also vulnerable to climate change, more evidence-based approaches are needed to ensure shift to NUS crops is not maladaptive in the long run. Promotion of natural farming²⁰ practices with the introduction of agroecological principles. • Establish and scale up Payment for Ecosystem Service (PES)²¹ schemes. • Enhance natural protection and ecological rehabilitation of severely affected areas to increase their capacity for sustainable development. • Strengthen community-led resource governance by blending traditional and scientific approaches, integrating biodiversity conservation into livelihood strategies, and promoting sustainable livestock practices especially goat rearing and stall feeding for the resource poor farmers as part of natural resource management.
Climate change and Resilience to climate change	Population in vulnerable areas, including farmers, coastal communities, the urban poor, women, children, the elderly, and indigenous peoples, due to their high	<ul style="list-style-type: none"> • Climate change when combined with baseline environmental degradation and poor resource management worsens soil quality, reduces arable land and depletes water resources. • Increased risk of natural disasters adds further pressure on the rural poor's livelihoods with reduced time for / increased cost of recovery when frequency and intensity of climate change-induced disasters increases. Example: • Rising temperatures and heatwaves affect health, agriculture (crop, livestock, fish productivity), water availability, and rural 	<ul style="list-style-type: none"> • Climate-resilient soil and water infrastructure development. • Livelihood strategies and technologies adapted to climate change and a switch to diversified livelihoods. • Interventions to reduce women's burden in water and fuel collection through investments in micro-irrigation, rainwater harvesting, solar pumps and clean energy such as biogas. • Collect and use gender-disaggregated data in climate and disaster planning to ensure policies address the specific vulnerabilities of women, children and the elderly.

²⁰ Natural farming is a chemical-free approach that relies on locally available resources, and emphasises traditional, indigenous practices. It is also referred to as regenerative agriculture.

²¹ PES is a market-based mechanism which incentivizes conservation and sustainable management of ecosystems by providing financial benefits to those who protect and enhance them.

Priority Areas	Affected Group	Major Issues	Actions Needed
	exposure and low adaptive capacity.	<p>infrastructure (e.g., access to electricity).</p> <ul style="list-style-type: none"> • Intense rainfall and prolonged dry spells lead to floods, landslides, and droughts with negative coping and recovery strategies (food insecurity, asset sale) and damage to infrastructure. • Erratic rainfall and overuse cause declining groundwater and agricultural water stress, increasing the burden on woman who bear the majority of responsibility for household water needs. • Himalayan glacier retreat threatens river flow, irrigation, and drinking water supply. • Stronger cyclones and rising sea levels endanger coastal communities and infrastructure. 	<ul style="list-style-type: none"> • Strengthen disaster preparedness with women in focus. Early warning systems, cyclone shelters and flood relief centres to prioritize women, children and the elderly. • and ensure women's participation in disaster planning • Promote climate-smart agriculture and efficient water management and climate risk mitigation measures such as adopting a System of Rice Intensification (SRI), agroforestry, natural/organic farming, promotion of improved livestock feeding practices, biogas from dung, use of solar pumps and micro-irrigation. • Invest in climate-resilient infrastructure and strengthen disaster preparedness systems such as flood control structures using natural buffers (e.g., mangroves, wetlands). Where infrastructure investments are undertaken, ensure attention to climate trends and forecasts – e.g., rural roads should be constructed in a manner that do not disrupt local ecosystems (e.g. bifurcating wetlands or lakes) and incorporate materials or be designed to have sufficient resilience to heatwaves and floods; community buildings should include solar panels to reduce reliance on grid and mitigate risk of grid failure, and consider how to provide space for recovery from heat stress/safe shelter during heatwaves, particularly for children, women and elderly. • Diversify rural livelihoods and integrate climate risks into development planning, such as supporting renewable energy enterprises (e.g., solar assembly by SHGs) and including low-emission strategies in state development plans. • Restoration of commons through natural vegetation regeneration (i.e., as an alternative to tree plantations in a manner attentive to local ecology – do not adversely impact grasslands or so-called wastelands) and watershed development. • Leverage technology and innovation and expand access to climate finance, such as using drones for precision farming and accessing climate funds for biogas units, solar dryers, etc. as units, solar dryers, etc. • Promoting nature-based infrastructure in climate-vulnerable areas/ fragile zones – where convergence with programmes

Priority Areas	Affected Group	Major Issues	Actions Needed
			<p>such as NREGA occurs to build community assets (e.g., watershed management structures), attention to risks of elite capture is needed.</p> <ul style="list-style-type: none"> • Promoting NUS (millets, sorghum) should be supported by access to diverse and agroecologically suitable varieties (to avoid promoting a few varieties at the cost of millet or sorghum agrobiodiversity), and support for processing grains (machinery) to reduce drudgery / ensure sufficient rates of return for farmers.

Key file 2 - Target group identification. Priority issues and potential response

Typology	Poverty Levels and Causes	Coping Actions	Priority Needs	COSOP Response
Poorest of the poor Income sources: Agriculture Labour, government social security support, participation in the Rural Employment Guarantee Scheme, no regular stable, decent income, limited income from farm	<ul style="list-style-type: none"> • Depend mainly on social security, agriculture labour, and rural employment guarantee scheme. • Female-headed household. • Households with differently abled persons (PwDs) and chronically sick persons. • SC/ST households with no literate member <u>above 25 years</u>. • Without access to credit and meaningful assets. • In remote, ecologically fragile areas with poor natural resources base. • High vulnerability to climate change with limited options for diversification of income sources. 	<ul style="list-style-type: none"> • Seek social security and subsidies from the government. • Engaged in manual labour. • Avoid taking risks • In some cases, autonomous adaptation actions taken by the target group. 	<ul style="list-style-type: none"> • Improve public and community infrastructure and services and invest in improving natural resource base (soil, water, land). • Minimize production risks by providing regular weather forecasts, crop management advisories etc. • Seek government subsidies and social welfare support. • Access to collateral-free and low-interest credit to start livelihood options. 	<ul style="list-style-type: none"> • Targeted support for diversifying livelihood options with technical, financial and skill development support with support from Institutions such as NCCT. • Explore possibility of wage employment in the value chain projects both IFAD supports PoLGs and others.
Poor – Below the poverty line Income sources: Small scale subsistence agriculture and allied activities, salary from manual labour and employment, income from small retail trade and services, etc.	<ul style="list-style-type: none"> • With adequate labour based at home. • Farming on small pieces of land for self-sufficiency or at surplus but with limited profitability. • With limited access to credit and without meaningful assets. • Without direct market access. • In remote, ecologically fragile areas. with a poor natural resources base. • Highly vulnerable to climate change. • Credit/Grant intended for livelihood expansion diverted to unproductive uses. 	<ul style="list-style-type: none"> • Seek social security and subsidies from the government. • Seek better paid seasonal non- farm opportunities. • Expand production scale and improve production facility to consolidate farm income base. • Seek access to technical, marketing and credit services. • Work with existing capital and avoid taking loans and risks. • Capacity building, including financial literacy and Performance-linked transition support 	<ul style="list-style-type: none"> • Diversified income generation opportunities with lower levels of investment. • Improve access to technology, credit and better skills with financial literacy and performance-linked transition support coupled with monitoring. • Improve ecological and natural resources base. • Improved access to markets, community infrastructures and support services. • Capacity building on climate adaptation. • Improved integration in value chains. • Engagement with community institutions and agribusiness. 	<ul style="list-style-type: none"> • Community institution development, provision of performance-based transition support, financial literacy, reduce transaction costs and improved access to credit. • Support for Livelihoods diversification and credit utilization monitoring. • Market-led production in clusters to increase farm gate prices. • Adoption of climate-resilient production practices. • Support the development of nano and micro enterprises. • Improved access to rural finance. • Explore possibility of forming SHGs or farmers' collectives both for men and women separately and provide access to bank credits at group level

Typology	Poverty Levels and Causes	Coping Actions	Priority Needs	COSOP Response
Moderately Poor - both below and marginally above the poverty line with the risk of falling back into poverty Income sources: Small scale agriculture and allied activities, salary from manual labour and employment, income from small retail trade and services, etc.	<ul style="list-style-type: none"> • With adequate labour based at home. • Farming on small pieces of land for selling surplus. • Taking steps to diversify agricultural production and into allied sectors. • Participate in trading and service-related activities. • With access to small-scale credit and with some assets. • Without direct market access but with the ability to access local markets. • In remote, ecologically fragile areas with poor natural resources base. • Vulnerable to climate change. • Credit/Grant intended for livelihood expansion diverted to unproductive uses. 	<ul style="list-style-type: none"> • Seek social security and subsidies from the government. • Seek better paid seasonal non-farm opportunities. • Ready to migrate to cities (short-term or long-term). • Expand production scale and improve production facility to consolidate farm income base. • Seek access to technical, marketing and credit services. • Ability to work with borrowed capital and able to take risks • Limited knowledge on diversification of livelihood activities. • Financial literacy, performance-linked transition support with regular monitoring. 	<ul style="list-style-type: none"> • Diversified income generation opportunities with higher investment. • Improved access to technology, credit and better skills with financial literacy and performance-linked transition support, coupled with monitoring. • Improved ecological and natural resources base. • Improved access to markets, community infrastructures and support services. • Ability to prepare and implement climate adaptation plans. • Improved integration in value chains. • Engagement with community institutions (SHGs, farmer collectives, etc.) and agribusiness. • Skill & capacity development for financial, marketing and legal aspects of small businesses. 	<ul style="list-style-type: none"> • Community institution development, provision of financial literacy training, performance-based transition support, reduction in transaction costs and improved access to credit. • Market-led production in clusters /collectives to increase farm gate prices. • Adoption of climate-resilient production practices. • Diversification of farm production into other allied farm-based activities. • Support for developing nano and micro enterprises. • Improved access to rural finance.
Better off rural households (Non-poor) Income sources: Diversified agriculture and allied activities, off-farm and nonfarm activities, micro-enterprises, etc.	<ul style="list-style-type: none"> • Stable farm and non-farm income as a source of household revenue. • Diversified farming at average size and active participation in agribusiness and value chains. • Adequate physical assets. • With sufficient financial buffer and access to credit. • Vulnerable to climate change with risk of impoverishment in case of extreme weather events. • Knowledge gap- in new and sustainable and climate-resilient technology. • Overleveraging and credit diversion for repaying high-cost debt. 	<ul style="list-style-type: none"> • Seek to consolidate and expand farm and non-farm activities. • Ready to migrate to cities (short-term or long-term). • Acquire resources to expand production and agribusiness. • Expand profit margins from the value chain. • Potential to grow and take a leading role in farming and enterprise development. • Capacity building on responsible credit utilisation and pitfalls of overleveraging with regular monitoring. 	<ul style="list-style-type: none"> • Capacity building on responsible credit behaviour and pitfalls of overleveraging. • Access to specialized training and business development services. • Access to improved community infrastructures and support services. • Expansion of production scale. • Access to loans of larger amounts for working capital or asset investment. • Further integration into value chains. • Entrepreneurship. 	<ul style="list-style-type: none"> • Adoption of new, sustainable and climate-resilient technology with capacity building for responsible credit behaviour. • Market-led production to increase farm gate prices to ensure volumes and quality for market linkages. • Use as demonstrators, agribusiness leaders, progressive farmers and incubators for the benefit of other farmers. • This group can act as wage employers for the other target groups mentioned above.

Typology	Poverty Levels and Causes	Coping Actions	Priority Needs	COSOP Response
Rural Women	<ul style="list-style-type: none"> About 64% of agricultural labour are women. Majority of them are smallholders. Relatively lower education than men. Higher incidence of poverty/extreme poverty and food insecurity. Greater vulnerability to climate change and lower adaptive capacity. Higher workload. Limited capacity and exposure for raising voice for their rights. 	<ul style="list-style-type: none"> Members of SHGs and organisations of women. Access to finance through SHGs to expand family's livelihood activities. Improve skills to expand seasonal non-farm income-generating activities. Increase access to social technologies Increased capacity to start small enterprises at HH level 	<ul style="list-style-type: none"> Access to finance at reasonable rates of interest. Access to markets. Improve technical knowledge and skills. Improving nutritional, hygiene, and sanitation knowledge and practices. Enhanced social and economic empowerment. Reducing vulnerability to climate and environmental risks 	<ul style="list-style-type: none"> Community institution development to promote social empowerment and community action for self-help and raise awareness about the importance of gender equality. Awareness on gender transformative approaches where SHGs are already at the mature stage and women are capable enough to demand their rights and duties. Access to technology, training and business development services. Promotion of sustainable and "climate-smart" and sustainable practices. Promotion of nano and microenterprises.
Rural Youth (including men, women and PwDs)	<ul style="list-style-type: none"> Around 10% of youth are unemployed. Youth increasingly unwilling to take up farm jobs. Rural youth face significant challenges in urban employment 	<ul style="list-style-type: none"> Urban migration Seeking part-time jobs and dependency on social security. 	<ul style="list-style-type: none"> Inclusive in income generation opportunities. Improve access to technology, credit and better skills (including digital, financial and legal skills) Improve capacities to participate in community resource management. Attracting young people back to rural areas through entrepreneurship and employment opportunities and Organise exposure visits to successful peers' nearby areas. 	<ul style="list-style-type: none"> Inclusive in income generation opportunities. Improve access to technology, credit and better skills. Improve capacities to participate in community management and climate adaptation.
Tribal households	<ul style="list-style-type: none"> About 50% of the tribal households live below the poverty line. Geographical and physical isolation Limited land and resource rights. Livelihood vulnerabilities and loss of traditional livelihoods. Inadequate financial inclusion. Conflict and displacement 	<ul style="list-style-type: none"> Seek social security and subsidies from the government. NTPP collection Subsistence agriculture and shifting cultivation. Barter-based exchanges. Use of natural resources such as felling trees for fuel wood sale, charcoal preparation, etc. 	<ul style="list-style-type: none"> Secure land, forest and resource rights Sustainable livelihood opportunities. Shift from jhum/podu cultivation to settled agriculture. Accessible and appropriate health service Basic infrastructure and 	<ul style="list-style-type: none"> Social and economic empowerment. Climate resilient agriculture, agro-forestry and horticulture. Diversified livelihoods with a focus on livestock farming. Access to financial services.

Key file 3 - Organization matrix (strength, weaknesses, opportunities and threats analysis)

Organization	Strengths	Weaknesses	Opportunities/Threats	Remarks
Enablers				
Department of Economic Affairs, MOF, GoI	<ul style="list-style-type: none"> Has an overall perspective of external resource inflows and their convergence with national priorities. Effective coordination of multiple programs 	<ul style="list-style-type: none"> Mandated to prepare a pipeline based on states' demand and review portfolio performance. Activities to identify and scale up best practices and lessons for scale-up within different sectors and beyond India remain limited. 	<ul style="list-style-type: none"> O: Ability to develop synergies with other donor-funded programmes. T: Limited in-house sectoral expertise 	<ul style="list-style-type: none"> DEA is the counterpart for IFAD in India. DEA is interested in high-quality, evidence-based knowledge products for scale-up.
Ministry of Agriculture and Farmers Welfare	<ul style="list-style-type: none"> Has a strong presence throughout the country with linkages to the State Departments of Agriculture and Farmers Welfare. Has in-house technical expertise and a strong network of research and knowledge centres Has several programmes that impact farmers in general and smallholders in particular. 	<ul style="list-style-type: none"> Agriculture is a state subject, and the state governments are supposed to address all the issues related to agriculture. The Ministry can only coordinate, disseminate knowledge, develop policy, and provide finance. 	<ul style="list-style-type: none"> O: Ability to develop synergies with national and other donor-funded programmes. O: Availability of in-house research and extension expertise. O: Ability to converge with the FPO programme to develop sustainable institutions. Ability to expand private sector market-linked production systems. T: Political considerations sometimes negatively impact working between the central and state governments. 	<ul style="list-style-type: none"> The Ministry is in discussion regarding a partnership for a central sector project.
Ministry of Cooperation	<ul style="list-style-type: none"> Has a strong presence throughout the country with linkages to the State Departments of Cooperation. Has in-house technical expertise and a strong network of training and knowledge centres Has several programmes that impact rural poor. 	<ul style="list-style-type: none"> Cooperation is a state subject, and the state governments are supposed to address all the issues related to cooperatives. The Ministry can only coordinate, disseminate knowledge, develop policy, and provide finance. 	<ul style="list-style-type: none"> O: The government's efforts to corporatise cooperatives provide collaboration opportunities. O: The community institutions promoted under IFAD projects are largely cooperative structures. This offers an opportunity for IFAD to provide input into the plans of the Ministry. O: NCCT will be able to conduct training programmes for the members of CIs/RPOs. T: Political considerations sometimes negatively impact working between the central and state governments. 	<ul style="list-style-type: none"> The Ministry is interested in IFAD collaboration.

Organization	Strengths	Weaknesses	Opportunities/Threats	Remarks
Ministry of Rural Development	<ul style="list-style-type: none"> Has a strong presence throughout the country with linkages to the State Rural Development Departments. Primary funders of rural development programs except agriculture at the state level through centrally supported schemes. Its mandate and involvement touch crucial aspects of governance, poverty reduction and livelihoods. 	<ul style="list-style-type: none"> Rural development is a state subject and it can only play the role of coordination, knowledge dissemination, policy development and financing. 	<ul style="list-style-type: none"> O: Possibility of working with the community institutions promoted under NRLM to introduce best practices promoted in the India portfolio. O: Ability to converge with other rural development programmes. transformation promotion of off-farm opportunities T: Managing too many programmes at the grassroots level. 	<ul style="list-style-type: none"> The Ministry is showing interest in partnering under NRLM 2.0
Ministry of Tribal Affairs	<ul style="list-style-type: none"> Plays a key role in coordinating tribal affairs in Schedule 5 Areas. Primary funders of tribal development programmes. 	<ul style="list-style-type: none"> Weak linkages with and influence on state tribal plans. 	<ul style="list-style-type: none"> O: Ability to play a key role in developing policies and overseeing their implementation for Particularly Vulnerable Tribal Groups (PVTGs) and conflict-affected tribal areas. T: Limited state-level influence. 	<ul style="list-style-type: none"> A project to support PVTGs is in the pipeline for Odisha.
Ministry of Development of North Eastern Region	<ul style="list-style-type: none"> Plays a key role in coordinating tribal affairs in Schedule 6 Areas. Coordinates donor programs in the northeastern region. 	<ul style="list-style-type: none"> Limited synergy between the initiatives of the Ministry and the States. 	<ul style="list-style-type: none"> O: Ability to develop a modular project for the entire northeastern region. T: Limited state-level influence. 	
Ministry of Environment, Forest and Climate Change (MoEFCC)	<ul style="list-style-type: none"> Climate and Environment Funds Link to SECAP mitigation measures (opportunities, entry points). 	<ul style="list-style-type: none"> It can primarily play the role of coordination, knowledge dissemination, policy development and financing 	<ul style="list-style-type: none"> O: Possibility of working with this ministry on climate-related activities. T: Limited synergy with other sectoral ministries. 	
Service Providers/Implementers				
State Departments and their district and Block level offices of various sub-sectors	<ul style="list-style-type: none"> Responsible for the respective sub-sector development. Experience in implementing sub-sector development projects. Represented at all administrative levels. Experienced field staff with strong technical skills in relevant sub-sectors. 	<ul style="list-style-type: none"> Compartmentalized departmental structure cannot be easily integrated into development projects. Limited inclusion focus and community engagement. Lack of multi-sector orientation. Limited accountability and limited resources 	<ul style="list-style-type: none"> O: Ability to use the strong grassroots-level network of these departments for project implementation. T: Immersed in existing government procedures and introducing new systems and processes difficult. T: High Staff turnover. 	

Organization	Strengths	Weaknesses	Opportunities/Threats	Remarks
Domestic financial institutions (DFIs)	<ul style="list-style-type: none"> Nationwide network grassroots branch presence down to Block level. Long history in agriculture lending, experienced credit staff. Availability of core banking systems for digital integration. 	<ul style="list-style-type: none"> Limited innovation in services by the private sector DFIs. Low risk appetite. Limited inclusion focus. High level of non-performing loans from government programs related to collateral-free and subsidized credit to power poor households. No reward for disciplined credit behaviour. 	<ul style="list-style-type: none"> O: Opportunity to introduce credit history-based lending. O: Possibility to expand credit services to entrepreneurs and agribusiness entities, including FPOs. T: Bankers are reluctant to differentiate between wilful and non-wilful defaulters and treat all defaulters similarly. 	<ul style="list-style-type: none"> Nav Tejaswini has an excellent credit programme with ICICI Bank.
<i>Research Organisations</i>	<ul style="list-style-type: none"> Strong ROs exist with focus on rural and agricultural development such as Indian Council of Agricultural Research (ICAR) – Apex research body for agricultural innovation, climate-resilient practices, and extension systems; National Institute of Nutrition (NIN) – Research center guiding public nutrition policies and programs; Indian Institute of Management (IIMs) & IITs which support rural innovation; Institute of Rural Management Anand,(IRMA). 	<ul style="list-style-type: none"> May follow extensive bureaucratic processes leading to delays in engagement and completion of research in a timely manner. 	<ul style="list-style-type: none"> O: Given the SO2 with focus on knowledge there is significant opportunity for partnership with ROs for analytical work, studies, Action Research T: Risk of adoption of very academic processes 	
Client Organizations				
Community Institutions cluster level federations (CLFs) community managed resource centres (CMRCs) and farmer producer organisations (FPOs)	<ul style="list-style-type: none"> Promoted with full participation by the members. Experience in financial management through savings and credit operations. Experience in input and output aggregation to achieve lower transaction costs and better farm gate prices. Cost-effective technical and financial services delivery. 	<ul style="list-style-type: none"> Limitation in accessing commercial financing constraints growth and business upgrades. Vulnerable to market fluctuations with limited risk-bearing ability. Limited sensitivity to social, environmental, and climate risks. 	<ul style="list-style-type: none"> O: Potential to organize vulnerable communities. O: Potential to achieve economies of scale for the benefit of smallholders. T: Risk of politicization 	

Organization	Strengths	Weaknesses	Opportunities/Threats	Remarks
Private Agribusinesses	<ul style="list-style-type: none"> Ability to introduce aggregated production and processing in rural areas. Ability to introduce market-led production to shift smallholders from marketing surplus of what they generally produce to producing what the market demands. Ability to introduce technical advances on a real-time basis. Ability to scale up and move into higher-order business involving branding and standardized production. 	<ul style="list-style-type: none"> Inability to comply with business and quality regulations. Limitation to access commercial financing with constraints on growth and business upgrade Lack of inclusion focus. Not always sensitive to social, environmental, and climate risks. Micro- and medium- enterprises lack access to business development services and lack access to finance. 	<ul style="list-style-type: none"> O: Building linkages between private agribusiness and community institutions to reduce transaction costs and increase farm gate prices through market-led production. T: Possibility that the Agribusinesses tend to work with better-off and entrepreneurial farmers and neglect less resourceful farmers. 	

Key File 4: Strategic partnerships potential

Partnering objective	Partner	Nature of project or justification for partnering	Project/Programme Coverage	Status	Expected results from the partnership
Co-financing, knowledge exchange	World Bank	<ul style="list-style-type: none"> Integrated tribal development, agriculture and allied sector, value chains, nutrition. 	<ul style="list-style-type: none"> Chhattisgarh Inclusive Rural and Accelerated Agriculture Growth Project (CHIRAAG) is a co-financed project of World Bank and IFAD covering 14 districts of the state of Chhattisgarh. Its goal is to improve income opportunities and the availability of nutritious foods in the targeted households of the tribal dominated areas in Chhattisgarh. Under the WB funded SMART project in Maharashtra, WB is working with the IFAD supported grassroots 	In the process of being cancelled.	First ever nutrition sensitive agriculture project. However, the project was a non-starter because of various extraneous factors and is being cancelled prior to its actual date of completion in July 2026. The project opened up opportunities for co-financing and exchange of knowledge between the two orgs.

Partnering objective	Partner	Nature of project or justification for partnering	Project/Programme Coverage	Status	Expected results from the partnership
			institutions created under the Nav Tejaswini project.		
Cofinancing, knowledge exchange	Asian Development Bank	<ul style="list-style-type: none"> Value chains, gender, nutrition, grassroots institutions. Infrastructure 	<ul style="list-style-type: none"> MAGNET 2.0 builds on the MAGNET project and aims to <ul style="list-style-type: none"> Scale up institutional capacities of FPOs and other grassroots institutions. Expand to new value chains. Emphasize sustainability, climate resilience, and advanced technologies. Develop market linkages and export-oriented agribusiness practices. Transition to renewable energy sources to lower operational costs and enhance sustainability. 	Under discussion with ADB and the Govt of Maharashtra	<p>A co-finance project which builds on the strong network of grassroots institutions built under the IFAD financed Tejaswini/Nav Tejaswini projects will help consolidate the sustainability of these institutions and scale up good practices. IFAD's knowledge in GEWE and nutrition will further strengthen the design.</p> <p>NCCT can conduct training programmes for scaling up institutional capacities of CIs/RPOs.</p> <p>The current MAGNET project is already working with the grassroots institutions created under Nav Tejaswini without a co-financing arrangement.</p> <p>ADB has frequent exchanges with IFAD to build on the knowledge base and institutions created under IFAD supported projects in other parts of the country too. Eg. The ADB team will be working with the Integrated Village Cooperative Societies created under the LAMP project in the state of Meghalaya.</p>
Co-financing/ Parallel financing	Asian Infrastructure Development Bank	<ul style="list-style-type: none"> Infrastructure, mobility, energy are the usual focus areas of AIIB. Partnership with IFAD would improve community 	<ul style="list-style-type: none"> Currently no specific project has been identified but there is potential for bringing co-/ parallel financing to the solar pump based initiative in the 	Early stage discussions	Given the priority of several state governments to utilise external aid for infrastructure development this partnership will help build the value of the infrastructure project

Partnering objective	Partner	Nature of project or justification for partnering	Project/Programme Coverage	Status	Expected results from the partnership
		engagement, uptake and the last mile outreach of the services and better use of infrastructure by the communities.	state of Maharashtra (AIIB project still not appraised). • Explore co-financing opportunities to enhance the economic and social benefits of the rural infrastructure projects esp those related to transport, energy, irrigation •		by making them more accessible and useful for the communities and will additionally improve the value proposition of both IFAD and AIIB.
	New Development Bank	• Infrastructure, clean energy, transport, irrigation, sustainable urban development etc.	Explore co-financing opportunities to enhance the economic and social benefits of the infrastructure projects.	Ongoing dialogue.	Given the priority of several state governments to utilise external aid for infrastructure development this partnership will help build the value of the infrastructure project by making them more accessible and useful for the communities and will additionally improve the value proposition of both IFAD and NDB
Co- Financing	Green Climate Fund	• GCF helps developing countries limit or reduce their greenhouse gas (GHG) emissions and adapt to climate change. It seeks to promote a paradigm shift to low-emission and climate-resilient development. GCF's investments can be in the form of grants, loans, equity or guarantees.	• GCF currently has 12 projects in the country with overall financing of approx. US\$ 804 million. Of these 7 are India centric and remaining 5 are multi country projects.	Early stage exploration.	Climate and resilience are key focus of the COSOP. Partnership with GCF will enhance the climate investments and the value proposition of IFAD financing. In particular there is scope to support green growth by integrating Climate aspects in enterprises.
Knowledge exchange	UN Agencies	• Common area of interventions include rural poverty reduction; rural livelihoods promotion; nutrition security; gender etc.	• UN Agencies like UNFPA, UNDP, ILO etc have collaborated from time to time with IFAD financed project. The roles played by them include (i) bringing technical know how to IFAD supported project communities eg UNDP support for market linkage in		

Partnering objective	Partner	Nature of project or justification for partnering	Project/Programme Coverage	Status	Expected results from the partnership
			<p>Tejaswini, Maharashtra (ii) being grant recipient of IFAD implementing projects in conjunction with loan projects eg SPARK Grant on disability inclusion in Maharashtra.</p> <ul style="list-style-type: none"> Areas of complementarity include: (i) IFAD scaling up successful projects and approaches piloted by UN agencies such as UNDP's work on SLEM in Nagaland that contributed to the design of FOCUS covering 2 states of Nagaland and Mizoram; (ii) capitalizing on analytical work done by UN agencies to inform design; (iii) field based collaboration for example the UNWOMEN initiative on GEWE in Maharashtra which has scope for collaboration with the Nav Tejaswini and GTM Grant 		
Technical support, co-financing, parallel financing	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)/Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung (BMZ) and KfW	<ul style="list-style-type: none"> The focus areas are Climate and environment and Agroecology 	<ul style="list-style-type: none"> IFAD is currently implementing an Agroecology Grant financed by BMZ. There is potential for expanding/ scaling up the operations through a future grant. Models of agro-ecology/ regenerative agriculture and green growth developed by KfW and GIZ can be scaled up through future IFAD investments. GIZ is currently exploring partnership with IFAD supported Nav Tejaswini 	Early stage plan	Climate and resilience are key focus of the COSOP. Collaboration with BMZ/ KfW/ GIZ will enhance the climate investments and the value proposition of IFAD financing.
Co-financing	NABARD	<ul style="list-style-type: none"> Green Development – NABARD already has several facilities that provide loans in local currency at a 6.5%-8% interest rate but has yet to 	<ul style="list-style-type: none"> Development of a blended finance modality for Green Development. Provide technical assistance to states to introduce climate change adaptation and risk mitigation 	Planned	Development of a new project with a blended finance facility.

Partnering objective	Partner	Nature of project or justification for partnering	Project/Programme Coverage	Status	Expected results from the partnership
		integrate social, environmental and climate change aspects into these facilities. <ul style="list-style-type: none"> As an accredited organisation of GCF there is potential to jointly develop a GCF financed project with NABARD 	strategies into their Rural Infrastructure Development Fund. <ul style="list-style-type: none"> This can start in a few states and then expand to the entire country. 		
Parallel financing	Tata Trusts	<ul style="list-style-type: none"> Introduction of agribusiness support. Most agribusinesses prefer support under corporate social responsibility, which provides them. 	<ul style="list-style-type: none"> Additional resources for scaling up GTM can be mobilised through collaboration with Tata Trusts. In the past TT has collaborated through parallel financing in two IFAD financed projects (MPOWER and CAIM). A similar models could be replicated in new investments. 	Planned	Specialised support especially for promoting enterprises and start-ups.

Transition projections

1. India is classified as a lower-middle income (LMIC) country by the World Bank, though ongoing reforms and rapid economic growth signal a transition toward a UMIC status over the coming decade. With a population exceeding 1.4 billion²² and a diverse economic landscape, India's development model is rapidly evolving despite persistent challenges such as income inequality, infrastructure constraints, and fiscal pressures. According to the World Bank data, India's GNI per capita (Atlas method, current US\$) has gradually improved, reaching approximately US\$ 2,686 in 2024, with projections for further upward movement as reforms and investments take hold.

Financing Development

2. India's financing mix has been marked by strong domestic savings, robust remittance inflows, and growing contributions from foreign direct investments (FDI). According to the OECD Transition Finance toolkit²³, the current composition of the country's financing mix is 49% of tax revenue, 31% of remittances and 16% of FDI. The remaining financing comprises 2% Official Development Assistance (ODA) and 2% Other Official Flows (OOF). Moreover, 53% of the total financing comes from the public and 47% from the private sector.
3. As an LMIC, India has access to different types of financing from Multilateral Development Banks (MDBs), generally on ordinary lending terms. For IFAD13 cycle, India's original allocation is US\$ 154 665 000 (PBAS) and US\$ 4 793 000 (Additional Climate Contributions, ACC), all on ordinary terms.
4. In addition to IFAD and other IFIs and MDBs funding, India has received strong support from the World Bank Group, for a total of \$18.2 billion in commitments, \$17.5 billion from IBRD, \$0.6 billion from legacy IDA – the World Bank's soft lending arm – and \$0.07 billion from other sources, primarily grant funding from the Global Environment Fund. Support has been provided through different modalities, including:
 - The World Bank's Country Partnership Framework with India, focused on promoting resource efficient-growth, enhancing competitiveness and enabling job creation, and investing in human capital through early childhood development, education, health, social protection, and rural water supply and sanitation.
 - The International Finance Corporation (IFC)'s strategy to drive inclusive and sustainable growth in the country by creating new markets, mobilizing private capital, and fostering innovation.
 - The Multilateral Investment Guarantee Agency (MIGA), the World Bank Group's Guarantees arm, which guarantees mobilized commercial financing to the Eastern Dedicated Freight Corridor, which is transforming India's freight transportation infrastructure with faster and more cost-effective goods movement.

²² <https://www.worldometers.info/world-population/india-population/>

²³ [Workbook: Transition Finance Dashboard](#)

Fiscal and Debt Management

5. In pursuit of sustainable growth, the Government of India has adopted an ambitious fiscal and debt management strategy:
 - **Debt Reduction:** The government aims to reduce the central government's public debt-to-GDP ratio from 57.1% in FY2024-25 to approximately 50% ($\pm 1\%$) by March 31, 2031. This target is part of a new fiscal strategy outlined in the Union Budget 2025, which shifts the fiscal anchor from the fiscal deficit to the debt-to-GDP ratio starting from FY2026-27. The planned reduction is based on various nominal GDP growth scenarios and degrees of fiscal consolidation, aiming to bring the debt-to-GDP ratio down to a range between 47.5% and 52% by FY2030-31. This approach provides the government with operational flexibility to respond to unforeseen developments while maintaining a sustainable debt trajectory²⁴. The success of this debt reduction plan depends on sustained economic growth, effective fiscal management, and the absence of significant macroeconomic shocks.
 - **Primary Surplus and Budget Deficit:** India's medium-term fiscal strategy includes achieving a primary surplus of approximately 0.2% of GDP by FY2025-26. This marks a significant shift from previous years, where the government consistently ran primary deficits. The move towards a primary surplus is part of the broader fiscal consolidation framework under the 2003 Fiscal Responsibility and Budget Management (FRBM) Act (as amended), aiming to reduce the fiscal deficit to below 4.5% of GDP by FY2025-26 and the central government debt to 45.5% of GDP in the same period ²⁵.
 - **Revenue Enhancement:** Structural reforms in tax collection and administration, coupled with digitalization initiatives, are expected to elevate total revenues to nearly 13.6% of GDP over the medium term. This projection is based on the Budget Estimates for FY2025-26, which anticipate gross tax revenues at 12.0% of GDP and non-tax revenues at 1.6% of GDP. These enhancements reflect the government's commitment to improving fiscal health through efficient revenue mobilization²⁶.
6. While not traditionally a heavy borrower from the IMF, India continues to engage with global financial institutions to support its reform plans, including dialogue on policy enhancements and structural adjustments that feed into improved debt sustainability. The recent confirmation of India's credit rating by agencies such as S&P and Fitch (BBB- with outlook stable, February 2025²⁷) underscore growing confidence in India's fiscal trajectory.

Sustainable and Inclusive Development

- India's transition strategy pivots on building a resilient, inclusive economy that leverages both innovation and sustainable practices. The key pillars include:
- **Rural Development and Climate Resilience:** Focus on expanding climate-smart agriculture, efficient water management systems, and renewable energy

²⁴ [Union Budget 2025: Govt details roadmap for shift to debt-GDP ratio as fiscal anchor from FY 2026-27 | Business News - The Indian Express](#)

²⁵ <https://www.indiabudget.gov.in/doc/frbm1.pdf>

²⁶ <https://pib.gov.in/PressReleaseDetail.aspx?PRID=2098357®=3&lang=1>

²⁷ <https://www.fitchratings.com/research/sovereigns/indias-budget-outlines-credible-path-for-medium-term-debt-reduction-04-02-2025>

infrastructure is critical. Government initiatives like the National Action Plan on Climate Change emphasize enhanced adaptation and sustainable resource use.

- **Financial Inclusion:** With a large rural population, increasing access to financial services through technology-driven solutions (digital payments, microfinance, and banking services) is a central component of India's development plan.
- **Public Sector Reform:** A reduction in bureaucratic inefficiencies and enhanced privatization efforts in select sectors are intended to boost performance and attract further private capital.
- **Innovation and the Knowledge Economy:** Increasing investments in research and development (R&D), aiming to raise R&D spending to around 3% of GDP, is set to stimulate innovations that could propel India into the top tiers of global competitiveness, bolstered by initiatives like Digital India.

Transition Scenarios

7. The following table outlines three potential scenarios for India's economic and fiscal transition over the next decade. These scenarios reflect different trajectories based on the pace of reforms, global economic conditions, and domestic implementation effectiveness:

	Baseline	Low case Scenario	High Case Scenario
GDP (%)	6.2% (2025)	~5–6%	~7.5–8%
Debt-to-GDP (%)	82.6% (2025)	~90%	~65–70%
Inflation (YoY %) ²⁸	4.2% (2025)	~3–4%	~4.5–5%

The value for the various scenarios are based on the following sources and associated underlying assumptions. Each scenario column in the table above represents plausible values by 2030–31 under those assumptions. All cited projections are from recent sources (IMF, World Bank, RBI, etc.). For example, RBI and IMF forecasts anchor short-term expectations (GDP ~6.5%, inflation ~4%)²⁹, while development plans and studies guide long-term paths (e.g. World Bank on high-income growth needs³⁰, government targets for renewables)³¹. Together, these inform the moderate (low-case) vs. ambitious (high-case) outlooks for each indicator.

Global Trade outlook and its implications for India: Global trade faces sharp slowdown in 2025, largely driven by rising protectionism, trade policy uncertainty, escalating tariffs and conflict situations in several parts of the world. Several forecasters signal a contraction in merchandise trade volumes, with the WTO's adjusted forecasts ranging from –0.2% to –3%, reversing earlier growth trajectories. Services trade is also weakening, expected to grow just ~4% this year. According to the OECD, global GDP growth is now projected at 2.9% for both 2025 and 2026, down from 3.3% last year.

²⁸ GDP, Debt to GDP, Inflation: source IMF <https://www.imf.org/external/datamapper/profile/IND>
<https://www.imf.org/en/Countries/IND>

²⁹ business-standard.com

³⁰ worldbank.org

³¹ intellinews.com

This global slowdown creates both headwinds and opportunities for India. Export demand is hindered by tariff increases that threaten India's steel, machinery, and pharmaceutical exports, potentially squeezing factory output and employment. Meanwhile, India's strong PMI and growing orders in key sectors highlight the country's role as a beneficiary of supply-chain shifts away from China. Domestically, the OECD and IMF forecast India's GDP growth to remain comfortably above global trends (6.3–6.5% in FY25–26). To sustain this momentum, India must navigate rising tariff pressures while accelerating efforts like bilateral trade deals, logistics reforms, and value-chain integration, leveraging its comparative edge in textiles, electronics, and services.

-GDP Growth Rate (%) – The IMF and World Bank project India's growth around 6–7% in the mid-2020s³². For example, the IMF's April 2025 WEO holds India's GDP growth at ~6.5% for FY2025/26–FY2026/27³³, and the World Bank sees ~6.7–7% in FY26–27³⁴. Historically India grew ~6.3% on average over 2000–2024³⁵. In our **Low-Case**, we assume slightly slower momentum – roughly 5–6% through 2030 – reflecting global slowdowns and stalled reforms. In the **High-Case**, reforms and investment boost growth to about 7.5–8%. (This pace is in line with analyses showing India needs ~7.8% growth on average to reach high-income status in coming decades.³⁶) Achieving ~8% sustained growth would move India firmly toward the UMIC threshold by 2031, whereas ~5–6% would keep per-capita income below that bar.

- Debt-to-GDP Ratio (%) – General government debt (union+states) stands at about 82.6% of GDP in FY2024/25. Fiscal consolidation is planned (aiming for <4.5% deficit in coming years)³⁷, but the outlook varies. Under the **Low-Case**, sluggish growth and persistent deficits could leave debt elevated or rising – on the order of ~90% by 2030 (the IMF even warned of debt rising toward 100% in a stressed scenario). In contrast, the **High-Case** assumes strong growth and prudent budgets: in such a favorable scenario the government itself suggests debt could fall **below 70%** by 2027–28. We therefore project a decline to roughly **65–70%** by 2030 in the high-growth scenario.³⁸ (This range aligns with analysts' statements that with concerted consolidation India could reduce public debt markedly.)

-Inflation (YoY %) – India's medium-term inflation target is 4% ($\pm 2\%$). Recent forecasts have inflation near this level: RBI projects ~4.0% CPI for FY2025/26³⁹, and the IMF notes headline inflation has "converged to the target" as shocks wane. In the **Low-Case**, with moderate growth and no major shocks, inflation would stay at or below target (~3–4%). In the **High-Case**, robust demand could push inflation modestly higher, perhaps toward 4.5–5%, despite continued RBI efforts to anchor prices. (This reflects the risk that very strong growth may be inflationary; however, even the IMF expects inflation to "moderate further" to around 4% in its baseline.)⁴⁰

Operational implications/engagement with IFAD

a) Lending terms and conditions

³² [business-standard.com](https://www.business-standard.com)[business-standard.com](https://www.business-standard.com)

³³ [business-standard.com](https://www.business-standard.com)

³⁴ [business-standard.com](https://www.business-standard.com); [worldbank.org](https://www.worldbank.org)

³⁵ [worldbank.org](https://www.worldbank.org)

³⁶ [worldbank.org](https://www.worldbank.org)

³⁷ [reuters.com](https://www.reuters.com)

³⁸ [livemint.com](https://www.livemint.com)

³⁹ [business-standard.com](https://www.business-standard.com)

⁴⁰ [imf.org](https://www.imf.org)

The transition from the current LMIC status to a UMIC status could potentially affect the overall volume of resources to be committed over the COSOP period with the possibility of change in demand from the Government as well as the menu of interventions to be proposed by IFAD for its country programme.

b) COSOP priorities and products

It is expected that the proposed COSOP priorities and associated products will remain highly relevant irrespective of transition scenarios. However, a higher emphasis on non-lending engagement would be needed as the country is expected to steadily progress towards UMIC status over the course of the COSOP implementation. IFAD will need to be more proactive in policy engagement and embarking new partnerships to better accompany the country's efforts towards a more sustainable and inclusive rural transformation. That said, the shift in income status would most likely entail changes in the number and size of investment projects with likely shift to fewer and larger projects included in the pipeline over the COSOP period.

c) Co-financing opportunities and partnerships

Given the relatively sound macroeconomic fundamentals underpinning the present transition scenario, the country is expected to be able to attract major parallel and international co-financing from ADB, WB, AIIB, NDB, Kreditanstalt für Wiederaufbau (KfW) and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) - the operational arms of BMZ (the German Federal Ministry for Economic Cooperation and Development), Japan International Cooperation Agency (JICA), and possibly from various regional and global climate finance funds and facilities, such as the Global Environment Facility (GEF) and the Green Climate Fund (GCF). Partnerships with Government Ministries such as DEA of MoF and the National Bank for Agriculture and Rural Development (NABARD), as well as with civil society organisations and the private sector will continue to feature prominently and to improve the portfolio implementation performance over the COSOP's timeline. Due to higher government revenues, domestic co-financing and partnership opportunities should increase over the lifetime of the COSOP.

Appendix to the transition projections : Rural Sector Policy Assessment

Introduction

India's rural policy landscape reflects the country's ambition to achieve inclusive and sustainable development in a vast and diverse rural environment. Rooted in the nation's historical commitment to poverty alleviation, agricultural modernization, and rural infrastructure, India's development strategies continue to evolve. National initiatives such as the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), the National Rural Livelihood Mission (NRLM), and recent digital and financial inclusion programs aim to bridge long-standing socio-economic gaps. Despite these efforts, challenges remain in balancing modernization with traditional rural structures, ensuring equitable resource distribution, and enhancing the autonomy of rural institutions. This note critically assesses India's rural policies and examines the frameworks, legal structures, and community organizations shaping rural development today.

Assessment of IFAD's Rural Sector Performance Assessment (RSPA)

IFAD's Rural Sector Performance Assessment (RSPA), evaluates the quality of policies and institutions in the rural sector to assess their effectiveness in driving rural development and transformation that benefits the rural poor. The RSPA is specifically designed to measure how responsive a country's rural policies are to the needs of poor rural populations.

For India, the RSPA score remained relatively stable at 4.1 in 2024 during the beginning of IFAD 13 cycle—the performance across the six thematic clusters presents a more nuanced picture:

- **Cluster 1: Policies and Legal Frameworks for Rural Development**
This cluster, which includes policy autonomy, representation, and influence of rural organizations showed improvement, with a score was 4.7 in 2024.
- **Cluster 2: Rural Governance, Transparency, and Public Administration**
This cluster maintained a stable performance, scoring 4.3 in 2024.
- **Cluster 3: Natural Resources and Environmental Policies and Practices**
This area experienced a decline in performance, with a score of 3.5. The decrease was mainly due to weaker performance in sub-areas such as environmental assessment policies and grievance mechanisms, and national climate change policies. However, sub-areas like access to land remained stable, and access to water showed improved performance.
- **Cluster 4: Financial Policy, Access to Services and Markets:** The score was 4.2 in 2024. Three of the four sub-areas—access to and use of rural financial services, investment climate for rural business, and access to extension services—registered weaker performance. In contrast, the sub-area on access to agricultural input and produce markets showed improvement.
- **Cluster 5: Nutrition and Gender Equality:** The score of this cluster was 3.8 in 2024. The decline was primarily due to weaker performance in the nutrition policy framework and outcomes, while the gender equality policy framework remained stable.
- **Cluster 6: Macroeconomic Policies and Conditions for Rural Development**
The overall score for this cluster was 4.0 in 2024.

It is important to note that some of the observed declines may be influenced by the reliance on open data sources in the assessment methodology. A more detailed analysis of the underlying drivers, challenges, and opportunities in India's rural sector policy framework is provided in the subsequent section.

Policies and Framework for Rural Development and Rural Poverty Alleviation

India's policy framework has long prioritized rural poverty reduction and agricultural modernization. Key initiatives include:

- **Mahatma Gandhi National Rural Employment Guarantee Act, 2005 (MGNREGA):** This flagship social safety net program guarantees 100 days of wage employment annually to rural households, directly targeting poverty alleviation while building rural infrastructure.
- **National Rural Livelihood Mission (NRLM)⁴¹ and Self-Help Groups:** These efforts aim to empower marginalized populations—particularly women, scheduled castes, and tribes—through skills training, microfinance, and enterprise development.
- **Agricultural Reforms:** Recent policy measures focus on modernizing agriculture through technology adoption, improved irrigation, and better market linkages, even as debates around procurement policies and Minimum Support Prices (MSP) continue.

While these efforts have led to improvements in income levels, food security, and rural infrastructure, critics argue that the integration of rural policy within the overall national development strategy has sometimes been fragmented. The challenge lies in harmonizing rapid urbanization with rural development goals so that rural populations do not feel marginalized in national investment plans.

Legal Frameworks for and Autonomy of Rural People's Organizations

In India, the legal environment governing rural organizations is characterized by both traditional systems of decentralized governance and modern statutory frameworks.

- **Panchayati Raj Institutions (PRIs):** Established through constitutional amendments and state legislations, PRIs are designed to provide local self-governance and enhance community participation. Despite their statutory recognition, these institutions often contend with issues of inadequate devolution of powers, political interference, and limited financial autonomy.
- **Cooperative Societies and SHGs:** Legally recognized cooperative societies and Self-Help Groups (SHGs) are central in mobilizing rural capital and facilitating financial inclusion. However, challenges persist in the form of regulatory bottlenecks and inconsistent implementation across states, which can restrict their operational independence.

These legal structures underscore India's commitment to decentralization, yet the central government's oversight—coupled with regional variations—can limit the grassroots autonomy necessary for robust rural development.

⁴¹ The National Rural Livelihood Mission (NRLM) is a poverty alleviation project implemented by the Ministry of Rural Development, a branch of the Government of India. This plan is focused on promoting self-employment and the organization of rural poor. The idea behind this program is to organize the poor into Self Help Groups (SHGs) and make them capable of self-employment.

Representation and Influence of Rural Organizations and Rural People

The legislative and institutional representation of rural communities in India is multifaceted:

- **Panchayati Raj System (PRI):** Designed to ensure localized decision-making, PRIs help bring rural voices into the planning process. However, disparities in political clout and the persistence of caste-based dynamics often limit equitable representation.
- **Civil Society and Advocacy:** Rural organizations, NGOs, and cooperatives have increasingly engaged in policy debates and grassroots mobilization. Their influence, though growing, is still hampered by bureaucratic procedures and the uneven distribution of resources.

Women and marginalized groups have made notable inroads in rural decision-making due to reserved seats at the village and district levels. Yet, effective participation remains uneven, with many local bodies facing challenges in achieving meaningful policy influence beyond symbolic representation.

Access to and Use of Rural Financial Services

Financial inclusion is a key pillar of India's rural development strategy. The government has implemented multiple initiatives to enhance access to rural finance:

- **Jan Dhan Yojana:** This program has expanded the reach of banking services into rural areas, ensuring basic financial access for millions.
- **Microfinance and SHGs:** Rural credit initiatives through microfinance institutions and Self-Help Groups have enabled rural entrepreneurs, particularly women, to mobilize savings and access credit.
- **Innovative Digital Platforms:** Recent programs aim to leverage mobile banking and digital payment systems to further integrate rural populations into the formal financial system.

These efforts have significantly expanded the financial footprint in rural India, though challenges like high transaction costs, limited outreach in remote areas, and financial literacy gaps continue to persist.

Investment Climate for Rural Business

Creating a conducive investment environment for rural business remains crucial for sustainable development. In India:

- **Entrepreneurial Ecosystem:** Initiatives such as the Startup India campaign and rural-specific micro-enterprise support programs are targeted at fostering innovation and entrepreneurship in rural areas.
- **Incentives and Policy Support:** The government has introduced policies to simplify regulatory procedures and improve access to capital for small and medium enterprises (SMEs) in rural areas. However, the absence of a unified rural investment policy sometimes leads to fragmented implementation across states.
- **Infrastructure Development:** Investments in rural roads, electricity, and digital connectivity are gradually improving market access and the overall business climate.

Despite these positive trends, rural businesses face challenges including limited market information, high logistic costs, and occasional policy inconsistencies that can stymie systematic growth.

Access to Agricultural Input and Produce Markets

India's agricultural sector benefits from multiple state and central government initiatives aimed at ensuring market access and input affordability:

- **Subsidy Programs:** Subsidies for fertilizers, seeds, and irrigation support have helped reduce production costs for many farmers. These subsidies, however, must be managed effectively to prevent market distortions.
- **Agricultural Market Reforms:** Policies to liberalize agricultural markets, including reforms to the Agricultural Produce Market Committee (APMC) systems, aim to create more competitive and transparent market environments, though the pace of reform has been slow.
- **Extension Services:** Government extension programs focus on disseminating best practices and modern technologies. Nevertheless, the scale and reach of these services are sometimes inconsistent, particularly in remote or underdeveloped regions.

Improving supply chain integration remains a priority so that smallholder farmers can benefit from better pricing, reduced post-harvest losses, and streamlined access to urban markets.

Access to Water

Water resource management is a critical issue in India's rural policy due to the dual challenges of water scarcity and regional variability:

- **National Water Policy and Irrigation:** India's water management framework emphasizes sustainable use, with policies aimed at enhancing irrigation efficiency through drip and sprinkler systems, watershed management, and community-based water governance.
- **Rural Water Supply Schemes:** Numerous state and central initiatives work to provide safe drinking water and sanitation facilities. Programs such as the Jal Jeevan Mission aim to ensure piped water supply to every rural household, addressing both water quality and access.
- **Challenges:** Despite these initiatives, the uneven distribution of water resources, over-extraction in some areas, and pollution in river basins continue to pose significant challenges for rural communities.


Improving water-use efficiency and achieving integrated water resource management are seen as essential to sustain agricultural productivity and rural livelihoods in the coming decades.

Conclusion

India's rural development policies have achieved significant milestones in promoting financial inclusion, creating safety nets, and fostering local governance. However, the

challenges of regional disparities, regulatory fragmentation, and insufficient grassroots autonomy continue to demand careful policy recalibration. Balancing rapid modernization with traditional rural values and ensuring equitable participation remains crucial for furthering sustainable rural development in India. This policy assessment highlights that while India's rural sector priorities has evolved significantly, a renewed focus on integrated, locally-driven approaches is essential to fully realize the potential of its diverse rural communities.

Theory of Change

Key challenges	Strategies to address challenges	Outputs	Outcomes	Impact	Strategic objectives	Goal /Objective	
Small and marginal farmers with fragmented landholding with inadequate economies of scale.	Mobilize Community into CIs to realize the potential of collectivisation.	Promotion of CIs/RPOs, support for aggregation, storage, input and mechanization services, primary value addition and extension service delivery. Support for financial and market linkages. Build mainstreaming features around the CIs.	Collective purchase of inputs and sale of outputs and shift to improved farming practices.	Improved social and economic empowerment.	SO1: Social, economic and climatic resilience of rural communities is enhanced in line with India's commitment towards poverty-free villages.	Contribute to poverty eradication towards the goal of Viksit Bharat@2047	
Land degradation, water scarcity and overuse of agro-chemicals	Cluster-based efforts improve water efficiency and fertility improvement.	Support for climate resilient seeds, drip irrigation, use of technology for judicious use of water, pesticides and fertilisers and introduction of GAP. Capacity-building in climate resilient and environmentally sustainable AI, IoT sensors and other digital technologies, early warning systems, and community preparedness	Improved water efficiency and reduced use of fertilizer and pesticides. Use of sustainable agricultural practices.	Improved yield and income with ability to access premium markets demanding use of sustainable practices			
Self sufficiency and food security focussed subsistence production systems.	Shift to market-led production	Support for inclusive and climate resilient value chains. Promote market linkages and start production based on market demand.	Outcome 1.2 Increased Market led and climate smart production as small farmers shift from producing and selling surplus to producing what is demanded and required by the markets.	Improved farm income			
Low value addition and limited focus farm and non-farm livelihoods and enterprises	Enhance capacity and opportunities for gainful employment and micro-enterprise promotion	Access to services - BDS, financial and market linkages. Start-up and incubation support	Outcome 1.1 Diversification of livelihoods and improved job creation. Establishment of formal and non-formal businesses.	Improved income of households			
Limited evidence based knowledge products for replication and scaling up	Shift to evidence based knowledge product generation	Use reputed institutions to develop evidence-based knowledge products for policy dialogue	Outcome 2.1 Strengthened knowledge generation systems and enhanced collaboration and partnerships in financing projects and replicating poverty eradication best practices to the Global South.Knowledge products with evidence to use as supporting documents in policy dialogue and for replication and scale up.	Improved scale-up and visibility of interventions.	SO2: Enhanced performance, visibility, and scalability of interventions through strengthened knowledge systems.		
Limited partnership with DFIs, IFIs, bilateral agencies and the Global South.	Intensive interactions with agencies	Seek GoI and other partner support for knowledge networking, knowledge exchange, leveraging and SSTC.	Outcome 2.2 Improved partnerships with public and private sector actors including on-going IFAD project interventions such as the Centre of Excellence to contribute to SSTC. Intensive collaboration with the Government to ensure adequate budgetary support.	Improved ability of IFAD to leverage and improve SSTC framework.			
							
Risks		Assumptions					
Policy changes, weak coordination, bureaucratic delays		Continued government commitment to rural transformation					
Limited capacity, weak service delivery		Agencies will strengthen institutional capacity					
Fiscal constraints, economic shocks		Macroeconomic stability and sustained co-financing					
Climate shocks, resource degradation		Climate impacts manageable with adaptation					
Complex design, procurement delays		Effective project management and implementation systems					
Pandemics, market volatility		Global environment remains conducive to project success					

SECAP background study

Introduction

1. The SECAP background study aims to guide the COSOP by identifying key social, environmental, and climate change issues. It highlights mainstreaming priorities for IFAD, conducts institutional analysis, and offers recommendations to better target vulnerable groups—such as women, youth, Indigenous Peoples, persons with disabilities, and the undernourished—affected by climate change and environmental degradation.
2. **Methodology:** Prepared alongside the COSOP design, the SECAP background study draws on secondary data from national policies, sectoral reports, and analysis of background sectoral studies on environment, social and climate aspects. It also integrates feedback from consultations with stakeholders, including project management units and development partners, while emphasizing the importance of involving civil society and local communities in future project planning.
3. **Constraints:** The analysis was constrained by limited and fragmented data, particularly on climate risks, gender-disaggregated indicators, and rural livelihoods, which affected the depth and comparability of findings. While there have been recent improvements in data availability through national surveys, much of this information remains dispersed, sector-specific, or lacking in integration at the country level. Moreover, the dependence on secondary sources, combined with limited time for document preparation, hinders the ability to conduct comprehensive verification and cross-checking.

Part 1 - Situational analysis and main challenges

1.1 Socio-economic situation and underlying causes

4. India is the seventh-largest country in the world, and currently is the most populous nation globally. The latest comprehensive data from the 2011 Census placed India's population at around 1.21 billion⁴², with estimates suggesting it surpassed 1.4 billion by 2023. Women comprise roughly 48.44%⁴³ of the total, while youth aged 15–29 account for about 27.3%⁴⁴. These figures underscore the country's diverse and dynamic demographic profile. India, the fifth-largest economy, demonstrates a dynamic development profile across global indicators, with a GDP of over \$3.4 trillion and a growth rate of 6.4% (2022)⁴⁵. While its Human Development Index (HDI) ranks at 134⁴⁶ with a literacy rate of 77.7% and life expectancy of 68 years, significant disparities remain across regions and populations. India has made progress in poverty reduction, access to health and education, and clean energy, yet challenges persist in air quality, gender equity, and nutrition. With relatively low per capita CO₂ emissions of 1.6 metric tons⁴⁷, India is also a key actor in global

⁴² India conducted its last Census in 2011, recording a population of approximately 1.21 billion, trailing China at the time. The planned 2021 Census was postponed due to the Covid-19 pandemic, leaving a gap in updated demographic data.

⁴³ Government of India, Office of the Registrar General & Census Commissioner. (2011). Primary Census Abstract - India.

⁴⁴ Youth in India Publication, 2022

https://mospi.gov.in/sites/default/files/publication_reports/Youth_in_India_2022/Youth%20at%20a%20glance.pdf.

⁴⁵ Ministry of Statistics and Programme Implementation. (2025, January 7). Press note on First Advance Estimates of GDP for 2024–25. Government of India. <https://www.mospi.gov.in/press-release/press-note-first-advance-estimates-gdp-2024-25>.

⁴⁶ United Nations Development Programme (UNDP), Human Development Report 2021–22, Human Development Index.

<https://hdr.undp.org/data-center/specific-country-data/#countries/IND>

⁴⁷ World Bank – World Development Indicators (WDI) Indicator: CO₂ emissions (metric tons per capita).

<https://data.worldbank.org/indicator/EN.ATM.CO2E.PC?locations=IN>

climate action, having made commitments under the Paris Agreement and the Sustainable Development Goals (SDGs). These statistics underscore India's critical role in shaping sustainable and inclusive global development.

5. **Poverty** - Poverty in India has declined significantly yet remains a key development challenge. As per NITI Aayog's MPI 2023⁴⁸, multidimensional poverty fell from 24.85% in 2015-16 to 14.96% in 2019-21, with 135 million people escaping poverty. However, disparities persist—19.28% of rural Indians are still poor compared to 5.27% in urban areas⁴⁸. Children under 18 constitute the largest share of the multidimensionally poor, with female-headed households and persistent inter-state and rural-urban disparities highlighting key vulnerability patterns in India.
6. **Gender** - India ranked 108th out of 193 countries on the 2022 Gender Inequality Index (GII) with a score of 0.437, reflecting progress in women's health, education, and workforce participation. This marks a notable improvement from previous years and highlights the impact of targeted policies promoting gender equality. However, continued efforts are essential to address persistent disparities and ensure inclusive development for all⁴⁹. Rural women in India play a pivotal role in agriculture and household economies, contributing over 60% of the agricultural labour force. Yet, they own less than 14% of land holdings, underscoring persistent gender disparities in access to productive assets⁵⁰. India's low female labour force participation calls for expanding rural women's access to formal jobs, particularly in off-farm MSMEs and green rural enterprises, to move beyond subsistence agriculture. On average, rural women spend approximately 352 minutes per day on unpaid care and domestic work—more than three times the time spent by men—while also actively engaging in farm and non-farm labour⁵¹. Although they represent nearly 48% of the rural population, their participation in household decision-making, particularly concerning financial matters and asset control, remains limited⁵². Women-headed households (3.85% of rural households are headed by females with no adult male member aged between 16 and 59), often emerging due to male out-migration, face heightened economic precarity. Furthermore, one in three women experiences gender-based violence, and maternal mortality in rural areas remains high at 130 deaths per 100,000 live births, largely due to insufficient access to quality healthcare⁵³. These overlapping inequities—rooted in caste, class, and entrenched social norms—undermine women's economic empowerment, restrict their agency, and limit the growth potential of rural livelihoods and the broader economy. Addressing these structural gender inequalities is critical for fostering inclusive rural development and sustainable economic growth.
7. **Youth** - In India, youth are officially defined as individuals aged 15–29 years⁵⁴, accounting for approximately 27.2% of the total population (around 371 million people)⁵⁵. This segment is socio-culturally diverse, shaped by gender, caste, tribe, education, and regional context—factors that significantly influence their access to resources and opportunities in agriculture. Rural youth, especially young women and those from marginalized communities, face systemic challenges such as limited

⁴⁸ NITI Aayog (2023). National Multidimensional Poverty Index: A Progress Review 2023.

<https://www.niti.gov.in/sites/default/files/2023-07/MPI-Report-2023-Final.pdf>

⁴⁹ United Nations Development Programme (UNDP). (2023). Human Development Report 2022.

⁵⁰ Ministry of Agriculture & Farmers Welfare (2018). Annual Report 2017–18. Government of India; Census of India (2011). Primary Census Abstract.

⁵¹ National Statistical Office (2019). Time Use in India – 2019. Ministry of Statistics and Programme Implementation.

⁵² National Family Health Survey (NFHS-5) (2019–21). India Fact Sheets – Key Indicators. Ministry of Health and Family Welfare.

⁵³ Sample Registration System (SRS) (2022). Special Bulletin on Maternal Mortality in India 2018–20. Office of the Registrar General, India.

⁵⁴ Ministry of Youth Affairs & Sports. (2014). National Youth Policy 2014.

⁵⁵ Ministry of Statistics and Programme Implementation (MoSPI). (2022). Youth in India 2022.

land ownership, poor access to formal credit, skill-job mismatches, and inadequate exposure to modern farming techniques. Despite over 50% of youth attaining at least secondary education⁵⁶, employment remains skewed toward informal and underpaid agricultural work. However, this demographic also presents a unique opportunity: with targeted support in areas like skill development, digital technologies, and agribusiness incubation enhancement of credit and market linkages, Indian youth can become key drivers of innovation and sustainability in the agricultural sector by digitizing supply chains and leveraging growing farm-to-consumer logistics—for example, through e-commerce platforms and green agri-tech solutions.

8. **Indigenous peoples** – India is home to over 104 million Indigenous Peoples, officially recognized as Scheduled Tribes (STs), accounting for approximately 8.6% of the national population⁵⁷. These communities are primarily concentrated in the central, eastern, and northeastern regions, notably in Jharkhand, Chhattisgarh, Odisha, Madhya Pradesh, Maharashtra, and the Northeastern states. Indigenous peoples sustain distinct social, cultural, and governance systems, including traditional councils, collective land tenure practices, and deep-rooted spiritual and ecological relationships with forests and natural resources. Despite their cultural richness, STs continue to face structural marginalization, with high rates of land alienation, displacement due to industrial and infrastructure projects, and inadequate access to quality education, healthcare, and livelihood opportunities. Notably, Scheduled Tribes constitute over 40.6% of India's rural poor⁵⁸, highlighting deep socio-economic disparities. While progressive legislations such as the Forest Rights Act (2006)⁵⁹ and the Panchayats (Extension to Scheduled Areas) Act, 1996 (PESA)⁶⁰ provide frameworks for legal recognition of land rights and community governance, implementation gaps remain significant. Weak enforcement and inconsistent policy application often undermine Indigenous Peoples' autonomy and resilience, restricting their ability to pursue sustainable livelihoods and fully participate in development processes.
9. The International Fund for Agricultural Development (IFAD) follows a Free, Prior and Informed Consent (FPIC) process to ensure the rights and interests of Indigenous Peoples are respected in all its interventions. FPIC is grounded in international human rights standards and ensures that affected communities are meaningfully consulted and can approve or reject project activities that may impact them. IFAD's FPIC process begins early—prior to project design—and includes clear, culturally appropriate communication of project objectives, potential impacts, and benefits. It requires that consent be given freely, without coercion, and with adequate time for community deliberation. IFAD supports capacity-building to enable informed decision-making and ensures that consultations are ongoing throughout the project cycle. Documentation of the FPIC process and outcomes is mandatory. This approach helps build trust, strengthens community ownership, and safeguards Indigenous Peoples' rights, while promoting inclusive, sustainable rural development.
10. **Marginalised groups** - In India, key marginalised groups include the landless, displaced persons, and persons with disabilities (PwDs). As of 2013, 56.4 per cent of rural households were classified as landless or near landless, owning less than 0.025 acres of land⁶¹. As of 2023, over 5 million people are estimated to be internally displaced due to conflict, development-induced displacement, and

⁵⁶ National Statistical Office. (2022). Periodic Labour Force Survey: Annual Report 2021–22.

⁵⁷ Census of India. (2011). Primary Census Abstract – Scheduled Tribes.

⁵⁸ NITI Aayog. (2021). National Multidimensional Poverty Index Baseline Report.

⁵⁹ Ministry of Tribal Affairs. (2006). The Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act.

⁶⁰ Ministry of Panchayati Raj. (1996). The Provisions of the Panchayats (Extension to Scheduled Areas) Act.

⁶¹ National sample survey Office, 70th round of survey conducted in 2012-13

climate-related disasters⁶². Persons with disabilities constitute 2.21% of the population, with higher prevalence reported in rural areas⁶³. These groups face multifaceted barriers: the landless and displaced struggle with tenure insecurity, exclusion from land-linked welfare schemes, and poor access to stable employment. PwDs often confront infrastructural inaccessibility, social stigma, limited education and livelihood options, and underrepresentation in community decision-making. While support mechanisms exist—including the National Rural Livelihood Mission (NRLM)⁶⁴, forest rights-based resettlement packages, and the Rights of Persons with Disabilities Act (2016)⁶⁵—gaps in implementation, outreach, and inclusivity continue to limit their effectiveness. Strengthening participatory planning, grievance redressal, and targeted service delivery remains crucial to improving outcomes for these groups.

11. **Nutrition** - India continues to face significant challenges in nutritional outcomes, particularly among children under five. According to NFHS-5 (2019–21), 35.5% of children are stunted (low height-for-age), 19.3% are wasted (low weight-for-height), and 32.1% are underweight, reflecting chronic and acute undernutrition⁶⁶. Additionally, undernourishment affects approximately 16.6% of the total population as per FAO estimates⁶⁷. These conditions are driven by multiple interlinked factors, including poor dietary diversity, suboptimal infant and young child feeding (IYCF) practices, and widespread food insecurity in both rural and tribal areas. Only 11.3% of children aged 6–23 months receive a minimum acceptable diet⁶⁶. Environmental health factors such as inadequate water, sanitation, and hygiene (WASH) contribute to repeated infections and impaired nutrient absorption. Limited access to quality health services, particularly in remote and underserved areas, further exacerbates malnutrition. Women's nutrition remains a critical concern, with 57% of women aged 15–49 years being anaemic (NFHS-5), and many entering pregnancy undernourished, increasing the risk of poor maternal and child health outcomes. Gender-based food distribution within households, early marriage, and high fertility rates compound these risks, affecting both women's health and the intergenerational cycle of malnutrition. Climate change further threatens nutrition by intensifying food insecurity through extreme weather, worsening waterborne diseases, and degrading crop quality via toxins, pests, and nutrient loss. Despite national programs like POSHAN Abhiyaan, Integrated Child Development Services (ICDS), and Mid-Day Meal Scheme, challenges remain in coverage, quality, and behavioral change communication. Addressing the root causes of malnutrition requires coordinated, multisectoral efforts focused on maternal care, dietary diversity, hygiene, and equitable service delivery. It will be good to adopt or replicate some of the success stories of government initiatives (viz., Odisha millet mission) on nutrition and diversification of dietary choices at the Anganwadi level (for small children, lactating mothers and pregnant women).

1.2 Environment and climate context, trends and implications

12. **Water resources** - India's water resources comprise a complex system of rivers, groundwater, lakes, and rainfall-dependent catchments. India receives about 1,160 mm⁶⁸ of annual rainfall, which is unevenly distributed across regions and seasons.

⁶² Internal Displacement Monitoring Centre (IDMC). (2023). India Country Profile.

⁶³ Census of India. (2011). Data on Disability.

⁶⁴ Ministry of Rural Development. (2021). National Rural Livelihood Mission Annual Report.

⁶⁵ Ministry of Social Justice & Empowerment. (2016). The Rights of Persons with Disabilities Act.

⁶⁶ Ministry of Health and Family Welfare. (2021). National Family Health Survey (NFHS-5), 2019–21.

⁶⁷ Food and Agriculture Organization (FAO). (2023). The State of Food Security and Nutrition in the World.

⁶⁸ REPORT NO. MoES/IMD/HS/RAINFALL REPORT/02(2023)/6230(2020)/54. भारत के वर्षा आँकड़े –2022. Rainfall Statistics of India – 2022

[http://hydro.imd.gov.in/hydrometweb/\(S\(4hkzgw45qtw3od551duscx55\)\)/PRODUCTS/Publications/Rainfall%20Statistics%20of%20India%20-%202022/Rainfall%20Statistics%20of%20India%202022.pdf](http://hydro.imd.gov.in/hydrometweb/(S(4hkzgw45qtw3od551duscx55))/PRODUCTS/Publications/Rainfall%20Statistics%20of%20India%20-%202022/Rainfall%20Statistics%20of%20India%202022.pdf)

Major rivers like the Ganga and Brahmaputra support surface water needs, while groundwater provides over 60% of irrigation and 85% of drinking water. India is the largest groundwater extractor globally, causing serious depletion in many regions. *Environmental challenges:* India's agricultural productivity is under growing pressure from water-related environmental stresses. Only 52% of the net sown area is irrigated⁶⁹ (e.g., concentrated in Punjab and Haryana), while over 80% of the country's freshwater is consumed by agriculture, primarily for water-intensive crops such as paddy and sugarcane. Unsustainable fertilizer use contributes to eutrophication (evident in regions like Punjab), and nearly 68% of India's total cultivated land is prone to drought, with about 33% classified as chronically drought-prone⁷⁰. These factors underscore the urgent need for improved irrigation efficiency, soil conservation, and integrated watershed management. Additionally, rising water demand, increasing pollution, and the impacts of climate change are intensifying stress on water resources, reinforcing the importance of sustainable and efficient water use practices.

13. **Land Use** - About 46% (net sown area) of India's land is used for agriculture (59% cultivable area)⁷¹, while 24% is under forests, with the rest comprising pastures, settlements, and wastelands. Rapid urbanization and infrastructure growth are increasing pressure on productive agricultural land. *Environmental challenges:* Additionally, nearly 30% of India's land is degraded due to soil erosion, salinity, and deforestation, posing a serious threat to agricultural productivity and environmental sustainability, and underscoring the urgent need for integrated land use planning and sustainable resource management.
14. **Soil** - India's soils are diverse, ranging from alluvial and black soils to red, lateritic, and desert, mountain types—supporting varied crops across regions. *Environmental challenges:* While fertile alluvial and black soils sustain major farming zones, soil degradation affects over 30% of land due to erosion, nutrient depletion, salinity, and excessive chemical use affects a large portion of agricultural land, threatening long-term productivity and emphasizing the need for improved soil conservation and management practices.
15. **Biodiversity** - India is one of the 17 mega-biodiverse countries globally, hosting about 7-8% of all recorded species, including over 55,726 plant species and nearly 103,920 animal species, with a high level of endemism in flora and fauna⁷². The country's varied ecosystems—ranging from the Himalayas to coastal regions—support rich agrobiodiversity, including wild relatives of rice, wheat, pulses, and millets. *Environmental challenges:* However, around 10% of recorded species are under threat, primarily due to habitat destruction, overexploitation, and climate change, highlighting the urgent need for biodiversity conservation.
16. **Forest** - India's forest resources play a vital role in ecological balance, biodiversity conservation, and rural livelihoods. As per the India State of Forest Report (ISFR)⁷³ 2023, the country's total forest and tree cover stands at 25.17% of India's total geographical area. India's forest biodiversity spans across tiger reserves, biosphere reserves, and wildlife sanctuaries, playing a crucial role in preserving genetic diversity, regulating climate, and supporting indigenous communities. Forests and biodiversity are vital for the food security and livelihoods of millions in India,

⁶⁹ Ministry of Agriculture & Farmers Welfare. (2021). Agricultural statistics at a glance 2021. Department of Agriculture and Farmers Welfare, Government of India. <https://agricoop.nic.in/en/statistics/agricultural-statistics-glance>.

⁷⁰ Ministry of Agriculture & Farmers Welfare. (2016). Drought Management Manual. Government of India. <https://agriwelfare.gov.in/sites/default/files/Manual%20Drought%202016.pdf>.

⁷¹ LAND USE STATISTICS AT A GLANCE: 2022-23. Department of Agriculture & Farmers Welfare, Ministry of Agriculture & Farmers Welfare, Government of India. (<https://desagri.gov.in/wp-content/uploads/2024/09/Final-file-of-LUS-2022-23-for-uploading.pdf>)

⁷² Ministry of Environment, Forest and Climate Change. (2014). India's fifth national report to the Convention on Biological Diversity. Government of India. <https://www.cbd.int/doc/world/in/in-nr-05-en.pdf>

⁷³ India State of Forest Report (ISFR) 2023 – Forest Survey of India. <https://fsi.nic.in/forest-report-2023>

particularly tribal and forest-dependent communities. Non-Timber Forest Products (NTFPs)—such as fruits, honey, medicinal plants, and fuelwood contribute 20–40% of household income in many tribal areas⁷⁴. Forests also sustain agriculture through biodiversity services like pollination, pest control, and nutrient cycling. Initiatives like the Minimum Support Price (MSP) scheme for Minor Forest Produce, led by the Ministry of Tribal Affairs, aim to boost incomes and strengthen the resilience of these communities⁷⁵. *Environmental challenges:* Indian forests face significant challenges including deforestation, habitat fragmentation, illegal logging, forest fires, and biodiversity loss due to increasing human pressure and climate change.

17. **Agriculture** - India's agriculture is a vital sector, employing around 42.3% of the workforce and contributing approximately 18% to the national GDP. With about 141 million hectares of net sown area (42.8% of the total geographical area)⁷⁶, the country is a global leader in the production of rice, wheat, pulses, and cotton. India is divided into 20 Agro-Ecological Zones (AEZs) based on climate, soil, and topography, enabling region-specific crop planning and diversification. *Environmental challenges:* Despite its vast potential, the sector faces challenges such as fragmented landholdings, water scarcity, soil degradation, and climate change, making sustainable practices and technological innovation crucial for growth.
18. **Climate** - India experiences a tropical monsoon climate, characterized by hot summers, a southwest monsoon season (June–September), and mild winters. However, recent trends show increasing climate variability, with more frequent and intense extreme weather events such as heatwaves, droughts, floods, and unseasonal rainfall. Average annual temperatures range from 24°C to 27°C, with summers typically reaching 30°C–45°C and winters dropping below 5°C in the north while staying mild in the south (20°C–25°C). Rainfall averages around 1160 mm annually but is highly regional, with the western coast and northeast exceeding 2000 mm, while arid western regions receive less than 500 mm. The southwest monsoon (June–September) delivers about 75% of the rainfall, crucial for the country's climate and agriculture⁷⁷. The average temperature in India has risen by about 0.7°C over the past century, and projections indicate further warming, especially affecting agriculture, water resources, and health. These shifts highlight the urgent need for climate adaptation and resilience strategies.
19. **Natural hazards** - India is highly prone to natural hazards, including floods, droughts, cyclones, landslides, earthquakes, and heatwaves, owing to its diverse geography and climate. Recent trends indicate an increase in the frequency and intensity of extreme events, particularly heatwaves and heavy rainfall, driven by climate change. In recent years, the Arabian Sea has seen a significant rise in cyclonic activity, with a 52% increase in frequency, along with longer durations and greater intensity, while the Bay of Bengal has experienced a modest 8% decline in cyclone frequency⁷⁸. These evolving patterns underscore the need for robust disaster risk reduction and climate resilience strategies. According to the ThinkHazard⁷⁹ platform by the Global Facility for Disaster Reduction and Recovery (GFDRR), India is exposed to a wide range of natural hazards, many of which are classified at high risk levels. This hazard profile highlights the urgent need for India

⁷⁴ IJFMR. (2024). Economic importance of non-timber forest products in tribal livelihoods. International Journal of Future Generation Research. <https://www.ijfmr.com/papers/2024/3/17444.pdf>

⁷⁵ Ministry of Tribal Affairs. (2021). Annual Report 2020–21. Government of India.

https://nstfdc.tribal.gov.in/CuteSoft_Client/writereaddata/upload/02_AR%20ENGLISH-2023-24.pdf

⁷⁶ Ministry of Agriculture & Farmers Welfare. (2023). Annual report 2022–23. Government of India.

https://agricoop.nic.in/sites/default/files/Annual_rpt_2022-23_Eng.pdf

⁷⁷ IMD data available at mausam.imd.gov.in and imd pune.gov.in

⁷⁸ Climate Research Lab. (2021). Changing trends in tropical cyclone activity over the North Indian Ocean..

<https://www.climate.rocksea.org/research/cyclones-north-indian-ocean/>

⁷⁹ ThinkHazard! – India Hazard Profile | Global Facility for Disaster Reduction and Recovery (GFDRR)

to integrate disaster risk reduction and climate resilience into its development planning, infrastructure design, and emergency preparedness strategies.

20. **Projected climate** – The table⁸⁰ below presents projected annual climate anomalies for India during the period 2040–2059 and 2080–2099, relative to the baseline period 1995–2014, based on multi-model ensemble outputs from the IPCC Sixth Assessment Report (AR6). Projections are shown under two key emission pathways: SSP2-4.5 (an intermediate mitigation scenario) and SSP5-8.5 (a high-emissions trajectory), highlighting expected changes in temperature, precipitation, and extreme weather indices relevant to agriculture, water, and disaster risk management. With significant regional and seasonal variability these changes are expected to drive more frequent heatwaves, erratic monsoons, and extreme weather events, posing critical risks to agriculture, water security, and livelihoods across India and underscore the urgency of adaptation planning.

Projected Anomaly for 2040–2059 and 2080–2099 (Annual) – India (Reference Period: 1995–2014), Multi-Model Ensemble Estimates – Based on IPCC AR6 Emission Scenario

Param	Unit	2040-2059		2080-2099	
		ssp245	ssp585	ssp245	ssp585
tasmax	°C	1.2 (0.7 to 2)	1.6 (1.1 to 2.5)	2.1 (1.4 to 3.2)	4.1 (3.1 to 6)
tasmin	°C	1.3 (0.8 to 2)	1.8 (1.2 to 2.6)	2.3 (1.5 to 3.1)	4.5 (3 to 6.3)
prpercnt	%	8.4 (-7.5 to 32.9)	11 (-6.9 to 41.2)	15.9 (-2.3 to 65.4)	31.2 (-11 to 101.9)
r20mm	Days	1.4 (-1.3 to 6.3)	1.7 (-5.9 to 6.6)	2.4 (-2 to 10.9)	4.8 (0 to 19.4)
rx1day	Mm	4.7 (-109.6 to 76.8)	4.1 (-109.9 to 57.1)	7.9 (-75.4 to 91.2)	15.5 (-171.6 to 113.9)
rx5day	Mm	26.1 (-77 to 188)	25.3 (-115.5 to 234.5)	38.4 (-52.4 to 374.8)	68.7 (-114.4 to 329)
cdd	Days	0.3 (-7.8 to 6.8)	0.4 (-9.3 to 6)	-1 (-13.6 to 5.2)	-2.9 (-21.2 to 5.9)
cwd	Days	2.3 (-9.1 to 12.4)	2.4 (-18.7 to 11.3)	2.9 (-31.4 to 13.4)	3.4 (-17.4 to 15.8)
csdi	Days	-5.6 (-7.8 to -1.7)	-6.3 (-8.2 to -1.8)	-6.8 (-8.9 to -1.8)	-7.2 (-9.5 to -1.9)
wsdi	Days	57.9 (36.8 to 252.7)	86.7 (54.4 to 311)	123.4 (86.7 to 345.6)	244 (188.7 to 352.3)
spei12	SPEI Index	0.4 (0 to 0.7)	0.4 (-0.2 to 0.7)	0.6 (0 to 1)	0.9 (-0.3 to 1.5)

Note: *tasmax* – Mean daily maximum temperature anomaly (°C), *tasmin* – Mean daily minimum temperature anomaly (°C), *prpercnt* – Percentage change in total annual precipitation (%), *r20mm* – Number of days with precipitation ≥ 20 mm (heavy rainfall days), *rx1day* – Annual maximum 1-day precipitation total (mm), *rx5day* – Annual maximum consecutive 5-day precipitation total (mm), *cdd* – Consecutive dry days: number of days with precipitation < 1 mm, *cwd* – Consecutive wet days: number of days with precipitation ≥ 1 mm, *csdi* – Cold Spell Duration Index: number of days in cold spells, *spei12* – Standardized Precipitation Evapotranspiration Index (12-month scale): drought indicator, *wsdi* – Warm Spell Duration Index: number of days in warm spells

21. **Climate change impacts** – Climate change is expected to significantly impact several key sectors in India. In agriculture, reduced productivity of staples like rice, wheat, and maize could result in economic losses ranging from \$57 to \$208 billion by 2050 (in 2010 US\$) due to rising temperatures and erratic rainfall (CEEW, 2020)⁸¹. Water resources are at risk due to increased variability in monsoon

⁸⁰ World Bank Climate Change Knowledge Portal – India Projections, <https://climateknowledgeportal.worldbank.org/country/india/climate-data-projections>

⁸¹ Council on Energy, Environment and Water (CEEW). (2020). Costs of Climate Change Impacts in India. <https://www.ceew.in/publications/costs-climate-change-impacts-india>.

patterns, leading to both water scarcity and flooding. In coastal agricultural areas, sea level rise can lead to saltwater intrusion, impacting soil salinity and crop production. Climate change can alter the distribution and prevalence of pests and diseases affecting both crops and livestock. The health sector faces growing challenges from heat stress, malnutrition, and the spread of vector-borne diseases such as malaria and dengue. In infrastructure, extreme weather events like floods and cyclones pose risks to roads, housing, and energy systems, particularly in urban and coastal areas. In 2020 alone, climate-related disasters caused losses of \$87 billion, with floods accounting for 63% of infrastructure and livelihood damage, followed by cyclones (19%) and droughts (5%)⁸². India's GHG emissions reached 2,955 million tonnes of CO₂ equivalent in 2023, with the energy sector contributing 75.66% and agriculture 13.72%. Within agriculture, key sources are livestock (54.84%), rice cultivation (16.68%), and fertilizer use (23.26%). Despite rising emissions, per capita emissions remain low at 2.9 tonnes, below the global average. India's forests store 7,285.5 million tonnes of carbon, with an increase of 81.5 million tonnes since the last assessment, highlighting their role as critical carbon sinks⁸³. India's carbon market frameworks⁸⁴ offer potential for climate and livelihood gains by scaling forest carbon sequestration and low-emission agriculture, creating carbon credit opportunities and income for rural/tribal communities. These sectoral impacts underline the need for climate-resilient planning across India's development priorities.

22. **Vulnerability to climate change** - India's vulnerability to climate change is diverse and region-specific, prompting multiple institutions to conduct detailed assessments. Two prominent studies—by the Department of Science and Technology (DST)⁸⁵ and the Council on Energy, Environment and Water (CEEW)⁸⁶—offer complementary insights into India's climate risks. DST's state-level assessment identifies eight eastern states as highly vulnerable based on exposure, sensitivity, and adaptive capacity, supporting national and state adaptation planning. In contrast, CEEW's district-level Climate Vulnerability Index (CVI) reveals that 463 out of 640 districts are at high risk from extreme weather events, emphasizing localized risks in states like Assam, Maharashtra, and Andhra Pradesh. While DST provides a macro-level planning tool, CEEW's granular analysis aids targeted interventions, together offering a comprehensive understanding of India's climate risk landscape. India's IMD Climate Hazards and Vulnerability Atlas⁸⁷ assesses nationwide climate risks, highlighting increased extreme weather due to climate change. Using decades of data, it maps hazards like floods, droughts, heatwaves, and cyclones across districts, revealing significant multi-hazard vulnerability: eastern coast (cyclones), northwest/central (heatwaves/droughts), northeast/Himalayas (heavy rain/landslides). The atlas underscores the need for risk-informed development, preparedness, and targeted resilience efforts, serving as a crucial resource for policymakers and planners. The National Disaster Management Authority (NDMA) publication⁸⁸ "Disaster Risk and Resilience in India" outlines the country's vulnerability to major hazards and highlights efforts to strengthen disaster preparedness and resilience. It emphasizes a proactive

⁸² Reserve Bank of India (RBI). (2020). Report on Currency and Finance 2019-20: Theme – India's Monetary Policy Framework. Retrieved from https://www.rbi.org.in/Scripts/bs_viewcontent.aspx?Id=4108

⁸³ Government of India. (2023). Third Biennial Update Report to the United Nations Framework Convention on Climate Change (BUR-3). Ministry of Environment, Forest and Climate Change. Retrieved from <https://unfccc.int/documents/624978>

⁸⁴ Carbon Credit Trading Scheme (CCTS), 2023. Ministry of Power, Government of India <https://beeindia.gov.in/sites/default/files/Detailed%20Procedure%20for%20Compliance%20Procedure%20under%20CCTS.pdf>

⁸⁵ Climate Vulnerability Assessment for Adaptation Planning in India Using a Common Framework. (2020). Department of Science & Technology, Ministry of Science and Technology, Government of India.

⁸⁶ Council on Energy, Environment and Water (CEEW), 2021. Mapping India's Climate Vulnerability: A District-Level Assessment. Available at: <https://www.ceew.in/publications/mapping-climate-change-vulnerability-index-of-india-a-district-level-assessment>

⁸⁷ India Meteorological Department. (2022). Climate Hazards and Vulnerability Atlas of India. Ministry of Earth Sciences, Government of India. <https://mausam.imd.gov.in/>

⁸⁸ National Disaster Management Authority. (2021). Disaster Risk and Resilience in India. Government of India. <https://ndma.gov.in>

approach through policy frameworks, institutional mechanisms, and community-based strategies aligned with the Sendai Framework for Disaster Risk Reduction. It highlights the country's diverse vulnerability landscape and the need for geographically targeted disaster management strategies.

23. **Interlinkages between Socio-Economic and Environmental/Climate Factors** - Socio-economic and environmental/climate factors in India are deeply interconnected, particularly in the agricultural sector where the impacts are most pronounced. Poverty, inequality, and low adaptive capacity heighten vulnerability to climate risks such as droughts, floods, and heatwaves, disproportionately affecting marginalized groups including women, tribal communities, and the 85% of farmers who are smallholders. At the same time, unsustainable land use, groundwater depletion, deforestation, and biodiversity loss, often driven by economic pressures, exacerbate environmental degradation and reduce agricultural productivity.
- Vulnerability of Smallholders:* Small and marginal farmers are often more vulnerable to the impacts of environmental degradation and climate change due to limited resources and adaptive capacity. *Climate Change Exacerbating Poverty:* Climate-related shocks can lead to crop failures and livestock losses, pushing vulnerable agricultural communities further into poverty. *Resource Competition:* Increasing population and changing climate can intensify competition for land and water resources between agriculture, livestock, and other sectors. *Health Impacts:* Environmental pollution from agricultural practices and climate change (e.g., heat stress, vector-borne diseases) can have significant health implications for rural communities. *Migration:* Climate change and environmental degradation can act as drivers of rural-urban migration. These stresses reinforce rural poverty, food insecurity, and indebtedness, creating a feedback loop between socio-economic vulnerability and environmental stress. Breaking this cycle requires integrated policies that advance climate-resilient agriculture, sustainable resource management, improved extension services, and inclusive development focused on equity and resilience.

Part 2. Institutions and legal framework

2.1 Institutions

24. Some of the key institutions in India that represent a wide network of actors across policy, research, finance, and grassroots mobilization—making them strategic allies for IFAD's mainstreaming priorities in climate, nutrition, gender equality, inclusion of Indigenous Peoples. and inclusive rural development include:
- *Government Institutions*
 - NITI Aayog – Central policy think tank coordinating national strategies on SDGs, nutrition, and inclusive development.
 - Ministry of Agriculture and Farmers' Welfare (MoAFW) – Leads agricultural development, farmer welfare schemes, and digital agri-initiatives.
 - Ministry of Rural Development (MoRD) – Implements rural livelihoods programs like NRLM, a critical platform for reaching women and self-help groups (SHGs).
 - Ministry of Environment, Forest and Climate Change (MoEFCC) – Central body for climate and environmental policy, including climate adaptation and biodiversity conservation.
 - Ministry of Tribal Affairs (MoTA) – Key partner for working with indigenous populations and traditional knowledge systems.

- National Disaster Management Authority (NDMA) – Facilitates disaster preparedness and resilience building.
- *Research and Academic Institutions*
 - Indian Council of Agricultural Research (ICAR) – Apex research body for agricultural innovation, climate-resilient practices, and extension systems.
 - National Institute of Nutrition (NIN) – Research center guiding public nutrition policies and programs.
- 25. Indian Institute of Management (IIMs) & IITs – Support rural innovation, digital inclusion, and impact evaluation, green entrepreneurship.
- 26. Institute of Rural Management Anand,(IRMA), Indian Institute of Science, Bangalore.
- *Private Sector and Agritech*
 - Farmer Producer Organizations (FPOs) – Federated collectives supported by the government and NGOs, key to scaling inclusive value chains.
 - Agri-tech Startups (e.g., DeHaat, Ninjacart) – Offer digital platforms for market access, advisories, and input linkages.
- 27. Confederation of Indian Industry (CII) – Facilitates public-private partnerships on rural development and climate action.
- *NGOs and Civil Society*
 - Self-Employed Women’s Association (SEWA) – Empowers women farmers and informal workers through cooperatives and advocacy.
 - BAIF Development Research Foundation – Implements rural development and natural resource management programs.
 - Watershed Organisation Trust (WOTR) – Focuses on community-based climate adaptation and watershed development.
- 28. Community-Based Institutions
 - Water User Associations (WUAs) – Manage irrigation and water governance at grassroots level.
 - Joint Forest Management Committees (JFMCs) – Enable community participation in forest conservation.
 - Self-Help Groups (SHGs) – Core to rural finance, nutrition, and women-led microenterprises under NRLM.
 - Pasture User Groups and Van Panchayats (in Himalayan regions) – Help manage communal grazing and forest land sustainably.

2.2 Policy and regulatory frameworks

29. **Social:** India has established a comprehensive set of national policies, strategies, and regulatory frameworks aligned with IFAD’s mainstreaming themes, including social inclusion, gender equality, youth empowerment, nutrition, and environmental sustainability. The rights of Indigenous Peoples are protected under the Forest Rights Act (2006), supported by the Tribal Sub-Plan and broader commitments under the UN Declaration on the Rights of Indigenous Peoples. Gender equality is promoted through initiatives such as the National Policy for Women (2016 draft), Beti Bachao Beti Padhao, Mahila E-Haat, and Stand-Up India, which enhance women’s access to education, employment, and entrepreneurship. Nutrition security is addressed through multi-sectoral programs like Poshan Abhiyaan, the National Food Security Act (2013), Integrated Child Development Services (ICDS), Anaemia Mukht Bharat. and Mid-Day Meal schemes. Youth empowerment is driven by the National Youth Policy (2024), Skill India, Start-up India, and the Pradhan Mantri Kaushal Vikas Yojana, which focus on building employable skills and rural livelihoods.
30. **Environment:** India’s environmental policies and regulatory framework are guided by a commitment to sustainable development, biodiversity conservation, and

climate resilience. The Environment (Protection) Act of 1986 serves as the foundation of India's environmental governance framework, which provides a comprehensive framework for addressing pollution control and environmental management. This is supported by specific legislations such as the Forest (Conservation) Act, 1980, Wildlife (Protection) Act, 1972, and Air and Water (Prevention and Control of Pollution) Acts. India's policy direction is further shaped by the National Environment Policy (2006), which emphasizes conservation of critical environmental resources, livelihood security, and sustainable development.

31. **Climate:** On the climate front, India has made strong global commitments under the Paris Agreement, with its updated NDCs (2022)⁸⁹ targeting a 45% (of its GDP compared to 2005) reduction in emissions intensity by 2030 and 50% of electric power capacity from non-fossil sources and creating an additional carbon sink of 2.5 to 3 billion tonnes of CO₂ equivalent through additional forest and tree cover by 2030. Adaptation and mitigation efforts are structured under the National Action Plan on Climate Change (NAPCC), State Action Plans (SAPCCs), and sector-specific National Appropriate Mitigation Actions (NAMAs). In line with the Convention on Biological Diversity (CBD), India implements the National Biodiversity Strategy and Action Plan (NBSAP), complemented by local governance through People's Biodiversity Registers and Biodiversity Management Committees. To combat land degradation under the UN Convention to Combat Desertification (UNCCD), India aims to restore 26 million hectares of degraded land by 2030 through programs like MGNREGA and watershed development.

2.3 Programmes and partnerships

32. India's development landscape is shaped by a wide range of ongoing government programs across sectors such as health, education, social protection, and agriculture, implemented in close partnership with development agencies (e.g., UN, World Bank, IFAD), the private sector (through CSR and inclusive business models), and civil society organizations.
33. In the health sector, flagship initiatives like the National Health Mission (NHM), Ayushman Bharat (including PM-JAY and Health and Wellness Centres), Poshan Abhiyaan, disease-specific programs (e.g., for TB, HIV/AIDS, and vector-borne diseases), and the Universal Immunization Programme work to improve access to quality healthcare, especially for vulnerable populations. Development partners including WHO, UNICEF, UNFPA, and bilateral donors support system strengthening and disease control, while private hospitals and NGOs contribute via service delivery and awareness campaigns.
34. In education, the Samagra Shiksha scheme integrates schooling from pre-primary to senior secondary, complemented by the National Education Policy (NEP) 2020, the Mid-Day Meal Scheme (PM POSHAN), and the Right to Education Act. These are bolstered by support from UNESCO, UNICEF, and private sector CSR programs that enhance learning access and quality, especially in remote and underserved communities.
35. Social protection efforts include MGNREGA, the National Social Assistance Programme (NSAP), PM-KISAN, PMJDY, PMAY, Ujjwala Yojana, and the National Food Security Act (NFSA), all of which provide safety nets through employment, income support, housing, food, and financial inclusion. These programs are particularly critical for landless households and informal workers, who are among the most economically vulnerable and often lack access to stable employment or

⁸⁹ India's Updated First Nationally Determined Contribution Under Paris Agreement (2021-2030) August 2022
<https://unfccc.int/sites/default/files/NDC/2022-08/India%20Updated%20First%20Nationally%20Determined%20Contrib.pdf>

productive assets. Development partners assist with technical design and system strengthening, while NGOs facilitate access, identify excluded groups, and advocate for stronger, more inclusive social safety nets.

36. In agriculture, programs such as PM-KISAN, PM Fasal Bima Yojana, RKVY, PM Krishi Sinchayee Yojana, Soil Health Card Scheme, e-NAM, and the National Mission for Sustainable Agriculture promote farmer income, risk resilience, sustainable practices, and market access. While many of these programs target land-owning farmers, there is growing recognition of the need to include tenant farmers and the landless through customized support such as skill development, livestock-based livelihoods, and community resource sharing. These are supported by development partners like IFAD, FAO, and the World Bank, with private sector involvement in contract farming, input provision, and training. Civil society plays a critical role in organizing Farmer Producer Organizations (FPOs), promoting organic farming, and empowering smallholder farmers and landless laborers through cooperatives and self-help groups.
37. The livestock sector, vital for rural livelihoods, particularly for landless households, is addressed through programs such as the Rashtriya Gokul Mission, which aims to improve indigenous breeds; the National Animal Disease Control Programme (NADCP) for controlling foot and mouth disease (FMD) and brucellosis; and the Livestock Health & Disease Control (LHDC) scheme.
38. Across all sectors, pro-poor partnerships—including public-private collaborations, NGO-government synergies, and grassroots mobilization—remain central to improving service delivery, addressing systemic inequities, and advancing inclusive, sustainable development for India's rural poor, especially the landless and most marginalized.

Part 3 - Strategic recommendations

3.1 Lessons learnt

39. The 2018–2024 COSOP aligned well with national rural priorities (contribution to the Government's strategy for doubling farmers' income by 2022) and delivered tangible benefits in income, food security, and productivity through innovative approaches, but faced early implementation delays, limited policy influence from evidence-based practices, and uneven progress in market linkages.
40. Further progress is required in the following phase, which involves integrating climate-smart agriculture into mainstream practices, strengthening market links, and scaling proven models through policy integration. Addressing delivery gaps, integrating inclusivity, planning for crises, and investing in data systems are all necessary for impact delivery. These insights support alignment with India's Viksit Bharat@2027 vision and call for scalable, resilient, and inclusive rural development strategies.

3.2 Strategic orientation

41. The COSOP 2026–2033 strategic thrusts align with India's 2025 budget goals for inclusive, sustainable growth towards "Viksit Bharat@2047". Key elements include: (i) Prosperity – Focus on rural development through productivity, diversification, and climate-smart technologies, with IFAD leveraging its relevant experience.; (ii) Inclusivity – Aiming for high female workforce participation and poverty eradication, building on IFAD's work with marginalized groups; (iii) Resilience – Addressing climate and economic shocks via financial, social, and environmental strategies; and (iv) Innovations – Scaling rural development innovations and ensuring alignment with government schemes.

3.3 Strategic actions and targeting

42. The reasoning behind the COSOP 2026–32 is that IFAD acts as a catalytic partner in India, complementing large-scale investments by utilizing its strengths in community institutions, rural finance, and inclusive value chains. The modular, evidence-driven interventions of IFAD will serve as scalable lighthouse models.
43. Rural poverty in India remains severe among women, small and marginal farmers, and the ultra-poor, who face interconnected challenges like livelihood insecurity, exclusion, poor financial access, and climate risks. Addressing the challenges of rural poverty and agricultural sector constraints—as summarized from *Key File 1: Rural Poverty and Agricultural Sector Issues*—calls for a strategic and inclusive approach, presented in the sections below.
44. The targeting strategy focuses on rural groups facing intersecting vulnerabilities related to poverty, exclusion, and geography. These include **ultra-poor households**—food insecure, asset-less, and reliant on social protection; **women youth and PwDs**, who often lack access to productive assets and leadership roles; **small and marginal farmers**, with limited market access and climate-sensitive livelihoods; **Scheduled Castes and Tribes (SC/ST)**, marginalized due to social identity and location; and **communities in ecologically fragile areas**, who are highly exposed to environmental shocks and land degradation.
45. Participatory processes will be used to identify and target poor households. These include community-led approaches such as participatory rural appraisal (PRA), wealth ranking, and social mapping. Community members, especially marginalized groups, actively engage in defining poverty criteria and identifying households based on local knowledge. Village committees or user groups validate the lists to ensure transparency and inclusivity. Gender and youth perspectives are prioritized to ensure equitable representation. This bottom-up approach strengthens ownership, ensures accurate targeting, and aligns interventions with the needs and priorities of the poor, fostering accountability and sustainability in project outcomes. Participatory processes will also employ SBS (Social and Behavioural Sciences) approaches such as collaborative planning, where communities actively shape policies, undertake deliberative dialogue, fostering meaningful discussions among diverse groups. Co-design methods integrate local knowledge into solutions, while participatory action research empowers communities to identify and address challenges. SBS also advocates for interactive workshops to facilitate engagement and digital platforms for broader participation. These approaches enhance trust, encourage shared ownership, and lead to sustainable outcomes.
46. The recommended key actions to realize the targeted pathways emphasize prioritizing integrated and scalable models that combine institutional strengthening, financial innovation, and climate resilience within policy and program frameworks, outlined below:
47. **Empower Community Institutions:** Strengthen Self-Help Groups (SHGs), producer groups, and federations to deliver services, represent marginalized voices, and aggregate resources. Enable operational mandates, not just representational roles.
48. **Support the Poorest of the Poor:** Provide bundled technical and financial support with failure-tolerant mechanisms and long-term incentives for gradual transition into stable, bankable livelihoods.
49. **Promote Nano and Micro-Enterprises:** Facilitate access to finance, skills, and green technologies for landless and poor households. Transition from group-led credit to individual, credit history-based models. Agriculture-related nano- and micro-enterprises should be integrated with food waste management, plastic

alternatives, and clean energy use, avoiding polluting fuels like kerosene and diesel, to ensure environmentally sustainable growth.

50. **Enhance Market Access:** Strengthen producer organizations, diversify into high-value crops, and reduce transaction costs via local infrastructure and digital platforms. Build private sector partnerships and support agri-tech innovations.
51. **Expand Financial Inclusion:** Develop credit-linked digital systems and guarantee funds to de-risk lending to rural populations, micro-enterprises, and agri-value chain actors.
52. **Restore Natural Resources:** Promote agroecology, land and water stewardship, and Payment for Ecosystem Services (PES) schemes to protect environmental assets and rural wealth.
53. **Build Climate Resilience:** Promote diversified rural livelihoods and reduce post-harvest losses through improved storage, value addition, and local agri-processing. Enhance resilience further by supporting climate-resilient crops, weather-based advisory services, community-based natural resource management, and access to risk transfer tools such as climate insurance—empowering vulnerable communities to better absorb and adapt to climate shocks.
54. **Climate finance:** India's climate finance landscape is evolving rapidly to support its climate goals under the Paris Agreement and the updated NDCs, 2022.⁸³ With an estimated need of over US\$ 10 trillion by 2070 to achieve net-zero emissions (CEEW, 2021⁹⁰), India has developed a multi-layered framework combining domestic and international financial mechanisms. Domestically, the government has set up the National Adaptation Fund for Climate Change (NAFCC) to support climate-resilient projects. Budgetary support has increased, and India issued its first sovereign green bonds worth INR 16,000 crore (approx. US\$ 2 billion) in 2023 to finance clean energy and ecosystem restoration. The country has attracted substantial private investments in renewable energy—US\$ 14.5 billion in 2022 alone—and promotes clean mobility through the FAME scheme. Internationally, India receives climate finance from the Green Climate Fund (GCF), Global Environment Facility (GEF), and key development partners like the World Bank, ADB, GIZ, AFD, and JICA, supporting sectors such as solar energy, climate-resilient agriculture, water management, and green transport. IFAD can partner with the Climate and Environment Fund (CEF) to advance climate-resilient rural development by leveraging blended finance to de-risk investments in climate-smart agriculture and infrastructure. Collaboration can also focus on building carbon market readiness among rural stakeholders, boosting adaptive capacity through climate risk insurance and sustainable resource management, and scaling up nature-based and regenerative agriculture pilots. This approach would enhance rural resilience, facilitate greater access to climate finance, and align with the goals of India's NAPCC and SAPCCs.

3.4 Monitoring

55. In order to guarantee progress and inclusivity across interventions, it is important to implement robust monitoring and feedback mechanisms. Outcomes such as participation, resource control, representation, dietary diversity, and emissions reduction will be monitored through Key Performance Indicators (KPIs) that are disaggregated by gender, youth, Indigenous Peoples, nutrition, and environment & climate. Although the categories of KPIs are common in development practice, the project design phase will establish specific numerical targets that are consistent

⁹⁰ CEEW – 'Investment Sizing India's 2070 Net-Zero Target' Report, 2021. <https://www.ceew.in/gfc/solutions-factory/publications/CEEW-CEF-Investment-Sizing-India%E2%80%99s-2070-Net-Zero-Target.pdf>

with national priorities and broader development goals. These targets will be determined based on context, baseline data, and stakeholder consultations.

References

56. Census of India. (2011). Primary Census Abstract – India. Office of the Registrar General & Census Commissioner, Government of India.
57. Ministry of Statistics and Programme Implementation. (2025, January 7). Press note on First Advance Estimates of GDP for 2024–25. Government of India. <https://www.mospi.gov.in/press-release/press-note-first-advance-estimates-gdp-2024-25>.
58. Ministry of Statistics and Programme Implementation. (2022). Youth in India 2022. https://mospi.gov.in/sites/default/files/publication_reports/Youth_in_India_2022/Youth%20at%20a%20glance.pdf.
59. United Nations Development Programme (UNDP). (2022). Human Development Report 2021–22: Uncertain Times, Unsettled Lives. <https://hdr.undp.org/data-center/specific-country-data#/countries/IND>.
60. World Bank. (n.d.). World Development Indicators: CO2 emissions (metric tons per capita). <https://data.worldbank.org/indicator/EN.ATM.CO2E.PC?locations=IN>.
61. NITI Aayog. (2023). National Multidimensional Poverty Index: A Progress Review 2023. <https://www.niti.gov.in/sites/default/files/2023-07/MPI-Report-2023-Final.pdf>.
62. National Family Health Survey (NFHS-5). (2019–21). India Fact Sheets – Key Indicators. Ministry of Health and Family Welfare, Government of India.
63. Sample Registration System (SRS). (2022). Special Bulletin on Maternal Mortality in India 2018–20. Office of the Registrar General, India.
64. Ministry of Youth Affairs & Sports. (2014). National Youth Policy 2014. Government of India.
65. National Statistical Office. (2022). Periodic Labour Force Survey: Annual Report 2021–22. Ministry of Statistics and Programme Implementation.
66. Ministry of Agriculture & Farmers Welfare. (2023). Annual Report 2022–23. Government of India. https://agricoop.nic.in/sites/default/files/Annual_rpt_2022-23_Eng.pdf.
67. Forest Survey of India. (2023). India State of Forest Report (ISFR) 2023. <https://fsi.nic.in/forest-report-2023>.
68. Ministry of Environment, Forest and Climate Change. (2014). India's Fifth National Report to the Convention on Biological Diversity. <https://www.cbd.int/doc/world/in/in-nr-05-en.pdf>.
69. Ministry of Environment, Forest and Climate Change. (2022). India's Updated First Nationally Determined Contribution Under Paris Agreement (2021–2030). <https://unfccc.int/sites/default/files/NDC/2022-08/India%20Updated%20First%20NDC%20August%202022.pdf>.
70. Department of Science & Technology. (2020). Climate Vulnerability Assessment for Adaptation Planning in India Using a Common Framework. Ministry of Science and Technology, Government of India.
71. Council on Energy, Environment and Water (CEEW). (2021). Mapping India's Climate Vulnerability: A District-Level Assessment. <https://www.ceew.in/publications/mapping-climate-change-vulnerability-index-of-india-a-district-level-assessment>.

72. India Meteorological Department (IMD). (2022). Climate Hazards and Vulnerability Atlas of India. Ministry of Earth Sciences, Government of India. <https://mausam.imd.gov.in/>
73. National Disaster Management Authority. (2021). Disaster Risk and Resilience in India. Government of India. <https://ndma.gov.in>.
74. Food and Agriculture Organization (FAO). (2023). The State of Food Security and Nutrition in the World.
75. World Bank Climate Change Knowledge Portal. (n.d.). India Climate Projections. <https://climateknowledgeportal.worldbank.org/country/india/climate-data-projections>.

SECAP background study

Annexure to Appendix IV

Climate trend and scenario:

Observed (1951–2022) Annual & Seasonal Precipitation and Temperature Trends for India, based on IMD (India Meteorological Department) gridded data (1951–2022):

Rainfall Patterns

1. Annual Average Rainfall
 - High Rainfall (>1500 mm): Concentrated in the northeastern states, western coast (Kerala, Konkan), and parts of the Himalayas.
 - Low Rainfall (<500 mm): Rajasthan, Ladakh, and parts of Gujarat and Punjab.
2. South-West Monsoon (June–Sept)
 - Dominates rainfall in most parts of India.
 - Western Ghats and Northeast receive the highest monsoon rainfall.
 - Rain-shadow regions (e.g., Tamil Nadu interior, NW India) get less.
3. North-East Monsoon (Oct–Dec)
 - Major contributor to rainfall in Tamil Nadu and South Coastal Andhra Pradesh.
 - Rest of India, especially north and west, receives very little rainfall.
4. Rainfall Variability: Coefficient of Variation (%)
 - Low variability (<25%): Seen in northeast India, Western Ghats, and parts of eastern coast — indicating consistent rainfall.
 - High variability (>50-60%): Found in northwest India, central interiors, and parts of the peninsula, suggesting unpredictable rainfall patterns.

Temperature Patterns

5. Maximum Temperature (Annual Average)
 - Hottest regions ($\geq 34^{\circ}\text{C}$): Rajasthan, Gujarat, Telangana, Vidarbha, and interior Karnataka.
 - Milder zones ($< 28^{\circ}\text{C}$): Himalayan belt, northeast, and coastal areas.
6. Minimum Temperature (Annual Average)
 - Lowest ($< 12^{\circ}\text{C}$): Himalayas, northern Punjab, and Kashmir.
 - Higher minimums ($> 24^{\circ}\text{C}$): Southern India, coastal areas, and eastern plains.

Climatic Implications

- Climate variability: High in central and northwestern India, particularly for rainfall.
- Hot spots: Indo-Gangetic plain and central India are heating faster.
- Resilient zones: Coastal and northeastern regions show more stable rainfall and moderate temperatures.

Key Climate Trends (1951–2022)

- Warming: India has seen a rise in both max and min temperatures, especially in central and northwest India.
- Rainfall Variability: Increased in central India, while consistent zones remain around the northeast and coastal belts.
- Monsoon Shifts: Delay in onset/retreat and concentrated rainfall episodes, increasing flood risk.

Implications for Policy and Planning

- Agriculture: Urgent need for climate-resilient cropping and irrigation support in semi-arid regions.
- Disaster Preparedness: Early warning systems and adaptation plans are crucial in flood- and cyclone-prone regions.
- Water Management: Efficient use and storage especially in monsoon-dependent regions.
- Health & Livelihoods: Rising heat affects labor productivity and increases heatstroke/illnesses.

Projected Rainfall Changes in India (2040–2059)

- The projections under both climate scenarios—SSP2-4.5 (moderate emissions) and SSP5-8.5 (high emissions)—show significant regional variations in rainfall across India.
- Under SSP2-4.5, rainfall is projected to increase by 5–20% annually in southern and northeastern India, particularly along the Western Ghats, coastal Andhra Pradesh, and the northeast.
- Central and northwest India are expected to witness minimal change or even slight declines in annual rainfall.
- The South-West Monsoon (JJA) shows the strongest positive anomalies in southern and coastal India, while central and northwestern India may see no improvement or even reduced monsoon intensity.
- During the North-East Monsoon (SON), rainfall is expected to increase in eastern and southern regions, with Tamil Nadu and adjoining states seeing notable positive changes.

Under SSP5-8.5, the changes become more extreme:

- Annual rainfall increases beyond 20% in parts of the south and northeast.
- However, northwest India could face a significant reduction in rainfall, possibly exceeding 10–20% less than the historical baseline.
- This trend implies that while some regions may face flooding due to heavier rains, others will confront prolonged drought and water stress, increasing the need for region-specific water management strategies.

Projected Temperature Changes

- Temperature anomalies under both scenarios show a clear warming trend throughout India, with the intensity increasing sharply under the high-emissions path (SSP5-8.5).
- Under SSP2-4.5, maximum temperatures are projected to rise by 1.2°C to 2.0°C, particularly in the northwestern, central, and inland peninsular regions.
- Minimum temperatures (typically night-time) will also rise significantly, especially in the northern belt, contributing to reduced diurnal temperature variation.
- This warming is more intense in landlocked regions, exacerbating heatwave risks and water evaporation losses.

Under the SSP5-8.5 scenario, the projections indicate more substantial changes in temperature and precipitation patterns.:

- Most of India, especially the north, northeast, and interior central belt, will experience >2.0°C warming in both day and night temperatures.
- Night-time temperatures may rise even faster, which can amplify health impacts, reduce nighttime relief during heatwaves, and stress agricultural systems (e.g., affecting rice yields that depend on cool nights).

Implications for Policy and Planning

The projected climate trends are likely to influence India's development path, with potential implications for agriculture, public health, infrastructure, and socio-economic systems.:

- **Agriculture:** Will need to adapt to changing rainfall and temperature patterns through measures such as climate-resilient crop varieties, adjusted planting schedules, and broader access to crop insurance.
- **Water Resources:** May face challenges of both excess and scarcity, depending on the region. This will require context-specific approaches to irrigation planning and improvements in water storage infrastructure.
- **Public Health:** Systems may need to prepare for shifts in disease patterns, increased incidence of heat-related illnesses, and nutrition-related impacts linked to climate variability.
- **Rural Market Infrastructure:** Planning for rural markets can incorporate features that address climate-related risks, such as shaded or ventilated structures to reduce heat exposure, improved drainage to manage heavy rainfall, and resilient storage and transport facilities to protect perishable goods during extreme weather events.
- **Policy and Preparedness:** Climate-informed planning and investment in adaptive and risk reduction strategies will be important to support resilience across sectors.

Projected Anomaly in Extreme Climate Indicators for India (2040–2059) under two scenarios SSP2-4.5 (moderate emissions) and SSP5-8.5 (high emissions)

Rainfall Extremes

1. Very Heavy Rainfall Days (>20mm) – r20mm

- **SSP2-4.5:** Increase by 1–3.5 days in parts of central, western, and southern India. Some reduction in northeast and Himalayan regions.
- **SSP5-8.5:** Much larger increase across central and western India, including >5 additional very heavy rainfall days, especially Maharashtra, Gujarat, and Odisha.

Implication: Higher risk of urban and flash flooding, especially in areas with poor drainage infrastructure.

2. Annual Maximum 1-Day Rainfall – rx1day

- **SSP2-4.5:** Increase by up to 50 mm in western and eastern regions.
- **SSP5-8.5:** Increases exceed 75 mm in many areas of the Indo-Gangetic Plain and western coast.

Implication: Higher intensity of single-day storm events—critical for flood risk management.

3. Annual Maximum Consecutive 5-Day Rainfall – rx5day

- Both scenarios show increased 5-day totals, but more severe under SSP5-8.5, with >100 mm increase in key zones.

Implication: Increased multi-day rainfall spells, raising the threat of prolonged flooding.

4. Consecutive Wet Days – cwd

- **SSP2-4.5:** Increase of 2–5 days in south and northeast India.
- **SSP5-8.5:** Greater expansion across central and northern plains.

Implication: Extended wet periods may affect harvest cycles and soil health.

5. Consecutive Dry Days – cdd

- SSP2-4.5: Slight increase across interior India (1–2.5 days).
- SSP5-8.5: Sharper rise (up to 5 extra dry days) across most of the country, especially western and central regions.

Implication: Elevated drought risk, especially for rain-fed agriculture.

6. Moisture Stress & Drought Indicators : Standardized Precipitation Evapotranspiration Index – spei

- SSP2-4.5: Moderate rise (0.25–0.5) in western, central India.
- SSP5-8.5: Higher anomalies (>0.75), indicating greater drought intensity, especially in Gujarat, Rajasthan, Maharashtra.

Implication: Rising water stress in key agricultural zones.

1. Cold Spell Duration Index – csdi

- SSP2-4.5: Decrease in cold spell days (–2 to –4.5 days) across most of India.
- SSP5-8.5: Sharper reductions, especially in northern regions.

Implication: Warmer winters, reduced frost risk but ecological and pest implications.

2. Warm Spell Duration Index – wsd

- SSP2-4.5: Increase by 5–15 days in central India.
- SSP5-8.5: Extended by up to 25 additional warm spell days, especially across northern India.

Implication: Longer heatwave periods, higher heat stress on crops, livestock, and vulnerable populations.

Summary of Key Differences Between Scenarios

Indicator	SSP2-4.5	SSP5-8.5
Very Heavy Rainfall Days	+1 to 3.5 days	+3 to >5 days
Max 1-Day Rainfall	+20 to 50 mm	+50 to 75+ mm
Consecutive Dry Days	+1.5 to 2.5 days	+2.5 to 5+ days
Warm Spell Duration	+5 to 15 days	+15 to 25+ days
Cold Spells	–2 to –4.5 days	–4.5+ days
Drought Intensity (SPEI)	Moderate increase	High increase in western, central

Planning Implications

- Agricultural planning must factor in longer dry spells and rainfall variability.
- Water resource management needs to account for simultaneous drought and flood risks.
- Heat health action plans will become increasingly vital under SSP5-8.5.
- Rural and urban infrastructure (e.g., market sheds, housing, drainage) must adapt to heavier rainfall and longer warm spells.

Agreement at completion point

Introduction

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. This CSPE is the third country programme evaluation (CPE) conducted in India, and it covers the period 2016-2022, including 13 projects with IFAD financing of US\$737 million. Previous evaluations were performed in 2009 and in 2015-2016, with the latter (referred to as the 2016 CPE) covering the period 2010-2015.
2. This Agreement at Completion Point (ACP) contains the recommendations made in the CSPE report, which were accepted by IFAD and the Government of India, as well as the proposed follow-up actions agreed on. The ACP is signed by the Government of India, represented by the IFAD Governor, and the IFAD Management, represented by the Associate Vice-President of the Programme Management Department (PMD). The signed ACP is an integral part of the CSPE report, in which the evaluation recommendations are presented in detail and submitted to the IFAD Executive Board as an annex to the new COSOP. The implementation of the recommendations agreed upon will be tracked through the President's Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA), which is presented to the IFAD Executive Board on an annual basis by IFAD's Management.

B. Recommendations and follow-up actions

- (iv) **Recommendation 1: The next COSOP should clearly establish IFAD's added value, to be supported by multi-pronged strategies based on the profiles of target groups, partners' capacities, and types of development challenges to be addressed.** Given its relatively very small resource envelope, IFAD-supported interventions should be driven by opportunities for piloting innovative solutions and approaches to address key rural development challenges in India. The identification of focus areas will need to take into consideration: (i) IFAD experience and comparative advantage in India, as well as experience and knowledge from other countries; (ii) priorities for the primary target group; (iii) Government priorities and schemes which provide opportunities for feeding the experience and knowledge; and (iv) potential for impact (breadth and depth) and scalability (see also recommendation 2):
- a. **Identify potential common threads in the portfolio in terms of development challenges to be addressed and priorities relative to the primary target group.** Potential areas of interventions and innovations should be planned with a view to facilitating knowledge systematization from multiple (not necessarily all) projects in similar or different contexts, rather than the focal areas simply justifying project activities in separate locations. The areas of common threads may include,

for example, water management and governance in water scarce conditions, sustainable farming systems in hilly areas, differentiated gender transformative approach adapted to socio-cultural contexts, integrated support for the well-being and empowerment of PVTGs in fragile environment, empowerment of SCs, rural youth engagement or approach to improve market access for producers in remote areas. It is important that a range of options be identified based on needs assessment and consultation with potential partners, while scouting for opportunities for innovations.

- b. **Clarify the strategic considerations for state selection and engagement.** There may be 2-3 new projects to be designed under the 2024 COSOP framework. While pre-selection of specific states is not suggested, care should be taken not to have the project states too widely spread or increased. Work in new states should only be considered with a long-term view (following discussions with government officials and local stakeholders), rather than one project of 5-6 years, and where IFAD's comparative advantages and strengths can add value. In the states with historical engagement, the country programme should focus on supporting the state governments and partners to: (i) institutionalize successful intervention models and scale up the results in the IFAD-funded projects (as per the examples of Nav Tejaswini in Maharashtra and the planned OPELIP II in Odisha); (if) generate, package and share knowledge and lessons to inform a broader audience, possibly also integrating experiences in multiple projects and states; and (iii) pilot innovative approaches and solutions to emerging challenges.

Agreed

Proposed follow-up actions: During the COSOP design process, IFAD will conduct a comprehensive mapping of its comparative strengths and engage closely with key stakeholders to identify the primary themes, cross-cutting priorities, and development challenges that should shape future Interventions. A particular emphasis will be placed on climate change adaptation and mitigation as a critical focus area, ensuring alignment with the Government of India's Viksit Bharat@2047 vision for sustainable and inclusive growth. In this context, IFAD will explore collaboration with the Ministry of Environment to enhance the impact of climate resilience efforts, align with national development priorities and seize opportunities to crowd in climate finance.

Furthermore, IFAD will collaborate with the Borrower to establish strategic criteria for state selection and engagement. These criteria will be aligned with IFAD's targeting policy, approved in April 2023, and may include factors such as demand for financing, poverty levels, and how well the state aligns with the thematic priorities identified for the country programme. The approach will prioritize longer-term, programmatic engagement, ensuring that IFAD's interventions not only meet immediate needs but also contribute to lasting institutional and systemic changes.

Responsibility: IFAD Country Team Timeframe: December 2025

4. **Recommendation 2: Emphasise the promotion of effective monitoring, feeding into knowledge management and innovation for scaling up in all aspects of the country strategy and programme.**
 - a. Based on the focal areas and common threads (and geographical areas of operations) being confirmed (recommendation 1), IFAD and the Government should **identify partners of different types and at different levels**. These partners would include: (i) state-level government agencies, missions and schemes that would be involved in investment projects and are well-placed to scale up of tested solutions to rural development challenges; (ii) local NGOs or civil society organizations which may offer ideas for innovation and support the operations; (iii) government agencies, think tank or research institutes at national level; and (iv) like-minded development partners (possibly including financial resource contributions). There should be a careful reflection at the country programme level on the opportunities and entry points for improved engagement with central-level partners that may not be the direct implementing partners in investment projects.
 - b. **Project planning and implementation should be linked to and integrated into government institutions, mechanisms and processes** as much as possible from the onset **to facilitate the incorporation and scaling-up of innovations** after project completion. IFAD support has piloted and implemented several innovations over the years, but more attention should be given to enhancing the innovation culture (potentially by allocating specific resources) and scaling up. It is vital that the pursuit of convergence is focused on the added value that IFAD support could bring and on the opportunities for influencing government schemes with scaling up pathways in mind (rather than for demonstrating increased counterpart funding *per se*), with the aim to leveraging greater outcomes and impact for the primary target group.
 - c. **Invest in strengthening project-level monitoring and evaluation, as well as analytical work and knowledge management at the country programme level.** Project M&E should pay greater attention to collecting robust data on results and outcomes and understanding factors for success or failure for learning (and adjusting implementation). IFAD should support project staff capacity building and provide consistent implementation support, possibly engaging advisory service providers over a period for multiple projects (funded by projects or other resources). It is important that experience and lessons on similar challenges from different projects (similar or different contexts and profiles of the target group) be better systematized, analysed and distilled. The regular portfolio review meetings with the Department of Economic Affairs or other cross-project gatherings should include policy and practice discussions and development of improved knowledge sharing products. The country programme could consider engaging in think tanks and policy research institutions for analytical work which is to be also informed by other initiatives, debate and research. Lastly, it is recommended that IFAD designate one of the ICO staff to be

specifically responsible for outcome tracking and knowledge management at the country programme level.

Agreed

Proposed follow-up actions:

- a. During the COSOP design, IFAD will map partners across government, NGOs, research institutions and development partners and define their roles in implementing the country programme. IFAD will convene a subset of stakeholders to regularly assess progress on innovations, explore scaling pathways, and update learning priorities based on evidence. This collaboration will enhance knowledge sharing and align interventions with government systems, ensuring sustainable scaling and long-term impact through continuous learning and adaptation.
- b. Innovative features will be incorporated into new projects, while existing projects will be systematically leveraged to monitor and scale innovations. IFAD will strengthen tracking mechanisms to define, monitor, and report on what is being scaled, by whom, where, and how. Existing informal connections across programmes, institutions, and stakeholders that contribute to scaling will be documented more systematically to improve visibility and learning. Adopting a systems approach to innovation, IFAD will assess how various actors-state agencies, NGOs, research institutions, and development partners-contribute to the innovation ecosystem. This approach will ensure scaling pathways are integrated into government schemes, facilitate collaboration across projects, and embed innovations within institutional frameworks to promote sustainability. The process will not only generate better evidence but also build on established relationships that foster uptake, ensuring innovations are visible, viable, and well-supported beyond project completion.
- c. The IFAD country team has launched an initiative to enhance monitoring, evaluation, and learning (MEL) at project and country programme levels, shifting focus from compliance to impact-driven learning. A MEL capacity review will inform a targeted action plan that prioritises data use, streamlines reporting, e.g. through an integrated MIS, and strengthens the link between MEL and knowledge management (KM). In addition to training consultants, IFAD will build the internal capacity of project staff and appoint a focal person at ICO to lead outcome tracking and KM efforts. Regular portfolio reviews and cross-project meetings will focus on scaling, policy impact, and evidence-based learning to ensure actionable insights for future programming.

Responsibility: IFAD Country Team

Timeframe: (a) December 2025; {b) Throughout COSOP implementation; (c) December 2025

5. **Recommendation 3: Ensure adequate attention, investment and capacities in social capital enhancement for strengthening grassroots organizations.** A clear methodological framework, sufficient time and efforts are needed for developing a shared vision, building social capital for inclusive member-based

grassroots organizations (especially producer organizations), and for monitoring the progress and assessing institutional capacities. IFAD should maintain the focus on inclusion of disadvantaged groups, while recognizing that this is bound to require more time and efforts and that the issue of intra-group power relations would require monitoring. Subsidies and grants for productive activities and business development (whether directly provided by projects or in convergence), if any, should be considered only after adequate social mobilization and the development of a shared vision by members.

Agreed

Proposed follow-up actions: The Country team and related Project Delivery Teams will ensure that:

- Adequate expertise in social mobilization and institutional development is mobilized for all design and mid-term review activities to review the effectiveness of institutional development, assess institutions' performance at design and during implementation; provide technical assistance to project teams, and provide input to enhancing monitoring efforts with regard to performance of institutions;
- Institutional performance is closely monitored throughout the project cycle to ensure effectiveness of project targeting approaches and the level of empowerment and participation of IFAD's target group.
- The design and implementation will focus not only on strengthening institutional capacities of grassroots organizations, but also on building growth pathways to enhance their viability and potential for driving rural transformation.

Responsibility: IFAD Country Team & Project Delivery Teams
Timeframe: Throughout the next COSOP cycle

6. **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 (e.g. after establishing a business case for provision of equipment and based on business plans). The Government and IFAD should also explore opportunities for partnerships with different types of players in the private sector, depending on areas and commodities (including beyond state level actors).
7. Clustering of production should be pursued, where possible, as a means to facilitate connections to markets and private sector actors. It is important that the strategy and approach be adapted to the agro-ecological context, market opportunities and producers' capacities.

Agreed

Proposed follow-up actions: IFAD and State Governments have piloted cluster-based approaches in LAMP, FOCUS and REAP, and have to some extent developed partnerships with business facilitators, and banks, especially in REAP and Nav Tejaswini. A joint study by IFAD's Production, Markets, and Institutions Division and the Asia and Pacific Region will assess the effectiveness and lessons learned from these

initiatives. Insights from these projects, alongside the Investments in Agroecology Value Chains Project, will inform the new COSOP.

Interventions will be designed to attract private sector actors by creating incentives for investment and collaboration with target groups, rather than relying on direct engagement. This includes strengthening producers' productivity and capacity to work with private partners as well as investing in public goods that generate opportunities for private actors to engage, investment to foster sustainable partnerships.

In design and implementation, IFAD will engage with State governments to what extent they support a shift from enterprise subsidies to attracting private investment and from "state-led" business development to "industry-led" capacity building. Meanwhile, IFAD will strengthen its implementation support to support projects in participatory business planning and development of simple financial book-keeping and other monitoring tools to enhance focus on outcomes.

Responsibility: IFAD Country Team & Project Delivery Teams
Timeframe: Throughout the COSOP Cycle

8. **Recommendation 5: Strengthen the care and considerations for the environment, natural resource management and climate resilience in a more integrated manner.** The design and planning on interventions on ENRM and agricultural productive activities should be based on more integrated approach with attention to ecosystems rather than sporadic interventions (for example with physical structure schemes). It is important to assess what has worked and what has not - in and outside the IFAD-supported portfolio - with traditional soil, forest and water conservation methods, participatory land use planning and watershed approach, the use of newer ICT tools (e.g. drones, geo-data) and what could still be trialled with further capacity building and partnerships. More rigorous environmental and social risk assessment processes must be conducted in design and planning, and properly monitored. At the same time, not only 'do no harm' should be the basic principle, but also interventions should integrate the proactive 'do good' focus.

Agreed

Proposed follow-up actions: IFAD's country team will review current approaches and assess both, positive and adverse impacts on ecosystems in collaboration with RIA, and relevant national agencies. New designs will emphasize a more holistic landscape approach to ensure more integrated strategies for land, soil and water use, conservation, and restoration, while also linking natural resource management with value chains activities, to ensure environmental and economic sustainability. This effort can also drive the fundraising for climate finance.

All new designs are conducted in line with IFAD's current SECAP standards, and the Country Team has enhanced its support to enhance relevant capacity through targeted training for project staff,

consultants, and the IFAD team in India. IFAD will continue to monitor SECAP implementation and provide technical assistance and training to ensure robust environmental and social risk management.

Responsibility: IFAD Country Team Timeframe: Throughout the COSOP Cycle

9. **Recommendation 6: Attention and measures to improve efficiency are needed.** IFAD and the Government should carry out a critical review of issues impacting on efficiency (including those involving the state governments) and identify measures and actions needed to address them, reflecting on ease of implementing and their potential impact. For the areas and issues that are mostly structural and procedural in the Government and are hence difficult to influence, project designs (processes and procedures, implementation arrangements) would need to reflect on risk mitigation measures, which should be updated during implementation. For example, the practice of including two senior government officers in the project leadership teams, coupled with a consultant as a deputy to them, should be continued as a means to reduce gaps that may be caused by high management/staff turn-over. The commitment by the main 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 package, and ensure adequate ongoing support by IFAD.

Agreed

Proposed follow-up actions: The IFAD Country Team will continue to provide training and engage proactively with new projects, with potential and actual problem projects, as well as with projects that are affected by staff mobility to support implementation as needed. In addition to regular supervision and implementation support missions, IFAD will engage in regular periodic virtual meetings to ensure a continuous dialogue and address any issues that affect the planning and implementation of project activities. Further, IFAD will strengthen its presence in the States, to backstop and facilitate implementation where warranted.

Responsibility: IFAD Country Team Timeframe: Throughout the COSOP Cycle

Signed on 10 April 2025 by the International Fund for Agricultural Development (IFAD) and the Government of India

COSOP preparation process

Discussions on the preparation of the new India Country Strategic Opportunities Programme (COSOP) 2026–2033 commenced during the consultations for the Country Strategy and Programme Evaluation (CSPE) in the second half of 2024. These early discussions provided an opportunity to reflect on the evolving rural development context and identify emerging priorities.

Building on the CSPE, a COSOP Completion Review (CCR) was undertaken to assess the relevance, effectiveness, and impact of IFAD's engagement in India under the 2018–2024 COSOP. The CCR analysed the performance of 11 projects, including both completed and ongoing interventions across diverse agro-ecological regions. It provided a critical evidence base for identifying key lessons, scaling opportunities, and areas for strengthening future engagement. The CCR was reviewed internally and shared with key stakeholders for feedback.

The formal kick-off for the COSOP preparation took place in the context of the Tripartite Portfolio Review Meeting (TPRM) held on 24 February 2025 in Meghalaya. The meeting brought together the Department of Economic Affairs (DEA), line ministries and departments, IFAD-supported project directors and teams, and IFAD staff, and provided a platform to discuss IFAD's evolving value proposition and strategic focus.

A COSOP preparation mission was subsequently fielded from 2 to 15 April 2025. During this period, intensive discussions were held with government partners at central and state levels, other multilateral development banks (MDBs), bilateral development agencies, United Nations organisations, private sector actors, and producer organisations. The mission was structured around thematic dialogues, field visits, and technical working sessions to ensure that the new COSOP would be anchored in field realities, government priorities, and IFAD's comparative advantage.

During the mission, an additional high-level consultation was convened, chaired by DEA, with participation from key line ministries and departments. This session provided an opportunity to validate the preliminary strategic focus areas, strengthen sectoral linkages, and identify pathways for convergence with flagship national programmes.

A broad-based stakeholder consultation was organised on 10 April 2025 in New Delhi, bringing together UN agencies, civil society organisations, academia, and research institutions. This dialogue helped capture perspectives from a wider group of development actors, ensuring that cross-cutting issues such as gender equality, climate resilience, youth empowerment, and food systems transformation were adequately addressed in the COSOP design.

The India COSOP 2025–2030 thus reflects a comprehensive, participatory, and evidence-based preparation process, ensuring strong alignment with India's development priorities and IFAD's corporate strategic directions.

South-South and Triangular Cooperation Strategy

I. Introduction

Since its early engagement in South-South and Triangular Cooperation (SSTC), IFAD has positioned SSTC as an important modality for promoting inclusive rural transformation and advancing sustainable agricultural development. Recognizing the growing importance of knowledge exchange, peer learning, and joint innovation among developing countries, IFAD adopted a more structured approach to SSTC with the endorsement of its first strategy in 2016 and, subsequently, the SSTC Strategy 2022–2027. This current strategy underscores the Fund's commitment to systematically identifying and disseminating innovative rural solutions and supporting policy engagement that enhances the capacities and resilience of rural communities. Anchored in its broader strategic plan and operationalized through dedicated institutional architecture, SSTC has become increasingly integrated into IFAD's country-level programming.

As a lower-middle-income country that has made remarkable progress in agricultural development and rural transformation, India stands as a key partner in advancing SSTC. With a wealth of innovations, policy interventions, and institutional models, India is well-positioned to share its development achievements with other countries across the Global South. The new IFAD COSOP for India recognizes this potential and identifies SSTC as a strategic channel to disseminate India's successes, thereby contributing to the scaling up of proven rural development models.

As a broker of strategic partnerships, IFAD is well positioned to amplify India's SSTC contributions by curating the country's successes and aligning them with demand-driven priorities in partner countries. Through its deep-rooted presence in the Global South, IFAD can connect Indian government entities, research institutions, and private sector actors with Southern peers via structured platforms (e.g. through policy dialogues, technical cooperation and assistance, and business-to-business linkages) to scale up India's proven development models.

As such, under the new COSOP, IFAD will place a strong emphasis on SSTC as a means to support India's role as a knowledge provider. Leveraging Strategic Objective 2 (SO2)—which focuses on creating pathways and platforms for knowledge exchange and partnerships—IFAD will promote SSTC as a tool to share development solutions that directly contribute to the key priorities articulated under Strategic Objective 1 (SO1), such as strengthening rural organisations, developing inclusive value chains, and promoting climate-resilient agriculture.

II. SSTC engagement rationale

India's commitment to SSTC is a cornerstone of its sustainable development strategy, particularly in its approach to regional integration and collaboration with countries of the Global South. A strong champion of the modality, India has leveraged its leadership role to promote inclusive growth, climate resilience and sustainable development for the achievement of the 2030 targets. For example, the country's G20 Presidency, under the theme of "Vasudhaiva Kutumbakam"⁹¹, established the South-South and Triangular Cooperation Network. The Network focused on strengthening the interlinkages between development, environment and climate goals, organizing workshops and sessions globally to share technical expertise, knowledge and technology transfer for inclusive and just transitions.

Domestically, the Government of India's commitment to pursuing Viksit Bharat@2047 (Developed India by 2047) is a concerted effort to continue the country's trajectory as one of the world's fastest growing economies. This national development strategy prioritizes inclusive and sustainable economic growth through investments in agricultural

⁹¹ India's G20 Presidency ran from December 2022 to November 2023. Vasudhaiva Kutumbakan is from Sanskrit, and translates as 'One Earth, One Family, One Future'.

modernization, digital innovation, rural entrepreneurship, and green technologies—areas in which India has acquired extensive experience and developed scalable models. As the world’s largest producer of milk, one of the largest producers of fruits, vegetables, and cereals, and a pioneer in digital public infrastructure such as Digital Payments and Agri-Stack, India is uniquely positioned to contribute to global rural development efforts, particularly in low- and middle-income countries facing resource limitations and similar structural challenges.

India’s institutional ecosystem is also geared to support SSTC. The Development Partnership Administration (DPA) under the Ministry of External Affairs plays a central role in coordinating India’s technical and financial assistance to partner countries, particularly through the Indian Technical and Economic Cooperation (ITEC) programme. In the agriculture sector, institutions such as the Indian Council of Agricultural Research (ICAR) and the National Institute of Rural Development (NIRD) engage actively in SSTC-related knowledge exchange and capacity-building initiatives. Think tanks such as RIS (Research and Information System for Developing Countries), Observer Research Foundation (ORF) and others further contribute through research, policy dialogue platforms, and technical support.

India’s SSTC engagement is also aligned with its broader geopolitical and regional priorities, including through forums such as IBSA (India, Brazil, South Africa), the India-Africa Forum Summit, regional and global cooperation entities such as BIMSTEC and BRICS; and its strategic development partnerships with Asia-Pacific, African, and Latin American countries. These platforms underscore India’s emphasis on demand-driven, mutually beneficial cooperation that strengthens local ownership and fosters inclusive partnerships.

During the COSOP period, IFAD—particularly through Strategic Objective 2 (SO2)—will work with the Government of India and other development partners to further strengthen and systematize India’s SSTC efforts. By aligning India’s national development priorities with regional and global demand for agricultural and rural development solutions, IFAD will help facilitate structured exchanges, scale innovations, and foster partnerships that reinforce India’s evolving role as a key SSTC provider.

III. Opportunities for building comprehensive rural prosperity and resilience through SSTC.

India’s journey from food-deficit to food-surplus status, alongside its extensive experience in institution-building, inclusive value chains, rural entrepreneurship, and agroecological transformation, offers a wealth of opportunities for peer learning and replication through SSTC. With IFAD’s long-standing partnership with the Government in promoting India’s rural development priorities, a number of ongoing and upcoming projects already embed proven innovations that are well-suited for adaptation and scaling in other parts of the Global South. These achievements align closely with the key priority areas identified under Strategic Objective 1 of the new COSOP and represent actionable entry points for SSTC.

Strengthening organizations and cooperatives

India’s extensive experience in organizing and federating self-help groups, farmer organizations, and cooperative societies presents globally relevant models for empowering rural communities, particularly women and marginalized populations. India’s flagship programme for poverty alleviation and improving livelihoods of the poor- the National Rural Livelihood Mission (NRLM)- implemented by the Ministry of Rural Development since 2011, is one of the largest such initiatives in the world covering about 100 million households. It has many useful lessons and replicable models with its focus on creating sustainable and diversified livelihood options for the poor through creation of sustainable community institutions for the rural poor women; financial inclusion; sustainable livelihoods; and social inclusion.

The Maharashtra Nav Tejaswini Project supported the creation of financially viable, self-sustaining SHG federations with strong linkages to public banks and formal markets. This

federated model has mobilized substantial bank financing and facilitated several women led enterprises, demonstrating its scalability and effectiveness. The Centre of Excellence being set up by MAVIM will provide a platform to facilitate SSTC on issues of self-sustaining grassroots institutions, access to financing, women-led enterprises and models of gender equality and women's empowerment.

Similarly, the Rural Enterprise Acceleration Project (REAP) and initiatives in Uttarakhand have transformed the Cluster Level Federations (CLFs) created under State Rural Livelihoods Mission, into commercially oriented institutions. These offer replicable models for countries seeking to build bottom-up governance and institutional ecosystems, particularly in rural contexts across sub-Saharan Africa and Southeast Asia.

In Meghalaya, the LAMP Project has promoted Integrated Village Cooperative Societies to enhance community-level coordination and improve rural access to financial and input services.

Additionally, engagement through the Ensuring Inclusiveness, Sustainability, and Efficiency of Food System Transformation in the ASEAN and BIMSTEC countries (ATMI-II) grant will enable participation in a network of Policy Advisors, promoting exchange on Food System policies among a number of participating countries including India.

Market and financing access

India has demonstrated innovative ways to enhance rural access to finance, infrastructure, and markets. IFAD-financed projects such as LAMP in Meghalaya and REAP in Uttarakhand have expanded access to finance and post-harvest infrastructure through cooperative structures. Moreover, India's participation in the Inclusive Financial Ecosystem for Food Systems Transformation—co-financed by IFAD and private development banks and covering South and Southeast Asia (Bangladesh, India, Pakistan, the Philippines and Vietnam)—offers a platform to exchange knowledge on inclusive financial instruments and risk-sharing mechanisms.

India's Digital Public Infrastructure, including Aadhaar-enabled payments, the JAM trinity (Jan Dhan–Aadhaar–Mobile), and eNAM (National Agriculture Market), provides digital-first solutions that can inspire similar transitions in other developing economies. SSTC efforts can further facilitate structured learning and digital adaptation in peer countries.

India also offers strong examples of public-private-producer partnerships (4Ps), as seen in the LAMP, Nav Tejaswini and REAP projects, which have successfully mobilized co-financing and market access for women-led microenterprises.

Promoting sustainable agriculture

Several opportunities exist to leverage India's broader expertise in rural and agricultural transformation—such as digital agriculture, agri-tech innovation, sustainable irrigation systems, climate-resilient cropping, rural infrastructure development, and youth-led agri-preneurship—as part of the SSTC plan. These areas, in which India has developed robust and scalable models, can significantly enrich peer learning and technical cooperation with other countries.

To address climate challenges and enhance resilience, IFAD-supported projects in India have promoted diversified livelihoods and sustainable agriculture through various initiatives. The REAP project in Uttarakhand is promoting the adoption of adaptive agronomic practices tailored to vulnerable regions—approaches well-suited for SSTC peer learning and technical assistance.

In the North-East, FOCUS and NERCORMP have enabled the transition from shifting (jhum) cultivation to settled agriculture via community-driven Resource Management Committees. These models enhance food security and land productivity, with strong potential for replication in ecologically fragile or hilly regions worldwide.

Linkages through IFAD-supported projects, and more broadly through IFAD's national partnerships with government agencies, research institutions, and private sector actors,

will be strengthened to ensure a coordinated approach to technical exchange, knowledge sharing, and business-to-business linkages.

IV. Partnerships and initiatives

As IFAD fully integrates SSTC its country operations, the Fund is well-positioned to systematically identify both the demand for expertise and the supply of relevant knowledge. This dual perspective allows for early recognition of SSTC entry points at the country level. Notably, several COSOPs adopted in recent years already highlight potential SSTC linkages with India.

To effectively harness these opportunities, a more systematized approach to strengthen partnerships and tools for SSTC engagement (SO2) will be explored. IFAD and India can jointly develop a strategic approach that promotes the regular integration of SSTC activities within IFAD-supported operations by yearly leveraging, as relevant, existing expertise from India, including through exchange visits and learning missions, policy dialogues focused on common development challenges, deployment of technical expertise, transfer of appropriate technologies and promotion of business and trade linkages

A critical element of this approach will be mapping and engaging key Indian institutions that can serve as SSTC partners. Past collaboration between IFAD and India has already identified several national institutions with the capacity to offer specialized expertise across various sectors and geographies.

Indicative list of potential Indian partners for SSTC collaboration

Institute Name	Parent Ministry/Affiliation	Potential Collaboration Areas
Govind Ballabh Pant University of Agriculture and Technology	State Government of Uttarakhand	Training & capacity building in organic farming, post-harvest tech, dairy management
Centre for Management in Agriculture (CMA), IIM Ahmedabad	Indian Institute of Management Ahmedabad (Autonomous)	Research/consulting on agri-policy, rural finance, food safety, and supply chains
Indian Institute of Management - Kashipur	Indian Institute of Management Kashipur (Autonomous)	Research/consulting on agri-policy, rural finance, food safety, and supply chains, start-up support and incubation
Indian Institute of Rural Management, Anand	Indian Institute of Rural Management, Anand (Autonomous)	Research/consulting on agri-policy, rural finance, food safety, and supply chains, start-up support and incubation
National Institute of Agricultural Extension Management (MANAGE)	Ministry of Agriculture & Farmers Welfare	Training of Farmer Producer Organisations (FPOs), agri-extension systems, agri-warehousing solutions
National Institute of Rural Development (NIRD)	Ministry of Rural Development	Capacity building in rural governance, social audit, inclusive finance
Bankers Institute of Rural Development (BIRD)	National Bank for Agriculture and Rural Development (NABARD)	Training in rural finance, climate-resilient funding models, cooperative governance

Institute Name	Parent Ministry/Affiliation	Potential Collaboration Areas
IRRI South Asia Regional Centre (ISARC)	International Rice Research Institute (IRRI) & Govt. of India	Capacity building in rice farming, seed exchange programs, stress-tolerant crop R&D

IFAD will work closely with the Government of India to jointly plan SSTC engagement pathways. This could include convening annual or biannual SSTC programming dialogues involving IFAD HQ and the India Country Office, the Ministry of External Affairs (DPA), and relevant sectoral ministries. These dialogues will identify priority thematic areas for engagement, discuss both potential contributors (Indian institutions and technologies) and demand-side needs from other IFAD member states, to facilitate matchmaking, and help align IFAD and India SSTC programming.

In addition to knowledge exchange and technical cooperation, opportunities will be explored to facilitate trade and business-to-business (B2B) linkages as part of India's SSTC engagement. These linkages will contribute to translating development solutions into sustainable economic opportunities, particularly for rural entrepreneurs and producer organizations. Building on India's strong track record in inclusive agribusiness development and its dynamic private sector, IFAD and India will also explore structured matchmaking between Indian enterprises and peer businesses in partner countries. These engagements will not only aim at promoting the transfer of appropriate technologies, value chain solutions, and investment models, but will also foster long-term commercial partnerships that can strengthen South-South markets. Through targeted B2B platforms, joint ventures, and trade facilitation initiatives—such as trade fairs, buyer-seller meets, and digital business networking—the collaborations can catalyse scalable, market-driven rural development.

The regional IFAD SSTC centres will play a supportive role in brokering Indian development solutions to a global network of demand-driven partner countries. These hubs will support the organization of horizontal exchanges, multi-country study visits, and curate digital knowledge products based on India's experiences. In addition, they will collaborate closely with relevant stakeholders to help identify, as needed, the financial and technical resources required to operationalize SSTC initiatives—whether through sovereign funds, supplementary contributions, or engagement with Triangular partners.

V. Conclusion

As the implementation of the COSOP progresses and dialogues between IFAD, the Government of India, and partner countries deepen, new opportunities for South-South and Triangular Cooperation can emerge. IFAD will remain agile and responsive to these developments, ensuring that future SSTC engagements are demand-driven, innovative, and strategically aligned with the evolving priorities of all stakeholders. By fostering a dynamic and inclusive approach, IFAD and India can jointly expand the reach and impact of development solutions, creating stronger, more resilient rural communities across the Global South. Through continued collaboration, regular programming dialogues, and the exploration of innovative partnerships, IFAD will support India's growing role as a global knowledge provider—translating shared experiences into tangible, scalable benefits for rural populations worldwide.

Financial management issues summary

COUNTRY	<i>India</i>	COSOP PERIOD	<i>2025-2030</i>
----------------	--------------	---------------------	------------------

A. COUNTRY FM ANALYSIS

<i>Country Disbursement Ratio (rolling-year)</i>	15.5 %
<i>Unjustified Obligations:</i> <ul style="list-style-type: none"> <i>Outstanding Ineligible Expenditure</i> <i>Outstanding Advances (Projects in Closed Status)</i> 	<ul style="list-style-type: none"> <i>No outstanding ineligible expenditures</i> <i>No outstanding advances as all projects in India use the reimbursement method of disbursements.</i>
<i>PBAS Available allocation (current cycle) :</i>	Allocated Amount: 159,458,000, including ACC allocation of US\$ 4,793,000
<i>BRAM access</i>	<i>YES – IFAD 13 amount tentative envelope: US\$ 0</i>
<i>Country income category</i>	<i>LMIC</i> <i>GNI per capita is US\$ 2540, category change not expected.</i>

Transparency International (TI):

India's 2024 Transparency International Corruption Perception Index (CPI) score stands at 38, reflecting a decrease of one point from the 2023 index. Consequently, India has fallen from 93rd place in 2023 to 96th in 2024. Government reforms intended to address corruption-related issues have yet to show significant results, and the effective implementation of relevant measures continues to pose challenges.

Public Financial Management (PFM) and Debt Assessment.

Despite a challenging global environment, India continues to be the world's fastest-growing major economy, with a robust growth rate of 8.2 percent in FY23/24. In the medium term, growth is projected to stay stable, particularly in the services sector, reaching 7 percent in FY24/25 and remaining strong through FY25/26 and FY26/27.

Strong global demand for outsourcing, driven by the pandemic, propelled service export growth to a decade-high in FY2022/23, contributing to an increase in net exports. Additionally, the technology-driven modernization of the public sector (GovTech) has enabled India to enhance tax compliance, streamline service delivery, and create a platform for innovation. India currently faces a moderate overall risk of sovereign debt stress, with its debt-to-GDP ratio standing at 82.7 percent in FY2023/24, projected to remain elevated in the medium term. The slow pace of fiscal consolidation indicates that debt levels are expected to hold steady around this figure before gradually declining from FY2025/26 onwards.

Key PFM areas: - While legal framework is comprehensive in areas such as financial control, budgeting and audit, there are gaps in procurement, monitoring, and enforcement.

Budgeting follows a structured and well-defined process, systems for accounting and reporting of for receipts and payments are automated, and audit reports are issued by the CAG on a timely basis. An important development in recent years has been adoption of direct cash transfers to transfer individual benefits across large national programs, thereby contributing to improved cash management, more efficient targeting and delivery of

entitlements, and potentially enhanced transparency and disclosure. (WB Country Strategy Framework)

At the sub-national level, the PFM framework is largely guided by policies laid down at the centre, but varies significantly in its effectiveness and capacities. Some states have made significant investments in PFM systems—especially in information technology to strengthen, among others, core treasury information systems, human resources management information systems, cash management, collections and payments, and electronic interfaces with commercial banks and the RBI. (WB Country Strategy Framework).

IFAD portfolio recurring issues:

Frequent disagreements between state governments and project implementation units.

A weak internal control framework within IFAD-funded projects has led to inaccurate bank reconciliations among Project Management Units (PMUs) and project implementation partners, inadequate filing of supporting documents, and a high level of unjustified advances.

Insufficient capacity of financial management staff: To mitigate risks, new IFAD projects must ensure that: (i) they recruit experienced and adequately qualified financial management (FM) staff; (ii) they implement fully customized and well-maintained accounting software with built-in control systems to manage the project's financial operations; and (iii) the IFAD Country Office (ICO) develops a targeted strategy to address project implementation issues, including enhancing coordination between Project Management Units (PMUs) and state and central governments for timely project execution.

Additionally, new projects must anticipate the potential for high levels of corruption during implementation and incorporate necessary mitigation measures. Projects will continue to utilize government systems for budgeting, funds flow, accounting, and audit standards. Furthermore, IFAD should maintain its current practice of involving the Comptroller and Auditor General (CAG) state-level offices as external auditors for new IFAD-funded projects.

In India, the accounting and audit profession, along with relevant standards, is well developed. However, in the northeastern states, where IFAD implements most of its projects, the profession is relatively weak. Therefore, projects should ensure that accounting and audit-related consultancy work engages individuals and firms from across India, rather than limiting them to residents of the respective states.

India's lending terms for the proposed COSOP operations are anticipated to be classified as Ordinary, Category II.

Based on the analysis conducted, it is estimated that the FM risk associated with COSOP is substantial (S).

B. PORTFOLIO – LESSONS {Strengths and Weaknesses}

Project	Project Status	% Disbursed of all financing instruments	Project FM inherent risk rating	Performance Score: Quality of Financial Management	Performance Score: Quality & Timeliness of Audit	Performance Score: Disbursement Rate	Performance Score: Counterpart funds	Completion date
LAMP	Available for Disbursement	65.44	Substantial	Satisfactory	Mod. satisfactory	Moderately Unsatisfactory	Satisfactory	31/12/2025
OPELIP	Project Completed	96.86	Substantial	Moderately Satisfactory	Mod. satisfactory	Moderately Satisfactory	Satisfactory	30/03/2024
FOCUS	Project Completed	94.03	Substantial	Moderately Satisfactory	Mod. satisfactory	Unsatisfactory	Moderately Satisfactory	31/12/2024
Nav Tejaswini	Available for Disbursement	34.26	Substantial	Moderately Satisfactory	Mod. satisfactory	Unsatisfactory	Moderately Satisfactory	30/03/2027
CHIRAAG	Available for Disbursement	1.45	Substantial	Moderately Satisfactory	Mod. satisfactory	Highly Unsatisfactory	Moderately Satisfactory	30/07/2026
REAP	Available for Disbursement	17.84	Substantial	Satisfactory	Mod. satisfactory	Unsatisfactory	Satisfactory	30/03/2029
OPELIP II	Board/President Approved		Substantial	Not Specified	Not Specified	Not Specified	Not Specified	
J&KCIP	Available for Disbursement		Substantial	Not Specified	Not Specified	Not Specified	Not Specified	29/06/2031
Agroecology _ BMZ-ADS	Available for Disbursement	20.44	High	Not Specified	Mod. satisfactory	Not Specified	Not Specified	29/06/2027

The current portfolio of IFAD projects in India faces a common issue concerning the capacity of financial management (FM) staff, particularly as these projects are implemented in the tribal areas of the northeastern regions of the country. The involvement of numerous implementing partners in each project has significantly heightened internal control risks, leading to inaccurate accounting records and subpar quality of FM supporting documents.

To address these risks, transparent recruitment processes for FM staff positions and the implementation of IT systems with built-in control functions are essential. One of the most challenging aspects of the current portfolio is the disbursement ratings, which are notably lower than those for other FM

areas. Slow implementation is closely tied to ineffective coordination between the Project Management Unit (PMU) and the relevant state and federal government agencies involved in project execution. The IFAD Country Office (ICO) in India must develop a comprehensive strategy to tackle this issue.

Integrated country risk matrix

Risk Type	Integrated Risk Management Matrix		
	Inherent Risk	Residual Risk	Mitigation Measure
Country Context			
Political Commitment	Moderate	Moderate	
The central and state-level governments have a strong political commitment to the COSOP goal and objectives of promoting inclusive and sustainable rural prosperity while maintaining environmental sustainability. The central government is stable, with a continuity of policies over the last 11 years at the central level, and the current Government has embarked on a third term of 5 years ending in May 2029. During the life of COSOP 2026-2033, there will be a national election, which may result in a slowdown in implementation, but the overall goal of achieving prosperity is expected to remain unchanged.			Continue a strong relationship with the counterpart in the Government.
Governance	Moderate	Moderate	
As the world's largest democracy, the overall governance at both the central and state levels is strong. There are relevant and adequate rules and procedures guiding planning and budgeting, finance, procurement, staff engagement, accountability, fraud, and corruption prevention. Dedicated management arrangements are made at all administrative levels for projects funded by international financial institutions. Independent agencies undertake project audit and M&E. Government institutions have gained experience from poverty reduction programs, and there is generally strong planning and implementation capacity at all levels. Grievance Redressal Mechanisms exist within all state governments. However, there may be challenges for the poorest of the poor and the remote communities to access these mechanisms. There may be issues of the performance of staff within the implementing agency levels.			<p>IFAD procedures for stakeholder engagement and target group identification will be implemented.</p> <p>Project designs and Supervisions to identify and strengthen any challenges in the Grievance Redressal mechanisms set up by the government.</p> <p>All investment projects will have a strong component of capacity building.</p> <p>Experience from the country portfolio will be applied, and training and support to the implementation partners will be provided with backstopping from IFAD-ICO</p>
Macro-Economic	Moderate	Moderate	
India is on a steady economic growth post the COVID-19 pandemic. GDP has grown 6-8% annually from 2015 to 2025 and is expected to grow 6.5% from 2025-26. India is a lower-middle-income country and the 4 th largest economy in nominal GDP terms and the 3 rd largest when GDP is adjusted for			The country office will proactively assess the early indicators of macroeconomic shocks and manage the loan and co-financing to cushion any potential adverse impacts on the portfolio financing requirements

Risk Type	Integrated Risk Management Matrix		
	Inherent Risk	Residual Risk	Mitigation Measure
<p>purchasing power parity. India's Gross National Income (GNI) is estimated at US\$ 2,540, the GDP growth rate at 6.4%, Human Development Index at 0.644 in 2022, and the inflation rate at 5.4 per cent in 2024.</p> <p>The impact of global and regional conflicts has been marginal as India relies heavily on the domestic economy, which can withstand such adverse effects.</p> <p>Any unforeseen macroeconomic shocks may adversely affect the program, but indications are that these would be short-term in nature.</p>			
Fragility and Security	Substantial	Substantial	
<p>India is vulnerable to natural shocks such as floods, droughts, cyclones, earthquakes, heatwaves, and landslides, which are intensifying due to climate change and environmental degradation.</p>			<p>Investments will be made in climate-resilient agriculture, disaster-resilient infrastructure, early warning systems, and community preparedness, along with strengthened social safety nets and ecosystem restoration</p>
Sector Strategies and Policies			
Policy Alignment	Moderate	Moderate	
<p>The COSOP's goal, objectives, and interventions are in sync with GoI's vision of Viksit Bharat@2047, which aims to enhance the overall prosperity of the nation by focusing on the development issues related to poverty, inclusion, economic and climatic resilience and sustainable diversification of income sources.</p> <p>In case of a change in Government the terminologies might be modified but the focus on prosperity, resilience and inclusive development is not expected to change.</p>			<p>COSOP is fully aligned with the government's vision of Viksit Bharat @2047.</p> <p>Efforts will be made to maintain close and ongoing dialogue with the Department of Economic Affairs, the Ministry of Finance, other sectoral ministries, the state governments and the international financial institutions.</p>
Policy Development and Implementation	Moderate	Moderate	
<p>COSOP fully aligns with sectoral policies and proposes leveraging government programmes through convergence. The risk in implementation is the capacity of the Lead Implementation Agencies to ensure a timely start-up and convergence with other line departments in the field and possible changes in the government schemes.</p>			<p>During the design, the project implementation processes will be harmonised with the existing processes of the state-level agencies.</p> <p>Additionally, IFAD will provide necessary capacity-building support.</p> <p>Tracking of convergence will be done to ensure projects draw maximum benefits from existing or new government schemes.</p>
Environment, Social and Climate Context			

Risk Type	Integrated Risk Management Matrix		
	Inherent Risk	Residual Risk	Mitigation Measure
Social	Substantial	Substantial	
Social <ul style="list-style-type: none"> Displacement & Land Issues: Project-induced displacement or land acquisition Land Fragmentation reducing viability Gender inequality in land ownership, credit, and services Exclusion of Indigenous Peoples/marginalized groups, access and benefit sharing (biodiversity) Labour & Working Conditions: Poor labour conditions and safety Exploitation of migrant labour Migration-driven labour shortages and distress migration Market Access & Infrastructure: Poor market access, infrastructure & price volatility 			<ul style="list-style-type: none"> Social Inclusion: Gender-inclusive policies, women's land rights, cultural inclusion, participatory planning, and targeted outreach. Labor and Protection: Labour law enforcement, grievance redress, social protection, and formalized contracts. Livelihoods: Rural job creation, mechanization, and climate-resilient agriculture. Infrastructure and Markets: Rural roads, storage, digital platforms, and market linkages. Land and Resettlement: FPIC, Resettlement Action Plans, land consolidation, and community pooling. Biodiversity: Compliance with the Biological Diversity Act 2002 to access biological and genetic resources and associated knowledge for equitable benefit sharing with the communities.
Environment	Substantial	Substantial	
<ul style="list-style-type: none"> Soil degradation & fertility loss; sand or riverbed mining exacerbating arable land loss or soil issues Crop residue burning and poor air quality Biodiversity loss and loss of natural forest cover Water scarcity from over-irrigation Pollution from agrochemicals Post-harvest waste & inefficiencies. Replacement of traditional seeds with hybrids/GMOs, loss of agrobiodiversity Plastic waste and poor waste management 			<ul style="list-style-type: none"> Organic farming, natural farming, soil testing, sustainable land management Agroecology, conservation agriculture, biodiversity corridors Drip irrigation, watershed management, crop zoning IPM, organic certification, agrochemical regulation Decentralized cold storage, processing infrastructure, farmer training Seed banks, participatory breeding, traditional variety incentives Alternatives to plastics (e.g., using banana leaves or others as cushioning material), bulk purchase
Climate	Substantial	Substantial	
<ul style="list-style-type: none"> Unpredictable monsoons, droughts, floods Pest/disease outbreaks from climate shifts Glacier retreat & Himalayan water variability Sea-level rise and salinization Heat stress affecting human health / productivity and livestock Increased number of lightning strikes – deaths 			<ul style="list-style-type: none"> Weather-index insurance, CAS, resilient crop varieties Climate-based early warning systems & climate advisories, IPM, pest-resistant crops Glacier monitoring, upstream-downstream water sharing strategies Ecosystem-based solutions under the United Nations Convention on Biological Diversity and Kunming Montreal Global Biodiversity

Risk Type	Integrated Risk Management Matrix		
	Inherent Risk	Residual Risk	Mitigation Measure
			<p>Framework to be implemented in accordance with national circumstances, priorities and capabilities.</p> <ul style="list-style-type: none"> • Shade structures, stress- / heat-tolerant breeds, health monitoring & public vaccination campaigns • Social security (e.g., guaranteed access to food, increased number of days under NREGA) to cope with disasters – graded by disasters.
Financial Management			
Organization and Staffing	Substantial	Substantial	
While India boasts a well-developed accounting profession, IFAD-funded projects struggle to attract high-quality financial management staff due to low salaries and limited career advancement opportunities. Additionally, the accounting profession in the northeast of the country, where most of IFAD projects are implemented, is less developed than in other regions of India.			<p>Ensure competitive selection of adequately qualified and experienced FM staff for projects. IFAD will review and pre-approve the relevant Terms of Reference (TORs) prior to the start of the selection process. The selection results will then be reviewed and approved by IFAD.</p>
Budgeting	Moderate	Moderate	
Budgeting will adhere to government regulations. However, gathering initial budget inputs from all implementing partners is a challenging task for all projects.			<p>Projects must develop detailed PIM/FMM with clear roles and responsibilities for budgeting and timelines.</p>
Funds Flow/Disbursement Arrangements	Substantial	Substantial	
In India, state governments pre-finance project expenditures, while IFAD reimburses on a quarterly basis. Timely allocation of funds by state governments is a challenge in some states.			<p>Project legal documents must have a provision for advance of IFAD funds, if government will not allocate funds timely. Local commercial bank online banking module must be used to timely allocation of funds and payments</p>
Country Internal Controls	High	High	
Potential internal control weaknesses exist at the implementing partners' level. They are usually responsible for collecting supporting documents and submitting them to central PMUs. Low staff capacity and weak discipline at the implementing partners' level in some cases (line departments, MPAs, VDCs etc) may result in delayed and inadequate submission of supporting documents. Monthly reconciliation of accounts of many implementing partners is a challenge.			<p>The development of PIM and FMM with clear roles for supporting documents filing, accounting record keeping and reconciliation of accounts for all implementing partners must be part of project design. IFAD must ensure that projects enforce PIM/FMM provisions.</p>
Accounting and Financial Reporting	Substantial	Substantial	
Accounting records must be maintained for all implementing partners in one			<p>Projects must implement Tally accounting software for</p>

Risk Type	Integrated Risk Management Matrix		
	Inherent Risk	Residual Risk	Mitigation Measure
accounting software. Staff capacity at PMUs and implementing partners to maintain cloud-based Tally software is weak.			accounting record keeping, financial reporting and accounts reconciliations. Support from external consultants to train PMU and staff of implementing partners must be included in the project designs.
External Audit	Moderate	Moderate	
State-level CAG audits project financial statements. The audit may be delayed due to a shortage of staffing resources and other priorities of CAG.			Projects must actively follow up with State- level CAGs to complete the audit on time.
Procurement Issues	Substantial	Substantial	
<i>The risk of non-compatibility of project/programme procurement operations with the IFAD Project Procurement Framework (IFAD-PPF) and risk that inefficient or non- transparent procurement processes impact the achievement of the project/programme's intended objectives (outcomes and outputs).</i>	There is a reasonably good framework of rules, procedures and documents. However, good performance is marred by cases of malpractices, and incidences of prohibited practices including corrupt practices. Though the procedural framework is the same, the skill sets of the personnel vary.		IFAD PPF including SBDs and document templates to be followed for IFAD assisted projects. A separate project procurement strategy and procurement manual to be developed by each project.