IFAD
Investing in rural people

Conseil d'administration

Rapport du président
Proposition de prêt
République de l'Inde
Promotion de systèmes agricoles résilients au changement climatique dans les hautes terres du nord-est – Phase II (FOCUS 2.0)

Identifiant du projet : 2000004677

Document : EB 2025/LOT/P.9

Date : 30 octobre 2025

Distribution : publique

Original : anglais

POUR : APPROBATION

Action : Le Conseil d'administration est invité à approuver la recommandation figurant au paragraphe 44.

Questions techniques :

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Sommaire

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Résumé du financement

Institution initiatrice :	FIDA
Emprunteur/bénéficiaire :	République de l'Inde
Agence d'exécution :	Société pour une agriculture résiliente au climat au Mizoram (SCRAM)
Coût total du projet :	87,45 millions de dollars
Montant du prêt du FIDA dans le cadre du système d'allocation basé sur la performance (PBAS) :	45,78 millions de dollars
Conditions du prêt du FIDA :	Le prêt est accordé à des conditions ordinaires et est soumis à un intérêt sur le montant principal restant dû à un taux égal au taux d'intérêt de référence du FIDA, majoré d'une marge variable. Il a une durée de 18 ans, dont un délai de grâce de 6 ans.
Cofinanciers :	Gouvernement indien (programmes gouvernementaux convergents) Institutions financières formelles
Montant du cofinancement :	13,13 millions de dollars É.-U.
Conditions du cofinancement :	Subvention
Contribution de l'emprunteur/bénéficiaire :	14,46 millions de dollars américains
Contribution des bénéficiaires :	2,87 millions de dollars
Déficit de financement :	11,21 millions de dollars américains
Institution partenaire :	Sous la supervision directe du FIDA

I. Contexte

A. Contexte national et justification de l'intervention du FIDA

Contexte national

1. Le Mizoram, État géographiquement isolé, montagneux et enclavé situé au nord-est de la République de l'Inde, doté d'infrastructures limitées, est confronté à une vulnérabilité économique malgré son taux d'alphabétisation élevé. Son économie est relativement modeste et dépend fortement du financement du gouvernement central. Le secteur agricole est vital pour les moyens de subsistance des populations rurales, mais le développement économique est entravé par la fragmentation des systèmes de production, avec plus de 85 % des exploitations agricoles étant de petite taille et peu productives. La population du Mizoram, qui compte 1.1 millions sont principalement composés de tribus répertoriées (plus de 94 %). La pauvreté reste un sujet de préoccupation, 27 % de la population étant classée comme multidimensionnellement pauvre (2021).

2. Le projet « Fostering Climate-Resilient Upland Farming Systems in the North-East » (FOCUS 2.0) vise à relever ces défis en couvrant les 11 districts du Mizoram. S'appuyant sur les succès de la phase I, le projet se concentre sur le renforcement de la résilience économique, sociale et climatique des communautés rurales. Il comprend trois volets composantes: accès au marché et développement des entreprises ; agriculture résiliente au climat et productivité de l'élevage; et gestion de projet. En accord avec les priorités nationales et régionales, notamment la politique *«bana kaih*» (accompagnement) de l'État du Mizoram, l'initiative de développement du Premier ministre pour la région du Nord-Est (PM-DevINE) et le programme spécial de développement des infrastructures du Nord-Est (NESIDS), elle garantit une une forte convergence et une grande durabilité.

3. Mis en œuvre par la Société pour une agriculture résiliente au climat au Mizoram (SCRAM), sous l'égide du Département de la planification et de la mise en œuvre des programmes, le projet assure la coordination avec les programmes gouvernementaux et renforce les capacités de soutien au développement des petits exploitants, en relevant les défis propres au Mizoram tout en tirant parti des nouvelles opportunités.

Aspects particuliers liés aux priorités institutionnelles du FIDA en matière d'intégration

4. Conformément aux engagements du FIDA en matière d'intégration, le projet a été validé comme suit:

☒ Intégrant le financement climatique

☒ Sensible aux questions relatives à la jeunesse

☒ Priorité aux peuples autochtones

☒ Intégrant la capacité d'adaptation

5. FOCUS 2.0 contribue à la réalisation des trois objectifs stratégiques du Cadre stratégique 2016-2025 du FIDA (i) accroître la capacité productive des populations rurales pauvres; (ii) accroître les avantages qu'ils tirent de leur participation au marché; et (iii) renforcer la durabilité environnementale et la résilience climatique de leurs activités économiques. Il s'aligne également sur les stratégies d'intégration du FIDA en matière de genre, de jeunesse, de nutrition et d'adaptation au changement climatique, et soutient la politique du FIDA en matière d'engagement auprès des peuples autochtones par le biais d'institutions communautaires, d'une planification participative et de consultations.

Justification de l'intervention du FIDA

6. Pour lutter contre la pauvreté rurale, l'insécurité alimentaire et l'accès limité aux marchés et aux financements dans l'État du Mizoram, problèmes exacerbés par le changement climatique et l'insuffisance des infrastructures, FOCUS 2.0 tire parti des principaux atouts du FIDA: sa vaste expertise en matière de développement rural et sa capacité unique à mobiliser des ressources et des partenariats. L'avantage comparatif du FIDAréside dans son approche participative, qui garantit des solutions adaptées aux petits exploitants, et dans son expertise éprouvée en matière d'agriculture durable, d'accès aux marchés et de financement rural pour renforcer la résilience, améliorer les moyens de subsistance et stimuler une croissance inclusive.

B. Enseignements tirés

7. FOCUS 2.0 s'appuie sur les enseignements tirés de FOCUS et d'autres projets pertinents menés dans la région. Plus précisément : (i) la sécurité foncière s'est révélée être un facteur essentiel permettant aux ménages sans terre d'investir dans l'agriculture. Le projet encouragera donc la conclusion d'accords d'utilisation des terres à long terme par le biais de mécanismes acceptés localement; (ii) l'approche par grappes pour l'intensification agricole s'est avérée efficace pour réaliser des économies d'échelle et améliorer l'accès au marché. Ce projet adopte donc *des zaus (* grappes agricoles de 15 à 30 hectares) définis spatialement afin d'intégrer la production, les intrants et les liens avec le marché; (iii) Les projets passés montrent qu'un système de production axé sur le marché est essentiel à la durabilité. C'est pourquoi FOCUS 2.0 met en place une infrastructure de marché à trois niveaux, allant de l'agrégation à la valeur ajoutée, associée à un soutien au développement des entreprises; (iv) l'ancrage institutionnel et la convergence avec les conseils villageois et les coopératives ont démontré qu'ils facilitaient une mise en œuvre plus harmonieuse. FOCUS 2.0 fonctionnera donc grâce à une unité de mise en œuvre de projet plus légère et renforcera les partenariats locaux ; (v) le développement des entreprises bénéficie davantage d'une incubation structurée que de subventions ponctuelles. Le projet associe donc le financement de l'innovation à des services d'incubation et fait appel aux institutions financières et au secteur privé ; et (vi) des systèmes d'élevage robustes offrent des amortisseurs financiers aux ménages ruraux. Le projet renforcera donc lutte contre les maladies, services de vulgarisation et intégration de la chaîne de valeur. Enfin, afin de répondre aux besoins en matière de préparation fiduciaire et d'améliorer l'efficacité opérationnelle, FOCUS 2.0 renforce également les capacités au niveau des districts et adopte un suivi financier en temps réel afin de garantir la transparence et une exécution dans les délais.

II. Description du projet

A. Objectifs, zone géographique d'intervention et groupes cibles

8. FOCUS 2.0 a pour objectif global de contribuer à la prospérité économique et à l'amélioration de la résilience climatique dans les zones rurales du Mizoram. L'objectif de développement du projet est d'améliorer la résilience sociale, économique et climatique des ménages ciblés dans tout l'État du Mizoram grâce au renforcement des chaînes de valeur agricoles. Il s'aligne sur les résultats du programme d'opportunités stratégiques du pays (COSOP) cadre en mettant l'accent sur l'accès aux marchés, le développement des entreprises et la productivité agricole résiliente au climat, contribuant ainsi aux objectifs stratégiques du FIDA en matière de transformation rurale inclusive et de résilience au climat. Le projet permettra d'atteindre les objectifs stratégiques du COSOP en améliorant les transactions commerciales, en créant l'emploi et en élargissant l'accès aux services financiers et numériques.

9. FOCUS 2.0 cible les 11 districts du Mizoram et sera mis en œuvre dans 700 villages situés dans des zones agroécologiques diverses et difficiles, qui influencent le développement agricole et la vulnérabilité au climat. Cela nécessite une amélioration durable de la production agricole et animale. La priorité est donnée aux districts présentant des indices de développement faibles et une vulnérabilité climatique élevée, sélectionnés en fonction de leur niveau de pauvreté élevé et de leurs besoins urgents en matière d'adaptation.

10. Ciblant à 100 % les peuples autochtones, y compris les petits exploitants agricoles, leurs organisations et leurs entreprises, le projet touchera 75 000 ménages (150 000 personnes), en mettant particulièrement l'accent sur les ménages marginalisés. FOCUS 2.0 garantira que 50 % des bénéficiaires seront des femmes et 15 % des jeunes grâce à des interventions spécifiques alignées sur la politique de ciblage de la pauvreté du FIDA et la stratégie de ciblage du projet.

B. Composantes, résultats et activités

11. Le projet comprend trois composantes :

Composante 1. Accès aux marchés et développement des entreprises

Composante 2. Productivité agricole et résilience climatique

Composante 3. Gestion de projet, planification de la convergence et gestion des connaissances

12. **La composante 1** permettra de mettre en place un écosystème de marché solide et inclusif permettant aux producteurs ruraux d'augmenter leurs revenus grâce à un meilleur accès au marché, au développement des entreprises et à l'inclusion financière. Les résultats attendus sont les suivants :
(i) 50 % des ménages participant à des marchés formels ou structurés;
(ii)la création d'emplois grâce aux entreprises soutenues par le projet; et
(iii) amélioration de l'accès aux services financiers et numériques en milieu rural. Cette composante commencera par renforcer les institutions de producteurs (groupements ou clusters, groupes d'entraide et organisations d'agriculteurs/producteurs), dont beaucoup ont bénéficié du soutien du programme FOCUS. Les produits de ces groupes devraient atteindre les marchés grâce à un système d'infrastructure de marché à trois niveaux, comprenant des centres de commercialisation collectifs au niveau des villages, des marchés fermiers au niveau des blocs et des centres de transformation au niveau des districts –ainsi que des routes de liaison. Des services complémentaires de développement des entreprises et d'incubation d'entreprises soutiendront les entreprises communautaires commercialement viables. La formation à la littératie financière, l'amélioration de l'accès à l'assurance et l'utilisation d'outils numériques permettront de Veiller à ce que les producteurs et les entreprises soient équipés pour prospérer sur les marchés nationaux et régionaux.

13. **La composante 2** soutient la transition d'une agriculture et d'un élevage de subsistance vers des systèmes durables et orientés vers le marché. Les résultats attendus sont les suivants: (i) l'amélioration durable de la production agricole résiliente au climat et l'augmentation de la productivité des cultures; et (ii) l'amélioration de la production de produits d'élevage orientés vers le marché. L'approche est centrée sur les grappes *zau*, qui permettent de synchroniser l'agriculture, l'utilisation des ressources et la vulgarisation. Celles-ci sont intégrées à l'irrigation, à l'aménagement des terres et à la convergence avec les programmes départementaux. Le développement de l'élevage comprend le soutien à la production porcine, avicole et caprine, soutenu par des mesures de biosécurité rigoureuses, la gestion des maladies et des services de santé animale communautaires. Naturel La gestion des ressources et le soutien ciblé aux ménages défavorisés garantiront l'équité environnementale et sociale. L'augmentation de la production dans le cadre du volet 2 alimentera directement les marchés structurés tout au long des chaînes de valeur facilitées par le composante 1.

14. **La composante 3** garantit une coordination efficace du projet, une surveillance financière rigoureuse et l'obtention de résultats concrets.

C. Théorie du changement

15. La petite agriculture dans l'État du Mizoram est limitée par la fragmentation des propriétés foncières, la faible productivité et l'accès limité aux marchés. S'appuyant sur les bases jetées par le projet initial, FOCUS 2.0 introduit une stratégie de production par grappes et un modèle en étoile à trois niveaux afin d'améliorer l'agrégation, la valeur ajoutée et le développement des entreprises. Cette approche vise à réduire les pertes après récolte, à accroître l'inclusion financière et numérique et à renforcer la prestation de services grâce à cadres communautaires. Il s'aligne sur les priorités nationales et tire parti de l'expérience du FIDA dans la promotion d'approches axées sur le marché et de chaînes de valeur inclusives, en particulier dans les contextes tribaux et montagneux. Le projet suit deux voies de développement:

16. **Composante 1. Voie d'accès aux marchés et de développement des entreprises:** s'appuyer sur les grappes existantes pour promouvoir l'intégration des marchés grâce à un système d'infrastructures à trois niveaux, l'inclusion financière et le soutien aux entreprises coopératives,

permettant ainsi aux agriculteurs d'agréger, de transformer et de commercialiser leurs produits, tout en augmentant leurs revenus et leur résilience.

17. **Composante 2. Voie de la productivité agricole et de la résilience:** Renforcer les clusters *ZAU* grâce à des pratiques agroécologiques résilientes au climat, à l'irrigation, aux services d'élevage et aux écoles pratiques d'agriculture, améliorant ainsi la productivité, la durabilité et la prestation équitable de services grâce à la convergence et aux plateformes communautaires.

18. La théorie du changement suppose une mobilisation opportune des ressources, un environnement politique et réglementaire favorable, ainsi que des capacités institutionnelles adéquates pour la convergence et la prestation. Elle prévoit que les producteurs adapteront leur comportement en réponse à un meilleur accès au marché et à des revenus plus élevés, à condition que la variabilité climatique reste dans des limites gérables. Elle suppose également l'absence d'une autre pandémie afin de garantir des progrès ininterrompus.

D. Alignement, appropriation et partenariats

19. FOCUS 2.0 s'aligne étroitement sur les priorités nationales et régionales, soutenant les objectifs du gouvernement indien visant à doubler les revenus des agriculteurs, à renforcer l'agriculture axée sur le marché et résiliente au climat, et de faire progresser le développement tribal. Il complète des initiatives phares telles que PM-DevINE, NESIDS, le programme Pradhan Mantri de formalisation des micro-entreprises de transformation alimentaire et le programme Aspirational Districts, et s'inscrit dans la politique *bana kaih* (accompagnement) du Mizoram, y compris le développement de clusters *zau*. Le projet est conçu pour tirer parti des plateformes de convergence et des structures de gouvernance existantes telles que le SCRAM et les institutions financières rurales coopératives. Il s'aligne également sur le Plan national d'adaptation de l'Inde, les contributions déterminées au niveau national mises à jour et le système intégré virtuel d'accès aux ressources agricoles, soutenant son adoption précoce par l'État du Mizoram grâce à des partenariats avec Digital Green. FOCUS 2.0 soutient pleinement le cadre stratégique du FIDA pour la période 2016-2025, ses thèmes d'intégration et la Politique du FIDA relative à l'engagement avec les peuples autochtones. Il contribue à plusieurs, en particulier l'ODD 1 (pas de pauvreté) et l'ODD 2 (faim zéro) – grâce à des pratiques agricoles intégrées et résilientes au climat, et mettra en œuvre le prochain COSOP 2026-2033 du FIDA, qui met l'accent sur la création d'emplois, la convergence et la résilience locale.

20. **Partenariats.** La mise en œuvre sera dirigée par le SCRAM, en étroite collaboration avec les départements concernés, les institutions financières – notamment la Mizoram Rural Bank, les coopératives de crédit agricole primaires polyvalentes, la Banque nationale pour l'agriculture et le développement rural (NABARD) et l'Académie nationale d'assurance – ainsi que des institutions de recherche et des partenaires privés. La table ronde annuelle du secteur privé favorisera la convergence et l'investissement. Le projet s'appuie également sur la vaste expérience du FIDA dans les États montagneux, en encourageant l'apprentissage mutuel afin de soutenir une transformation rurale inclusive et évolutive au Mizoram.

E. Coûts, avantages et financement

Coûts du projet

21. Le coût total du projet, taxes et droits compris, s'élève à 87,45 millions de dollars américains sur six ans.

Tableau 1
Coûts du projet par composante et par bailleur de fonds
(en milliers de dollars américains)

	Prêt du FIDA		*Autres cofinanciers*		*Bénéficiaires*		*Gouvernement du Mizoram*		*Banques*		*Déficit de financement*		*Total*	
Composante	*Montant*		*Montant*	*%*	*Espèces*	*%*	*Montant*	*%*	*Montant*	*%*	*Montant*	*%*	*Montant*	*%*
1. Accès aux marchés et développement des entreprises	11 039	48,6	664	2,9	870	3,8	2 814	12,4	6 962	30,6	368	1,6	22 717	26,0
2. Productivité agricole et résilience climatique	24 375	49,4	5 501	11,1	2 008	4,1	6 764	13,7			10 688	21,7	49 335	56,4
3. Gestion de projet, planification de la convergence et gestion des connaissances	10 366	67,3					4 879	31,7			155	1	15 400	17,6
Total	**45 780**	**52,3**	**6 164**	**7,0**	**2 878**	**3,3**	**14 457**	**16,5**	**6 962**	**8,0**	**11 211**	**12,8**	**87 453**	**100**

Tableau 2
Coûts du projet par catégorie de dépenses et bailleur de fonds
(en milliers de dollars des États-Unis)

	Prêt du FIDA		*Autres cofinanciers*		*Bénéficiaires*		*Gouvernement du Mizoram*		*Banques*		*Déficit de financement*		*Total*	
Catégorie de dépenses	*Montant*		*Montant*	*%*	*Espèces*	*%*	*Montant*	*%*	*Montant*	*%*	*Montant*	*%*	*Montant*	*%*
Coûts d'investissement														
1. Travaux	15 110	61,2	1 913	7,8	1 214	4,9	4 280	17,3			2 160	8,8	24 678	28,2
2. Services de conseil et formation	19 182	52,4	3 293	9	60	0,2	5 009	13,7			9 035	24,7	36 580	41,8
3. Équipements et matériaux	1 608	79,4			1	0	402	19,8			15	0,7	2 026	2,3
4. Subventions et aides	4 619	30,2	958	6,2	1 603	10,5	1 163	7,6	6 962	45,5			15 304	17,5
Coûts d'investissement totaux	**40 520**	**51,6**	**6 164**	**7,8**	**2 878**	**3,6**	**10 854**	**1,7**	**6 962**	**8,8**	**11 211**	**15**	**78 589**	**89,9**
Coûts récurrents														
1. Coûts d'exploitation supplémentaires, y compris les salaires	5 261	59,4					3 603	40,6					8 864	10,1
Total des coûts récurrents	**5 261**	**59,4**					**3 603**	**40,6**					**8 864**	**10,1**
Total	**45 780**	**52,3**	**6 164**	**7,0**	**2 878**	**3,3**	**14 457**	**16,5**	**6 962**	**8,0**	**11 211**	**12,8**	**87 453**	**100**

Tableau 3

Coûts du projet par composante et sous-composante et par année du projet

(en milliers de dollars des États-Unis)

	2025/2026	*2026/2027*	*2027/2028*	*2028/2029*	*2029/2030*	*2030/2031*	*Total*
A. Accès au marché et développement des entreprises							
1. Infrastructure de marché	1 357,8	2 675,5	3 897,6	2 586,0	126,2	129,1	10 772,1
2. Développement des entreprises	64,9	217,6	1 257,1	348,6	1 135,5	-	3 023,8
3. Écosystème financier et numérique	715,8	2 764,9	1 828,4	1 780,5	1 762,6	68,6	8 920,7
Sous-total	2 138,5	5 658,0	6 983,1	4 715,1	3 024,3	197,7	22 716,6
B. Productivité agricole et résilience climatique							
1. Développement agricole	1 897,1	8 316,9	15 375,2	6 651,3	565,0	530,3	33 335,9
2. Développement de l'élevage	4 750,5	6 061,6	4 374,3	457,6	243,6	112,1	15 999,6
Sous-total	6 647,6	14 378,5	19 749,5	7 108,9	808,6	642,4	49 335,5
C. Gestion de projet, planification de la convergence et gestion des connaissances							
1. Planification de la convergence et gestion de projet	2 080,5	2 068,2	2 126,3	2 348,4	2 248,4	2 312,5	13 184,4
2. Suivi, évaluation et gestion des connaissances	708,0	620,5	265,4	134,2	103,3	384,6	2 216,1
Sous-total	2 788,5	2 688,7	2 391,7	2 482,6	2 351,8	2 697,2	15 400,5
Total	**11 574,6**	**22 725,2**	**29 124,3**	**14 306,6**	**6 184,7**	**3 537,2**	**87 452,6**

Stratégie et plan de financement et de cofinancement

22. Le coût total du projet s'élève à 87,45 millions de dollars sur six ans. Le FIDA accordera un prêt de 45,78 millions de dollars (52,3 % du coût total). Le financement du FIDA proviendra des ressources annulées de l'allocation PBAS pour le FIDA11. Le gouvernement du Mizoram apportera une contribution de 14,46 millions de dollars (16,5 %) à titre de financement de contrepartie, tandis que les bénéficiaires contribueront à hauteur de 2,87 millions de dollars (3,3 %). Les institutions financières officielles apporteront 6,96 millions de dollars (8,0 %) et 6,164 millions de dollars (7,0 %) proviendra de programmes gouvernementaux convergents. Un déficit de financement de 11,21 millions de dollars américains (12,8 %) sera comblé pendant la mise en œuvre du projet. Les dépenses du projet seront préfinancées par le gouvernement du Mizoram, avec des remboursements trimestriels du FIDA, et gérées par le biais d'un compte désigné au niveau fédéral et de comptes de projet au Mizoram. Les coûts sont classés dans les catégories suivantes travaux, services de consultants et formation; équipements et matériaux ; dons et subventions; et coûts opérationnels (y compris les salaires et indemnités). Dépenses récurrentes représentent 11,5 % du prêt du FIDA, et les coûts de gestion du projet représentent 10,1 % des coûts totaux, tous deux dans les limites fixées. Un financement rétroactif (environ 1,0 million de dollars) sera disponible pour les contrats de consultation conclus avant la mise en œuvre du projet.

Décaissement

23. Le gouvernement du Mizoram préfinancera les dépenses du projet et demandera des remboursements trimestriels au FIDA par l'intermédiaire du ministère fédéral des Finances. Si des avances sont nécessaires, le projet peut demander des fonds à l'avance sur le compte désigné, les réapprovisionnements étant basés sur les prévisions de trésorerie et les soldes des comptes. Le ministère fédéral des Finances tiendra le compte désigné au niveau fédéral pour le transfert des fonds du FIDA. L'unité de mise en œuvre du projet FOCUS 2 .0 (PIU) tiendra un compte de projet à Mizoram, avec des sous-comptes pour chaque PIU de district (DPIU). Les fonds seront débloqués par la PIU ou les DPIU une fois que les pièces justificatives auront été approuvées. Aucune avance ne sera versée directement aux départements concernés.

Résumé des avantages et analyse économique

24. Les principaux avantages directs du projet seront l'augmentation et la diversification des revenus des bénéficiaires ciblés dans la zone du projet, grâce à des systèmes de production rentables et résilients au changement climatique systèmes de production résilients au climat. Le projet FOCUS 2.0 devrait bénéficier à environ 75 000 ménages, soit environ 70 % de la population rurale du Mizoram, grâce à un meilleur accès aux marchés, à un soutien au développement des entreprises, à une agriculture résiliente au climat et et l'amélioration de la production animale. Les principaux indicateurs économiques confirment la solidité de l'argumentaire en faveur de l'investissement. Sur une période de 20 ans, le projet Le scénario de base donne un taux de rendement interne économique de 30,3 % et une valeur actuelle nette de 48,9 millions de dollars américains à un taux d'actualisation de 12 %. Les analyses de sensibilité indiquent que le taux de rendement interne économique tombe en dessous de 12 % uniquement dans des conditions extrêmes, par exemple lorsque les coûts augmentent de 40 % et que les bénéfices diminuent de 40 %, ou lorsque les coûts augmentent de 20 %, les bénéfices diminuent de 20 % et les retours sur investissement sont retardés de deux ans. Ces chiffres démontrent une dynamique coûts-bénéfices favorable dynamique coûts-avantages, reflétant la capacité du projet à générer des rendements solides même dans des scénarios difficiles, tout en améliorant considérablement les revenus et la résilience des populations rurales.

Stratégie de sortie et durabilité

25. La stratégie de sortie du projet est axée sur l'institutionnalisation des clusters *zau* et de l'élevage. services, avec l'aide de personnes ressources locales formées. L'infrastructure du marché sera gérée selon des modèles communautaires ou public-privé, soutenus par des plans d'affaires solides. Le renforcement des capacités et le transfert de compétences garantissent la durabilité, avec une intégration dans les politiques gouvernementales et les programmes à long terme. La propriété communautaire appropriation par la communauté, la gestion participative et le recouvrement des coûts renforceront encore la durabilité, tandis que les modèles couronnés de succès seront intégrés dans les directives de l'État et que le financement se poursuivra dans le cadre de programmes gouvernementaux. La durabilité environnementale sera

grâce à des pratiques agricoles et d'élevage résilientes au climat, tandis que la viabilité financière sera ancrée dans des entreprises viables ayant accès à des marchés rentables et favorisant des relations commerciales à long terme.

III. Gestion des risques

A. Risques et mesures d'atténuation

26. Le risque global du projet est jugé modéré, les risques résiduels étant généralement faibles, sauf en matière de gestion financière et d'approvisionnement, qui restent importants en raison du manque de personnel qualifié, des retards structurels et des difficultés liées aux processus. Les mesures d'atténuation dans ces domaines comprennent le recrutement concurrentiel, l'utilisation du logiciel de planification des ressources d'entreprise Tally, des dispositions juridiques claires, une formation intensive, la supervision par des tiers et des mesures de transparence renforcées. Les risques environnementaux et climatiques seront traités grâce à une gestion intégrée des ressources naturelles et à des pratiques agricoles intelligentes face au climat, ce qui permettra de réduire les risques résiduels à un niveau faible. Un alignement politique fort, un soutien institutionnel et une collaboration étroite entre le FIDA, le gouvernement et l'unité de mise en œuvre renforceront encore la gestion des risques et la durabilité. Principales données financières
Les risques liés à la gestion comprennent : (i) une capacité de gestion financière potentiellement faible tant au niveau de l'unité de mise en œuvre principale (PIU) que de l'unité de mise en œuvre secondaire (DPIU) ; (ii) des problèmes de contrôle interne liés à l'insuffisance des effectifs chez les partenaires de mise en œuvre ; (iii) une du logiciel Tally et des retards dans les rapprochements comptables ; et (iv) des retards éventuels dans les rapports d'audit du contrôleur local et du bureau du vérificateur général. Des mesures d'atténuation adéquates ont été incluses dans la conception du projet afin de minimiser l'impact de ces risques.

Tableau 4
Résumé global des risques

Domaines à risque	*Cote de risque inhérent*	*Cote de risque résiduel*
Contexte national	Faible	Faible
Stratégies et politiques sectorielles	Faible	Faible
Contexte environnemental et climatique	Modéré	Modéré
Portée du projet	Faible	Faible
Capacité institutionnelle pour la mise en œuvre et la durabilité	Modérée	Modérée
Gestion financière	Importante	Importante
Approvisionnement du projet	Important	Important
Impact environnemental, social et climatique	Modéré	Modéré
Parties prenantes	Modéré	Modéré
Global	Modéré	Modéré

B. Catégorie environnementale et sociale

27. Les risques environnementaux et sociaux du projet sont tous deux jugés modérés. Les risques environnementaux résiduels, y compris la perte potentielle de biodiversité, seront réduits à un niveau faible grâce à une gestion intégrée des ressources naturelles, au développement de sources d'eau, à la promotion des espèces indigènes, à des pratiques de conservation et à des systèmes d'élevage durables. Les risques sociaux résiduels, liés aux peuples autochtones, aux conditions de travail et à une éventuelle réinstallation physique ou économique, seront également réduits à un niveau faible grâce à des processus solides de consentement libre, préalable et éclairé, à une planification participative et des mesures de protection intégrées dans la conception du projet, y compris un plan d'action de réinstallation potentiel, le cas échéant.

C. Classification des risques climatiques

28. Les risques liés aux émissions de gaz à effet de serre et à la variabilité climatique sont jugés modérés. Les impacts résiduels sont faibles et seront traités grâce à une agriculture intelligente face au climat, notamment des pratiques agricoles adaptatives fondées sur les projections climatiques, et à des systèmes d'élevage durables.

D. Viabilité de la dette

29. L'Inde reste la grande économie mondiale qui connaît la croissance la plus rapide, avec un taux de croissance robuste de 8,2 % pour l'exercice 2023/2024. À moyen terme, la croissance devrait rester stable, autour de 7 % pour l'exercice 2024/2025, et à rester forte pendant les exercices financiers 2025/2026 et 2026/2027. L'Inde est actuellement confrontée à un risque global modéré de tension sur la dette souveraine, son ratio dette/PIB s'établissant à 82,7% pour l'exercice 2023/2024 et devant rester élevé à moyen terme. Le niveau d'endettement devrait se stabiliser autour de ce chiffre avant de diminuer progressivement à partir de l'exercice 2025/2026.

IV. Mise en œuvre

A. Cadre organisationnel

Gestion et coordination du projet

30. Le projet sera mis en œuvre par le département de la planification et de la mise en œuvre des programmes du Mizoram par l'intermédiaire du SCRAM, en utilisant une structure décentralisée aux niveaux de l'État, du district et du village. La supervision sera assurée par le conseil d'administration au niveau de l'État (présidé par le ministre en chef) et le comité de gestion du projet présidé par le conseiller principal et secrétaire adjoint du département de la planification et de la mise en œuvre des programmes, tandis que les comités de planification de district, présidés par le commissaire adjoint assureront la gouvernance locale au niveau du district. L'unité de mise en œuvre du projet SCRAM et les unités de mise en œuvre du programme existantes seront utilisées, avec un élargissement de la composition du conseil et du comité de gestion du programme afin de renforcer la coordination intersectorielle collaboration et garantir l'alignement des politiques dans le cadre des stratégies de développement plus larges de l'État.

Gestion financière, passation des marchés et gouvernance

31. La gestion financière du projet sera décentralisée et impliquera l'unité de mise en œuvre du projet (PIU) de l'État et les unités de mise en œuvre du projet (DPIU). Les modalités de gestion financière respecteront les normes comptables indiennes normes comptables indiennes, le logiciel de comptabilité Tally étant personnalisé pour automatiser les rapports financiers. Le gouvernement du Mizoram préfinancera les dépenses, avec des remboursements trimestriels du FIDA. L'unité de mise en œuvre du projet tiendra un compte dédié au projet, et les fonds seront transférés vers les comptes du projet via le Trésor public du Mizoram. Des consultants externes consultants externes effectueront des audits internes semestriels, et le contrôleur et vérificateur général de l'État vérifiera les états financiers annuels. Les décaissements seront effectués sur la base de rapports, et les enseignements tirés des projets précédents serviront à éclairer les pratiques de gestion financière.

32. Les achats seront effectués conformément au cadre de passation des marchés du projet du FIDA, compte tenu des lacunes existantes dans les règles de passation des marchés publics du Mizoram. Une équipe dédiée aux achats sera mise en place au niveau de l'État et des districts afin d'atténuer les risques importants identifiés en matière de passation des marchés. Un renforcement des capacités sera assuré, notamment par le biais d'une formation sur le manuel des achats du projet du FIDA et la gestion des contrats. Les achats feront l'objet d'audits réguliers, et une autorité indépendante traitera les plaintes liées aux achats. Un plan d'approvisionnement pour les 18 premiers mois sera finalisé et soumis via le portail du système de passation de marchés en ligne de bout en bout du projet du FIDA (OPEN), les achats communautaires étant dirigés par des personnes-ressources et des comités.

33. La structure de gouvernance du projet comprendra un directeur de projet en chef chargé de superviser les audits des achats et de veiller au respect des mesures anti-politiques en matière de corruption. Une autorité indépendante enquêtera sur toute allégation de pratiques interdites afin de garantir le respect total des normes de gouvernance. Des mécanismes de protection des lanceurs d'alerte et de traitement des plaintes seront mis en place, conformément à la politique révisée du FIDA en matière de prévention de la fraude et de la corruption dans ses activités et opérations.

Participation des groupes cibles, retour d'information et traitement des griefs

34. FOCUS 2.0 a été conçu à l'issue de consultations approfondies avec les parties prenantes aux niveaux communautaire, régional et national. Au cours de sa mise en œuvre, le projet s'appuiera sur une stratégie d'engagement globale impliquant de multiples parties prenantes, notamment des services gouvernementaux, des organisations non gouvernementales et des institutions communautaires. Des partenariats seront établis afin de tirer parti des ressources et expertise, en garantissant une collaboration efficace et le respect des exigences des procédures d'évaluation sociale, environnementale et climatique (SECAP). L'engagement et le retour d'information au niveau communautaire seront facilités par réunions de consultation et des événements de sensibilisation, axés sur la planification participative, la responsabilité à la base et le suivi et l'évaluation (S&E) réguliers.

Traitement des plaintes

35. Le projet mettra en place un mécanisme de règlement des griefs complet, accessible et adapté à la culture locale à tous les niveaux de gestion afin de recueillir les commentaires et de traiter les plaintes liées aux activités du projet et à ses performances sociales ou environnementales, garantissant ainsi les droits des parties prenantes, la transparence et la protection contre les représailles. Le mécanisme de traitement des plaintes sera régulièrement communiqué aux parties prenantes et offrira de multiples canaux de soumission, notamment des boîtes de dépôt anonymes, une plateforme de médias sociaux, des adresses physiques désignées avec des personnes de contact à chaque niveau, et une ligne d'assistance téléphonique ou un centre d'appels. Toutes les procédures seront détaillées dans le projet de manuel de mise en œuvre du projet afin de garantir un règlement efficace et inclusif des griefs tout au long des différentes phases du projet.

B. Planification, suivi et évaluation, apprentissage, gestion des connaissances et communication

36. La gestion des connaissances et la communication font partie intégrante de l'apprentissage et de l'adaptation de FOCUS 2.0 et l'adaptation. Le système de suivi et d'évaluation permettra un suivi en temps réel grâce à des enquêtes et à des rapports cartographiques, garantissant l'inclusivité en ventilant les données par sexe, groupe d'âge et statut autochtone. Les activités clés comprendront une évaluation de référence et une évaluation à mi-parcours, des enquêtes, un site web interactif, des notes d'orientation et des actions de sensibilisation des médias, le tout visant à soutenir la prise de décisions éclairées, l'engagement politique et la mise à l'échelle efficace des initiatives couronnées de succès.

Innovation et mise à l'échelle

37. FOCUS 2.0 introduit plusieurs innovations spécifiques au contexte afin de relever les défis uniques de l'agriculture en altitude dans l'État du Mizoram, à savoir: (i) la mise à l'échelle du modèle de production *zau* (basé sur des grappes) testé lors de la phase I, en l'intégrant à; (ii) un modèle en étoile à trois niveaux fournissant une infrastructure de marché, une valeur ajoutée, un développement entrepreneurial et un écosystème numérique et financier adapté à les petits exploitants et leurs entreprises; et (iii) l'utilisation de profils numériques géolocalisés, de produits financiers groupés et de services de vulgarisation accessibles sur mobile, offrant un modèle inclusif et axé sur la technologie pour la résilience des zones de montagne. En outre, le projet financera des innovations qui améliorent les pratiques résilientes au climat et l'efficacité de la chaîne de valeur, et soutiendra les jeunes entrepreneurs et les femmes entrepreneurs, favorisant ainsi l'innovation.

38. L'approche du projet en matière de mise à l'échelle est multiforme : les modèles couronnés de succès seront intégrés dans les politiques publiques et les programmes sectoriels, la convergence budgétaire avec les programmes gouvernementaux garantira la continuité du financement, et les connaissances générées grâce à un suivi et une évaluation rigoureux et à des partenariats seront largement diffusées. En intégrant l'appropriation du projet au sein du gouvernement, des communautés et du secteur privé secteur, et en institutionnalisant des modèles au sein des systèmes étatiques, FOCUS 2.0 créera des structures durables afin de maintenir et d'étendre son impact au-delà de la durée du projet.

C. Plans de mise en œuvre

Préparation à la mise en œuvre et plans de démarrage

39. Le FIDA veillera à la préparation de la mise en œuvre par le suivi des contrats, l'examen des marchés et le financement des coûts de démarrage des premières activités. Un plan d'action détaillé en matière de préparation permettra de pourvoir en personnel, de passer des marchés et de mobilisation des parties prenantes. Des partenariats formalisés et des accords institutionnels amélioreront la mise en œuvre du projet, tandis que l'alignement sur la planification budgétaire du Mizoram permettra une intégration budgétaire en temps opportun.

Plans de supervision, d'examen à mi-parcours et d'achèvement

40. Le FIDA mènera régulièrement des missions de supervision et d'appui à la mise en œuvre afin d'examiner les résultats obtenus, les progrès accomplis dans la réalisation des objectifs de développement et le respect des exigences fiduciaires et des mesures de sauvegarde. Le FIDA fournira également une assistance technique afin de soutenir une mise en œuvre efficace et une gestion adaptative tout au long du cycle du projet.

V. Instruments juridiques et autorité

41. Un accord de financement entre la République de l'Inde et le FIDA constituera l'instrument juridique permettant d'accorder le financement proposé à l'emprunteur. Une copie de l'accord de financement négocié est jointe en annexe I.

42. La République de l'Inde est habilitée, en vertu de sa législation, à recevoir des financements du FIDA.

43. Je suis convaincu que le financement proposé est conforme à l'Accord portant création du FIDA et aux Politiques et critères de financement du FIDA.

VI. Recommandation

44. Je recommande au Conseil d'administration d'approuver le financement proposé dans les termes de la résolution suivante :

> IL EST RÉSOLU que le Fonds accorde à la République de l'Inde un prêt à des conditions ordinaires d'un montant de quarante-cinq millions sept cent quatre-vingt mille dollars des États-Unis (45 780 000 USD), selon des modalités et conditions qui seront pour l'essentiel conformes aux modalités et conditions présentées dans le présent document.

Alvaro Lario
Président

Negotiated financing agreement

(Negotiations concluded on 10 September 2025)

Loan No: __________

Project name: *Fostering Climate-Resilient Upland Farming Systems in the Northeast (FOCUS 2.0)* ("the Project")

The Republic of India (the "Borrower")

and

The International Fund for Agricultural Development (the "Fund" or "IFAD")

(each a "Party" and both of them collectively the "Parties")

PREAMBLE

WHEREAS the Borrower has requested a loan from the Fund for the purpose of financing the Project described in Schedule 1 to this Agreement;

WHEREAS FOCUS 2.0 builds on the achievements and lessons of FOCUS Phase I, expanding the scope from six to eleven districts and deepening impact through market integration, climate-smart intensification, expansion of sectors covered, and institutional convergence;

WHEREAS the Borrower shall make available to the State of Mizoram the proceeds of the Financing upon terms and conditions set forth in this Financing Agreement;

WHEREAS the Project shall be implemented in the State of Mizoram (the "State") pursuant to a separate agreement of even date herewith between the Fund and the State (the "Project Agreement");

WHEREAS, the Fund has agreed to provide financing for the Project;

NOW THEREFORE, the Parties hereby agree as follows:

Section A

1. This Agreement comprises the following: the Main Document (Preamble and Sections A-E), the Project Description and Implementation Arrangements (Schedule 1) and the Allocation Table (Schedule 2).

2. The Fund's General Conditions for Agricultural Development Financing dated 29 April 2009, amended as of December 2022, and as may be amended hereafter from time to time (the "General Conditions") are annexed to this Agreement, and all provisions thereof shall apply to this Agreement. For the purposes of this Agreement the terms defined in the General Conditions shall have the meanings set forth therein, unless the Parties shall otherwise agree in this Agreement.

3. The Fund shall provide a Loan (the "Financing") to the Borrower which the Borrower shall cause the State to use to implement the Project in accordance with the terms and conditions of this Agreement.

Section B

1. The amount of the Financing is forty-five million seven hundred eighty thousand United Stated dollars (45 780 000 USD).

2. The Financing is granted on ordinary terms and shall be subject to interest on the principal amount outstanding of the loan rate equal to the IFAD Reference Interest Rate including a variable spread, and have a maturity period of 18 years, including a grace period of 6 years, starting from the date as of which the Fund has determined that all general conditions precedent to withdrawal have been fulfilled.

3. The Loan Service Payment Currency shall be in USD.

4. The first day of the applicable Fiscal Year shall be 1st April.

5. Payments of principal and interest shall be payable on each 1st June and 1st December.

6. There shall be a Designated Account in USD, for the exclusive use of the Project opened in the Reserve Bank of India, to which funds will flow from IFAD. The Borrower shall inform the Fund of the officials authorized to operate the Designated Account.

7. There shall be a Project Account in Indian Rupees (INR) for the benefit of FOCUS 2.0 in a commercial bank operating in Mizoram. The Project Account is maintained by the Lead Project Agency as defined in Section C, para 1 below.

8. The Borrower shall cause the State to provide counterpart financing for the Project in the ratio of 76:24 between the IFAD financing and the counterpart contribution respectively.

Section C

1. The Lead Project Agency shall be the Planning and Programme Implementation Department (P&PID) through the Society for Climate Resilient Agriculture in Mizoram (SCRAM).

2. The Department of Economic Affairs, Ministry of Finance, will be the nodal agency for the Project at the central level and the Ministry of Development of North Eastern Region will be involved for overall guidance.

3. Additional Project Parties are described in Schedule 1 Part II, paragraph 9.

4. A Mid-Term Review will be conducted as specified in Section 8.03 (b) and (c) of the General Conditions; however, the Parties may agree on a different date for the Mid-Term Review of the implementation of the Project.

5. The Project Completion Date shall be the sixth (6th) anniversary of the date of entry into force of this Agreement and the Financing Closing Date shall be 6 months later, or such other date as the Fund may designate by notice to the Borrower.

6 Procurement of goods, works and services financed by the Financing shall be carried out in accordance with the provisions of IFAD Project Procurement Framework.

Section D

1. The Fund will administer the Loan and supervise the Project.

Section E

1. The following are designated as additional grounds for suspension of this Agreement:

   (a) The Project Implementation Manual (PIM) and/or any provision thereof, has been waived, suspended, terminated, amended or modified without the prior agreement of the Fund and the Fund, after consultation with the Borrower, has determined that it has had, or is likely to have, a material adverse effect on the Project.

2. The following are designated as additional grounds for cancellation of this Agreement:

   (a) In the event that the Borrower did not request a disbursement of the Financing for a period of at least 12 consecutive months without justification subsequent to the first eighteen (18) months from the entry into force of the Agreement.

3. The following are designated as additional general conditions precedent to withdrawal of the Financing:

   (a) The IFAD no objection to the PIM shall have been obtained.
   (b) Key Project staff has been appointed as per Section B, para 7 of the Project Agreement with the State of Mizoram.
   (c) Cloud-based Tally accounting software installation and customization for the needs of the FOCUS 2.0 shall be completed.
   (d) The Borrower shall cause the registration of the Project with the IFAD Client Portal (ICP).

4. The following are the designated representatives and addresses to be used for any communication related to this Agreement:

For the Borrower:

Additional Secretary
Department of Economic Affairs
Ministry of Finance,
Government of India
New Delhi 110001

For the Fund:

The President
International Fund for Agricultural Development
Via Paolo di Dono 44
00142 Rome, Italy

[Copy to:]

If applicable, the Parties accept the validity of any qualified electronic signature used for the signature of this Agreement and recognise the latter as equivalent to a hand-written signature.

This Agreement, [dated _____], has been prepared in the English language in two (2) original copies, one (1) for the Fund and one (1) for the [Borrower/Recipient].

REPUBLIC OF INDIA

____
"[Authorised Representative Name]"
"[Authorised Representative title]"

Date: ____________

INTERNATIONAL FUND FOR
AGRICULTURAL DEVELOPMENT

____
"[Authorised Representative Name]"
"[Authorised Representative title]"

Date: ______________

Schedule 1

Project Description and Implementation Arrangements

I. Project Description

1. *Target Population*. The Project shall benefit 75,000 households (150,000 individuals), with a strong emphasis on marginalized households. It will ensure 50% women beneficiaries and 15% youth beneficiaries through dedicated interventions.

2. *Project area.* FOCUS 2.0 will target all 11 districts of Mizoram, to be implemented in 700 villages across diverse, challenging agroecological zones which influences agricultural development and climate vulnerability (*the "Project Area").*

3. *Goal.* FOCUS 2.0 has an overarching goal of contributing to the economic prosperity and enhanced climate resilience in rural Mizoram.

4. *Objectives.* The Project Development Objective is to enhance the social, economic, and climate resilience of targeted households across the State of Mizoram, through strengthened agricultural value chains.

5. *Components*. The Project shall consist of the following Components:

5.1 Component 1: *Market Access and Enterprise Development*. Component 1 will establish a robust and inclusive market ecosystem that enables rural producers to increase incomes through improved market access, enterprise development, and financial inclusion. Outcomes will include: (i) 50% of households engaged in formal or structured markets; (ii) employment generation through project-supported enterprises; and (iii) improved access to rural financial and digital services. Component 1 will have three sub-components.

Sub-component 1.1 Market Infrastructure aims to address a foundational bottleneck in Mizoram's agriculture and allied sectors: the lack of structured and value-chain-aligned market infrastructure. The Project will invest in a tiered climate resilient market infrastructure system designed to connect producers with both local and external markets through an integrated hub-and-spoke approach. This includes the development of 300 Collective Marketing Centres (CMCs), 13 block-level Farmers' Markets, 5 district-level Value Addition Hubs, establishment of Poultry Slaughter and Processing Facility in Aizawl, construction of 300 km of link roads as first-mile connectivity and a detailed feasibility and design study to ensure that infrastructure investments are demand-driven, spatially efficient, and aligned with commodity flows and market potential.

Sub-component 1.2 Enterprise Development will invest in building a vibrant rural enterprise ecosystem that operationalizes and sustains the market infrastructure developed under Component 1.1. This will be achieved by supporting and strengthening of Farmer Producer Organizations (FPOs), Self-Help Groups (SHGs), Multi-Purpose Agriculture Cooperatives (M-PACs), and rural entrepreneurs engaged in priority value chains. Enterprise support will be closely aligned with the commodity prioritization conducted during project design and further refined through a detailed block-level intercropping and production system study.

Sub-component 1.3 Financial and Digital Ecosystem will strengthen the financial and digital ecosystem to support the commercialization of rural value chains developed and will address critical barriers to financial inclusion, digital readiness, and risk management. It equips rural actors with essential tools like credit access, insurance mechanisms, and digital systems to enable them to operate effectively.

5.2 Component 2: *Agricultural Productivity and Climate Resilience.* Component 2 supports the shift from subsistence to sustainable, market-oriented farming and livestock systems. Outcomes will include: (i) sustainable enhancement of climate-resilient agricultural production and increased crop productivity; (ii) improved production of market-oriented livestock products. The approach centres on *Zaus*, which enable synchronized farming, resource use, and extension. This component will have two sub-components, Agriculture Development and Livestock Development.

Sub-component 2.1 Livestock Development aims to enhance environmentally sustainable livestock production by supporting pig breeding, backyard and broiler poultry, goat and egg production, disease management (especially African Swine Flu (ASF)), natural resource management (fodder, water) and first-mile service delivery (building on existing institutions/service providers). This subcomponent plans to reach 35000 HH engaged in livestock rearing to enhance their income and capacity for sustainable production.

5.3 Component 3: Project Management, Convergence planning and Knowledge Management. Component 3 ensures efficient project coordination including convergence, financial oversight, and delivery of results.

II. Implementation Arrangements

6. *Lead Project Agency*. The Project will be implemented by the Planning and Programme Implementation Department of Mizoram through the Society for Climate Resilient Agriculture in Mizoram (SCRAM).

7. *Project Oversight Committee*. Oversight is provided by the Governing Council (chaired by the Chief Minister of the State). The Principal Adviser-cum-Additional Secretary, Planning and Programme Implementation Department (P&PID) will serve as the Member Secretary. The expanded membership of the Governing Council is expected to reinforce cross-sectoral convergence and ensure coordinated support from all relevant departments and institutions. The second tier of governance, the Project Management Committee (PMC) will have a central role in overseeing operational planning and implementation and will be chaired by the Principal Adviser-cum-Additional Secretary, Planning and Programme Implementation Department (P&PID), with the Chief Project Director, SCRAM, serving as Member Secretary. The existing District Planning Committee (DPC) chaired by the Deputy Commissioner of the District will streamline governance and reinforce convergence at the district level.

8. *State Project Implementation Unit*. The SPIU will be headed by the Chief Project Director, an officer at the Joint Secretary level, and seconded by the Project Director, an officer at the Deputy Secretary level. Officers at the level of Deputy Director will be deputed from stakeholder departments through an application-based process; any vacant positions thereafter will be filled through departmental nominations. All other SPIU staff will be engaged on a co-terminus basis. The SPIU will provide strategic direction, technical oversight, and interdepartmental coordination. The District Project Implementation Units (DPIU) will be headed by the Deputy Commissioner of the respective district and seconded by the Project Director, District Rural Development Office (DRDO). DPIUs will be housed within the Deputy Commissioner Office and will be supported by co-terminus project staff as well as DRDO-assigned personnel (clerical, engineering, and support staff). DPIUs will lead localized planning, implementation, supervision, and ensure convergence with district-level institutions.

9. *Project Parties*. Implementation will be led by SCRAM, with close collaboration from line departments, financial institutions (Mizoram Rural Bank, Multipurpose Primary Agricultural Credit Cooperative Society, NABARD, and the National Insurance Academy), research institutions, and private partners. The proposed annual Private Sector Roundtable will foster convergence and investment.

10. *Monitoring and Evaluation*. The M&E system of FOCUS 2.0 has been designed as a decision-support and learning mechanism, drawing on key lessons from the previous FOCUS project, to address gaps in household-level tracking, feedback loops, and

disaggregated reporting. Anchored in IFAD's Results and Impact Management System (RIMS), the system will ensure real-time performance monitoring, adaptive learning, and evidence-based decision-making throughout the project lifecycle. The M&E system enables real-time tracking through surveys and map-based reporting, ensuring inclusivity by disaggregating data by gender, youth, and indigenous groups. Key activities include a baseline and mid-line survey, interactive website, policy briefs, and media outreach, supporting informed decision-making, policy engagement, and effective scaling up of successful initiatives.

11. *Knowledge Management*. Knowledge management and communication are integral to FOCUS 2.0 learning and adaptation. The Project will generate practical, actionable knowledge across its components: (i) implementation of the *zau* cluster model, (ii) three-tiered hub-and-spoke market systems, (iii) rural finance models with partners like Mizoram Rural Banks, M-PACs, the National Insurance Academy etc, and (iv) digital and community-based service delivery. Case studies, technical notes, policy briefs, GIS-linked visuals, and media outputs will capture lessons, innovations, and failures—particularly in relation to gender, youth, and traditional knowledge.

12. *Project Implementation Manual (PIM)*. The SPIU shall finalise the draft PIM prepared during the design to be approved by the Governing Council and subject to prior review of the Fund. The PIM shall include procedures and processes for Project implementation, financial administration and reporting and procurement. The SPIU shall adopt the PIM substantially in the form approved by the Governing Council and subject to prior review of the Fund and may make amendments thereto from time to time with the prior review of the Fund, under intimation to the Department of Economic Affairs (DEA), Ministry of finance. The State shall cause the Project to be carried out in accordance with the PIM. In case of any discrepancies between the provisions of the PIM and those of this Agreement, the provisions of this Agreement shall prevail.

Schedule 2

Allocation Table

1. *Allocation of Loan Proceeds.* (a) The Table below sets forth the Categories of Eligible Expenditures to be financed by the Loan and the allocation of the amounts to each category of the Financing and the percentages of expenditures for items to be financed in each Category:

Category	Loan Amount Allocated (expressed in USD)	Percentage*
Civil Works	15 110 000	100
Consultancies and Training	19 180 000	100
Equipment and Materials	1 610 000	100
Grants and Subsidies	4 620 000	100
Salaries and Operating Cost	5 260 000	100
TOTAL	**45 780 000**	

(b) The terms used in the Table above are defined as follows:

(i) "Civil Works" shall mean eligible expenditures incurred for civil infrastructure and related expenditures.

(ii) "Consultancies and Training" shall mean eligible expenditures incurred under all components of the project for Goods, Consulting Services, Non-consulting services, Studies, Training and Workshops, and other inputs.

(iii) "Equipment and Materials" shall mean eligible expenditures incurred for Equipment, Tools and Materials.

(iv) "Grants and Subsidies" shall mean eligible expenditures for grants and subsidies.

(v) "Salaries and Operating Cost" shall mean eligible expenditures related to operating costs, including salaries and allowances.

* The percentage applied to Project expenditures, excluding indirect taxes and shares of other financiers.

2. *Disbursement arrangements*

(a) The withdrawal and use of IFAD funds for FOCUS 2.0 will be governed by the IFAD's Project Financial Management and Financial Control Arrangements Letter (FMFCL) and this Financing Agreement between IFAD and the Borrower.

(b) *Retroactive financing*. As an exception to section 4.07(a)(ii) of the General Conditions, specific eligible expenditures incurred as of February 1, 2025, until the date of entry into force of this Agreement shall be considered eligible up to an amount equivalent to One million US dollars (USD 1,000,000) for activities relating to: project implementation commencement preparation such as consultancies, studies, staff costs and other operating expenditures. Activities to be financed by retroactive financing and their respective category of expenditures and source of financing will require prior no objection from IFAD to be considered eligible. Pre-financed eligible expenditures shall be reimbursed to the Borrower once additional conditions precedent to the first disbursement of funds specified in Section E.3 are fulfilled.

(c) Audit arrangements. The office of the Mizoram State Comptroller and Auditor General (CAG) will audit, in accordance with acceptable to IFAD audit standards, project financial statements each year. It will send audit reports to IFAD within six months of the end of the financial year.

Logical framework

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
Outreach	**1 Persons receiving services promoted or supported by the project**							
	Males - Males		40000	75000				
	Females - Females		40000	75000				
	Young - Young people		12000	22500				
	Indigenous people - Indigenous people		80000	150000				
	Total number of persons receiving services - Number of people		80000	150000				
	Male - Percentage (%)		50%	50%				
	Female - Percentage (%)		50%	50%				
	Young - Percentage (%)		15%	15%				
	Persons with disabilities - Number		0	0				
	1.b Estimated corresponding total number of households members							
	Household members - Number of people		160000	300000				
	1.a Corresponding number of households reached							
	Women-headed households - Households		8 000	15 000				
	Non-women-headed households - Households		32 000	60 000				
	Households - Households		40 000	75 000				
Project Goal Contribute to economic prosperity and enhanced climate resilience in rural Mizoram	**Percent increase in average annual household income (real) of the target households in project areas**				Impact Assessment	Baseline, Mid, and End-line Surveys	PIU/External Agency	Project implementation happens as per the work plans approved without delay in the release of financial resources and human resource recruitment.
	Households - Percentage (%)		10	30				
	Average reduction in soil erosion rate (tons/ha/year) in the targeted zau clusters promoted by the project (%)				Third party survey	Baseline, Mid, and End-line Surveys	External agency	
	% - Percentage (%)							

Development Objective Enhance the income and climate resilience of rural households in Mizoram through market-driven value chain interventions in agriculture and allied sectors	**Percent increase in gross margins for farmers in the targeted value chains**				Third party survey	Baseline, Mid, and End-line Surveys	PIU/External Agency	Gross margin refers to the difference between gross income (sales revenue) and variable costs of production, expressed as a percentage of gross income. It reflects the profitability of agricultural activities and the economic benefit to farmers from project interventions such as improved practices, inputs, market access, or processing.
	Average increase in the gross margin of production for farmers in the targeted value chains (%) - Percentage (%)		10	30				
Outcome * To delete	**SF.2.1 Households satisfied with project-supported services**							
	Household members - Number of people		0	0				
	Indigenous households - Households		0	0				
	Women-headed households - Households		0	0				
	Households - Percentage (%)		0	0				
	Households - Households		0	0				
	SF.2.2 Households reporting they can influence decision-making of local authorities and project-supported service providers							
	Household members - Number of people		0	0				
	Indigenous households - Households		0	0				

	Women-headed households - Households		0	0				
	Households - Percentage (%)		0	0				
	Households - Households		0	0				
Outcome Outcome 1.1: Households engaged in transactions with structured or formal markets	**Project-supported households engaged in structured market transactions through producer organizations, enterprises, societies, etc.**				Third party survey	Baseline, Mid, and End-line Surveys	PIU/ External agency	It is expected that at least 50% of project supported households will start engaging in transactions with markets through project supported entities rather than middle men
	Household Numbers - Number		22500	37500				
	Households - Percentage (%)		30	50				
Output Output 1.1.1: Improved market access for agriculture, horticulture and livestock products	**2.1.5 Roads constructed, rehabilitated or upgraded**				MIS	Annually	PIU, DPIU	
	Length of roads - Km		100	300				
	2.1.6 Market, processing or storage facilities constructed or rehabilitated				MIS	Annually	PIU, DPIU	
	Total number of facilities - Facilities		108	318				
	Market facilities constructed/rehabilitated - Facilities		100	300				
	Processing facilities constructed/rehabilitated - Facilities		2	5				
	Storage facilities constructed/rehabilitated - Facilities		6	13				
Outcome Outcome 1.2: Employment opportunities created by project supported enterprises	**2.2.1 Persons with new jobs/employment opportunities**				COI Survey	Baseline, Mid, and End-line Surveys	PIU/External Agency	It is expected that each of the marketing, processing and
	Males - Males		700	2000				
	Females - Females		700	2000				

	Indigenous people - Indigenous people		1500	4000				storage facility will create 10 full time equivalent jobs (3,000 jobs). Further, each incubation fund awardee will support 10 full time jobs (300 jobs). The bio-resource centers under Comp 2 will also lead to job creation in each village (700 jobs).
	Young - Young people		200	600				
	Total number of persons with new jobs/employment opportunities - Number of people		1400	4000				
	Number of supported producer organizations that are operationally and financially viable				Audited statements of FPOs	Annually	PIU, DPIU	
	FPOs - Number		2	5				
Output Output 1.2.1: Rural producer organization supported to engage in profitable value chains	**2.1.3 Rural producers' organizations supported**				MIS	Annually	PIU, DPIU	It is expected that each of the FPO will have 500 members (shareholders). A women headed FPO is defined as one having a woman CEO or having more than 50% of its directors as women.
	Total size of POs - Organizations		1250	2500				
	Rural POs supported - Organizations		5	5				
	Males - Males		625	1250				
	Females - Females		625	1250				
	Young - Young people		375	750				
	Indigenous people - Indigenous people		1250	2500				
	Rural POs supported that are headed by women - Organizations		1	3				
Output Output 1.2.2: Improved capacity of enterprises to engage in profitable value chains	**2.1.1 Rural enterprises accessing business development services**				MIS	Annually	PIU, DPIU	The 40 incubation fund awardees access project supported activities to improve the performance of the enterprise, its market access and its ability to compete
	Rural enterprises - Enterprises		20	40				
	1.2.5 Households reporting using rural financial services				COI Survey			

Outcome Outcome 1.3: Improved access to rural financial and digital services	Total number of household members - Number of people		8000	24000		Baseline, Mid, and End-line Surveys	PIU/External Agency	The 12,000 project supported households are able to access KCC services being facilitated by the project and are using to the credit to invest in productive purposes. The current level of usage will be determined by the baseline survey
	Households - Percentage (%)		10	16				
	Households - Households		4000	12000				
Output Output 1.3.1: Increased coverage of financial service providers in project areas	**1.1.6 Financial service providers supported in delivering outreach strategies, financial products and services to rural areas**				MIS	Annually	PIU, DPIU	The project will establish partnership with at least 3 financial service providers for KCC and other rural credit services. All book keepers engaged in maintaing books of zau will undergo financial and digital finance training for account maintenance, cash reporting and usage. Each village will have at least 1 such book keeper.
	Service providers - Service Providers		2	3				
	1.1.7 Persons in rural areas trained in financial literacy and/or use of financial products and services				MIS	Annually	PIU, DPIU	
	Males - Males		150	350				
	Females - Females		150	350				
	Young - Young people		90	210				
	Indigenous people - Indigenous people		300	700				
	Persons in rural areas trained in FL and/or use of FProd and Services (total) - Number of people		300	700				
Outcome Outcome 2.1: Sustainable intensification of climate-resilient agricultural production and increased crop productivity	**1.2.2 Households reporting adoption of new/improved inputs, technologies or practices**				COI Survey	Baseline, Mid, and End-line Surveys	PIU/External Agency	The project will support 41,000 HHs with land improvement and other agriculture development interventions. It is expected that at least 70% of these
	Total number of household members - Number of people		26400	114800				
	Households - Percentage (%)		40	70				

	Households - Households		6600	28700				households adopt such practices.
	Land brought under climate-resilient management				MIS	Annually	PIU, DPIU	
	Hectares of land - Area (ha)		7525	18550				
Output Output 2.1.1: Area supported for climate-resilient agricultural production and increased crop productivity	**Land brought under new zau clusters**				MIS	Annually	PIU, DPIU	Refers to the area/households supported under non-zau areas Refers to the area/households supported under existing zau clusters Refers to the area/households supported under new zau clusters that will be developed by the project
	Hectares of land - Area (ha)		2000	4500				
	Households - Number		4000	9000				
	Area supported under existing zau clusters				MIS	Annually	PIU, DPIU	
	Hectares of land - Area (ha)		5000	12000				
	Households - Number		5000	12000				
	Area developed outside of zau clusters				MIS	Annually	PIU, DPIU	
	Hectares of land - Area (ha)		3750	10000				
	Households - Number		7500	20000				
Output Output 2.1.2: Farmers reached with agricultural advisory services through digital platforms	**Number of farmers reached with agricultural advisory services through digital platforms (e.g., mobile apps, SMS, IVR, WhatsApp, or web portals) supported by the project**				MIS	Annually	PIU, DPIU	
	Males - Number		5000	15000				
	Females - Number		5000	15000				
	Young - Number		3000	9000				
	Total - Number		10000	30000				
Outcome Outcome 2.2: Improved production of market oriented livestock products	**Number of brown eggs produced annually through project supported layer farms**				Records of layer farms	Annually	PIU, DPIU	Each layer farm will produce 9,000 eggs per year. Target is based on 70% of layer farms (target 900 farms) selling 9,000 eggs per year. The 12 BSS will produce 90,000 semen doses. Assuming 70% efficiency of
	Number of brown eggs produced annually (in thousands) - Number		1890	5670				
	AI success rate in pigs				Records of BSS, satellite center and service agents	Annually	PIU, DPIU	
	Number of piglets born through AI (number) - Number		150000	350000				

	Percent of AI resulting in successful delivery of piglets (%) - Percentage (%)		50	70				collection and 70% AI success rate with 8 piglets born per AI.
Output Output 2.2.1: Increased capacity of households to manage livestock production	**Number of households supported with pig rearing (breeding, fattening and AI services)**				MIS	Annually	PIU, DPIU	
	Number of households - Number		20000	35000				
	Number of households supported with poultry bird rearing (layer and broiler)				MIS	Annually	PIU, DPIU	
	Number of households - Number		1000	2300				
	Number of households supported with goat rearing (breeding and fattening)				MIS	Annually	PIU, DPIU	
	Households (number) - Number		200	400				
Output Output 3.1.1: Effective M&E and KM practices in place	**Project brings on board technical partners for effective project implementation**							
	Number of technical partners onboarded - Number		4	6				
	Number of KM partners onboarded - Number		2	3				
Output Output 3.2.1: Project MIS is active with all required features	**Project has a functional MIS with HH level tracking and GIS/RS modules**				Project Reports	Annually	PIU	
	Number of modules with HH level tracking - Number		5	5				
	Number of modules with GIS/RS based tracking - Number		2	2				

Integrated project risk matrix

Risk categories and subcategories	Inherent	Residual
Country context		
Political commitment		
Risk(s): Overall, India's political institutions remain sufficiently stable to support business and investor needs, according to the EIU (2024). Mizoram held its state legislative assembly election in November 2023, resulting in the Zoram People's Movement (ZPM) becoming the single largest party and formed the government for the next five years. The new administration has prioritised the development of agriculture and allied sectors, resulting in a request for a new project design under their leadership. A new Handholding policy (2024) promotes a conducive environment to boost the agriculture sector	Low	Low
Mitigations: The new project request has come under the administration of newly formed government therefore, no major political risks are perceived that may impact the project at state level. The proposed project FOCUS 2.0 also appears in the priority list of the Government of Mizoram for Externally Aided Projects as communicated by the Finance Department of Government of Mizoram.		
Governance		
Risk(s): India, as a union of states with a constitutional distribution of powers between the central and state governments, provides a stable governance structure. In the most recent Good Governance Index published in 2021, Mizoram demonstrated strong performance in commerce and industry, human resource development, public health, and economic governance. The state saw an overall improvement of 10.4% from the previous index, reflecting positive trends in governance.	Low	Low
Mitigations: The project will put in place a mechanism whereby fair competition is encouraged for applying and accessing various project Funds. For example, • Selection committees will be composed of various society stakeholders. • Calls for proposals/business ideas will be publicly and widely advertised. • Results of grantees, awardees, and incubates will be publicly shared to maintain transparency and promote community solidarity in Mizoram.		
Macroeconomic		
Risk(s): India's macroeconomic outlook is positive, with expected strong GDP growth of 6.2% (IMF) in 2025, a steady increase in per capita income, and robust economic performance. The country's economic fundamentals remain solid, driven by factors like strong domestic demand particularly in rural areas, a thriving services sector, and a growing middle class. Despite challenges such as inflation of 4.6% in 2024/2025 (MoF, 2025) and global uncertainties, India is expected to remain the fastest growing economy over the next 2 years (IMF, 2025). All these macroeconomic performances provide a conducive enabling and business environment for various value chain actors and stakeholders who would be involved in project implementation as partners or service providers.	Low	Low
Mitigations: Project activities and interventions will further support the economic resilience of the participating communities.		
Fragility and security		
Risk(s): As per the annual report of Ministry of Home Affairs, Government of India (2023/2024), the state Mizoram remains by and large peaceful without any major security issues. The report also highlights Mizoram being free	Moderate	Moderate

Risk categories and subcategories	Inherent	Residual
from insurgency. As per the state wise security data available there has been no incidence of violence, insurgency or extremist activity from 2019 to 2024. Mizoram is characterized by the peaceful society, however, the tensions in the neighbouring countries may delay the development of Mizoram including its connection to a seaport in Myanmar. Furthermore, to avoid any potential spillover of tension from Myanmar to Mizoram has prompted the Government of India to consider sealing the borders to prevent any potential security threats or conflicts from affecting Mizoram. As per Ministry of Home Affairs Year End Review 2024, there is special emphasis laid on demographic data along the India–Myanmar border, especially in Nagaland, Mizoram, and Manipur, to aid in fencing efforts and prevent infiltration. Additionally, Border Roads Organisation (BRO) has been entrusted with strategically important border fencing works on the Indo-Myanmar border. Unrest and political volatility in Bangladesh have also been flagged as a potential source of fragility for the northeastern region, necessitating enhanced surveillance and coordination along the India–Bangladesh border to pre-empt any cross-border threats or illegal movements. This safe and serene environment fosters secure conditions for the project's implementation, avoiding additional costs for protective measures.		
Mitigations: No interventions needed		
Sector strategies and policies		
Policy alignment		
Risk(s): The project is a follow-on project with the same client counterparts and institutional architecture and is well aligned with the state and national policies. Project is well-integrated with the broader development approach of the Government of India (GoI) and the state government, focusing on sustainable agriculture, value chain development, and institutional capacity building to improve the livelihoods of smallholder farmers. The project's interventions are complementary to GoI initiatives like the Prime Minister's Development Initiative for North Eastern Region (PM-DevINE) and the North East Special Infrastructure Development Scheme (NESIDS), prioritising infrastructure investment for enhanced connectivity in the North Eastern states, including Mizoram further strengthening the project's proposed interventions leading to better participation in the market. At the state level the recently launched "Handholding Scheme" (Bana-Kaih), encompassing areas like access to finance skill development, and market linkages aims to support the development of agriculture and allied sectors. These state-level initiatives reinforce FOCUS 2.0's interventions and overall impact.	Low	Low
Mitigations: To ensure seamless integration with ongoing government schemes, the FOCUS 2.0 project has been carefully designed to complement and enhance existing policies, particularly the Handholding Scheme (Bana-Kaih). The Project Steering Committee (PSC), which includes representatives from key line agencies responsible for implementing various government schemes, will play a critical role in ensuring coordination and alignment. This structure not only facilitates smooth project execution but also ensures that FOCUS 2.0 is effectively positioned as a vehicle for advancing national and state policy objectives, maximizing synergies for greater impact.		
Policy development & implementation		
Risk(s): The project is fully aligned with state and sectoral policies. However, potential changes in policy related to agriculture and allied sector or the implementation modality of Central sector schemes that may impact the convergence of Government schemes and project interventions.	Moderate	Low
Mitigations: The project has an in-built mechanism for coordination with different Departments/Ministries to ensure convergence of project and		

Risk categories and subcategories	Inherent	Residual
government led interventions on ground. FOCUS 2.0 will have a Convergence Officer seconded from the Planning and Programme Implementation Department of the Government of Mizoram, who will oversee and facilitate convergence activities at various levels. Additionally, to further enhance convergence, the number of secondments from relevant line ministries has been increased, enabling better coordination and alignment at the State, District, Block, and Village levels. This strengthened presence ensures seamless integration of government schemes and FOCUS 2.0's initiatives, driving more impactful and coordinated outcomes on the ground.		
Environment and climate context		
Project vulnerability to environmental conditions		
Risk(s): In Mizoram, rural areas are home to 45% of the population, agricultural development face challenges due to the hilly terrain, climate variability, and limited resources. Issues like inadequate land and water resource management (drying of springs), added by land access constraints, contribute to environmental degradation and low crop yields. Livestock rearing, vital for household income, faces obstacles like disease outbreaks, high feed costs, and low productivity	Moderate	Moderate
Mitigations: Project will adopt a holistic approach, emphasising agro-ecological approaches (such as Natural Farming and LEISA) that enhance resilience, integrating strategies for land tenure security, market-led activities, enterprise development, and livestock integration, addressing the challenges faced by smallholder farmers in Mizoram. The project will adopt a market-led production approach, it targets marginalized smallholders, particularly from scheduled tribes, facilitating their engagement in agricultural markets.		
Project vulnerability to climate change impacts		
Risk(s): Mizoram, climate change poses significant challenges, with the state's vulnerability exacerbated by limited irrigation infrastructure and poor connectivity. The agricultural sector, crucial to the state's economy, faces a high sensitivity due to its reliance on rain-fed agriculture and inadequate irrigation facilities, leaving cultivated land vulnerable to water deficiency for prolonged periods.	Moderate	Moderate
Mitigations: The Project will support the Government to address these challenges, implementing comprehensive interventions aimed at enhancing climate resilience and adaptation, adopting measures for promotion of stress tolerant crop varieties, improved access to seeds and integrated pest management, integrating market- and value chain-led production methods with natural resource management strategies such as soil and water (spring shed management) conservation measures. The Project will support irrigation infrastructure for clusters as well as last –mile connective through link-roads, suspension bridges, rope ways etc, connecting cluster production with markets. FOCUS 2.0 will support upgrading / leveraging the existing early warning system. Leveraging climate change risk assessments, the project will ensure targeted adaptation efforts to mitigate climate-related risks effectively.		
Project scope		
Project relevance		
Risk(s): FOCUS 2.0 is strongly aligned with government priorities, ensuring synergy and adaptability in its approach. The project supports the broader objectives of sustainable development and impactful outcomes for Mizoram's agricultural and allied sectors. Additionally, FOCUS 2.0 is well integrated with the Government of Mizoram's Bana-Kaih (Handholding Policy), which focuses on areas like access to finance, skill development, and market linkages. Furthermore, the project aligns with Mizoram's Zau Policy, which	Low	Low

Risk categories and subcategories	Inherent	Residual
emphasizes the Agriculture Intensification Cluster Approach, enhancing agricultural productivity and sustainability.		
Mitigations: Ensuring continuous engagement and collaboration with the State Government and other relevant stakeholders is essential to align the design and implementation of FOCUS 2.0 with both State and National priorities. Some of the interventions envisaged under the Handholding Policy (Bana-Kaih) are yet to be fully operationalized, providing the FOCUS 2.0 implementing agency with a unique opportunity to contribute to their operationalization. This not only enhances the project's relevance within the state's context but also strengthens its alignment with government strategies		
Technical soundness		
Risk(s): The project relies on the experience of current the recently concluded project FOCUS in terms of approaches and activities that have previously worked and development models generated. It is on this basis that FOCUS 2.0 is out-scaling and up-scaling such approaches and activities. The project aims to through its market-led production system approach, address agricultural challenges by developing market accessibility avenues at three key nodes — village, block, and district levels — ensuring broader market access and increased value realisation for farmers. Additionally, the project aligns with the Bana-Kaih (Handholding) Programme, providing a strategic platform to foster agribusinesses, promote climate-resilient crops, and support vulnerable farming communities. This integrated approach not only enhances agricultural productivity but also strengthens market linkages, contributing to increased household incomes and overall economic resilience in the state.	Low	Low
Mitigations: The PCR of FOCUS documented critical lessons that have been incorporated into the design of FOCUS 2.0, particularly in scaling up initiatives like the Boar Semen Station, IFS-CADA, Innovation Fund, and Goatery, Market Access Facility. Feasibility studies for livestock and agriculture sectors have already shaped key interventions, and a comprehensive Value Chain Mapping Study (encompassing mapping of existing market infrastructure and new ones, location of clusters by district) will be initiated during the inception phase to identify strategic market nodes across districts, aligning with the project's market-led production system approach. Similarly, in case of Zau Cluster identification, planning and operationalisation a study early on will guide the implementation.		
Institutional capacity for implementation and sustainability		
Implementation arrangements		
Risk(s): The project's implementation framework will leverage the foundation laid by FOCUS, through SCRAM. The staff's experience with IFAD project and a well-established project management structure down to the last mile provide a strong basis for success. However, additional resources are required to strengthen market-oriented initiatives and enhance fiduciary and safeguards aspects. Simultaneously, there is a need to leverage the existing institutional framework down to the village level to enhance implementation efficiency, facilitate convergence, and minimise operational costs while avoiding the creation of additional cadres.	Low	Low
Mitigations: FOCUS 2.0 has an enhanced project structure, integrating additional technical capacity and leadership, including a senior Indian Administrative Service (IAS) officer as Chief Project Director, business promotion officers, Safeguards Specialists, and more secondments from key departments such as Irrigation and Water Resources, Commerce and Industry, Finance and Accounts, and Planning and Programme Implementation. The inclusion of a Convergence Officer further strengthens coordination across state-level implementation structures. At the ground level, collaboration with the State Rural Livelihood Mission		

Risk categories and subcategories	Inherent	Residual
(SRLM) is planned to leverage existing last-mile cadres, minimising duplication and enhancing outreach. Dedicated funds have been allocated for technical support to strengthen fiduciary, safeguard, and market-driven components. Potential implementation partners, including Mizoram Rural Bank, Mizoram State University, NABARD, and SRLM, have already been identified to further reinforce project execution and convergence.		
M&E arrangements		
Risk(s): The current SCRAM setup has M&E team with one Manager, Deputy for MIS and one KM resource person however for MIS Manager position there have been frequent attritions. The Project has MIS system in place and a system of data collection exist.	Moderate	Moderate
Mitigations: A comprehensive assessment of M&E and MIS capacity has already been conducted during the design phase, identifying capacity gaps and informing targeted support. The project structure has been enhanced with a Convergence Officer seconded from the Programme and Implementation Department, working alongside the M&E Manager to implement a robust Monitoring, Evaluation, and Learning (MEL) framework. The M&E team includes specialized roles such as a KM and Communication Specialist, MIS and Data Management Specialist, Gender and Capacity Building Expert, and Safeguards Specialist (SECAP), with district-level support from Planning and MIS Resource Persons and Gender and Capacity Building Officers. This structure strengthens the project’s ability to monitor physical and financial inputs, track outputs, and leverage data-driven insights for adaptive management and course correction, ensuring effective results-based management throughout implementation.		
Procurement		
Legal and regulatory framework		
Risk(s): There is no public procurement law in India. GFRs/state are the fountainhead of regulatory and policy frameworks for public procurement. GFRs provide a framework within which federal/state organizations manage their businesses in a financially prudent manner without compromising their flexibility to deal with varied situations. The focus of GFRs is public finances and they devote only few chapters to procurement, which does not do full justice to the large volume, complexity, and vast framework of public procurement. The procurement process is decentralized, and the respective ministries, departments, and agencies are thus expected to expound the specifics of their individual processes in compliance with the general principles of the respective financial rule, leading to multiplicity of rules, procedures, and directives/orders.	Substantial	Substantial
Mitigations: In the absence of clear national regulations, rely on the IFAD procurement regulations.		
Accountability and transparency		
Risk(s): In the absence of a central lead department or agency in the center, dedicated to policy and oversight of public procurement, and, in the absence of a Central law or State act in public procurement, a 'Public Procurement Law' complemented by a set of Public Procurement Regulations, to replace and consolidate the present fragmented rules, will improve the transparency of the process, and accountability of public officials. Furthermore, the introduction of an independent authority -Public Procurement Tribunal - and a debriefing procedure should be useful steps to improve transparency, as well as simplified review and approval process, and a revamping of blacklisting rules.	Substantial	Substantial

Risk categories and subcategories	Inherent	Residual
Mitigations: Use of IFAD SBD and PPF at the project level will ensure clear definition of prohibited practices. Also, the use of IFAD policy on Fraud and Corruption defines these terms.		
Capability in public procurement		
Risk(s): The basic framework of rules and procedures require open tenders, open to all qualified firms without discrimination, use of non-discriminatory tender documents, public bid opening, and selection of the most advantageous tender, taking all factors (preferably pre-disclosed) into consideration. Thus, there is a reasonably good framework of rules, procedures and documents. However, good performance is marred by cases of mal-practice, pervasive corruption, and occasional scandals of corruption at high levels. The situation in the States is worse. Though the procedural framework is the same, the quality of the personnel is not as good, and there is much more intervention by politicians, and higher incidence of corruption.	Substantial	Substantial
Mitigations: IFAD programmes should have all procurement opportunities and contract awards above the applicable threshold advertised in at least 2 newspapers and UNDB.		
Public procurement processes		
Risk(s): Generally there is no strategic approach to procurement based on needs analysis, market research and procurement planning to maximize VfM, competition, and mitigating cartels. As a result, tender failures are high with many cancellations due to ‘nil’ bids.	Moderate	Moderate
Mitigations: Use of the IFAD SBDs is suggested and Institutionalize regular engagement with the private sector in procurement policy making.		
Financial management		
Organization and staffing		
Risk(s): 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 Mizoram is less developed than in other regions of India. Therefore, a transparent selection process for key financial management positions is essential for the project's success.	Substantial	Substantial
Mitigations: Complete competitive selection of adequately qualified and experienced FM staff for PMU and DPMUs		
Budgeting		
Risk(s): Budgeting will adhere to government regulations. However, gathering initial budget inputs from all implementing partners, including DPMUs and line departments, will be a challenging task.	Moderate	Moderate
Mitigations: PIM/FMM will have clear roles and responsibilities for budgeting and timelines.		
Funds flow/disbursement arrangements		
Risk(s): The state government will pre-finance project expenditures, while IFAD will reimburse on a quarterly basis. Timely allocation of funds by state and processing of payments by the PMU will be crucial.	Substantial	Substantial
Mitigations: Project legal documents will have a provision for advance of IFAD funds, if government will not allocate funds timely. Local commercial bank online banking module will be implemented to timely allocation of funds and payments.		
Internal controls		
Risk(s): Potential internal control weaknesses exist at the implementing partners' level (DPMUs). Line departments will be responsible for collecting supporting documents and submitting them to PMU and DPMU for payment.	High	High

Risk categories and subcategories	Inherent	Residual
Weak staff capacity and weak discipline at the implementing partners' level (line departments) may result in delayed and inadequate submission of supporting documents. PMU and DPMUs may also have difficulty collecting and adequately filing supporting documents for all transactions. Monthly reconciliation of DPMUs and PMU accounts will be challenging.		
Mitigations: The development of PIM and FMM with clear roles for supporting documents filing and accounting record keeping for all implementing partners. PIM and FMM will be revised to include the following essential controls: • DPMUs will have sub-accounts under the main account of PMU HQ, with all sub-account activities controlled by PMU HQ. • Mandatory monthly closing of accounts in Tally and reconciliation will be enforced. • If a DPMU fails to complete adequate reconciliation or provide necessary supporting documents for any transaction, their bank accounts will be blocked until the issues are resolved. • Google Drive/Dropbox or government's e-office system services will be used for uploading and storing supporting documents for each transaction. • Advances will not be issued to line departments; instead, funds will be transferred directly to beneficiaries and suppliers by DPMUs upon receipt of all required supporting documents. • Finance staff at HQ PMU and DPMUs will be safeguarded from undue pressure from senior project staff and government officials. They will have the right to decline payments if full supporting documents are not provided for any payment request. The CPD will ensure that finance staff are protected from retaliation and unnecessary pressure. • Finance units will deduct amounts from employees' salaries if advances are not cleared within two weeks following the completion of relevant events, such as business travel or other activities. - External consultants will conduct internal audits every semester.		
Accounting and financial reporting		
Risk(s): Accounting records must be maintained for all DPMUs in one accounting software. Staff capacity to maintain cloud-based Tally software is weak.	Substantial	Substantial
Mitigations: Implementation of Tally accounting software for accounting record keeping, financial reporting and accounts reconciliations. Support from external consultants to train PMU and DPMU staff on Tally and monthly accounts reconciliation.		
External audit		
Risk(s): State-level CAG will audit project financial statements. The audit may be delayed due to a shortage of staffing resources and other priorities of CAG.	Moderate	Moderate
Mitigations: PMU will actively follow-up with State- level CAG to complete the audit on time.		
Environment, social and climate impact		
Biodiversity conservation		
Risk(s): The project could have potential negative impact to conversion of land and biodiversity and natural resources.	Moderate	Moderate
Mitigations: To mitigate biodiversity conservation risks, the project will confine activities to agricultural land, avoiding the protected areas and national parks in Mizoram. The project will support and promote good agricultural practices on existing and new cluster farmlands. Project will take all precautions to avoid or minimise tree felling during establishment of Zaus (Agriculture Intensification Cluster), and encourage expansion of Supply,		

Risk categories and subcategories	Inherent	Residual
Service and Reserve forests to compensate significant tree felling. Conservation and management of agrobiodiversity will be promoted through relocation of NUS crops to kitchen/homegardens and promotion of mixed cropping in Zaus. Monitoring of jhum areas and agroforestry impacts will be prioritized, while training on human-wildlife conflict and mitigation measures will be provided. Biodiversity-sensitive areas will be avoided, and invasive species will be closely monitored. With regards to livestock development, the project promotes local and indigenous species, build awareness of community members to purchase inputs through government authorized or registered service providers.		
Resource efficiency and pollution prevention		
Risk(s): Environmental degradation, including pollution from waste from agricultural and livestock activities, including processing and emissions, soil degradation, and resource depletion.	Moderate	Moderate
Mitigations: To mitigate environmental degradation risks, the project will adhere to the national / state legislation and international best practices to minimize waste generation and ensure proper disposal, especially for activities related to livestock health. Training on good animal health practices will be provided to promote sustainable livestock farming. Additionally, the project will prioritize sustainable livestock farming methods to address resource depletion and soil degradation, contributing to environmental conservation efforts as well as it considered a circular and integrated approach to livestock and agricultural activities.		
Cultural heritage		
Risk(s): The project will not have adverse impact on tangible cultural heritage in Mizoram. However, with the promotion of long-term lease of Zau plots as a tenurial security strategy, there is significant risk to changes in Property Regimes, resulting in a shift from Common Property Regime to Private Property, potentially giving rise to elite capture of land and the dilution of traditional access frameworks and governance. However, engaging with IPs and using their traditional skills and knowledge for livelihood needs careful attention.	Moderate	Moderate
Mitigations: The mitigation measure is actually quite simple and requires strengthening of customary access norms. Special care has to be taken during the application of long-term license/lease that the registration is done as a collective in the name of the relevant village council and not in the name of individuals. Additionally, to mitigate these, inclusive and participatory engagement mechanisms like Free Prior Informed Consent (FPIC) has been integrated. Efforts will focus on promoting sustainable practices while collaborating with the Art & Culture Department for conservation activities. Consultation processes will guide any commercial use of traditional handicrafts. Adhering to SECAP guidelines, the project will strictly apply complaint procedures. Before commencing activities, the project will disseminate complaint resolution procedures to local communities. In business and marketing capacity building of farmer organizations and SMEs, indigenous and traditional knowledge and culture will be carefully embedded to show their values as well as their potential as a valuable marketing and branding element.		
Indigenous peoples		
Risk(s): The project faces moderate risks concerning Indigenous Peoples (IPs) due to India's complex legal framework for their rights. Despite recognizing these rights, implementation remains challenging. With Mizoram having a diverse tribal population, effective participation and addressing their unique needs within the project's framework require proactive measures to mitigate potential conflicts.	Moderate	Moderate

Risk categories and subcategories	Inherent	Residual
Mitigations: All FOCUS 2.0 beneficiaries are indigenous peoples. Also, the project will closely collaborate with the village councils and village organizations in identifying and selecting beneficiaries for inclusion in various project activities. To address potential conflicts over communal resources and benefit distribution, the project will seek Free, Prior, and Informed Consent (FPIC) from target groups. This process ensures that tribal groups exercise their right to self-determination (as recognised in the UNDRIP) and determine and develop priorities and strategies for their development. By engaging in FPIC, the project aims to mitigate conflicts, uphold cultural norms, and ensure sustainable and fair resource use and distribution.		
Community health and safety		
Risk(s): Risks to community health and safety arise on three counts: depletion of agro-biodiversity with a corresponding reduction of dietary diversity with implications for nutrition, particularly of children, expectant and nursing mothers and elders; second, safe disposal of bio-waste from slaughter houses and third, the possibility of sexual harassment and abuse consequent to immigration of labour from outside in connection with construction of infrastructure, farm roads etc.	Moderate	Moderate
Mitigations: The project will encourage the relocation of NUS and other non-cereal crops to home gardens/kitchen gardens; this will also be complemented by promoting mixed cropping in the AICs. To mitigate disease risks in livestock, the project will carefully select disease-resistant species and build capacity of households in enforcing strict farm hygiene practices. Additionally, waste management initiatives will be promoted to curb disease spread and environmental contamination. Protocols and mechanisms for safe and careful disposal of bio-waste will be integral part of the slaughterhouse hygiene and waste disposal arrangements. To mitigate occurrence of sexual harassment at the workplace at the construction sites and increase ownership of the villagers, providing employment opportunities to youth villagers will be encouraged to work in their village construction projects. Project will provide legal awareness training to women in collaboration with the State Commission for Women and Directorate of Women and Child Development		
Labour and working conditions		
Risk(s): Agriculture related Labour and working conditions present a moderate risk in the project, particularly concerning the promotion of equal opportunities for disadvantaged groups such as women, youth, scheduled tribes, and persons with disabilities.	Moderate	Moderate
Mitigations: Mitigation measures for and labour working conditions will include special focus on vulnerable groups (youth, women, scheduled tribes, PwD), conducting value chain assessments and consulting communities on marketing preferences through free, prior, and informed consent. The project will prioritize fair wages and equal opportunities in selected value chains, aiming to create safe and respectable opportunities for all workers. The value chains identified will prioritize occupational safety and health (OSH) risks for farmers and rural workers as well as employees of enterprises. In terraced clusters labour conditions are expected to be better and less burdensome. It is expected that households would not be exposed to excessive fire and smokes due to reduced jhum practices. In the selection of Jhum land for Intensive Zau collection, low slope percentage of the land would be ensured to reduce the probability of any accident. Use of drudgery reducing agriculture equipment will be promoted to reduce the work burden of women and men agricultural workers.		
Physical and economic resettlement		
Risk(s): No physical or economic resettlement is foreseen due to project activities.	Low	Low

Risk categories and subcategories	Inherent	Residual
Mitigations: As the risk is low, no mitigation plan is required		
Greenhouse gas emissions		
Risk(s):		
Mitigations:		
Vulnerability of target populations and ecosystems to climate variability and hazards		
Risk(s): Mizoram, climate change poses significant challenges, with the state's vulnerability exacerbated by limited irrigation infrastructure and poor connectivity. The agricultural sector, crucial to the state's economy, faces a high sensitivity due to its reliance on rain-fed agriculture and inadequate irrigation facilities, leaving cultivated land vulnerable to water deficiency for prolonged periods.	Moderate	Moderate
Mitigations: Project will support the Government to address these challenges, the project will implement comprehensive interventions aimed at enhancing climate resilience and adaptation, integrating market- and value chain-led production methods with natural resource management strategies such as soil and water (springshed management) conservation measures. Leveraging climate change risk assessments, the project will ensure targeted adaptation efforts to mitigate climate-related risks effectively.		
Stakeholders		
Stakeholder engagement/coordination		
Risk(s): Insufficient consultation / engagement with stakeholders on key project interventions	Moderate	Moderate
Mitigations: The Government at state level and national level including the lead implementing agency along with other line departments have been extensively consulted and through collaborative process, the project has been developed for the new phase. The SCRAM staff has been closely involved and engaged in the design phase. At the start up, all stakeholders will be invited to be informed of the project approaches and shape the inception phase. Follow up of the FPIC implementation and stakeholder engagement plan will be pursued during implementation. At the District level and Block level the lead implementing agency has already developed a mechanism for quarterly meeting of different stakeholder (Line Departments) and the representation from target groups to ensure efficient coordination, convergence and inclusivity. Furthermore, the project aims at attracting more investment from the private sector and at promoting fruitful partnerships with key actors. A roundtable has been organized to gauge interest of private sector players and to publicize potential business opportunities which will be enhanced through project interventions.		
Stakeholder grievances		
Risk(s): The project target groups and other relevant stakeholder have no channel to voice their grievances or are unaware of the existing channels to give their feedback etc	Moderate	Moderate
Mitigations: During the phase 1 of the project (FOCUS), a grievance redress mechanism has been established through dedicated helplines in each district. Standard operating procedures (SOPs) have been implemented, including the appointment of dedicated staff to manage the helplines and respond effectively to feedback and grievances. In the next phase of the project, this mechanism will be expanded to include additional districts, covering all the target districts of FOCUS 2.0. Additionally, District Level Coordination Committees, provide a platform for farmers to voice their concerns and offer feedback. This initiative will be maintained and extended to new districts in the upcoming phase.		

Risk categories and subcategories	Inherent	Residual
Moreover, the state PMU through project’s website has an existing Environmental and Social Grievance Redress Mechanism (ESGRM) to receive complaints online.		