Junta Ejecutiva

Informe del presidente

Préstamo propuesto

República de la India

Fomento de sistemas agrícolas de tierras altas resistentes al clima en el noreste del país - Fase II (FOCUS 2.0)

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Acción: Se invita al Consejo Ejecutivo a aprobar la recomendación que figura en el párrafo 44.

Preguntas técnicas:

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Resumen de financiación

Institución iniciadora:	FIDA
Prestatario/beneficiario:	República de la India
Organismo ejecutor:	Sociedad para la Agricultura Resiliente al Clima en Mizoram (SCRAM)
Costo total del proyecto:	87,45 millones de dólares estadounidenses
Importe del préstamo del FIDA con arreglo al sistema de asignación basada en el rendimiento (PBAS):	45,78 millones de dólares estadounidenses
Condiciones del préstamo del FIDA:	El préstamo se concede en condiciones ordinarias y estará sujeto a un interés sobre el capital pendiente equivalente al tipo de interés de referencia del FIDA, incluido un margen variable. Tiene un plazo de vencimiento de 18 años, incluido un período de gracia de 6 años.
Cofinanciadores:	Gobierno de la India (programas gubernamentales convergentes) Instituciones financieras formales
Importe de la cofinanciación:	13,13 millones de dólares estadounidenses
Condiciones de la cofinanciación:	Subvención
Contribución del prestatario/beneficiario:	14,46 millones de dólares estadounidenses
Contribución de los beneficiarios:	2,87 millones de dólares estadounidenses
Déficit de financiación:	11,21 millones de dólares estadounidenses
Institución colaboradora:	Supervisada directamente por el FIDA

I. Contexto

A. Contexto nacional y justificación de la participación del FIDA

Contexto nacional

1. Mizoram, un estado geográficamente aislado, montañoso y sin litoral situado en el noreste de la República de la India, con una infraestructura limitada, se enfrenta a una situación de vulnerabilidad económica a pesar de su elevada tasa de alfabetización. Su economía es relativamente pequeña y depende en gran medida de la financiación del gobierno central. El sector agrícola es vital para los medios de vida rurales, pero el desarrollo económico se ve obstaculizado por la fragmentación de los sistemas de producción, con más del 85 % de las explotaciones son pequeñas e improductivas. La población de Mizoram, de 1.1 millones está compuesto principalmente por tribus registradas (más del 94 %). La pobreza sigue siendo motivo de preocupación, ya que el 27 % de la población está clasificada como multidimensionalmente pobre (2021).

2. El proyecto «Fomento de sistemas agrícolas de montaña resilientes al clima en el noreste - Fase II» (FOCUS 2.0) tiene por objeto abordar estos retos abarcando los 11 distritos de Mizoram. Basándose en los éxitos de la fase I, el proyecto se centra en mejorar la resiliencia económica, social y climática de las comunidades rurales. Incluye tres componentes: acceso al mercado y desarrollo empresarial; agricultura resistente al clima y productividad ganadera; y gestión de proyectos. En consonancia con las prioridades estatales y nacionales, incluida la política *bana kaih* (apoyo) de Mizoram, la iniciativa de Desarrollo del Primer Ministro para la Región Noreste (PM-DevINE) y el Plan Especial de Desarrollo de Infraestructuras del Noreste (NESIDS), garantiza una fuerte convergencia y sostenibilidad.

3. Ejecutado por la Sociedad para la Agricultura Resiliente al Clima en Mizoram (SCRAM), dependiente del Departamento de Planificación y Ejecución de Programas, el proyecto garantiza la coordinación con los planes gubernamentales y refuerza la capacidad para apoyar el desarrollo de los pequeños agricultores, abordando los retos únicos de Mizoram y aprovechando al mismo tiempo las oportunidades emergentes.

Aspectos especiales relacionados con las prioridades institucionales del FIDA en materia de integración

4. En consonancia con los compromisos de integración del FIDA, el proyecto ha sido validado como:

☒ Incluye financiación climática

☒ Sensible a las necesidades de los jóvenes

☒ Prioriza a los pueblos indígenas

☒ Incluye la capacidad de adaptación

5. FOCUS 2.0 promueve los tres objetivos estratégicos del Marco Estratégico del FIDA para 2016-2025 (i) aumentar la capacidad productiva de la población rural pobre; ii) aumentar los beneficios que obtienen de su participación en los mercados; y iii) fortalecer la sostenibilidad ambiental y la resiliencia climática de sus actividades económicas. También se ajusta a las estrategias de integración del FIDA en materia de género, juventud, nutrición y adaptación al clima, y respeta la Política del FIDA sobre la colaboración con los pueblos indígenas a través de instituciones comunitarias, la planificación participativa y la consulta.

Justificación de la participación del FIDA

6. Para hacer frente a la pobreza rural, la inseguridad alimentaria y el acceso limitado a los mercados y a la financiación en Mizoram, agravados por el cambio climático y la insuficiencia de las infraestructuras, FOCUS 2.0 aprovecha las principales fortalezas del FIDA: su amplia experiencia en desarrollo rural y su capacidad única para movilizar recursos y asociaciones. La ventaja comparativa del FIDA radica en su enfoque participativo, que garantiza soluciones adaptadas a los pequeños agricultores, y en su probada experiencia en agricultura sostenible, acceso a los mercados y financiación rural para fomentar la resiliencia, mejorar los medios de vida e impulsar el crecimiento inclusivo.

B. Lecciones aprendidas

7. FOCUS 2.0 se basa en las lecciones aprendidas de FOCUS y otros proyectos relevantes en la región. En concreto: (i) la seguridad de la tenencia de la tierra se reveló como un factor fundamental para que los hogares sin tierras invirtieran en la agricultura, por lo que el proyecto promoverá acuerdos de uso de la tierra a largo plazo mediante mecanismos aceptados a nivel local; (ii) el enfoque de agrupación para la intensificación agrícola demostró su eficacia para lograr economías de escala y mejorar el acceso al mercado, por lo que este proyecto adopta *zaus (* agrupaciones agrícolas de entre 15 y 30 hectáreas) definidos espacialmente para integrar la producción, los insumos y los vínculos con el mercado; (iii) los proyectos anteriores demuestran que un sistema de producción impulsado por el mercado es esencial para la sostenibilidad, por lo que FOCUS 2.0 establece una infraestructura de mercado de tres niveles, desde la agregación hasta la adición de valor, junto con el apoyo al desarrollo empresarial; (iv) se ha demostrado que el anclaje institucional y la convergencia con los consejos y cooperativas de las aldeas facilitan una implementación más fluida, por lo que FOCUS 2.0 operará a través de una unidad de implementación de proyectos más ágil y reforzará las asociaciones locales; (v) el desarrollo empresarial se beneficia de una incubación estructurada más que de subvenciones puntuales, por lo que el proyecto vincula la financiación de la innovación con los servicios de incubación y cuenta con la participación de instituciones financieras y del sector privado; y (vi) los sistemas ganaderos sólidos proporcionan amortiguadores financieros a los hogares rurales, por lo que el proyecto mejorará control de enfermedades, servicios de extensión e integración de la cadena de valor. Por último, para abordar la preparación fiduciaria y mejorar la eficiencia operativa, FOCUS 2.0 también refuerza la capacidad a nivel de distrito y adopta un seguimiento financiero en tiempo real para garantizar la transparencia y la ejecución oportuna.

II. Descripción del proyecto

A. Objetivos, zona geográfica de intervención y grupos destinatarios

8. FOCUS 2.0 tiene el objetivo general de contribuir a la prosperidad económica y a la mejora de la resiliencia climática en las zonas rurales de Mizoram. El objetivo de desarrollo del proyecto es mejorar la resiliencia social, económica y climática de los hogares seleccionados en todo el estado de Mizoram mediante el fortalecimiento de las cadenas de valor agrícolas. Se ajusta a los resultados del programa de oportunidades estratégicas del país (COSOP) marco centrándose en el acceso a los mercados, el desarrollo empresarial y la productividad agrícola resistente al clima, contribuyendo así a los objetivos estratégicos del FIDA de transformación rural inclusiva y resiliencia climática. El proyecto alcanzará los objetivos estratégicos del COSOP mejorando las transacciones de mercado, creando empleo y ampliando el acceso a los servicios financieros y digitales.

9. FOCUS 2.0 se dirige a los 11 distritos de Mizoram y se ejecutará en 700 aldeas de zonas agroecológicas diversas y difíciles, que influyen en el desarrollo agrícola y la vulnerabilidad climática. Esto exige una mejora sostenible de la producción agrícola y ganadera. Se da prioridad a los distritos con bajos índices de desarrollo y alta vulnerabilidad climática, seleccionados en función de sus elevados niveles de pobreza y sus urgentes necesidades de adaptación.

10. Dirigido al 100 % de los pueblos indígenas, incluidos los pequeños agricultores, sus organizaciones y empresas, el proyecto llegará a 75 000 hogares (150 000 personas), con especial énfasis en los hogares marginados. El enfoque 2.0 garantizará que el 50 % de los beneficiarios sean mujeres y el 15 % jóvenes, mediante intervenciones específicas alineadas con la Política de Orientación hacia la Pobreza del FIDA y la estrategia de orientación del proyecto.

B. Componentes, resultados y actividades

11. El proyecto consta de tres componentes:

Componente 1. Acceso a los mercados y desarrollo empresarial

Componente 2. Productividad agrícola y resiliencia climática

Componente 3. Gestión de proyectos, planificación de la convergencia y gestión del conocimiento

12. **El componente 1** establecerá un ecosistema de mercado sólido e inclusivo que permita a los productores rurales aumentar sus ingresos mediante un mejor acceso al mercado, el desarrollo empresarial y la inclusión financiera. Los resultados previstos incluyen:
(i) que el 50 % de los hogares participen en mercados formales o estructurados;
(ii)la generación de empleo a través de empresas apoyadas por el proyecto; y
(iii) Mejora del acceso a los servicios financieros y digitales rurales. El componente comenzará por fortalecer las instituciones de productores (grupos *zau* o agrupaciones, grupos de autoayuda y organizaciones de agricultores/productores), muchas de las cuales recibieron apoyo en el marco de FOCUS. Se espera que los productos de estos grupos lleguen a los mercados a través de un sistema de infraestructura de mercado de tres niveles, que comprende centros de comercialización colectiva a nivel de aldea, mercados agrícolas a nivel de bloque y centros de procesamiento a nivel de distrito, así como carreteras de enlace. Los servicios complementarios de desarrollo empresarial y la incubación de empresas apoyarán a las empresas comunitarias comercialmente viables. La formación en materia de educación financiera, la mejora del acceso a los seguros y el uso de herramientas digitales garantizar que los productores y las empresas estén preparados para prosperar en los mercados estatales y regionales.

13. **El componente 2** apoya la transición de sistemas agrícolas y ganaderos de subsistencia a sistemas sostenibles y orientados al mercado. Los resultados esperados incluyen: i) la mejora sostenible de la producción agrícola resistente al clima y el aumento de la productividad de los cultivos; y ii) la mejora de la producción de productos ganaderos orientados al mercado. El enfoque se centra en los grupos *zau*, que permiten sincronizar la agricultura, el uso de los recursos y la extensión. Estos se integran con el riego, el desarrollo de la tierra y la convergencia con los planes departamentales. El desarrollo ganadero incluye el apoyo a la producción porcina, avícola y caprina, respaldado por sólidas medidas de bioseguridad, gestión de enfermedades y servicios comunitarios de salud animal. Natural la gestión de los recursos y el apoyo específico a los hogares desfavorecidos garantizarán la equidad ambiental y social. El aumento de la producción en el marco del componente 2 alimentará directamente a los mercados estructurados a lo largo de las cadenas de valor facilitadas en el marco del componente 1.

14. **El componente 3** garantiza una coordinación eficiente del proyecto, una supervisión financiera sólida y la obtención efectiva de resultados.

C. Teoría del cambio

15. La agricultura a pequeña escala en Mizoram se ve limitada por la fragmentación de la propiedad de la tierra, la baja productividad y el acceso limitado al mercado. Sobre la base de los cimientos establecidos por el proyecto original, FOCUS 2.0 introduce una estrategia de producción basada en clústeres y un modelo de tres niveles de tipo «hub and spoke» (centro y radios) para mejorar la agregación, el valor añadido y el desarrollo empresarial. Este enfoque está diseñado para reducir las pérdidas poscosecha, aumentar la inclusión financiera y digital, y fortalecer la prestación de servicios a través de cuadros comunitarios. Se ajusta a las prioridades nacionales y aprovecha la experiencia del FIDA en la promoción de enfoques impulsados por el mercado y cadenas de valor inclusivas, especialmente en contextos tribales y de zonas montañosas. El proyecto sigue dos vías de desarrollo:

16. **Componente 1. Vía de acceso a los mercados y desarrollo empresarial:** aprovechar los grupos existentes para promover la integración en los mercados mediante un sistema de infraestructura de tres niveles, la inclusión financiera y el apoyo a las empresas cooperativas,

lo que permite a los agricultores agregar, procesar y comercializar sus productos, al tiempo que se aumentan los ingresos y la resiliencia.

17. **Componente 2. Vía de la productividad agrícola y la resiliencia:** Fortalecimiento de los grupos *ZAU* mediante prácticas agroecológicas resilientes al clima, riego, servicios ganaderos y escuelas de campo para agricultores, mejorando así la productividad, la sostenibilidad y la prestación equitativa de servicios a través de la convergencia y las plataformas comunitarias.

18. La teoría del cambio supone la movilización oportuna de recursos, un entorno político y normativo favorable y una capacidad institucional adecuada para la convergencia y prestación. Se prevé que los productores ajustarán su comportamiento en respuesta a la mejora del acceso al mercado y al aumento de los ingresos, siempre que la la variabilidad climática se mantenga dentro de límites manejables. También supone la ausencia de otra pandemia para garantizar un progreso ininterrumpido.

D. Alineación, apropiación y asociaciones

19. FOCUS 2.0 se alinea estrechamente con las prioridades nacionales y estatales, apoyando los objetivos del Gobierno de la India de duplicar los ingresos de los agricultores, fortalecer la agricultura impulsada por el mercado y resistente al clima, y promover el desarrollo tribal. Complementa iniciativas emblemáticas como PM-DevINE, NESIDS, el plan Pradhan Mantri de formalización de microempresas de procesamiento de alimentos y el Programa de Distritos Aspiracionales, y se basa en la política *bana kaih* (apoyo) de Mizoram, incluido el desarrollo de agrupaciones *zau*. El proyecto está diseñado para aprovechar las plataformas de convergencia y las estructuras de gobernanza existentes, como SCRAM y las instituciones financieras rurales cooperativas. También se alinea con el Plan Nacional de Adaptación de la India, las Contribuciones Determinadas a Nivel Nacional actualizadas y el Sistema Virtualmente Integrado para Acceder a recursos agrícolas, apoyando su adopción temprana en Mizoram mediante asociaciones con Digital Green. FOCUS 2.0 apoya plenamente el Marco Estratégico del FIDA 2016-2025, sus temas transversales y la Política del FIDA sobre la relación con los pueblos indígenas. Contribuye a múltiples Objetivos de Desarrollo Sostenible (ODS), en particular el ODS 1 (fin de la pobreza) y el ODS 2 (hambre cero) mediante prácticas agrícolas integradas y resilientes al clima, y pondrá en marcha el próximo COSOP 2026-2033 del FIDA, que hace hincapié en la creación de empleo, la convergencia y la resiliencia de las comunidades de base.

20. **Asociaciones.** La ejecución estará a cargo de SCRAM, en estrecha colaboración con los departamentos competentes, las instituciones financieras —entre ellas el Banco Rural de Mizoram, las Cooperativas de Crédito Agrícola Primario Multifuncionales, el Banco Nacional de Agricultura y Desarrollo Rural (NABARD) y la Academia Nacional de Seguros, así como instituciones de investigación y socios privados. La propuesta mesa redonda anual del sector privado propuesto fomentará la convergencia y la inversión. El proyecto también se basa en la amplia experiencia del FIDA en los estados montañosos, promoviendo el aprendizaje mutuo para apoyar una transformación rural inclusiva y escalable en Mizoram.

E. Costos, beneficios y financiación

Costos del proyecto

21. El costo total del proyecto, incluidos los impuestos y derechos, asciende a 87,45 millones de dólares estadounidenses para un período de seis años.

Cuadro 1

Costos del proyecto por componente y financiador

(En miles de dólares estadounidenses)

	Préstamo del FIDA		*Otros cofinanciadores*		*Beneficiarios*		*Gobierno de Mizoram*		*Bancos*		*Déficit de financiación*		*Total*	
Componente	*Importe*	*%*	*Importe*	*%*	*Efectivo*	*%*	*Importe*	*%*	*Importe*	*%*	*Importe*	*%*	*Importe*	*%*
1. Acceso al mercado y desarrollo empresarial	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. Productividad agrícola y resiliencia climática	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. Gestión de proyectos, planificación de la convergencia y gestión del conocimiento	10 366	67,3					4 879	31,7			155	1,0	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**

Cuadro 2

Costos del proyecto por categoría de gastos y financiador

(En miles de dólares estadounidenses)

	Préstamo del FIDA		*Otros cofinanciadores*		*Beneficiarios*		*Gobierno de Mizoram*		*Bancos*		*Déficit de financiación*		*Total*	
Categoría de gasto	*Importe*	*%*	*Importe*	*%*	*Efectivo*	*%*	*Importe*	*%*	*Importe*	*%*	*Importe*	*%*	*Importe*	*%*
Costes de inversión														
1. Obras	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. Consultoría y formación	19 182	52,4	3 293	9	60	0,2	5 009	13,7			9 035	24,7	36 580	41,8
3. Equipos y materiales	1 608	79,4			1	0	402	19,8			15	0,7	2 026	2,3
4. Subvenciones y subsidios	4 619	30,2	958	6,2	1 603	10,5	1 163	7,6	6 962	45,5			15 304	17,5
Costes totales de inversión	**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**
Costes recurrentes														
1. Costes operativos incrementales, incluidos los salarios	5 261	59,4					3 603	40,6					8 864	10,1
Total de gastos recurrentes	**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**

Cuadro 3

Costos del proyecto por componente y subcomponente y año del proyecto

(En miles de dólares estadounidenses)

	2025/2026	*2026/2027*	*2027/2028*	*2028/2029*	*2029/2030*	*2030/2031*	*Total*
A. Acceso al mercado y desarrollo empresarial							
1. Infraestructura de mercado	1 357,8	2 675,5	3 897,6	2 586,0	126,2	129,1	10 772,1
2. Desarrollo empresarial	64,9	217,6	1 257,1	348,6	1 135,5	-	3 023,8
3. Ecosistema financiero y digital	715,8	2 764,9	1 828,4	1 780,5	1 762,6	68,6	8 920,7
Subtotal	2 138,5	5 658,0	6 983,1	4 715,1	3 024,3	197,7	22 716,6
B. Productividad agrícola y resiliencia climática							
1. Desarrollo agrícola	1 897,1	8 316,9	15 375,2	6 651,3	565,0	530,3	33 335,9
2. Desarrollo ganadero	4 750,5	6 061,6	4 374,3	457,6	243,6	112,1	15 999,6
Subtotal	6 647,6	14 378,5	19 749,5	7 108,9	808,6	642,4	49 335,5
C. Gestión de proyectos, planificación de la convergencia y gestión del conocimiento							
1. Planificación de la convergencia y gestión de proyectos	2 080,5	2 068,2	2 126,3	2 348,4	2 248,4	2 312,5	13 184,4
2. Seguimiento y evaluación y gestión del conocimiento	708,0	620,5	265,4	134,2	103,3	384,6	2 216,1
Subtotal	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**

Estrategia y plan de financiación y cofinanciación

22. El costo total del proyecto es de 87,45 millones de dólares estadounidenses para un período de seis años. El FIDA proporcionará un préstamo de 45,78 millones de dólares estadounidenses (el 52,3 % de los costos). La financiación del FIDA provendrá de los recursos cancelados de la asignación del PBAS para el FIDA11. El Gobierno de Mizoram aportará 14,46 millones de dólares estadounidenses (el 16,5 %) como financiación de contrapartida, mientras que los beneficiarios aportarán 2,87 millones de dólares estadounidenses (el 3,3 %). Las instituciones financieras formales aportarán 6,96 millones de dólares estadounidenses (el 8,0 %) y 6,164 millones de dólares estadounidenses (7,0 %) provendrá de planes gubernamentales convergentes. Durante la ejecución del proyecto se abordará un déficit de financiación de 11,21 millones de dólares estadounidenses (12,8 %). Los gastos del proyecto serán prefinanciados por el Gobierno de Mizoram, con reembolsos trimestrales del FIDA, y se gestionarán a través de una cuenta designada a nivel federal y cuentas del proyecto en Mizoram. Los costos se clasifican en obras, consultorías y capacitación; equipo y materiales; donaciones y subsidios; y gastos operativos (incluidos sueldos y subsidios). Gastos recurrentes representan el 11,5 % del préstamo del FIDA, y los gastos de gestión del proyecto representan el 10,1 % de los costos totales, ambos dentro de los límites establecidos. Se dispondrá de financiación retroactiva (aproximadamente 1 millón de dólares EE.UU.) para los contratos de consultoría contraídos antes de la entrada en vigor del proyecto.

Desembolso

23. El Gobierno de Mizoram prefinanciará los gastos del proyecto y solicitará reembolsos trimestrales al FIDA a través del Ministerio Federal de Finanzas. Si se requieren anticipos, el proyecto podrá solicitar fondos por adelantado a la cuenta designada, con reposiciones basadas en las previsiones de tesorería y los saldos de las cuentas. El Ministerio Federal de Finanzas mantendrá la cuenta designada a nivel federal para la transferencia de fondos del FIDA. La unidad de ejecución del proyecto FOCUS 2 .0 (PIU) mantendrá una cuenta del proyecto en Mizoram, con subcuentas para cada PIU de distrito (DPIU). Los fondos serán liberados por la PIU o las DPIU una vez que se haya aprobado la documentación justificativa. No se proporcionarán anticipos directamente a los departamentos competentes.

Resumen de los beneficios y análisis económico

24. Los principales beneficios directos del proyecto serán el aumento y la diversificación de los ingresos de los beneficiarios seleccionados en la zona del proyecto, derivados de resistentes al clima. Se espera que el proyecto FOCUS 2.0 beneficie a aproximadamente 75 000 hogares — alrededor del 70 % de la población rural de Mizoram— mediante un mejor acceso al mercado, apoyo al desarrollo empresarial, una agricultura resistente al clima y basada en agrupaciones y una mayor producción ganadera. Los indicadores económicos clave confirman que se trata de una inversión sólida. A lo largo de un período de 20 años, el proyecto el escenario base arroja una tasa interna de rendimiento económico del 30,3 % y un valor actual neto de 48,9 millones de dólares estadounidenses con una tasa de descuento del 12 %. Los análisis de sensibilidad indican que la tasa interna de rendimiento económico cae por debajo del 12 % solo en condiciones extremas, como cuando los costos aumentan un 40 % y los beneficios disminuyen un El 40 %, o cuando los costes aumentan un 20 %, los beneficios disminuyen un 20 % y los rendimientos se retrasan dos años. Estas cifras demuestran una dinámica favorable de dinámica de costes y beneficios, lo que refleja la capacidad del proyecto para generar rendimientos sólidos incluso en escenarios difíciles, al tiempo que mejora significativamente los ingresos y la resiliencia de las zonas rurales.

Estrategia de salida y sostenibilidad

25. La estrategia de salida del proyecto se centra en la institucionalización de los clústeres *zau* y la ganadería servicios, con el apoyo de expertos locales capacitados. La infraestructura de mercado se gestionará mediante modelos comunitarios o público-privados respaldados por planes de negocio sólidos. El desarrollo de capacidades y la transferencia de conocimientos garantizan la sostenibilidad, con la integración en las políticas gubernamentales y los programas a largo plazo. La propiedad comunitaria, la gestión participativa y la recuperación de costos reforzarán aún más la sostenibilidad, mientras que los modelos exitosos se incorporarán a las directrices estatales y la financiación continuará a través de planes gubernamentales. La sostenibilidad ambiental

se garantizará mediante prácticas agrícolas y ganaderas resistentes al clima, mientras que la sostenibilidad financiera se afianzará en empresas viables que accedan a mercados rentables y fomenten relaciones comerciales a largo plazo.

III. Gestión de riesgos

A. Riesgos y medidas de mitigación

26. El riesgo general del proyecto se considera moderado, con riesgos residuales generalmente bajos, excepto en lo que respecta a la gestión financiera y las adquisiciones, que siguen siendo considerables debido a la escasez de personal cualificado, los retrasos estructurales y los retos relacionados con los procesos. Las medidas de mitigación en estas áreas incluyen la contratación competitiva, el uso del software de planificación de recursos empresariales Tally, disposiciones legales claras, formación intensiva, supervisión por parte de terceros y la mejora de las medidas de transparencia. Los riesgos medioambientales y climáticos se abordarán mediante la gestión integrada de los recursos naturales y las prácticas agrícolas climáticamente inteligentes, lo que reducirá los riesgos residuales a un nivel bajo. Una fuerte armonización de las políticas, apoyo institucional y una estrecha colaboración entre el FIDA, el Gobierno y la Unidad de Ejecución del Proyecto reforzarán aún más la gestión de riesgos y la sostenibilidad. Aspectos financieros clave los riesgos de gestión incluyen: (i) una capacidad de gestión financiera potencialmente débil tanto a nivel de la Unidad de Ejecución del Proyecto (UEP) estatal como de la Unidad de Ejecución del Proyecto (UEP) del Departamento de Proyectos (DPI); (ii) problemas de control interno derivados de la insuficiente capacidad del personal de los socios ejecutores; (iii) un mantenimiento inadecuado mantenimiento del software Tally y retrasos en las conciliaciones de cuentas; y (iv) posibles retrasos en los informes de auditoría de la oficina local del contralor y auditor general. Se han incluido medidas de mitigación adecuadas en el diseño del proyecto para minimizar el impacto de estos riesgos.

Cuadro 4
Resumen general de riesgos

Áreas de riesgo	*Calificación del riesgo inherente*	*Calificación del riesgo residual*
Contexto del país	Bajo	Bajo
Estrategias y políticas sectoriales	Bajo	Bajo
Contexto medioambiental y climático	Moderado	Moderado
Alcance del proyecto	Bajo	Bajo
Capacidad institucional para la implementación y la sostenibilidad	Moderada	Moderada
Gestión financiera	Sustancial	Sustancial
Adquisición de proyectos	Sustancial	Sustancial
Impacto medioambiental, social y climático	Moderado	Moderado
Partes interesadas	Moderado	Moderado
En general	Moderado	Moderado

B. Categoría medioambiental y social

27. Las categorías de riesgo ambiental y social del proyecto se califican como moderadas. Los riesgos ambientales residuales, incluida la posible pérdida de biodiversidad, se mitigarán hasta alcanzar un nivel bajo mediante la gestión integrada de los recursos naturales, el desarrollo de manantiales, la promoción de especies autóctonas, prácticas de conservación y sistemas ganaderos sostenibles. Los riesgos sociales residuales, relacionados con los pueblos indígenas, las condiciones laborales y el posible reasentamiento físico o económico, también se mitigarán hasta alcanzar un nivel bajo mediante sólidos procesos de consentimiento libre, previo e informado, la planificación participativa y las salvaguardias incorporadas en el diseño del proyecto, incluido un posible plan de acción de reasentamiento, cuando proceda.

C. Clasificación de los riesgos climáticos

28. Los riesgos relacionados con las emisiones de gases de efecto invernadero y la variabilidad climática se consideran moderados. Los impactos residuales son bajos y se abordarán mediante una agricultura climáticamente inteligente —incluidas prácticas agrícolas adaptativas basadas en proyecciones climáticas— y sistemas ganaderos sostenibles.

D. Sostenibilidad de la deuda

29. La India sigue siendo la economía importante de más rápido crecimiento del mundo, con una sólida tasa de crecimiento del 8,2 % en el ejercicio financiero 2023/2024. A medio plazo, se prevé que el crecimiento se mantenga estable en torno al 7 % en el ejercicio financiero 2024/2025, y que se mantenga fuerte durante los ejercicios financieros 2025/2026 y 2026/2027. La India se enfrenta actualmente a un riesgo moderado de tensión de la deuda soberana, con una ratio deuda/PIB del 82,7 % en el ejercicio fiscal 2023/2024, que se prevé que se mantenga elevada a medio plazo. Se espera que los niveles de deuda estabilizarse en torno a esta cifra antes de disminuir gradualmente a partir del ejercicio financiero 2025/2026.

IV. Aplicación

A. Marco organizativo

Gestión y coordinación del proyecto

30. El proyecto será ejecutado por el Departamento de Planificación y Ejecución de Programas de Mizoram a través del SCRAM, utilizando una estructura descentralizada a nivel estatal, distrital y municipal. La supervisión correrá a cargo del consejo de gobierno estatal (presidido por el ministro principal) y del comité de gestión del proyecto, presidido por el asesor principal y secretario adjunto del Departamento de Planificación y Ejecución de Programas, mientras que los comités de planificación de los distritos, presididos por el subcomisionado garantizarán la gobernanza local a nivel de distrito. Se utilizarán la Unidad de Ejecución del Proyecto SCRAM y las Unidades de Ejecución de Proyectos de Departamento existentes, ampliando la composición del consejo y del comité de gestión del programa para mejorar la gestión intersectorial colaboración y garantizar la armonización de las políticas dentro de estrategias de desarrollo estatales más amplias.

Gestión financiera, adquisiciones y gobernanza

31. La gestión financiera del proyecto se descentralizará, con la participación de la PIU estatal y las DPIU. Las disposiciones de gestión financiera se ajustarán a las normas contables de la India, y se utilizará el software de contabilidad Tally, personalizado para automatizar la presentación de informes financieros. El Gobierno de Mizoram prefinanciará los gastos, con reembolsos trimestrales del FIDA. La UIP mantendrá una cuenta del proyecto, y los fondos se transferirán a través del Tesoro de Mizoram a las cuentas del proyecto. Consultores externos consultores externos realizarán auditorías internas semestrales, y el contralor y auditor general del estado auditará los estados financieros anuales. Se utilizará el desembolso basado en informes, y las lecciones aprendidas de proyectos anteriores servirán de base para las prácticas de gestión financiera.

32. Las adquisiciones se realizarán de conformidad con el marco de adquisiciones de proyectos del FIDA, dadas las deficiencias existentes en las normas de contratación pública de Mizoram. Se creará un equipo especializado en adquisiciones que operará tanto a nivel estatal como distrital para mitigar los riesgos sustanciales identificados en materia de adquisiciones identificados. Se proporcionará capacitación, incluida formación sobre el Manual de Adquisiciones del Proyecto del FIDA y la gestión de contratos. Las adquisiciones estarán sujetas a auditorías periódicas, y una autoridad independiente se encargará de las reclamaciones relacionadas con las adquisiciones. Se ultimará un plan de adquisiciones para los primeros 18 meses y se presentará a través del portal del Sistema Integral de Adquisiciones de Proyectos en Línea del FIDA (OPEN), y las adquisiciones comunitarias serán dirigidas por especialistas y comités.

33. La estructura de gobernanza del proyecto incluirá un director jefe de proyecto responsable de supervisar las auditorías de adquisiciones y garantizar el cumplimiento de las normas contra la Políticas contra la corrupción. Una autoridad independiente investigará cualquier denuncia de prácticas prohibidas para garantizar el pleno cumplimiento de las normas de gobernanza. Se establecerán mecanismos de protección de los denunciantes y de tramitación de las denuncias, en consonancia con la política revisada del FIDA sobre la prevención del fraude y la corrupción en sus actividades y operaciones.

Participación de los grupos destinatarios, retroalimentación y reparación de agravios

34. FOCUS 2.0 se diseñó tras amplias consultas con las partes interesadas a nivel comunitario, distrital y estatal. Durante su ejecución, el proyecto empleará una estrategia de participación integral en la que intervendrán múltiples partes interesadas, incluidos departamentos gubernamentales, organizaciones no gubernamentales e instituciones comunitarias. Se establecerán asociaciones para aprovechar las existentes recursos y conocimientos especializados, garantizando una colaboración eficaz y el cumplimiento de los requisitos de los Procedimientos de Evaluación Social, Ambiental y Climática (SECAP). Se facilitará la participación y la retroalimentación a nivel comunitario mediante reuniones de consulta y eventos de sensibilización, centrados en la planificación participativa, la rendición de cuentas a nivel local y el seguimiento y la evaluación periódicos (M&E).

Reparación de agravios

35. El proyecto establecerá un mecanismo de reparación de agravios completo, accesible y culturalmente sensible en todos los niveles de gestión para recabar opiniones y atender las quejas relacionadas con las actividades del proyecto y el desempeño social o medioambiental, garantizando así los derechos de las partes interesadas, la transparencia y la protección contra represalias. El mecanismo de reparación de agravios se comunicará periódicamente a las partes interesadas y ofrecerá múltiples canales para la presentación de reclamaciones, entre ellos buzones anónimos, una plataforma de redes sociales, direcciones físicas designadas con personas de contacto en cada nivel y una línea directa o centro de llamadas. Todos los procedimientos se detallarán en el borrador del manual de implementación del proyecto para garantizar una resolución eficaz e inclusiva de las reclamaciones en todas las fases del proyecto.

B. Planificación, seguimiento y evaluación, aprendizaje, gestión del conocimiento y comunicaciones

36. La gestión del conocimiento y la comunicación son parte integral del aprendizaje y la adaptación de FOCUS 2.0 y la adaptación de FOCUS 2.0. El sistema de seguimiento y evaluación permitirá el seguimiento en tiempo real mediante encuestas e informes basados en mapas, garantizando la inclusividad mediante la desagregación de los datos por género, grupo de edad y condición indígena. Las actividades clave incluirán la línea de base y la línea media. encuestas, un sitio web interactivo, informes sobre políticas y divulgación en los medios de comunicación, todo ello con el fin de apoyar la toma de decisiones informadas, la participación en las políticas y la ampliación efectiva de las iniciativas exitosas.

Innovación y ampliación

37. FOCUS 2.0 introduce varias innovaciones específicas para el contexto con el fin de abordar los retos únicos de la agricultura de montaña en Mizoram, a saber: (i) la ampliación del modelo de producción *zau* (basado en clústeres) puesto a prueba en la fase I, integrándolo con; (ii) un modelo de tres niveles que proporciona infraestructura de mercado, valor añadido, desarrollo empresarial y un ecosistema digital y financiero adaptado a pequeños agricultores y sus empresas; y (iii) el uso de perfiles digitales con geoetiquetas, productos financieros combinados y servicios de extensión habilitados para dispositivos móviles, que ofrecen un modelo inclusivo y basado en la tecnología para la resiliencia de las tierras altas. Además, el proyecto financiará innovaciones que mejoren las prácticas resilientes al clima y la eficiencia de la cadena de valor, y apoyará a los jóvenes y a las mujeres emprendedoras, fomentando la innovación.

38. El enfoque del proyecto para la ampliación es multifacético: los modelos exitosos se incorporarán a las políticas estatales y a los programas sectoriales, la convergencia presupuestaria con los planes gubernamentales garantizará la continuidad de la financiación, y los conocimientos generados a través de un sólido seguimiento y evaluación y de las asociaciones se difundirán ampliamente. Al integrar la apropiación del proyecto en el gobierno, las comunidades y el sector privado sector, y mediante la institucionalización de modelos dentro de los sistemas estatales, FOCUS 2.0 creará estructuras duraderas para mantener y ampliar su impacto más allá de la duración del proyecto.

C. Planes de implementación

Preparación para la implementación y planes de puesta en marcha

39. El FIDA garantizará la preparación para la implementación mediante el seguimiento de los contratos, exámenes de las adquisiciones y la financiación de los costos de puesta en marcha de las primeras actividades. Un plan de acción detallado de preparación respaldará la dotación de personal, las adquisiciones y la movilización de las partes interesadas. Las asociaciones formalizadas y los acuerdos institucionales mejorarán la ejecución del proyecto, mientras que la alineación con la planificación fiscal de Mizoram permitirá la integración presupuestaria oportuna.

Planes de supervisión, examen de mitad de período y finalización

40. El FIDA llevará a cabo misiones periódicas de supervisión y apoyo a la ejecución para examinar los resultados de la ejecución, los avances hacia el logro de los objetivos de desarrollo y el cumplimiento de los requisitos fiduciarios y las salvaguardias. El FIDA también prestará asistencia técnica para apoyar la ejecución eficaz y la gestión adaptativa a lo largo del ciclo del proyecto.

V. Instrumentos jurídicos y autoridad

41. Un acuerdo de financiación entre la República de la India y el FIDA constituirá el instrumento jurídico para conceder la financiación propuesta al prestatario. Se adjunta una copia del acuerdo de financiación negociado en el apéndice I.

42. La República de la India está facultada por sus leyes para recibir financiación del FIDA.

43. Estoy convencido de que la financiación propuesta se ajusta al Convenio Constitutivo del FIDA y a las Políticas y criterios de financiación del FIDA.

VI. Recomendación

44. Recomiendo que la Junta Ejecutiva apruebe la financiación propuesta en los términos de la siguiente resolución:

> RESUELVE: que el Fondo conceda un préstamo en condiciones ordinarias a la República de la India por un monto de cuarenta y cinco millones setecientos ochenta mil dólares de los Estados Unidos (US$45.780.000) y en condiciones que se ajusten sustancialmente a las condiciones que se presentan en el presente documento.

Álvaro Lario
Presidente

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.		