



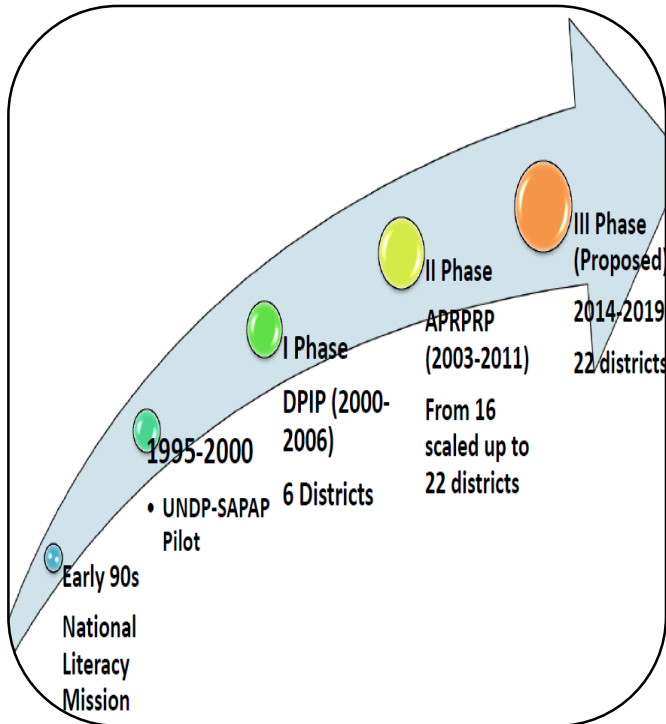
Andhra Pradesh Rural Inclusive Growth Project

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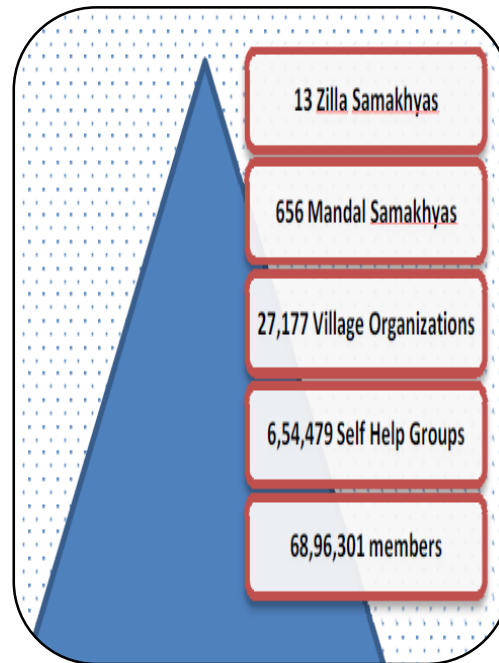
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Context, Scale and Diversity

More than 15 years
of World Bank
partnership



Large, Inclusive
Community
Institutions



High Financial
Inclusion



Large Scale, Farm
and non-farm
based Livelihood
Interventions

Project Overview

PDO: to enhance agriculture incomes and access to human development services & social entitlements;

Cost: \$ 107m; Bank Financing \$75m

Implementation Period: 2015 - 2020

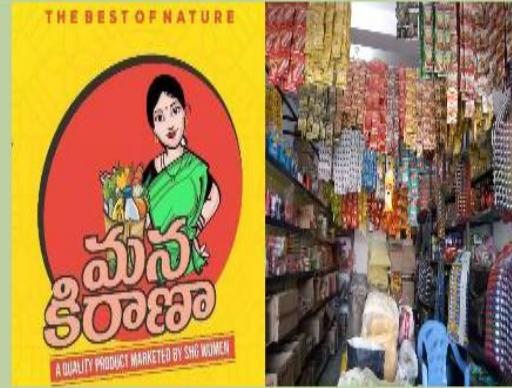
Area: 13 Districts, 161 Mandals & ~5,000 villages

RATIONALE & APPROACH

- Sustained Economic growth has not translated to human development outcomes in health, sanitation, nutrition and education; Higher and Longer concentration of poverty and deprivation among socially and spatially excluded
- As a *FOLLOW ON, INCLUSIVE GROWTH*, rural transformation program
- To GRADUATE existing SHGs to next level of community institutions based on business principles and rural value chains; (from ***social to commercial organization***)
- To improve access to entrepreneurial and market opportunities in agriculture and allied sectors. (from ***improving livelihoods to enhancing productivity and profitability***)
- one of the first **Cross-GP Collaboration** that aimed to bring **demand and supply side** interventions;



APRIGP: Outreach and Coverage



FARMER PRODUCER ORGANIZATIONS

No. of Farmer Producer Organizations	162
No. of Farmer Producer Groups	27672
No. of FPG Members	319920

RURAL RETAIL CHAINS

No. of Rural Retail Chains	71
No. of MNS Members	4257
No. of Non-MNS Members	436

HUMAN DEVELOPMENT

No. of Village Organizations	6729
No. of Self Help Groups	159862
No. of SHG Members	1611779

MANA SEVA

No. of Covered Mandals	120
No. of Village Level Entrepreneurs	426
No. of BC's	153

LED and Value Chain aspects

RURAL VALUE CHAINS (Production and Markets)

- a. 260,000 small and marginal producers mobilized
- b. 22,871 PGs and 162 POs Training on Productivity Enhancement,
- c. Financing for Production, Aggregation & Marketing
- d. Market Linkages with private sector companies and institutional buyers
- Significant aggregation in cashew, pulses (redgram and Bengal gram) and tamarind (sale to Quality Spices and Walmart)

Rural Retail Chains (Rural Consumption on nutrition and sanitation)

- a. About 4,064 village-level stores supported to retail nutritious, hygienic and sanitary products in project villages;
- b. Supply Chain linkages with major brands;
- c. Linkages with local entrepreneurs; hatcheries;
- d. Support for nutrition enterprises;

HUMAN DEVELOPMENT (Nutrition and Sanitation)

- i. Kitchen Gardens
- ii. Backyard Poultry
- iii. Expanded Access to Individual Sanitary Latrines,
- iv. Drinking water facilities in excluded habitations and tribal villages
- v. local entrepreneurs in nutrition and sanitation enterprise
- vi. Behavior Change Communication

ONE STOP SHOPS (social services and financial inclusion)

- a. 423 village-level One Stop Shops (OSSs) have been established
- b. Access to social schemes pensions and insurance benefits in remote rural communities;
- c. Expansion in tribal areas

Social and Spatial Focus

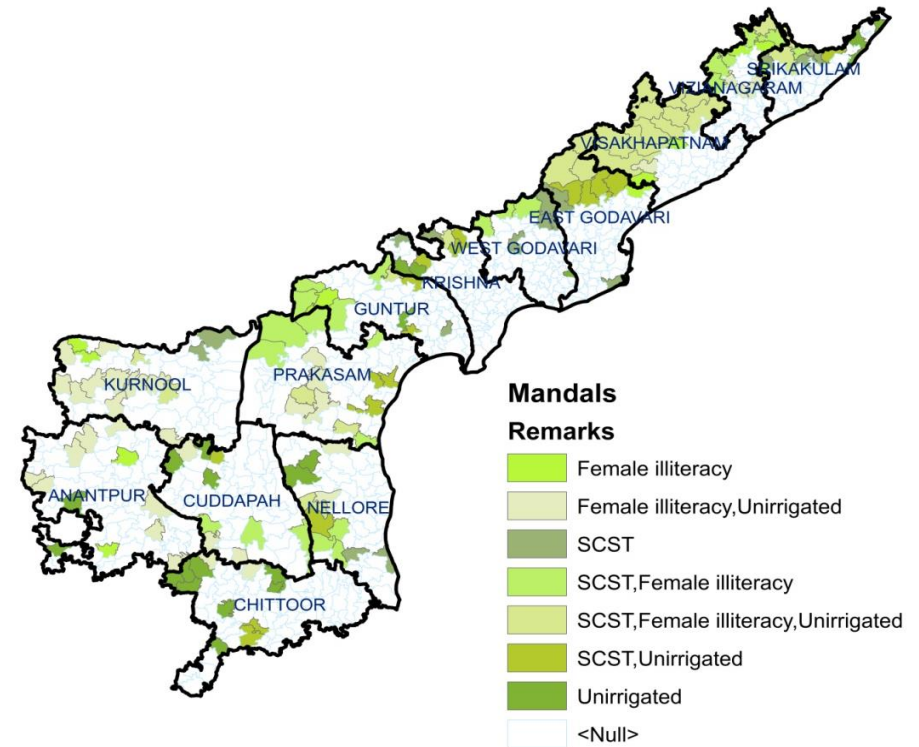
TARGETING

- small and marginal farmers;
- Disadvantaged Social Groups such as Scheduled Castes (SCs) and Scheduled Tribes (STs)

MOST 'BACKWARD' BLOCKS

- SC/ST population
- Female illiteracy
- unirrigated land

Bottom Most mandals in AP



Spatial / Territorial Dimensions

Focus Commodity Clusters

- Commodity Clusters like on Paddy, Red Gram, Vegetables;
- Focus commodities have high share of cultivable area, and competitive advantage within the state;
- Village level farmer producer groups (FPGs) are federated into a bigger cluster level farmer producer company (FPC).
- Linkages with Local Rural Markets and Regional Supply Chains

Co-locating project interventions in the same village

- Farmer Producer Groups focusing on selected commodities;
- Kitchen Gardens & Backyard Poultry for nutrition diversities
- Water and Sanitation Interventions
- Rural Retail Stores
- One Stop Shops
- Enterprises for value chains, retails chains, Health and Nutrition (Hatcheries)
- Pre-existing social capital and institutions
- behavior change communication

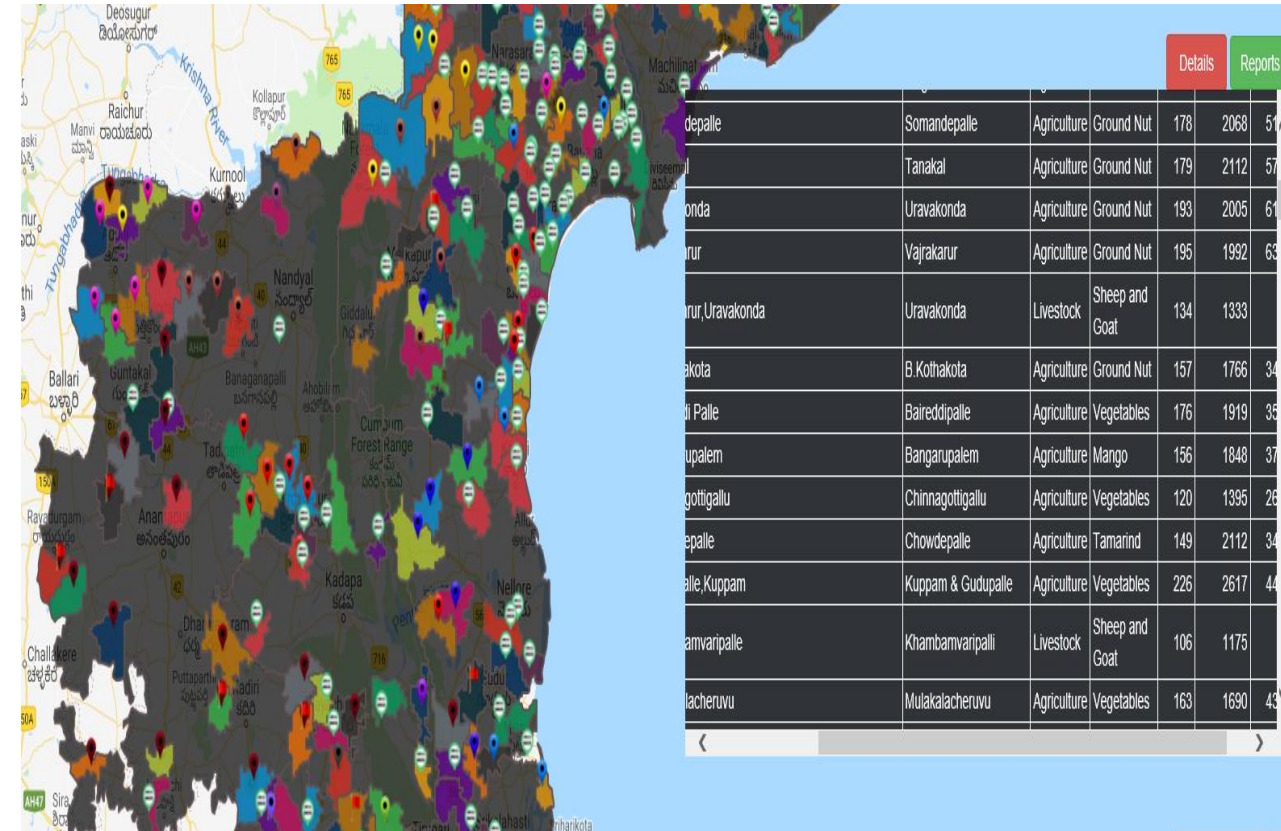
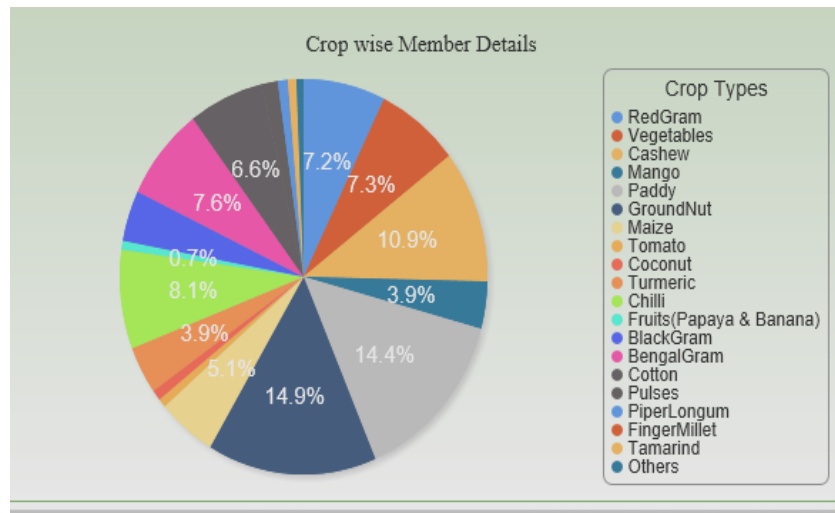
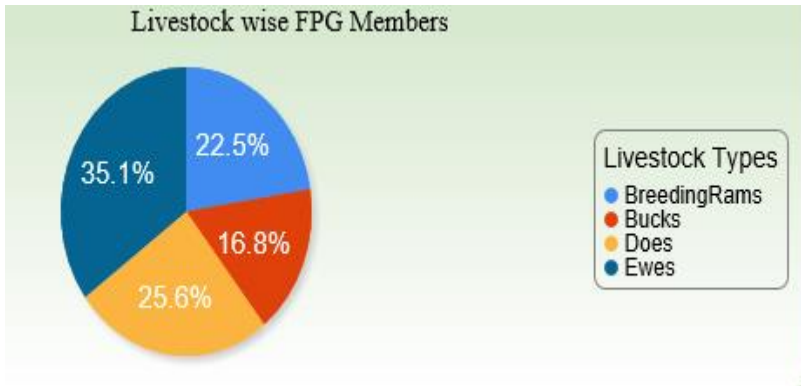
Most Backward Blocks

- a. low-income communities that are socially and geographically excluded; WITH the lowest economic and human development indicators.
- More customized interventions in Tribal and Remote Areas such as Gravity fed Water Systems, Mobile OSS

FPOs, Commodities & Clusters

 **89** +
  **53** +
  **18** +
  **02** =
 162 FPOs

Agriculture FPOs Horticulture FPOs Livestock FPOs Fisheries FPOs



<http://103.241.138.98/fpo/fpogisreport.aspx>

Cashew Cluster

(25,000 producers; 62,000 acres; 10,000 tons)



East Godavari

- FPOs: 7
- No. of Members: 11106



Visakhapatnam

- FPOs: 3
- No. of Members: 4938



Vizianagaram

- FPOs: 4
- No. of Members: 6191



Srikakulam

- FPOs: 2
- No. of Members: 3659



How were livelihood/economic activities prioritized?

- District Agriculture Profiles and Microcredit data showed macro trends & local priorities in agriculture, horticulture, livestock & enterprises;
- Long institutional legacy and capacity of innovating, piloting and scaling up agriculture and productivity enhancement interventions informed the livelihood assessment and prioritization;
- Rapid Value Chain Analytics during project design; Commodities identified for their economic potential;
- Technical Partners and Technical Resource Persons from line agencies;
- Building on Pre-existing partnerships with government departments such as agriculture, animal husbandry, horticulture,

Fund Flow to Beneficiaries

- **Bank accounts** opened for FPG and FPO; VOs already have had bank accounts
- **Seed Capital to Farmer Producer Groups:**
 - State Unit to District Unit to FPG as seed capital.
- **Working Capital Grant to Farmer Producer Organization**
 - For Higher level production credit, production and marketing activities
 - State Unit to District Unit to FPO to FPG to FPG Members
 - for FPO business plan, FPO assets and member on-lending
- **Funding from ongoing SHG and Bank Loans**
- **Lending to Entrepreneurs for enterprises**
 - DPMUs to Vos to SHGs to Entrepreneur (for example Hatchery Unit)
- **Human Development Investment Fund to Village Organizations**
 - grants for nutrition, sanitation, hygiene and rural retail stores and enterprises)
 - State Project Unit Project to District Project Unit to Cluster Level Federation of Women's SHGs (*Mandal Mahila Samkhya MMS*)
 - Village Organization (6100 VOs provided USD 1400)
 - Self Help Groups and Women SHG Members (requiring HD financing support)
 - VOs also invested directly in community level projects such as for drinking water;

Government Capacity and Partnerships for LED / VCD

- Bank Partnership has built considerable institutional capacity to take on LED and VCD interventions;
- However, State Bifurcation, Changes in Governance and organizational changes have led to Loss of institutional and implementation capacity; PIA is rebuilding its long-established institutional capacity from scratch;
- Government approach to shift from a community led microcredit and livelihood ecosystem to LED and VCD remains **cautious and evolving**;
- **Line departments** officials lead the rural value chain development
- **Technical Support Agencies** such as BAIF, Tanager, ICRISAT etc. are acknowledged but largely confined to productivity enhancement and serviced delivery, as opposed to more market/ commercial transactions;
- **Young Professionals** from lead agribusiness/rural management institutes were engaged to support district teams.
- Government interest to engage higher level professional expertise on LED and VCD remains constrained due to various issues. Technical Expertise is more readily accepted and available as opposed to market facing expertise;
- Weak client capacity to guide/lead VCD and key partnerships has shown mixed results;

Key Partnerships

- **Olam International** for market linkage, technical support in production, model nurseries for grafted cashews), collection centres etc. Interested in development of organic cashew.
- **Tanager (DC based NGO)** for providing focused handholding support to 5 cashew FPOs (15,000 farmers) in organization development, business plan preparation, market readiness etc.
- **BREDS:** Training of FPGs/FPOs in good orchard management practices, cashew nut marketing etc.
- **Mahindra & Mahindra** for technical support in productivity improvement and aggregation in pigeon pea.
- **ICRISAT:** high quality planting material, seed supply and production, technical demonstration of best practices;
- **Syngenta Foundation:** Training of agri entrepreneurs for improved inputs, mechanization in vegetables.
- **BAIF, Department of Animal Husbandry:** for improving productivity through fodder development, introduction of improved breeds, good animal health and upkeeping practices etc.
- **Other Tech tie ups** with NCDEX, NDDDB Dairy Services, Tata Trusts,
- Significant aggregation done for cashew (sale to local traders / agents of processors); pulses (redgram and Bengal gram for MSP procurement by AP MarkFed); tamarind (sale to Quality Spices and Walmart)



Thank you !
Questions and Comments