

World Bank Supports Project to Modernize Agriculture Systems in India's Uttar Pradesh State Benefiting 1 million Farmers



WASHINGTON, Dec. 12, 2024 —The World Bank's Board of Executive Directors today approved a new project in Uttar Pradesh (UP) to increase farmers' incomes through improved crop productivity, adoption of digital technologies and climate-resilient practices, and strengthened market linkages. The project also aims to leverage \$15 million in private finance to support these initiatives.

Over the last decade, UP's output in agriculture has steadily climbed, leading the country in wheat production, ranking second in rice production, and becoming the third-highest agricultural exporter. However, small farmers face low productivity and inadequate post-harvest infrastructure which continues to limit their incomes. In addition, small landowners have limited access to investments and modern technologies.

The \$325.10 million **Uttar Pradesh Agriculture Growth and Rural Enterprise Ecosystem Strengthening (UP-AGREES) Project** will strengthen agricultural value chains, improve access to finance, and create opportunities for value addition. Further, innovative financial instruments will be launched to make access to credit such as the Kisan Credit Card (eKCC) more timely, affordable, and transparent. The Project will benefit one million producers across Eastern UP and Bundelkhand regions of the state.

"The project will promote sustainable practices such as low-methane rice varieties, rice residue collection and conversion into biogas, and optimized fertilizer use, reducing agriculture's impact on climate change and boosting productivity," said **Auguste Tano Kouame, the World Bank's Country Director for India.** *"The project will also establish a dedicated center for building the capacity of government officials and farmers in climate adaptation strategies."*

The Project will help to strengthen the ecosystem for digital services and agriculture finance. It will also incentivize private sector entities to provide solutions through market-based approaches. It will support geographic clusters for agricultural commodities and fisheries – networks of producers, agribusinesses, and public institutions – all engaged in the same subsector. It will also provide support for the proposed Integrated agri-export hub near Jewar Airport, Greater Noida.

"The Project will especially work with women farmers and entrepreneurs for adoption of climate-resilient and cutting-edge digital technologies, enhancing farmgate infrastructure, and strengthening market linkages both locally and globally," said **Vinayak Ghatate, Andrew Goodland, and Harsh Jhanjaria, the Task Team Leaders for the project.** *"This will help to improve productivity, create jobs and increase incomes."*

The Project will leverage resources from various sources, including the governments of France, Israel, and the Gates Foundation, to support its initiatives.

The \$325.10 million loan from the International Bank of Reconstruction and Development (IBRD) has a final maturity of 33.5 years, including a grace period of 6 years.