



World Bank Approves \$75 Million Project in Andhra Pradesh, India - Expected to Improve Incomes and Health of Farmers

World Bank Approves \$75 Million Project in Andhra Pradesh, India - Expected to Improve Incomes and Health of Farmers

The project will target small and marginal farmers in the 150 most backward mandals of Andhra Pradesh covering 5,000 villages. The World Bank today approved a \$75 million credit for the Andhra Pradesh Rural Inclusive Growth Project to enhance agricultural incomes of small and marginal farmers and ensure increased access to services related to health, nutrition, sanitation and social entitlements.

The project will focus on increasing economic opportunities for small and marginal farmers, especially from Scheduled Caste (SC) and Scheduled Tribe (ST) households in the 150 most backward mandals (cluster of villages across gram panchayats). It will invest in developing a network of social enterprises for food, nutrition, sanitation and other social enterprises which operate at community and district level. It will also support the Government of Andhra Pradesh in its efforts at creating an enabling policy framework, with real time analytics across sectors through the various missions established by them. To boost human development, investments will be made in improving access to services in the areas of health, nutrition, and water and sanitation and increasing coverage and effectiveness of India's social safety net programs.

Over the years women-led community institutions in Andhra Pradesh have made significant impacts in helping communities gain higher access to credit, education and assets, and in greater empowerment of women. However, despite these achievements, inclusion remains a challenge, said Onno Ruhl, World Bank Country Director in India. "This new generation rural transformation program will strive to fulfill the aspirations of small and marginal farmers, especially among the SC and ST communities, to ensure shared prosperity and increase in the pace of poverty reduction.

The Andhra Pradesh Rural Inclusive Growth Project, approved today, will help link small and marginal farmers to urban markets and make them competitive across the value chain so that they are able to take advantage of the potential benefits from allied sectors like horticulture, livestock, and fisheries. Investments will be made in increasing the nutritional content of products such as milk, vegetables and poultry.

The project will specifically support to increase the incomes of 250,000 small and marginal farmers by at least 50 percent by enhancing productivity and improving their access to markets. This component will work with those small and marginal producers who have built up productive assets, have previously participated in productivity improvement, and have the potential to exploit growth opportunities for high value commodities such as red gram, milk, poultry, small ruminants, fisheries, turmeric, cashew, and coffee.

It will also work towards improving the coverage and service delivery of social protection entitlements for 500,000 poorest households, mainly from SC and ST households.

The other key aspects would be to invigorate and create local markets by connecting rural producers and enterprises with the rural consumers and enhancing the quality of consumption by the poor households by making nutrient rich snacks available through nutri-shops and creating awareness on the benefits of these products.

The greatest potential for growth in the agriculture sector comes from cash-crops, livestock, and fisheries. For instance, between 2004 and 2012, the fisheries sub-sector grew at 8.7 percent, while the agriculture sector as a whole grew only at about 3.9 percent.

Most of the small and marginal farmers are not able to access opportunities from the growth in these sectors because they have limited access to extension services, good quality inputs like improved seeds, market services, and institutional credit. The Government of Andhra Pradesh has now adopted a mission-based approach with a focus on inclusive growth and poverty alleviation. These missions would provide the policy framework and enabling eco system for the initiatives proposed in the project, said Parmesh Shah, Lead Rural Development Specialist and the Task Team Leader for the project.

On the human development side, the project will use community led approaches to improve access to water and sanitation services in about 1,000 targeted villages adopting saturation approach to cover all households and rural institutions like schools, anganwadi centers, and health centers and helping them achieve Open Defecation Free (ODF) status.

These efforts will also be underpinned by significant investments in ICT and mobile-based service delivery systems for social accountability, better targeting, increased transaction efficiency and effectiveness.

The credit is from the International Development Association (IDA) - the World Bank's concessionary lending arm - the Credit is on IDA terms with a maturity of 25 years, including a 5 year grace period.

The World Bank

1818 H Street, NW
DC 20433 Washington
USA
Telephone: (202) 473-1000
Telefax: (202) 477-6391
Mail: investigations_hotline@worldbank.org
URL: <http://www.worldbank.org/>

Pressekontakt

The World Bank

DC 20433 Washington

worldbank.org/
investigations_hotline@worldbank.org

Firmenkontakt

The World Bank

DC 20433 Washington

worldbank.org/
investigations_hotline@worldbank.org

The World Bank is a vital source of financial and technical assistance to developing countries around the world.