

Government of India and World Bank Sign USD250 Million Agreement for the National Rural Economic Transformation Project (NRETP) to boost Rural Incomes across 13 States in India

The World Bank and the Government of India signed a USD250 Million Agreement for the National Rural Economic Transformation Project (NRETP) which will help women in rural households shift to a new generation of economic initiatives by developing viable enterprise for farm and non-farm products.

A Key Focus of the Project will be to promote women-owned and women-led farm and non-farm enterprises across value chains; enable them to build businesses that help them access finance, markets and networks; and generate employment.

The National Rural Economic Transformation Project (NRETP) is an additional financing to the USD500 million National Rural Livelihoods Project (NRLP) approved by the World Bank in July 2011. The NRLP which is currently being implemented across 13 states, 162 districts and 575 blocks, has so far mobilized more than 8.8 million women from poor rural households into 750,000 self-help groups (SHGs). These SHGs have been further federated into 48,700 Village Organizations and 2900 Cluster/Gram Panchayat-level Federations. While these 13 states will continue to be supported under the new project signed today, 125 new districts will be added from within these states.

Since its launch in 2011, the National Rural Livelihoods Mission (NRLM) has mobilized 50 million poor rural women into self-help groups and their higher-level federations. These groups have leveraged nearly USD30 billion from commercial banks.

The NERTP will support enterprise development programs for rural poor women and youth by creating a platform to access finance including start-up financing options to build their individual and/or collectively owned and managed enterprises. The other key component of the project includes developing financial products using digital financial services to help small producer collectives scale-up and engage with the market. It will also support youth skills development, in coordination with the Deen Dayal Upadhyaya Grameen Kaushalya Yojana. Peer to peer learning across States and across communities was a successful strategy under the NRLP and will also continue to be used in this project.

The Project will continue to give technical assistance, skills building and investment support to strengthen women-owned and women-led producer collectives diversify into high value farm and non-farm commodities such as commercial crops and livestock products, and fisheries.

The USD250 Million Loan from the International Bank for Reconstruction and Development (IBRD), has a 5-year grace period, and a final maturity of 20 years.

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