Early Warning System

WB-P508565

Tamil Nadu Rural Transformation Project 2.0

Quick Facts

Countries	India
Specific Location	Tamil Nadu
Financial Institutions	World Bank (WB)
Status	Proposed
Bank Risk Rating	B
Voting Date	2026-11-02
Borrower	Government of India - Government of Tamil Nadu
Sectors	Finance, Industry and Trade, Law and Government
Investment Type(s)	Loan
Investment Amount (USD)	$ 84.29 million
Project Cost (USD)	$ 270.32 million

Project Description

According to the Bank's website, the objective of this project is to promote inclusive rural prosperity, entrepreneurship, and job creation in Tamil Nadu.

The project will implement strategic pathways tailored to focus on enterprise promotion and job creation. The project will support (i) growth-oriented enterprises by strengthening the enabling ecosystem to crowd in private investment and generate employment. This includes improved access to organized markets, commercial finance, technology, and risk management instruments, and fostering enterprise networks, clusters, and priority value chain partnerships; (ii) aspiring entrepreneurs, particularly small and marginal farmers, women, and youth, with structured business development services, skills, mentoring, and access to productive assets and finance, enabling them to transition from vulnerability to stable and viable economic activity with income gains; and (iii) institutional and systems strengthening to enhance state and substate delivery capacity, community institutions, and digital platforms to improve targeting, coordination, and accountability, and to sustain private sector engagement at scale. These pathways will be implemented through the Tamil Nadu Rural Incubator and Startup Enabler (TN-RISE) under the Department of Rural Development and Panchayat Raj (RD&PR).

Early Warning System Project Analysis

The project is classified as **Moderate** for overall Environmental and Social (E&S) risk because it does not include large-scale civil works or land acquisition, and limits physical investments to small, localized enterprise level activities (e.g., installing processing equipment, minor facility retrofits, and basic aggregation/storage infrastructure). Environmental risks are expected to be low to moderate, site-specific, reversible, and manageable through standard mitigation measures. The main environment risks stem from small-scale waste and pollution (solid waste, effluents, emissions) from rural enterprises and agro-processing units, Occupational Health and Safety (OHS) hazards associated with machinery operation (particularly for first-time operators), minor construction-related impacts (dust, noise, debris, construction waste) from limited renovation or small works for service centers and shared infrastructure, and resource efficiency risks related to water and energy consumption. Biodiversity-related risks may arise if any enterprise activities or shared infrastructure are proposed near ecologically sensitive areas, which will require screening and appropriate management or exclusion. Social risks are assessed as moderate and mainly concern equitable and safe access to project benefits and responsible implementation of enterprise support and finance. Key risks include elite capture of grants, BDS, and financial linkages, especially within group enterprises, producer networks, or federations; exclusion of vulnerable groups due to documentation barriers, remoteness, social norms, or digital exclusion; Sexual Exploitation and Abuse and Sexual Harassment (SEA/SH) risks for women entrepreneurs and workers interacting with market actors, BDS providers, buyers, and financial intermediaries in male-dominated or high-growth settings; labor and working conditions risks including informal or precarious employment, OHS gaps for workers using machinery, and potential child/forced labor risks in supply chains; and financial intermediary risks where participating financial institutions may apply inadequate E&S screening or borrower protection measures for sub-loans and financed MSMEs.

Investment Description

- World Bank (WB)

Total Project Cost: US$ 270.32 million

IBRD Commitment: US$ 84.29 million

Contact Information

CONTACT POINT - World Bank

Task Team Leader: Samik Sundar Das
Title: Senior Rural Development Specialist
Email: sdas@worldbank.org

ACCESS TO INFORMATION

To submit an information request for project information, you will have to create an account to access the Access to Information request form. You can learn more about this process at: https://www.worldbank.org/en/access-to-information/request-submission

ACCOUNTABILITY MECHANISM OF THE WORLD BANK

The World Bank Inspection Panel is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by a World Bank-financed project. If you submit a complaint to the Inspection Panel, they may investigate to assess whether the World Bank is following its own policies and procedures for preventing harm to people or the environment. You can contact the Inspection Panel or submit a complaint by emailing ipanel@worldbank.org. Information on how to file a complaint and a complaint request form are available at: https://www.inspectionpanel.org/how-to-file-complaint

Bank Documents

- Appraisal Environmental and Social Review Summary (ESRS) - Tamil Nadu Rural Transformation Project 2
- Appraisal Project Information Document (PID)
- Concept Environmental and Social Review Summary (ESRS) - Tamil Nadu Rural Transformation Project 2.0
- Concept Project Information Document (PID)
- Environmental and Social Commitment Plan (ESCP) - Tamil Nadu Rural Transformation Project 2.0 - P508
- Stakeholder Engagement Plan (SEP) - Tamil Nadu Rural Transformation Project 2.0 - P508565