

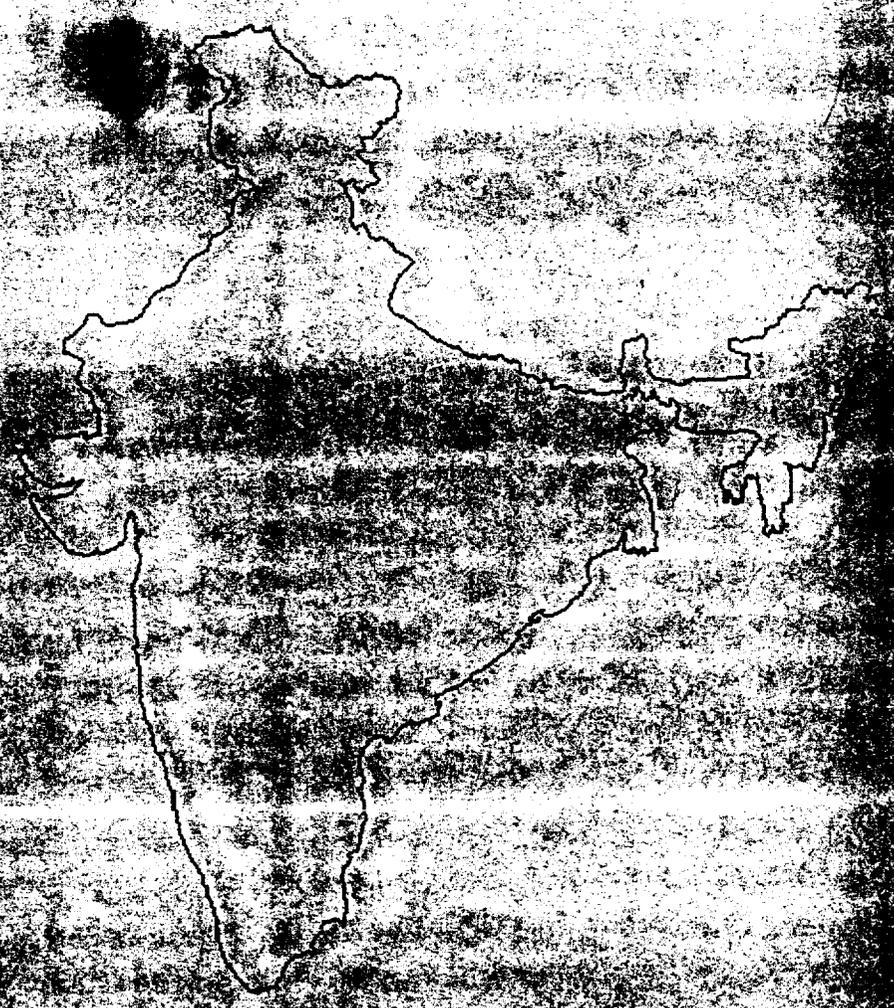
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**USAID**



**INDIA**



**Results Review and Resource Request (R4)**

April 1996

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## GLOSSARY OF ACRONYMS

ABC	Alternative Bagasse Cogeneration
ACE	Agricultural Commercialization and Enterprises
ADB	Asian Development Bank
AEC	Ahmedabad Electric Company
AEP	Asia Environmental Partnership
AIDS	Acquired Immune Deficiency Syndrome
AIDSCAP	AIDS Control And Prevention
ALGAS	ADB's Least Cost Greenhouse Gas Reduction Strategy
AMC	Ahmedabad Municipal Corporation
ANE/BEO	Asia and Near East/Bureau of Environment Officer
ANMs	Auxiliary Nurse Midwives
APAC	AIDS Prevention and Control
ASEI	Asia Sustainable Energy Initiatives
BOD	Biological Oxygen Demand
BOT	Build-Own-Transfer
BSE	Bombay Stock Exchange
BSES	Bombay Suburban Electricity Supply
CAE	Common Agenda for the Environment
CARE	Cooperative for Assistance and Relief Everywhere
CAs	Cooperative Agreements
CenPEEP	Center for Power Efficiency and Environmental Protection
CII	Confederation of Indian Industries
CO <sub>2</sub>	Carbon Dioxide
CRISIL	The Credit Rating Information Services of India Ltd.
CRS	Catholic Relief Services
CTD	Center for Technology Development
DC	Donaldson Corporation
DFIs	Development Financial Institutions
DSM	Demand Side Management
EAs	Environmental Assessments
ECC	Efficient Coal Conversion
EIAs	Environmental Impact Assessments
EMCAT	Energy Management Consultation And Training
EPEC	Enders Process Equipment Corporation
EPI	Environmental Protection Initiative
EPRI	Electric Power Research Institute
EXPAND	Expanding Family Planning Services and Reproductive Health
FBO	Foreign Building Office
FICCI	Federation of Indian Chambers of Commerce and Industry
FII	Foreign Institutional Investment
FIRE	Financial Institutions Reform and Expansion
FP/RH	Family Planning/Reproductive Health
FSN	Foreign Service National
GDP	Gross Domestic Product

GEP	Greenhouse Gas Pollution Prevention
GHG	Greenhouse Gases
GOI	Government of India
GOJ	Government of Japan
HFC	Housing Finance Companies
HFSEP	Housing Finance System Expansion Program
HG	Housing Guaranty
HIV	Human Immunodeficiency Virus
IAS	Indian Administrative Service
ICDS	Integrated Child Development Services
ICICI	Industrial Credit and Investment Corporation of India
IDBI	Industrial Development Bank of India
IEEs	Initial Environmental Examinations
IFPS	Innovations in Family Planning Services
ILFS	Infrastructure Leasing and Financial Services Limited
INHP	Integrated Nutrition Health Program
IPPI	India Private Power Initiative
IPPs	Independent Power Projects
IR	Intermediate Results
IUD	Intra Uterine Device
JICA	Japan International Cooperation Agency
KFW	Kreditanstalt fuer Wiederaufbau
KWH	Kilowatt Hours
LOP	Life of Project
MCH	Maternal and Child Health
MP	Madhya Pradesh
MR	Management Review
NACP	National AIDS Control Program
NADs	New Activity Descriptions
NBPGR	National Bureau of Plant Genetic Resources
NFHS	National Family Health Survey
NFPP	National Family Planning Program
NGOs	Non-Governmental Organizations
NHB	National Housing Bank
NIB	National Institute of Biological
NSE	National Stock Exchange
NTPC	National Thermal Power Corporation
ODA	Overseas Development Administration
OE	Operating Expenses
OECD	Organization for Economic Cooperation and Development
OECF	Overseas Economic Cooperation Fund
OTC	Over-the-Counter
OTCEI	Over-the-Counter Exchange of India
OYB	Operational Year Budget
PACDs	Project Assistance Completion Dates
PACER	Program for Acceleration of Commercial Energy Research

PACT	Program for Advancement of Commercial Technology
PACT/ CCRH	Program for Advancement of Commercial Technology/ Commercial Contraceptives Reproductive Health
PC	Pulverized Coal
PD&S	Program Development and Support
PERFORM	Program Evaluation Review for Resource Management
PETC	Pittsburgh Energy Technology Center
PGR	Plant Genetic Resources
PLF	Plant Load Factor
PMP	Performance Monitoring Plan
PO	Purchase Order
PPAs	Power Purchase Agreements
PPMP	Program Performance Monitoring Plan
PVO	Private Voluntary Organization
PVOH	Private Voluntary Organizations for Health
QCHT	Quality Control of Health Technologies
REPSO	Renewable Energy Project Support Office
RHUDO	Regional Housing and Urban Development Office
RMA	Resource Management Associates
SEBI	Securities and Exchange Board of India
SEBs	State Electricity Boards
SIFPSA	State Innovations in Family Planning Services Agency
SMEs	Small and Medium Enterprises
SO	Strategic Objective
SPO	Special Objective
STD	Sexually Transmitted Diseases
TAAG	Technical Assistance for Accelerated Growth
TASP	Technical Assistance and Support Project
TBAs	Traditional Birth Attendants
TBD	To be Determined
TEST	Trade in Environmental Services and Technologies
TT	Tetnus Toxoid
TTGIL	TTG Industries Limited
TVA	Tennessee Valley Authority
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
U.P.	Uttar Pradesh
USAEP	U.S.-Asia Environmental Partnership
USDHs	U.S. Direct Hires
USDOC	U.S. Department of Commerce
USDOE	U.S. Department of Energy
US/ECRE	U.S. Export Council for Renewable Energy
USEPA	U.S. Environmental Protection Agency
USSEC	U.S. Securities and Exchange Commission
UTI	Unit Trust of India
VHS	Voluntary Health Services

VSAT	Virtual Small Apperture Terminal
WACH	Women and Children's Health
WAPL	Weikfield Agro Products Limited
WHO	World Health Organization
WIN	Women's Initiative

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## I. FACTORS AFFECTING PROGRAM PERFORMANCE

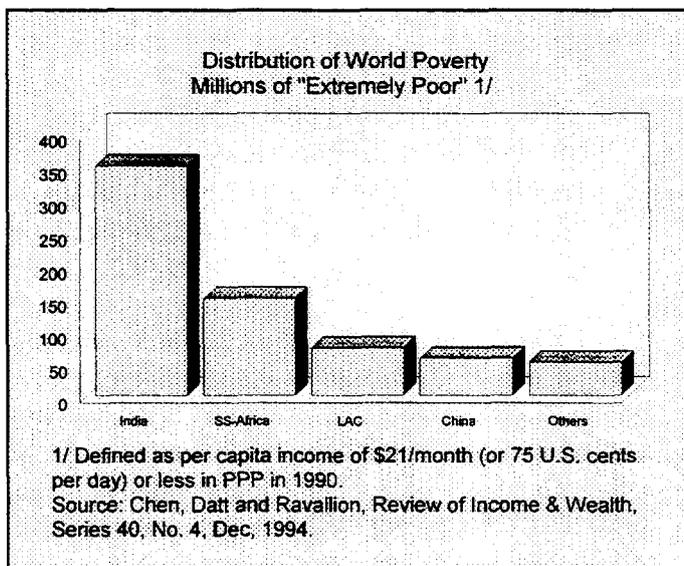
### A. Introduction.

With nearly one billion people and a large diversified economy, India is the world's largest democracy and a growing economic and political power in Asia. Recent reforms to open the economy have improved prospects for reducing the country's massive poverty and increased India's importance as a market for U.S. trade and investment. The U.S. is India's largest trade and investment partner, with annual two-way trade exceeding \$8 billion.

Continued and sustainable economic progress is contingent upon further development of human resources and infrastructure. To do this, India faces profound challenges in providing sufficient food, jobs, medical services, and schools for a rapidly growing population. Whether India is able to sustain a growth rate needed to meet its population challenge and reduce poverty and how it does so are issues of global importance. India's concentration of poverty in urban areas affects development and spread of communicable diseases; its industrial base--the 10th largest in the world--is a major contributor to greenhouse gases; its remarkable biological diversity is threatened by the needs of its expanding population, expected to surpass China early in the next century. USAID's program concentrates on population stabilization, health, environmental protection, energy, and financial sector reforms, and strengthens American ties with the most important nation in South Asia.

As India enters a turbulent election year, there are reassuring signs that the world's largest democracy has reached consensus on the need for economic liberalization. Reforms initiated in 1991 to open the economy, liberalize the market and provide a greater role for the private sector have begun to achieve results. Trade and foreign investment are up, inflation is in check, and during the past year, economic output grew by more than 6% nationwide. India's extensive natural resources, well developed industrial base, diversified agriculture sector, and burgeoning middle class--now more than 100 million--offer the potential for broad-based economic growth that can rival its east Asian neighbors. Such growth would provide the prospect of alleviating India's chronic and widespread poverty.

Yet to complete the successful transition to a strong market economy with sustained economic growth poses real challenges. Years of socialist, inward-looking policies have left a legacy of crippling bureaucracy, distorted markets, and limited entrepreneurship and innovation. Dramatic population growth--especially in the northern states--has



burdened urban infrastructure and threatened natural resources. The result is the world's greatest concentration of poor people, and over 300 million people--or half the world's extremely poor--living on less than \$1 a day.

With a fifth of the world's population, half of its absolute poor, 40% of its malnourished children and an unusually high number of mothers dying in childbirth, progress in India is critical to USAID's achieving the global objectives for broadbased economic growth, stabilizing population, improving health and protecting the environment which the agency has set for itself.

## **B. Summary of Progress.**

The question is often asked, given India's massive size and the enormity of its problems, can USAID make a difference with limited resources? The progress made in the past year clearly demonstrates that it can.

In the last twelve months, two new non-governmental organizations, created with USAID financing, have been able to increase dramatically the resources available to local organizations working on family planning, reproductive health and HIV/AIDS, leveraging private contributions and boosting the quality and reach of services. USAID-funded consultants have helped shape changes in India's capital markets, improving efficiency and transparency critical to attracting private and foreign capital. They have introduced new approaches to financing urban infrastructure crucial to the health and welfare of people living in India's increasingly dense and underserved cities. USAID's partner NGOs provided food aid to more than seven million mothers and children daily while using food programs to introduce information on nutrition, health and family planning. USAID projects introduced new technologies for cleaner industrial processes, energy generation and conservation, and renewable sources; helped finance their commercialization; and facilitated joint ventures between US and Indian companies on clean technologies. USAID-support created new jobs in agribusiness and helped develop a biodiversity preservation system that has already greatly increased the availability of India's rich diversity of crop germplasm specimens to the rest of the world.

Examples of progress and the results it has produced are summarized below and explained in the sections that follow in Part II of this R4.

### Strategic Objective 1 - Accelerated Broad-based Economic Growth through Financial Sector Reforms and Increased Mobilization of Capital.

Considerable progress has been made in reaching a number of targets for financial sector reform. During the two-year (1994-95/1995-96) period, India's capital markets raised more than \$17 billion in new capital, including \$3.5 billion in foreign portfolio investment. Reform of India's capital market regulatory environment accelerated. The GOI granted additional, critical, enforcement powers to the newly created Securities and Exchange Board of India (SEBI) and promulgated enabling legislation for the national depository which, when it opens in 1997, will dramatically enhance the efficiency of India's system for trading stocks and bonds.

Even more dramatic in 1995 was the successful emergence of the National Stock Exchange (NSE), a screen-based trading system launched in early 1995. By March 1996, this major USAID partner was handling roughly double the trade volume of the Bombay Stock Exchange (BSE), which formerly had handled 70% of India's trades. The NSE's impressive growth has greatly enhanced the capacity of the entire capital market. Using VSAT technology, the NSE has been able to trade nationally. It has opened offices in 15 cities and plans to set up computer trading terminals in 45 more cities more by the end of 1996. This will be a major step toward integrating India's stock markets into a single, unified national exchange.

USAID's housing guarantee support combined with technical assistance to help Indian municipalities mobilize capital to finance urban infrastructure--water and sewage. USAID helped with the financial engineering for a \$85 million build-own-transfer (BOT) water supply and sewage services project in Tirupur city in the state of Tamil Nadu. In another major accomplishment the Ahmedabad Municipal Corporation, administering a city of 3.8 million persons, recently announced its intention to float India's first rated, municipal bond worth approximately \$300 million. USAID provided technical assistance to both the rating agency and to the municipality. When the bond is issued, it will represent a watershed in India's financial reform, serving as a model for other Indian cities to raise the billions of dollars of investment needed to meet infrastructure needs.

#### Strategic Objective 2 - Reduced Fertility in North India.

The past year has seen considerable progress in USAID's major effort to improve the quality of and access to health and family planning services in Uttar Pradesh, particularly given operating conditions in the state where there has been virtually no elected government since October 1995. Most notably, a fully operational, non-governmental society, firmly established and staffed this year, has already provided grants to 30 NGOs, enabling them to expand the coverage of their health and family planning services from 230,000 clients to more than five million persons. Contraceptive marketing programs promoted sales of 230,000 cycles of oral contraceptives and 21 million condoms in the first year of operation. The project established a new training center to assist NGOs with no prior health involvement provide community-based services. The center has already carried out training programs involving 60 NGOs and 500 trainees. In addition, the project trained 800 private and non-governmental practitioners in child spacing, family planning and reproductive health and carried out the PERFORM survey in 28 districts, providing baseline data to evaluate progress towards performance benchmarks and to assist local health and family planning representatives plan new interventions.

#### Strategic Objective 3 - Increased Child Survival and Improved Nutrition in Selected Areas.

During the past year, CARE and CRS fed daily nearly seven million pregnant, lactating mothers and children under six through programs focused on improving maternal health and child survival. To strengthen these programs, last year CARE trained 33,000 government counterparts, and CRS strengthened the capacity of more than 900 of its non-governmental partner organizations in remote areas. These efforts are demonstrating results. For example, a recent

CRS survey indicated that immunization rates and infant feeding practices in CRS-assisted areas are 20-25% better than rural averages reported in the National Family Health Survey. CRS also reports a 25% increase during the past year in the number of girls enrolled in its school feeding programs; 42% of the participants in the program are girls.

In addition to the food aid-related child survival activities of CARE and CRS, USAID last year supported the first phase of a new national initiative to eradicate polio by the year 2000. In 1995, USAID/India's support contributed to the immunization of 93 million children under age five.

#### Strategic Objective 4 - Improved Environmental and Financial Sustainability in the Energy Sector.

Progress to increase the production of clean electric power in India is reflected in the number of independent, private sector, clean power projects qualified as fast track projects for construction and commissioning in the past year. Despite some highly visible setbacks--the controversy over ENRON for example--major breakthroughs have begun to restructure the power sector in several states and to improve significantly the financial viability of India's electric utilities. USAID activities have already contributed to an increase in India's total power generating capacity, an improvement in the pricing and billing of electrical energy produced, significant improvements in the efficiency of power generation, which lead to real reductions in CO<sub>2</sub> emissions, and increased commercialized renewable energy. Encouraged by USAID assistance, the output of renewable energy in India has increased sharply--from nearly zero a few years ago to one percent of total power generated in India by the end of 1995.

#### Strategic Objective 5 - Improved Air and Water Quality at Selected Industrial Sites and Municipalities.

Since 1993, to bring US environmental technologies to India, USAID has financed ten Indo-US alliances which are now manufacturing pollution control equipment in India. This equipment is producing measurable results in reduced air pollution at specific industrial sites, and the GEP project, just begun, is establishing the institutional relationships that will put in place systems to reduce air pollution at power plants. As noted under SO1 above, in 1995 the infrastructure component of the FIRE project successfully engineered the financing for its first private/public funded municipal water and sewerage system. It will begin construction in late 1996 and directly benefit 350,00 people.

#### Strategic Objective 6 - Increased Conservation and Availability of Crop-related Germplasm.

USAID's bio-diversity effort is proceeding apace to conserve crop-related germplasm and increase its availability worldwide. Actual germplasm exchanges during 1995 were eight times the targeted amount. The number of new acquisitions by the India's National Bureau of Plant Genetic Research (NBPGR) substantially met the target in 1994-95, and it is expected that it will meet and exceed the target of 3,000 acquisitions in 1995-96. The construction of the genebank

is underway, and the first newly constructed genebank facility will be dedicated in late 1996 by the President of India.

Special Objective 1 - Reduced Transmission of HIV Infection.

The AIDS Prevention and Control Program in Tamil Nadu became operational during the past year. In a brief 13 months, the USAID-funded, umbrella NGO, Voluntary Health Service, secured and refurbished office space, recruited and trained staff, initiated grant selection, and has awarded six grants to local NGOs. Baseline indicators will be available in June 1996.

Special Objective 2 - Increased Investment in Agribusiness by Private Firms.

During the past year, four new agribusiness firms received loans of \$18 million, \$4.5 million of which was funded by USAID. The Industrial Credit and Investment Corporation of India Ltd. (ICICI) has accelerated its lending to the agribusiness sector, from only \$4.2 million in 1991-92 to approximately \$63 million in 1995-96. More importantly, the mid-term evaluation found that USAID's work had leveraged more than \$100 million to this vital sector from other investors and donors.

**C. Significant Events That May Influence The Enabling Environment**

There is a single overriding event that will influence the ability of USAID/India to achieve its strategic objectives and intermediate results.

India faces a "cross roads" national election in May of this year. For all but two years since India's independence the Congress Party has held the majority in the parliament and governed India. The recent economic liberalization program of the Congress government has been a clear success. As the nation goes to the polls it is possible that other political parties with protectionist tendencies will gain more influence in economic policy formulation. It is also possible that the elections will result in a coalition government that will be unable to pursue bold new policy initiatives.

Thus, installation of the new government in May 1996 could affect the pace and direction of the reforms and affect the achievement of USAID's strategic objectives. If a new GOI were to become tentative towards environmental policies, foreign institutional investors or private sector capital market development, it would affect our work in these areas. Similarly our limited amount of work in the area of trade policy and other policies related to opening and privatizing India's economy would face more difficult challenges.

That having been said, we are quite positive about the ability of the Mission to achieve results even in a less-than-ideal political environment. USAID has demonstrated in recent years that it can work directly with development banks, NGOs and private companies less subject to political vagaries than government counterparts. ICICI and IDBI are two excellent examples of effective development partners with whom USAID has worked for over a decade. Our work in capital

markets is implemented in large part through several private sector intermediaries. In the health, population and environment sectors, USAID has a strong record of successful engagement with NGOs operating directly with beneficiaries and customers. The most notable example, of course, is the significant progress that the USAID-supported society has made working with private sector and non-government organizations in Uttar Pradesh during recent months when there was no elected state government. Many of our programs, by working at the local level, remain relatively unaffected by what happens at the central/federal level. USAID assistance has a strong record of leveraging other donor and private sector resources to achieve strategic objective results.

OVERALL.FIN

## II. PROGRESS TOWARD ACHIEVEMENT OF STRATEGIC OBJECTIVES

### A. Strategic Objective 1: Increased mobilization of capital through financial sector reforms.

#### 1. Summary of Data

The Problem: To break the cycle of poverty and generate more jobs than entrants to the workforce, India needs annual GDP growth rates above 7%. To achieve such growth, additional domestic and international private capital must be mobilized. India's fledgling securities market offers great potential for raising capital, foreign as well as domestic, for infrastructure investment, for new and expanding businesses, and for sustainable job creation. The extent to which it succeeds depends in large part on its ability to develop more efficient administration, greater transparency and protection for investors and private financing for urban environmental infrastructure.

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#### Strategic Objective Indicators:

- Increased amount of new capital (equity and debt) raised through the securities markets; Target: from 244 billion rupees in 1993/94 to 250 and 300 billion rupees and in 1994/95 and 1995/96; **Achieved:** 276 billion rupees in 1994/95 and approximately 260 billion rupees in 1995/96.
- Increased foreign indirect institutional (portfolio) investment. Target: from \$1.63 billion in 1993/94 to \$1.8 and \$2.5 billion respectively in 1994/95 and 1995/96; **Achieved:** \$1.53 billion in 1994/95 and \$1.92 billion in 1995/96.
- Increased amount of private capital used to finance commercially viable urban environmental infrastructure. Target: from Rs.0 in 1994 to Rs.1.65 billion in 1995/96; **Achieved:** construction of the first phase (valued at Rs.2.9 billion) of the first project expected to begin in late 1996.

#### Intermediate Results Indicators:\*

- Clearing and settling time of traded securities will be reduced; Target: from 14 to 21 days in 1993/94 to 12 to 20 days by 1995/96. **Achieved:** Clearing and settlement time reduced to 4-16 days in 1995/96.
- Price transparency improved in securities markets as measured by the proportion of screen-based trading to total volume of trades and the number of stock exchanges using screen based trading system. **Achieved:** Targets have been exceeded with more than 50% of the trades now on screen-based systems on four stock exchanges.
- Increased types of financial instruments traded on stock exchanges. **Achieved:** New instruments being prepared. It is expected that the first municipal bond will be introduced in 1996.
- Securities depository system established and functioning. **Achieved:** The enabling legislation for the depository became law in 1995, ahead of target schedule.

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- Increased number of issues in the capital market: Target: 1,800 in 1995/96. Achieved: 1,850 in 1995/96.
- Increased amount of private capital raised by small enterprises. Target: Rs.980 million in 1995/96. Achieved: Rs.904 million.
- Increased number of municipal, state and local governments/entities involved in issuing financial instruments. Achieved: First municipal private/public project financially engineered and scheduled to begin implementation in 1996. The Ahmedabad Municipal Corporation received first-ever municipal credit rating for issuance of \$300 million urban environmental infrastructure bonds.
- Types of USAID-assisted models for expanded capital investment negotiated and disseminated to development partners. Target: 1. Achieved: 1.
- Increased number of non-conventional entities are involved in shelter credit provision in USAID-assisted program. Target: 25 in 1995/96. Achieved: 23.

\* Indicators for which no results were expected until 1996 or later are not included in the above list. Additional data on planned and actual results for this strategic objective can be found in Annex A, USAID's Program Performance Monitoring Plan.

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## 2. Analysis of SO Progress

Overall: Considerable progress has been made in reaching the rather ambitious targets for this strategic objective. During the two year (1994-95/1995-96) period more than \$17 billion in new capital was raised by capital markets, including \$3.5 billion foreign portfolio investment. Reform of India's capital market regulatory environment accelerated rather dramatically during the past year with the granting of additional, critical enforcement powers to the newly created Securities and Exchange Board of India (SEBI). In addition the GOI promulgated enabling legislation for national depository which, when functioning in 1997, will dramatically enhance the efficiency of India's stock and bond trade and ownership-transfer systems. The most significant development in 1995 was the successful emergence of the National Stock Exchange (NSE), the second automated securities exchange in India, with a screen-based trading system that by March 1996 was handling twice the volume of the rival Bombay Stock Exchange (BSE) which used to handle 70% of India's trades.

In the past year, USAID has provided focused US training and internships for more than 60 senior capital market professionals, and trained several hundred more in India. This training, coupled with focused consultant assistance, built an expanding network of relationships between the U.S. securities industry, the U.S. SEC, the Securities and Exchange Board of India (SEBI) and other securities industry organizations, such as the NSE and the OTCEI and had a measurable impact on the development of India's capital market.

S.O.1.1. New capital raised: Significant progress has been made in the past year. Results indicators of the overall progress include a continued increase in the total amount of new private capital raised by the market, as well as continued inflows of foreign institutional, or portfolio investment (FII). During the first nine months of 1995-96 the total value of issues launched was higher than during the corresponding 1994-95 period. In 1994/95 this market raised than \$9 billion in new capital, plus an additional \$1.9 billion from foreign--including US--investors. Both of these broad indicators reflect growing investor confidence, but still considerable tentativeness regarding the reliability of the market.

S.O.1.2. Increased foreign portfolio investment: Preliminary estimates for 1995/96 indicate that FII investment has picked up slightly in the current year (\$1.92 billion, a 25% increase over 1994/95) but not enough to signal a major boost in foreign investor confidence. The opening of the stock market to FII investment in 1992/93 led to an initial surge of FII inflows, and the leveling off in the past two years was in line with other emerging markets which experienced a similar trend. FII investment in the securities markets has been diversified, with investment in over 600 securities from many of the 337 FIIs newly registered in India. The overall amount of FII investment in India remains modest and a little less than targeted. This tentativeness reflects concerns about ENRON, India's securities trade settlement system--which USAID is helping to improve--and international investor wariness about the effects on the capital market of the upcoming general elections in May 1996.

Although not an SO or intermediate indicator, a significant number of joint ventures between domestic and foreign securities firms has also been approved in the past 12 months in stockbroking, merchant banking, management and other non-bank financial services. These financial joint ventures, coupled with the FII investment, have introduced additional pressure on India's capital market industry to adopt international practices and systems.

Period	Amount (\$ billions)	Percent Increase
1991/92	0	---
1992/93	0	---
1993/94	\$1.63	---
1994/95	\$1.53	- 6.1%
1995/96	\$1.92 *	+25.5%

\* Estimate based on actuals for April 1995 through February 1996 and an estimate for March 1996.

S.O.1.3. Increased commercially-financed urban infrastructure: (See IR 1.1.6 below)

The following is the status of key intermediate results under SO1.

1.1.5. Establish a national depository: USAID has worked for more than two years to establish a national depository system, modeled on the U.S. system, which will automate the trade settlement process. This effort made a significant contribution to the promulgation in 1995 of a national ordinance clearing the way for the depository system. With this enabling legislation in place, USAID consultants are now assisting in the preparation of the system's regulations, as well

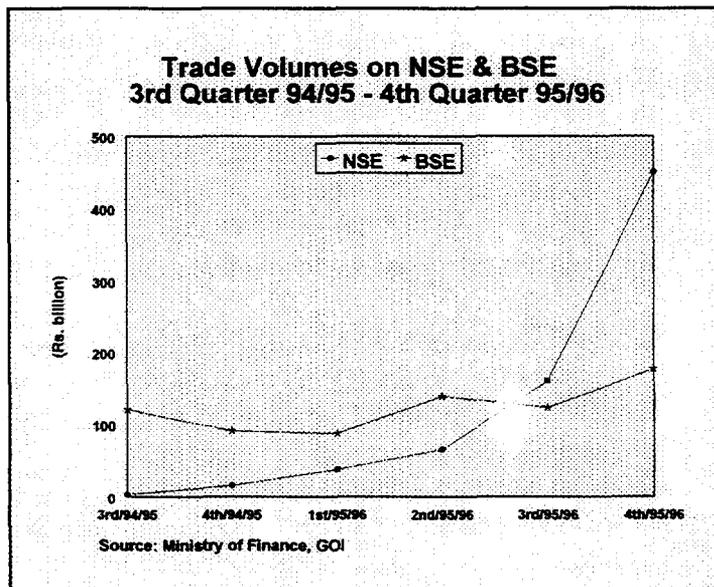
as technical specifications for the computer software needed to operate the depository. The cost of the depository is estimated at \$35 million which will be provided by both private and public financial institutions.

The introduction of the depository's electronic book entry transfers will eliminate the need for physical movement of securities in the transfer process, at present a significant bottleneck. It will considerably enhance the efficiency of the securities market and offer benefits to investors in the form of greater accuracy and safety in share transactions and improved liquidity of secondary market. The National Stock Exchange (NSE), the GOI's Ministry of Finance, the Industrial Development Bank of India (IDBI) and Unit Trust of India (UTI), India's largest mutual fund, are all working with USAID support to set up the system that will drastically reduce over time the risks associated with paper-based settlement systems. The NSE is expected to begin implementation of the system as early as June 1996 with the introduction of a new clearance corporation that guarantees all trades.

1.1.1 and 1.1.2 Increased price transparency and decreased clearing and settling time: Another mechanism to enhance transparency of the capital market is the introduction of screen-based trading. The Over-the-Counter Exchange of India (OTCEI), with USAID support, was the first exchange to introduce screen-based trading in India. The new and much larger NSE, also with USAID support, began operations in early 1995, and, during the past year, dramatically accelerated the volume of securities trades it handled. (See chart.) Recently, this exchange has been regularly exceeding the daily volume of the BSE which used to handle 70% of the nation's trades. Because NSE's new computerized and transparent trading system uses VSAT technology, it is able to trade nationally in an integrated, national stock and bond trading system which will integrate India's fragmented stock markets. Currently most of India's 22 individual stock markets do not "talk" to one another electronically, putting both the investor and the issuer at a disadvantage when attempting to find the best available market "price" for his/her security.

NSE already has brokers in Delhi, Bombay, Madras, Calcutta and a dozen other cities trading through a direct link to the NSE's main computer in Bombay. These 15 cities now trade "on-line", making the NSE a truly national exchange. Use of the VSAT technology obviates the need for NSE to rely on India's notoriously unreliable telephone system to relay critical data.

Largely because of the NSE's successful introduction in 1995, well over 50% of the trades nationwide now take place through



screen-based trading. This successful effort to introduce a transparent trading system has provided stiff competition to the other exchanges, spurring an industry-wide movement of companies to "list" and trade on automated exchanges. Clearance and settlement times (i.e., the time between trade of a security and payment) have been reduced in the past year from between 14 and 21 days to between 7 and 21 days, but there is still a considerable difference between India's average clearance and settlement time and international standards.

Reform of India's capital market regulatory environment, a major objective of the FIRE project, also accelerated during the past year. The Securities Law (Amendment) Act empowered the Securities and Exchange Board of India (SEBI) to regulate all market intermediaries. Additional powers were given to SEBI to prescribe regulations related to the issue of capital and transfer of stocks and bond securities. SEBI prescribed improved disclosure standards for issuing companies, and introduced a code of advertisement for public issues. USAID's Bombay-based consultants, Price Waterhouse, assisted India's Securities and Exchange Board (SEBI) in the development of (i) disclosure standards for the issuers of equity and debt; (ii) market surveillance, inspection and enforcement rules that meet international standards; and (iii) a broker's certification and licensing examination system. The first broker certification examination is expected in late 1996, and the full licensing system will be established in 1997.

Other donors: During the past year progress towards this S.O. received a significant boost when the Asian Development Bank (ADB) signed with India a \$250 million capital market loan whose policy conditions are consistent, and, in many cases, derived from USAID's FIRE project.

1.1.6. Increased number of municipalities issuing financial instruments: It is clear that the resources required to fund urban environmental infrastructure projects such as water supply, sewage and waste treatment systems, cannot come from the public sector. USAID supports the development of a municipal debt market and innovative private-public financing arrangements to supply these needs. The project finances part of the total cost of infrastructure projects through structured debt instruments/bonds and increased access to the domestic capital market. The program provides \$125 million in loan guarantees (Housing Guarantee funds), as well as technical assistance and training, to generate commercially viable, urban infrastructure projects.

The first urban infrastructure project has been developed and packaged by the Infrastructure Leasing & Financial Services Ltd. (ILFS). It includes water supply and sewerage services for Tirupur, a city of approximately 350,000 in the State of Tamil Nadu, and the center for almost 90% of India's cotton knitwear exports. The total cost for the first phase of the project is around \$85 million, with Housing Guaranty support of \$25 million. This is the first time that the State of Tamil Nadu has permitted a private organization to participate in municipal water distribution on a Build-Own-Transfer (BOT) basis. The project introduces a new mechanism for mobilizing resources, through a special purpose vehicle set up with a partnership of public and private finance under BOT principles. ILFS provides the investment banking services as well as the required credit enhancements. Two more urban environmental infrastructure projects with private capital participation are expected to be initiated with USAID support during 1996.

USAID leadership also leveraged other donor support for ILFS. Based on its work with FIRE, the World Bank has approved a \$200 million loan to ILFS for on-lending to urban infrastructure projects which are commercially viable. In addition, the World Bank is considering another \$1.2 billion loan for infrastructure development, and USAID has provided organizational and institutional input to the design of this project.

Also with USAID help, the Ahmedabad Municipal Corporation (Ahmedabad is a city of 3.8 million), recently announced its intention to float rated, municipal bonds, not guaranteed by the center or state government, worth approximately \$300 million. USAID technical assistance has been instrumental in the completion of this first municipal rating in India. USAID worked closely with the Credit Rating Information Services of India Ltd. (CRISIL) and the municipal government to rate the municipal corporation. While this financial instrument is still being negotiated with financial institutions, when such a bond issue does take place, it will introduce a financing approach that could generate for India's cities the billions of dollars of investment needed to meet its infrastructure needs.

1.2.5. and 1.2.6. Increase in lending to low-income households: USAID's housing finance program promotes greater access by lower-income families to credit to enable them to purchase, expand, or improve their housing conditions. To date, the program has focused primarily on strengthening and increasing the size of the formal-sector housing finance industry. From a single housing finance company in 1979, the sector has increased to today's network of 78 companies with over 250 branches, managing over \$2 billion in credits. Between 1992 and 1995, housing finance companies supported by the USAID program have provided over Rs.5 billion in credits to lower-income families.

To achieve a significant expansion of housing finance to lower-income families, USAID and the National Housing Bank (NHB) have focused the final phase of the program to bring additional financial intermediaries into the shelter finance sector. By the end of FY 95, they had succeeded in bringing together 19 organizations (thrift and credits, neighborhood organizations, labor unions, cooperative banks, and community-based financial institutions), representing thousands of low-income families, to work with the NHB and housing finance companies to find suitable ways of extending housing finance to an additional, lower-income set of clients than those traditionally reached by the private-sector housing credit delivery system in India.

The Center for Technology Development (CTD), a USAID-funded NGO also plays an important catalyst role in securing financial assistance for small and medium enterprises (SMEs) from financial institutions hesitant to fund pilot operations. In May 1994, USAID authorized CTD to use venture capital loan assistance of \$1.5 million to leverage private sector resources totaling \$15 million to SMEs. During 1995-96 CTD authorized four venture capital loans totaling \$400,000, mobilizing more than \$5 million in additional private sector resources from FIs and the capital market.

### 3. Expected Progress for FY 97 and FY 98

For detailed information regarding expected progress for FY 97 and FY 98, the reader is referred to the Performance Monitoring Plan in Annex A for the data summary of expected SO#1 primary and intermediate results. A summary of highlights is provided below.

Capital market development: It is expected that India's first state-of-the-art depository will be operational by the end of 1997. With the improved enforcement and market surveillance capabilities, SEBI will have established a system for testing, certifying and licensing brokers. Approximately 80% of the industry's securities trades, stocks and bonds will be carried out on automated exchanges by late 1997. Clearing and settlement time of trades will decrease further to seven days on all the major stock exchanges. Also some of these stock exchanges will have rules, regulations and market surveillance capabilities consistent with their roles as true Self Regulatory Organizations. These results, combined with improvement in disclosure standards, will lead to a qualitative boost in investor confidence (both domestic and foreign ) in the reliability of the market and will be reflected in the increased amount of new capital raised through the securities markets (Rs.500 billion by 1997-98) and through increased foreign portfolio investments (\$4 billion in 1997-98). Before the end of 1997, India will also introduce a futures exchange and by 1998 an options exchange.

Urban environmental infrastructure financing: Under this component of the FIRE project, two more urban environmental infrastructure projects with private capital participation are expected to be initiated during 1996. By 1998-99, some Rs.3.75 billion in private capital is expected for such projects; at least five municipal/state/local government entities will be involved in issuing private/public financial instruments; and at least three USAID-assisted models for expanded capital investment will have been negotiated and disseminated to development partners.

Housing finance: As USAID's Housing Finance Support program enters its last phase, it is supporting efforts to extend shelter credit to lower-income families by working with a growing number of "non-traditional" shelter finance institutions such as thrift and credit societies, cooperative banks, etc. Borrowing heavily from USAID's micro finance experience, USAID intends to support an expanding role in housing finance for these institutions.

Venture capital financing: The CTD project plans to authorize in 1996/97 an additional four-five loans to SMEs totaling \$500,000. These USAID venture capital funds will mobilize over \$8 million in complementary financing. In 1997-98, CTD is expected to mobilize an additional \$12 million in venture capital financing by providing venture capital loans of \$1.5 million.

## **B. Strategic Objective 2: Reduced fertility in north India.**

### **1. Summary of Data**

The Problem: At current growth rates, India's population could nearly double to 1.8 billion by the time it stabilizes towards the end of the next century. Adding the equivalent of another China to India's already overburdened infrastructure has important implications both for India and the rest of the world, affecting not only health, environment and the prospects for reducing poverty, but regional security.

Since launching its National Family Planning Program in 1952, India has been able to reduce its average number of children from more than six to 3.5. But progress among states has been uneven. In some states, particularly in the north, fertility has remained high. India could have a dramatic affect on its population growth rate if northern states like Uttar Pradesh--where families average five children--were able to match the two-child families of southern states like Kerala and Tamil Nadu.

Bringing about similar progress is possible in north India. In Uttar Pradesh 30% of all eligible couples say that they either do not want any more children in the near future or at all, yet are not practicing contraception. Reaching this unmet need will go a long way towards reducing fertility while at the same time improving women and child health through the spacing of births. USAID's objective is to reduce fertility in north India by improving the quality of and access to family planning and reproductive health services and information in Uttar Pradesh.

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#### Strategic Objective Indicators: \*

- Total fertility rates for selected states in north India will decrease from 4.8 and 3.9 in Uttar Pradesh (U.P.) and Madhya Pradesh (M.P.) in 1992 to 4.3 and 3.4 respectively in 1997-98. (Targets for MP will be modified following completion of the WACH results package in FY 96.)

#### Intermediate Results Indicators: \*

- Population served by non-government projects in U.P. increased from 0.2 million in 1994 and 5 million in 1995.
- Contraceptive social marketing sales in U.P. increased from 17 million condoms and 180,000 cycles of pills in 1994 to 21 million condoms and 230,000 pill cycles in 1995.

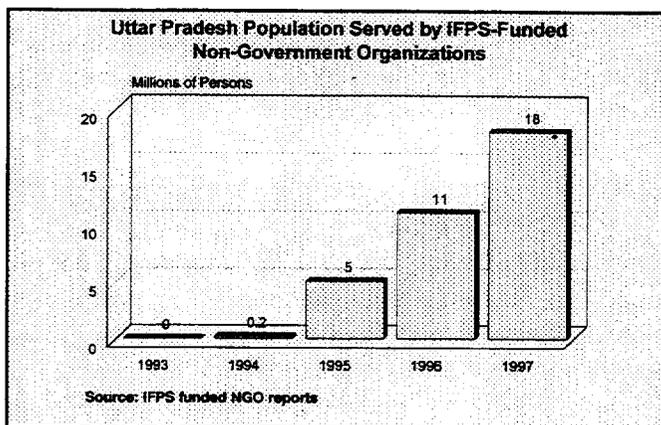
The baseline 1993-93 National Family Health Survey (NHFS) and the 1995 UP-specific PERFORM Survey and follow-up surveys to be conducted in 1997 (NHFS 2 and PERFORM in UP) and 2000-2001 in UP (PERFORM only) will provide the data necessary to measure change in the key strategic objective and intermediate results indicators. While awaiting those survey results, we have selected intermediate indicators--population covered by non-government projects and contraceptive social marketing sales. As additional information becomes available from the 1995 PERFORM Survey, the Performance Data Tables can be updated.

\* Additional data on planned and actual results for this strategic objective can be found in Annex A, USAID's Program Performance Monitoring Plan.

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## 2. Analysis of SO Progress

During the past year, the Innovations in Family Planning Services IFPS Project's non-governmental implementing agency made real progress in broadening the contraceptive choices available and improving delivery approaches in Uttar Pradesh. India traditionally has been slow to introduce new technologies like oral contraceptives (approved only in 1988) and Depoprovera (still not approved for use), focusing instead on permanent, surgical approaches to contraception rather than on temporary spacing methods and relying almost exclusively on the public sector for their delivery. The IFPS implementing agency is testing approaches to broaden access, improve quality and increase demand through improved public sector activities and greatly expanded NGO participation. In the past year it has:



- Developed curriculum, trained trainers and institutionalized competency-based training programs initially at two medical colleges out of nine in U.P.
- Provided training to 500 government doctors, paramedical staff, and nurses in contraceptive technology.
- Established an NGO training center to assist NGOs with no prior health involvement to integrate family planning into their on-going community services; to date the center has served over 60 NGOs and 500 trainees.
- Trained 800 private and non-government organization practitioners in approaches to child spacing and modern family planning and reproductive health;
- Used contraceptive social marketing to promote sales and use of contraceptives--230,000 cycles of oral contraceptives and 21 million condoms sold in the first year of operation.
- Increased coverage by private providers from 230,000 customers to more than five million. (Because the majority of modern spacing methods are currently provided by private organizations, increased private sector coverage is a strong interim measure of progress towards the program's outcomes, increasing overall contraceptive rate and overall use of spacing methods.)
- Completed dissemination of results of the largest National Family Health Survey in the world, providing planners with extremely valuable data and analysis on key demographic, health, fertility and family planning practices.

■ Carried out the state-wide PERFORM survey of households and service providers providing detailed project data for 28 districts, 14 subdivisions, five regions in the state. This data will be used as the baseline for evaluating achievement of performance benchmarks and to facilitate district level planning.

■ The recently completed Management Review (MR) of the IFPS Project documented significant progress. Following a slow startup, the pace of project implementation accelerated dramatically over the past 18 months with the project achieving performance benchmarks totalling \$11.5 million, and funding 40 projects in the public and private sector. Significant recommendations from the MR including:

- USAID, along with its partners should review and update the strategic framework and strategic objectives based on the new comprehensive data available from the PERFORM survey. This review should include consideration for additional or selective reproductive health objectives and indicators.

- USAID and its partners should reach rapid agreement on USAID direct contracting for a large scale expansion of the social marketing component.

- Wherever appropriate, the IFPS implementing agency should enter into longer, larger contractual agreements for non-government organizations in private sector service delivery and communications.

- USAID should ensure that the public sector activities supported under the IFPS project be clearly rationalized based on the strategic and operational objectives and benchmarks. Furthermore, priority assistance for public sector activities should be to those projects where the public sector has the greatest advantage, such as voluntary surgical sterilization and improvement of logistics.

- USAID has already initiated action on several key review

#### **Participatory Planning in U.P.**

The IFPS Project has launched an innovative planning scheme that has reversed top down traditional health service delivery approaches. The process begins by surveying customers and partners, including clients and health providers. Survey results are made into a video presentation and a booklet that are seen by up to 600 people in each district including NGO members, government officials, private practitioners, all health workers, and women representatives of elected village councils. Clients' and health providers' ideas for improving basic FP/RH services are forwarded to a district working group comprised of representatives from the community and government.

These local working groups discuss possible activities over two days, and assemble their ideas into a proposal for the IFPS Project. USAID provides technical assistance for this process. Thus far, three district plans covering four million people have been prepared for implementation and submitted by the local working groups. These plans are notable for their distinct approaches to meeting local needs. Dynamic and innovative activities have emerged from this process including, for the first time in Uttar Pradesh, comprehensive collaboration between the government and NGOs, and the use of radio programs and grassroots women's groups to promote good health and family welfare practices in rural villages.

recommendations, and intends to develop plans for implementing all priority recommendations. Based on the evaluation findings and the implementation progress experienced during the past 18 months, USAID has decided to maintain its strategic objective and intermediate results targets.

Another activity under this SO is the Commercial Contraceptives and Reproductive Health component of the PACT project. Although not confined to north India, this activity supports private sector production and marketing of reproductive health products. The target is to increase sales volume by 15% annually. PACT/CRH began implementation in 1995. As of March 1996, it had already funded two projects: one to manufacture new contraceptive products, and a second, with the Confederation of Indian Industries (CII), to develop an awareness package for the prevention of HIV/AIDS in the workplace. Another four projects involving assistance totaling approximately \$800,000 will be funded in 1996.

Other donors: The World Bank, UNFPA, UNICEF and the British Overseas Development Agency provide complementary support in reproductive health, safe motherhood and child survival programs. This support is primarily channelled through existing government programs, and thus USAID support for the private sector is a unique contribution in the Indian context. The overall national and state level strategy for family planning and reproductive health is changing as a result of post-Cairo initiatives and consolidated effort by the key donors. As the centrally planned, target-oriented SO1 approach program shifts to a more client-centered orientation to address unmet needs, USAID and its partner donors have joined together to help the government develop alternate approaches to reorient the system. In addition, the Japanese--both JICA and OECF have shown an interest and commitment to broadening their support in the area of population, reproductive health and AIDS.

### **3. Expected Progress for FY 97 and FY 98**

- Statewide contraceptive use will increase from 20% in 1992 to 30% of married couples in 1997-8; in the first six IFPS focus districts, prevalence will increase to 37%.
- Over three million new users of contraception in the state;
- The average number of births per woman in U.P. will decline from 4.8 births in 1992 to 4.3 in 1997-8;
- Family planning and reproductive health coverage by non-governmental groups will rise from 0.2 million in 1994 to 18.0 million in 1998;
- Contraceptive social marketing sales will triple by 1997.

These results will be achieved through a variety of activities including training for: 3,000 medical officers in family planning methods, 500 female medical officers in IUD insertion, 100 surgeons in female sterilization, and 500 Auxiliary Nurse Midwives (ANMs) in family planning counselling. There will be substantial training for non-government service providers, including

several thousand rural private practitioners, 300 allopathic doctors trained in clinical services, 1,500 allopathic doctors in non-clinical services, and 1,200 traditional birth attendants (TBAs) in safe delivery and provision of family planning services.

Community-based distribution points and family welfare programs at milk cooperatives will be expanded from two to three districts. Improved techniques and counseling methods are expected to improve the quality of sterilization services by increasing post-operative visits by 50%. Access and demand for spacing methods will increase by 50% in focus districts through a 25% increase in clientele served by the ubiquitous rural private practitioners.

Finally, a concentrated statewide communications and education program is expected to improve the knowledge base of consumers resulting in:

- a 20% increase in women having knowledge of the health benefits of family planning;
- a 50% increase in men and women hearing or seeing family planning and reproductive health messages; and
- a 20% increase in women's knowledge that pregnancies can be controlled.

#### **NGOs Take Up Family Planning**

Prior to the launch of the IFPS project, only a handful of voluntary organizations providing family planning services existed in Uttar Pradesh, India's poorest and most backward state. Today, with support from the IFPS project, over 30 well established voluntary organizations have integrated family planning into their services for the community. This rapid mobilization of NGOs has been possible by establishing a non-government implementing agency (SIFPSA), which serves as an umbrella NGO to provide support grants to local NGOs and by developing an NGO training center in the state's capital. Here, NGOs learn about proposal development, family planning project management, ensuring high quality services, record keeping, maternal and child health interventions, family life education and gender sensitization. To date, the center has serviced over 60 NGOs and approximately 500 trainees.

Increasing the involvement of NGOs' is important as such groups are willing to innovate, emphasize concern for the client and quality of care, and tend to take a holistic approach to family planning. Under the IFPS project, organizations committed to literacy, income generation for self-employed women, youth groups and sanitation have all integrated family planning into their programs. Several are now second generation projects. With the training center in place, the number of NGOs successfully applying for grants continues to grow, and the projects underway receive the training and technical assistance required to ensure quality programs.

New Results Packages: USAID is currently designing the Women and Child Health (WACH) results package. Downsized from the earlier, approved EXPAND New Activity Description (NAD), this activity will focus on interventions to address infant and child mortality and improved women's health, including improved accessibility, use and quality of spacing

contraception. During results package development and initial implementation, the spacing interventions, expected outcomes and relevant indicators on women's health will be developed. The WACH design is described more fully under SO3 below.

The Women's Initiative results package (WIN) activity is also being designed at the present time. It will enhance the longer term results of both SO2 and SO3 through the empowerment of women to achieve greater control over the reproductive and productive lives and the health and education of their children, especially girls. WIN is also described more fully under SO3 below.

SO2.FIN

### C. Strategic Objective 3: Increased child survival and improved nutrition in selected areas.

#### 1. Summary of Data

The Problem: Although India's foodgrain production has increased in recent years, poor economic policies and inadequate infrastructure at both state and federal levels mean that one-third of India's population, more than 300 million people, are extremely poor and food insecure. More than half of Indian's young children are malnourished and maternal malnutrition is widespread. USAID has focused its food aid program increasingly in the northern states where food insecurity and infant mortality are greatest. The program, managed by CARE and CRS, supports efforts to improve maternal and child nutrition and health, thereby reducing mortality rates and contributing to results in health and family planning.

In the priority northern states, infant mortality exceeds the national average by 30-50 percent, and 8-12 percent of children still die in their first year of life. Another 5-10 percent die primarily from infectious diseases and malnutrition before they reach the age of five years. The problem of child survival is interwoven with the poor state of women's health. Over half of India's women are anemic, over one-third have a child while teenagers, and few are able to practice family planning to achieve an adequate interval between births. Closely-spaced pregnancies compromise the mother's health and increase morbidity and mortality. The risk of infant death more than doubles when children are born within two years of each other.

#### Strategic Objective Indicators:\*

- Under-five mortality rate declines (under five deaths per 1000 children) in selected states in north India.
- Infant mortality rate declines (infant deaths per 1000 live births) in selected states in north India.
- Percent of children less than four-years old classified as underweight in selected states in north India.
- Percent of births occurring in less than 24 months since previous birth.

\* Additional indicators will be added as the WACH results package is finalized in FY 96.

USAID is unable to report consolidated progress this year on intermediate indicators because until recently, Title II programs were required to report annually only on commodities and beneficiaries reached. During this year of transition from input monitoring to monitoring outcomes and impact, both CARE and CRS have participated and agreed on the choice of USAID's performance indicators. (See Annex A, Performance Monitoring Plan). They are submitting five-year Development Activity Proposals which include resource requests to establish monitoring systems that report progress achieved on some indicators next year. This year therefore USAID is reporting on the following:

- infant feeding practices, targeting and immunization data wherever available from activities contributing to SO #3.
- feeding coverage, feeding days achieved and counterparts trained as these bear a definite relationship to the intermediate results "improved quality and coverage of child survival programs in selected states".

Traditionally, both CARE and CRS have reported to USAID/W on the number of beneficiaries reached and feeding days. This data, as well as counterpart training data, is presented below for the past year.

Feeding and training achieved:

	<u>Achieved</u>	<u>Planned</u>
- No. of pregnant women, lactating women and children under six enrolled in MCH programs in rural and tribal areas who have received Title II commodities	CARE/I: 6.6 million CRS/I: 0.2 million	CARE/I: 6.6 million CRS/I: 0.2 million
- Total No. of days/months in the year when Title II food supplements were provided to pregnant women, lactating women and children under six	CARE/I: 239 days CRS/I: 12 months	CARE/I: 260 days CRS/I: 12 months
- Total No. of counterparts at all levels who have been trained	CARE/I: 33,000 CRS/I: 2,766	CARE/I: 73,300 CRS/I: 3,089

The Title II programs met coverage targets with some shortfall in feeding days due to delays in clearances of imported commodities at the ports and delays from monsoon rains. The shortfall in personnel trained was due to assembly and panchayat elections, transfer of key counterpart officials, vacant positions, unprecedented rain and close-out activities in three states.

With respect to targeting performance, CRS, which delivers food aid through a network of hundreds of non-profit service organizations, continues to target their program to the most food insecure populations. Two-thirds of the beneficiaries of the CRS Title II program come from either indigenous tribes or the former "untouchable" castes. During the past year CRS raised the number of girls enrolled in their school feeding programs

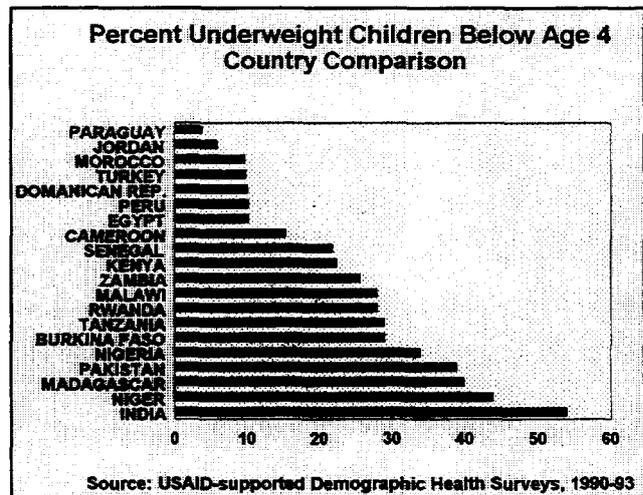
	CRS program areas-1995	NFHS, rural 1992-93
Immunization	Orissa 55%	35%
	MP 45%	26%
% of infants given semi-solids at six months	Orissa 71%	19%

by 25%--42% of the participants in the program are now girls. CRS Knowledge, Practice and Coverage surveys in two states indicate that immunization rates and infant feeding practices in CRS-assisted areas are 20-25% better than the rural averages at the state level as reported in the National Family Health Survey (NFHS).

A recent mid-term evaluation of the forty NGOs receiving assistance under USAID's PVO health project found that health services for mothers and children had improved. Immunization coverage rates have risen from 20-60 percent baseline to 60-80 percent at the time of the evaluation.

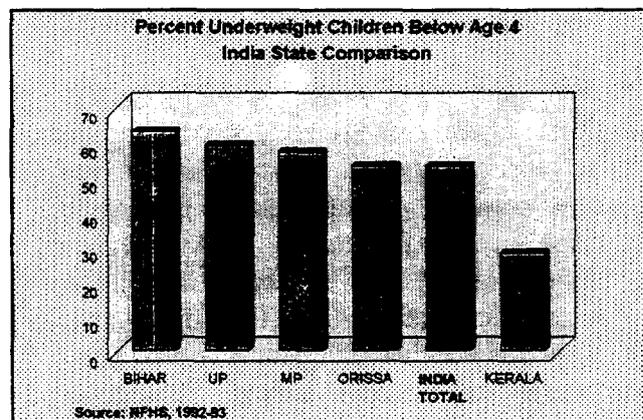
## 2. Analysis of SO Progress

Infant mortality rates in India have declined from 101 in 1982 to 79 in 1993. However, the numbers of underweight mothers and young children have not decreased as quickly, and malnutrition remains a serious public health problem in India. (See chart on undernutrition levels in 20 countries surveyed by USAID-supported Demographic Health Surveys between 1990-1993 and on the high levels of malnutrition in four of the USAID priority states as compared to the state of Kerala where female education levels are high and health services are more widely available.)



The India Title II program, which is targeted to the neediest women and children, addresses malnutrition through interventions to improve food utilization, health, and the nutrition knowledge of mothers. USAID's child survival efforts also include child spacing through its IFPS project, expanded community-based health services through non-governmental organizations and support for immunization and quality control of vaccines.

The IFPS project in Uttar Pradesh aims to expand the availability, quality, and use of spacing contraceptives in response to the expressed need of women, especially those under the age of 25, to increase the interval between their children's births. The NFHS and other surveys will track changes in birth intervals and their impact on child survival.



Government services are weak or non-existent in remote rural areas where there is high maternal and child mortality. CARE and CRS, with Title II assistance, have provided nutrition

supplements and ancillary health and nutrition education services to seven million poor women and children in these areas. Under the Title II Strengthening Grant program, CARE and CRS have established impressive logistics systems which move food deep into the rural areas of India. CARE trained 33,000 government counterparts last year on accountability and qualitative aspects of food supplementation program. CRS strengthened the capacity of over 900 co-operating partners in remote areas unserved by government programs. Based on CARE's success in achieving privatization of the food transport system in Orissa last year, the State Government has been approved private contracts for clearing and forwarding and transportation of the Title II-supported Integrated Child Development Services Scheme for another year.

The importance of combining the delivery of food supplements with ancillary services was highlighted in the Impact Evaluation of the CARE Title II program. The Indian government is now experimenting with approaches which would strengthen the health components of the ICDS. One groundbreaking and cost saving step in an extremely hierarchal bureaucracy is the decision to coordinate training, duties, and reporting of community government workers at the village level. CARE's new Integrated Nutrition and Health Program (INHP) will encourage joint work with the nurse-midwife and childcare-workers.

USAID dollar assistance to indigenous health NGOs has led GOI to provide funding for service organizations supporting grassroots NGOs on a much larger scale. Through USAID's PVO health (PVOH) project, local NGOs match grant funds with local resources and training in local institutions to provide quality community-based health care. These innovative and effective child survival and maternal health intervention programs have laid a foundation for strategies in the new Women and Child Health (WACH) activity which is currently in design. The PVOH project also supported the first phase of the new National Polio Eradication Initiative which is using strategies such as National Immunization Days to eradicate polio in India by the year 2000. In the past year, USAID India's support contributed to the immunization of 93 million children under age five.

Since immunization is essential to child survival, USAID is also supporting the Indian government's efforts to ensure quality control of vaccines and other biologicals produced or imported for use in India. With USAID support, the National Institute of Biologicals (NIB) has been established as an autonomous organization, and the NIB Laboratory is being constructed. The institutional capabilities of NIB are also being developed, and a wide range of Indian scientists, administrators and manufacturers have been exposed to quality control and assurance issues and methods. In the area of production and quality control of biologicals, USAID has provided new laboratory designs and procedures as well as strategic planning on the development of a scientific program and procurement of scientific equipment and computer systems for the NIB. As a result of this assistance to produce high quality, standardized biologicals, NIB is being considered as a South Asian resource center for quality control systems of vaccines, blood products and other biologicals.

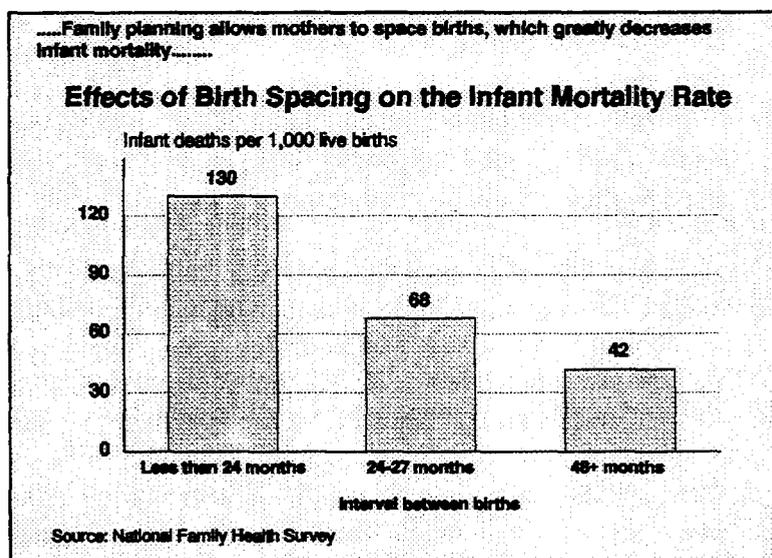
Other donors: USAID and the Government of Japan (GOJ) are jointly funding the current QCHT project and have been collaborating closely as new activities are developed in Madhya Pradesh.

JICA is currently assessing the situation in Madhya Pradesh and will later plan activities which are complementary to USAID's new, FY 96 start, WACH, described below. OECF has already received a loan request from the state of Madhya Pradesh for health infrastructure development. Likewise, USAID's WACH results package is being developed to build on the ongoing UNICEF/World Bank-supported Child Survival-Safe Motherhood program in MP, and includes extensive consultation with the other donors in Madhya Pradesh.

### 3. Expected Progress for FY 97 and FY 98

Over the next two years, it is expected that the activities under this SO will contribute to achievement of targets as described in the Performance Monitoring Plan in Annex A (i.e. a reduction in infant and under-five mortality rates in selected states; reduced child malnutrition; and increased intervals between births.). New women's, girls' education and women and child health activities will contribute to women's empowerment, reduced fertility, and improved health and nutrition.

The CRS Title II program will continue to shift activities to coincide with USAID priorities--both geographically and programmatically. With greater program consolidation and added emphasis on safe motherhood and child survival, the education and service components of their MCH program will be strengthened. There will be a continued focus on retention of girls in school. Studies have documented that female education enhances women's status and reproductive health because it is associated with later age at marriage, desire for smaller families, increased acceptance and access to contraception and improved child survival.



During the next two years, CARE plans to improve provisioning of Title II commodities to the household level in 45% of its program areas; incorporate improved targeting, immunization and Iron/Folate supplementation through capacity building in 30% of the program area; and initiate a comprehensive, high impact program including diarrhea and respiratory infection management, family spacing and ante-natal care elements in 3% of the program areas, through use of monetization funds. Each following year, they plan to scale up capacity building interventions by 15% and high impact interventions by 2%. These interventions are expected to bring about a positive change in behaviors related to health and prevention of diseases; to better target Title II commodities to pregnant/lactating women and children under-two; to improve the quality of India's child care program; and to improve co-ordination between health and child development functionaries. They will contribute to an improvement in nutritional status and a decrease in

mortality rates.

With regard to immunization, coverage is expected to reach 70-95% in PVOH project sites by 1997 when the project ends. The quality of vaccine supply in India should steadily improve with the continuation of the construction of the NIB laboratory and intensified staff training on procedures for children's vaccines, diagnostic kits and testing procedures. NIB will also conduct training programs and seminars on quality control and assurance for biological products.

New SO3 Results Packages: Considerable mission management attention in recent months has been devoted to strengthening USAID efforts under this strategic objective to improve child survival and nutrition in selected areas. This effort will intensify in the months ahead as USAID designs two new results packages for authorization in FY 96 and implementation beginning in FY 97.

The new Women and Child Health (WACH) results package (estimated Life of Project funding level of \$15 million) will focus efforts in the state of Madhya Pradesh and test new approaches to address the health problems of women and young children. It will complement UNICEF and World Bank support for ongoing government programs such as Child Survival/Safe Motherhood, Reproductive and Child Health and the Integrated Child Development Services Scheme. WACH will support selected, community-based intervention programs in a group of districts in Madhya Pradesh to address iron deficiency anemia in women; obstetric emergencies; tetanus toxoid immunization; improved childhood immunization coverage (especially for measles); improved access to spacing contraception and oral rehydration therapy for management of dehydration. As these intervention packages are finalized in FY 96, annual intermediate results indicators will be developed and added to the SO3 performance monitoring plan.

USAID is also designing the Women's Initiatives (WIN) results package for authorization in FY 96. The low status of women, especially in the northern states, indicated by the steady decline in the ratio of females to males, contributes to illiteracy, malnutrition, morbidity, mortality and poor health practices. Addressing these concerns WIN will contribute significantly to achieving S.O.3 child survival and nutrition objectives as well as complementing activities under each of the mission's strategic objectives in financial sector reform, reduced fertility, and improved environment. Improving the role and status of women underpins key aspects of USAID's entire strategy.

In the spring of 1995, a New Activity Description was approved for the WIN effort to support activities in the areas of women's advocacy and leadership, microfinance, literacy, and environmental health. A cross-sectoral Women's Empowerment Team has been formed and a strategy outlined to design the WIN results package. The initial thrust of the package will be to focus on new activities in microfinance, girls' literacy and of women's rights advocacy issues and to boost ongoing mission activities in health, population, and the environment which enhance the status of women. USAID is working with the Global Bureau to design the microfinance activity in May, forming partnerships with local organizations that can improve the coverage and sustainability of their micro-finance programs. USAID is also working with the PROWID

agreement in the WID Office to explore the possibility of channeling assistance directly to local NGOs for conferences and workshops, operations research, and selected grants to build a consensus on women's policy issues such as women's legal rights, violence against women, women's political participation, and greater attention to the needs of the girl child. As part of the overall women's empowerment package, the AID/W Office of Procurement is negotiating an institutional contract to implement the girls' education activity in one district of Uttar Pradesh.

Also in 1997, USAID has pledged to support the polio eradication initiative in a collaborative effort among donors (British ODA, DANIDA, UNICEF, WHO, German KFW, and Rotary International). This assistance will include funds for vaccine and cold chain procurement, disease surveillance, continued support to Rotary's social mobilization efforts, and, through PACT/CRH, support for production of non-CFC, ice-lined refrigeration equipment to improve the cold chain. The national polio immunization days should not only decrease the number of polio cases in India within a two year period, but will also greatly strengthen the overall immunization system critical to delivering other vaccines to protect children.

SO3.FIN

## **D. Strategic Objective 4: Improved environmental and financial sustainability in the energy sector.**

### **1. Summary of Data**

**The Problem:** A major factor affecting the pace of India's economic growth and the quality of environment is its ability to generate and use electricity efficiently. India is unable to cope with the current demand for power. The state power utilities are inefficient, often bankrupt, and unable to serve the needs of a country which already has one of the lowest rates of per capita electricity availability. Yet at current rates of economic growth, the demand for electricity will more than double in next five years, and, to the extent that it is met, it will be fuelled by India's abundant but high-ash, low-efficiency coal, contributing to environmental degradation in India and globally. USAID's objective is to improve efficiency of energy supply and use in selected industrial sectors; and to increase private power generation from clean coal and renewable energy technologies.

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#### Strategic Objective Indicators:\*

- Private power as percentage of power generating capacity will increase from 4.4% in 1993/94 to 5% in 1994/95; **Achieved:** 4.4%.
- There will be an increase in the percentage of kilowatt hours billed to KWH produced; from 72.3% in 1992/93 to 73% in 1994/95. No figures available for 1994/95 yet.
- There will be a decrease in the net CO<sub>2</sub> emissions per unit of power generated; the ratio will decrease from 1.24 in 1993/94 to 1.23 in 1994/95. No figures available for 1994/95 yet.

#### Intermediate Results Indicators:\*

- There will be an increase in plant load factor in coal fired power plants from 61% in 1993/94 to 62% in 1995/96. **Achieved:** 60% in 1994/95.
- There will be a percentage reduction in transmission and distribution losses from 22% in 1992/93 to 21.5% 1995/96. To date no firm data available.
- There will be a percent increase in MW of energy produced through renewable energy technologies; from 0.2% in 1993/94 to 0.35% in 1994/95 and 1.0% in 1995/96. **Achieved:** 0.6% in 1994/95 and an estimated 1% in 1995/96.

\* Please refer to Annex A, Performance Monitoring Plan which includes additional data regarding progress in achievement of strategic objective 4 and its performance outcomes.

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## 2. Analysis of SO Progress

Overall: There has been some tangible progress made in the last year although it is not yet completely reflected in the indicators. Since 1991, major changes have occurred in the Indian economy in general and the power sector in particular. Despite a turbulent political debate over privatization, the first private power plant construction project involving foreign investment--Enron--has now advanced to the construction phase and a number of other "fast track" projects appear to be on their way. Policy and regulatory reform has advanced significantly--most notably in Orissa--but election-year politics have delayed dramatic new announcements. An increase in donor activities involving sugar cane bagasse cogeneration and the use of renewables will permit positive reporting in this area in the near future. More specifically, the following results were recorded for the SO and IR indicators.

4.1. Private power generation: In August 1991 the Indian electricity laws were amended to promote greater private sector participation. To attract private investment for new generation projects, an attractive two-part tariff structure was announced in March 1992 which allowed recovery of full fixed charges and a 16% return on equity at 68.5% plant load factor. In 1994, additional amendments were introduced for providing flexibility to the State Electricity Boards (SEBs) in negotiating Power Purchase Agreements (PPAs).

A total of 243 proposals for private power projects are under negotiation, and another 176 plants, with a capacity of 50,644 MW, are under review. (India's current installed electric power generation capacity is 82,000 MW.) Sixteen independent power projects (IPPs) totaling 9,895 MW have qualified for the first batch of fast track projects, and another 31 IPPs, involving 22,744 MW, are scheduled for the second batch of projects. This will significantly increase the percentage of private power generating capacity which was a mere 4.4% of the total generating capacity in 1994-95, but progress will not be reflected until 1996-97 when financial closure is reached and construction begins on several projects.

To expand the scope of India's power sector, USAID initiated the "India Private Power Initiative" (IPPI) and later made this activity one of the components of the Energy Management Consultation and Training (EMCAT) project. Through this activity, USAID has provided assistance on model Power Purchase Agreements (PPAs) for private power plants, the development of alternatives to state counter-guarantees and financial models and options for new generating capacity. A core of upper level staff from 11 State Electricity Boards (SEBs) and key central government agencies has been trained in courses covering the state-of-the-art private power issues.

4.2. Increase in kilowatt hours billed: The financial efficiency and viability of Indian electric utilities is measured by the percent increase in kilowatt hours billed relative to kilowatt hours produced. The vast majority of Indian utilities are poorly managed and politically controlled SEBs. To build the political consensus required to restructure these utilities to operate on a commercially sustainable basis will take time. However, with World Bank leadership and active USAID support, important policy breakthroughs are underway which will fundamentally

restructure the Orissa state power sector. There is promise for similarly radical changes in at least four other states.

Through a partnership with the Power Finance Corporation (PFC), USAID, with EMCAT project funding, has trained hundreds of SEB officials and provided technical assistance to expand the capacity of PFC to support efficiency improvements in SEBs. In Haryana state, for example, the PFC, with USAID support, is working with state power organizations to leverage a \$500 million loan from the World Bank to design and implement restructuring.

#### **Study Changes Policy and Leads to \$20 million Investment**

A 1992 EMCAT project study, "Advancing Cogeneration in the Indian Sugar Industry", examined the policy changes needed to develop adequate mechanisms to ensure that the mills will be paid for the power purchased by the state utilities. Largely as a result of this study, the Tamil Nadu State Electricity Board formulated a comprehensive policy to encourage purchasing, wheeling and banking of cogenerated power. Encouraged by the new policy, Thiru Arooran (a Tamil Nadu based sugar mill) commissioned its highly efficient 17 MW cogeneration facility this financial year to export power to the state grid, representing an investment of approximately \$20 million.

**4.3. Decrease in net CO<sub>2</sub> emissions:** Since more than 70% of the power utilities use coal as a primary fuel, USAID efforts target a decrease in ratio of net carbon dioxide (CO<sub>2</sub>) emissions (the principal greenhouse gas or GHG causing global warming) per unit of power generated (net emissions kilogram/kilowatt hour generated). No actual figure is available for 1994-95 as the Asian Development Bank's Least Cost Greenhouse Gas Reduction Strategy (ALGAS) project, which is the source of GHG and CO<sub>2</sub> monitoring in India, was delayed in starting. Information is expected in 1995-96 for this indicator.

Under the Greenhouse Gas Pollution Prevention Project (GEP), USAID is helping the National Thermal Power Corporation (NTPC), India's largest single power company with 20 percent of total generating capacity, to introduce new technologies and operating practices in Indian power utilities. GEP is helping the NTPC on tasks related to pollution monitoring and control, assessing advanced coal conversion technologies for suitability to Indian conditions, plant efficiency, plant life extension, ash utilization and fuel quality issues (results to be measured by SO indicator 4.3). The activities are managed by the U.S. Department of Energy's Pittsburgh Energy Technology Center (PETC) with experts from the Tennessee Valley Authority (TVA) and the Electric Power Research Institute (EPRI).

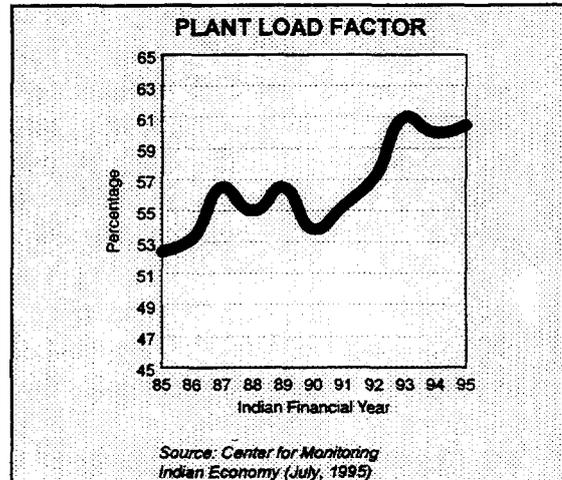
Since there is great potential for increasing power generation capacity by cogeneration (combined heat and power production from the same fuel source), the GEP Project is also supporting cogeneration in the sugar industry. Estimates of the total sugar industry-based bagasse cogeneration potential for India range between 3,500 and 7,000 MW.

#### **Intermediate Results**

**4.1.1. Plant load factor increases:** Though the overall power plant load (PLF) factor covering all public and private utilities has increased from 55% in 1991-92 to 61% in 1993-94, the PLF for

1994-95 was 60% against a target of 61%. Delay in the stabilization of new units and poor performance of the northern region utilities due to non-implementation of preventive and capital maintenance were largely responsible for the decline in the overall PLF. However, power transmission and distribution losses decreased from 22% in 1992-93 to 21% in 1994-95.

Power generation performance guarantee test data from two NTPC power generating units are being used to establish baseline data for efficiency improvement efforts. A US delegation from EPRI and TVA identified measures for efficiency improvement and better plant site management to be implemented over the next twelve to eighteen months. After the monitoring equipment is commissioned, these units will be able to assess the degree of reduction in carbon dioxide per unit of power generated. In addition, US flyash utilization concepts and data on US clean coal technologies will be reviewed for optimum application in India.



**4.1.2. Electricity transmission losses reduced:** The electric power transmission and distribution losses will decrease further in the coming years and are expected to improve further from 21% presently to less than the targeted 20.5% in 1997-98. USAID has provided technical training in loss reduction techniques and technologies.

**4.2.1. Increased clean coal power output:** Clean coal technologies, which include coal beneficiation, Integrated Gassification Combined Cycle (IGCC) and Pressurized Fluidized Bed Combustion (PFBC), are only moving toward their first commercial applications in the U.S. and other OECD countries. Investments in their commercial development in India are expected in the next year or two. It is therefore premature at this time to set targets. Nevertheless, USAID is directly involved in the promotion of the commercialization of these technologies in India. Progress data on increases in megawatts of energy produced by clean coal technologies for 1995-96 are not available as the GEP project's activities have only just begun implementation, but baseline and targets will be set within six months.

Through the PACER project USAID has advanced clean coal power technology adaptation and commercialization through a pilot scale PFBC project (5 MW) and the first privately-owned coal beneficiation plant for power plant coal. In addition, the GEP and PACER are successfully transferring to India the technologies and lessons of the \$7 billion US Clean Coal Program.

**4.2.2. Increased renewable energy power output:** USAID assistance in the renewable energy sector has increased renewables' share in power generating capacity from 0.58% in 1994-95 to about 1% by November 1995. Renewable sources are expected to exceed the targeted 1% of the total generating capacity by 1996, exceptional growth and an important step toward greater environmental sustainability.

As a part of the Asia Sustainable Energy Initiative (ASEI), in FY 95 USAID, through the EMCAT project, provided a grant of \$3.15 million to Winrock International's Renewable Energy Project Support Office (REPSO) to accelerate private renewable energy generation investment. Results will be reported in the next R4.

### 3. Contribution of USAID Activities

In addition, to the USAID activities noted above, additional activities contribute to progress under this SO.

The Program for Acceleration of Commercial Energy Research Project (PACER): Launched in 1987, PACER has provided 25 conditional grants to encourage industry to lead consortia of manufacturers, research organizations and/or industrial end users to carry out commercially-oriented research in clean and energy efficient technologies, including coal beneficiation, alternate clean fuel development, coal bed methane fuel production, and energy efficient industrial components. Six projects funded under PACER will soon be functioning as commercial ventures.

The Energy Management Consultation and Training Project (EMCAT): Under EMCAT, twenty sectoral studies in four major energy-intensive industrial sectors (cement, fertilizers, pulp and paper, and sponge iron) identified investments in energy conservation. Shree Cements Ltd., Rajasthan and Gujarat Narmada Valley Fertilizer Company Ltd., Gujarat, two of the sites where the sectoral studies were carried out, are already in dialogue with Industrial Development Bank of India (IDBI), the implementing agency for EMCAT's energy efficiency component, to mobilize loans for investments identified by the studies.

EMCAT is supporting India's first program for Demand Side Management (DSM) for the customers of the Ahmedabad Electric Company (AEC). Initial efforts point to potential energy savings of 3.7% in annual electricity costs and demand reduction of 5-10 MW.

EMCAT has promoted development of energy service companies (ESCOs) to design and invest in energy efficiency improvements in collaboration with industries. Through training, study tours,

#### **India's First Private Coal Washery Launched**

70% of India's power is provided by coal - one of world's least efficient coals because of its high (40-45%) ash content. Coal beneficiation through washing and other techniques can reduce ash content by as much as 30%. It directly lowers coal transport costs, increases power plant efficiencies, and lessens environmental degradation from flyash pollution of air, water, and soil.

India's first private coal washery is about to break ground thanks to a USAID-funded Indo-US joint venture between New York's energy developer, Spectrum, Inc., Pennsylvania's coal washery engineering firm, CLI Corporation, Inc., and India's premier private utility, Bombay Suburban Electrical Supply. A \$1.5 million PACER project grant has leveraged over \$8 million in private investment. The effort will, for the first time on a commercial scale, prove the economic and environmental benefits of washing India's high ash coal and demonstrate the feasibility of advanced coal beneficiation technologies.

and investment missions, two joint ventures are now completed, and the ESCO concept is now understood in India as a viable energy and environment business opportunity.

#### **4. Expected Progress for FY 97 and FY 98**

The coal washery project, established between India's premier private electrical utility, the Bombay Suburban Electricity Supply (BSES), and the US-based Spectrum Coal Washeries Inc. was approved in FY 95 and will begin to produce the first beneficiated coal for the Indian electric power industry by 1996-97. It will begin full commercial operation by 1997-98. This joint venture, as the first private Indian coal washery for power plant coal supply, will provide a ground-breaking example of key technology for improving the financial and environmental sustainability of coal-fired power generation.

The GEP project will introduce technical efficiency and environmental improvement measures at the two NTPC plant units being assisted and will begin support to one plant belonging to a State Electricity Board. A pilot scale advanced coal conversion technology demonstration plant will be selected for a \$2.5 million GEP-funded grant. Together, these efforts will produce solid quantifiable results on improving efficiency of existing coal-fired power plants.

Also under the GEP project, USAID and IDBI will review and select four to five demonstration cogeneration projects for technical and financial assistance. These projects, coming on line by 1997-98, are likely to offset at least three million tons of CO<sub>2</sub> every year.

As a result of these activities as well as others under this SO, the following progress is anticipated in FY 97 and FY 98:

- The total power generating capacity will increase from 82,000 MW currently to 88,000 MW in 1996-97 and 92,000 MW in 1997-98 with the private power contributing over 8% and 9% respectively of the total generating capacity (S.O. indicator 4.1).
- The improvements in the percentage of kilowatt hours billed to kilowatt hours produced from the existing 72.8% to 74% in 1996-97 and to 75% in 1997-98 will increase revenues to the public and private utilities (S.O. indicator 4.2).
- As a result of concentrated mission activities, clean coal technologies and improvements in the efficiency of power generation will lead to a net reduction in carbon dioxide emissions per unit of power generated to about 1.21 in 1996-97 and will reduce further to 1.19 kg CO<sub>2</sub>/KWh by 1997-98. (S.O. indicator 4.3).
- The plant load factor will improve significantly to 63% in 1996-97 and to 64% in 1997/98 as a result of activities focused on efficiency improvement of thermal power generation and adoption of clean coal technologies (indicator 4.1.1).

- USAID assistance in renewable energy sector will result in an increased share in power generating capacity from renewable energy sources to almost 2% of the total generating capacity in 1995-96 and 3% in 1997-98 (indicator 4.2.2).
- Progress data on the percent increase in MW of energy produced through clean coal technologies (indicator 4.2.1) is not available, and targets will be set later in 1996.

SO4.FIN

**E. Strategic Objective 5: Improved air and water quality at selected industrial sites and municipalities.**

**1. Summary of Data**

The Problem: India, the world's tenth most industrialized nation, is the second fastest growing producer of greenhouse gases. Its industrial growth could triple its emissions between 1987 and 2010. Carbon dioxide emissions are expected to double and ozone depleting emissions will grow considerably. Of India's 3,119 towns and cities, only eight have full sewage disposal and treatment and only 209 have partial facilities. Environment conditions are deteriorating rapidly within these cities, and the effects fall disproportionately upon the poor. Most surface water resources fail to meet minimum WHO standards. USAID/India's work abates pollution through the introduction of clean technologies and by improving instruments for financing urban infrastructure.

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Strategic Objective Indicators:\*

- Reduction in pollutants in waste water at selected sites. The first waste water project is nearing completion and initial pollutant reduction data is expected in 1996/97.
- Reduction in gaseous and suspended particulate matter in air at selected industrial sites and power plants. There is an average 97% reduction in pollutants in 11 USAID-supported plants. This is on target. Two power plants have been selected for USAID-supported technologies; implementation has just begun.

Intermediate Results Indicators:\*

- Increased number of companies manufacturing clean technologies, and power plants using clean technologies. Target: 15 companies manufacturing clean technologies and two power plants using clean technologies in 1995/96. Achieved: Ten USAID-assisted companies manufacturing clean technologies; no power plants using USAID-supported clean technologies yet.
- Value of annual sales in clean technologies under TEST increases. Target: \$40 million in 1995/96. Achieved: \$37 million under TEST. None under GEP yet which started in 1995.

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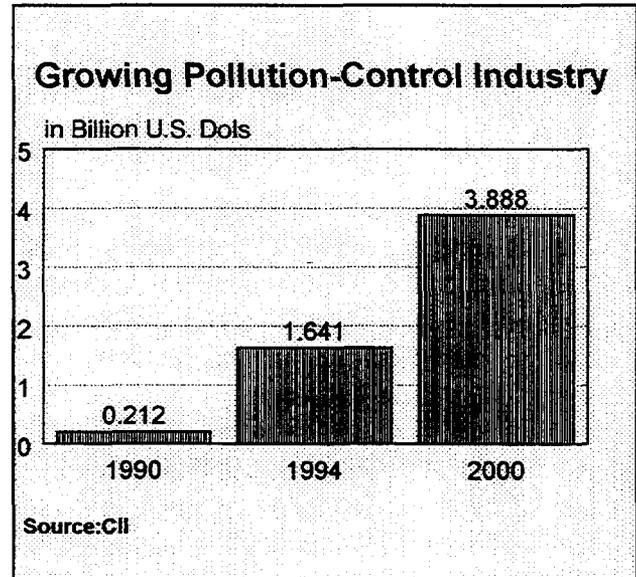
\* Additional data on planned and actual results for the various performance indicators for this strategic objective can be found in Annex A, USAID's Performance Monitoring Plan.

## 2. Analysis of SO Progress

India, the world's eighth largest economy has recently registered industrial growth around eight percent and expects to achieve a 12% annual average rate by the turn of the century. Such accelerated growth could produce a major environmental crisis unless industries adopt more ecologically benign options based on cleaner technologies and resource conservation.

This industrial growth will affect the urban population most directly. In India nearly one-fourth of the 218 million urban population has no access to safe drinking water, and over half the population has no access to safe sanitation, surface water, drainage, and solid waste collection or disposal services. These 'brown' environmental issues will worsen without a growing pollution control industry and without greatly accelerated urban environmental infrastructure construction.

Fortunately, there is a growing demand for environmental services and technologies in India. The current market of \$1.6 billion (projected to reach \$3.9 billion in 2000) for pollution control technology, equipment and service offers a great opportunity for Indo-US joint venture and technological collaboration. (See box)



To achieve the strategic objectives of reduced pollutants in waste water and improved air quality at selected industrial sites and power plants, USAID works with its Indian partners through the Trade in Environmental Services and Technologies (TEST) project, the Greenhouse Gas Pollution Prevention (GEP) project and the Delhi Water Treatment Plant funded under the Technical Assistance and Support Project (TASP).

S.O.5.1. Reduced waste water pollutants at selected sites: The TEST project assists Indian industry access clean and resource efficient US technologies and services. The first major breakthrough in water pollution abatement was a technology licensing agreement nurtured between the Agro Pulp Machinery Private Limited (APML), in Madras and Enders Process Equipment Corporation (EPEC), Glenellyn, Illinois. Agro-based paper mills using this clean technology will reduce Biological Oxygen Demand (BOD - a measure of water pollution) from 1,650 to 700 parts per million by liter (a 60% reduction), valuable caustic soda will be recovered from the sodium rich liquor, energy consumption will be reduced, and paper quality increased. Several State Pollution Control Boards are closely following this investment because its success

would allow them tighten effluent levels without endangering scarce rural jobs. A \$150 million market has been projected for this technology in India.

USAID is also financing instrumentation equipment for a state-of-the-art, demonstration water treatment plant in New Delhi which will be completed in 1997. This clean technology will reduce the use of costly chemicals and conserve energy while increasing clean water production, causing a 30 percent overall efficiency improvement. According to the US Trade and Development Agency, the market for this technology includes 200 retrofits and some 50 new projects during the next five-seven years ( sales value: \$500 million).

S.O.5.2. Reduced gaseous and suspended particulate matter at selected industrial sites: The following examples illustrate how USAID support has increased the number of companies in India that produce and use clean, US technologies to reduce pollution loads at selected industrial sites:

■ In 1993-94, USAID supported a joint venture between Kirloskar AAF Limited, Bangalore and SnyderGeneral, Texas to manufacture in India air pollution control equipment (e.g. electrostatic precipitators, bag filters) with application for cement, steel, and power industries. After more than one year, Kirloskar AAF Limited has already sold pollution control equipment valued \$10 million and has orders for another \$18 million. The equipment has reduced air pollution by more than 80% where installed.

■ In 1994-95, with USAID support, TTG Industries Limited (TTGIL), Madras joined Swemco Inc., New York City and Joy Environmental, Houston, Texas to introduce a gas cleaning system that will eliminate a daily arsenic load of 2,160 kg and reduce other daily emissions like bismuth from 647 to 9 kg and selenium from 63 to 2 kg.

■ In 1994-95, DI Filters Systems Private Limited, New Delhi entered a USAID financed-agreement with Donaldson Corporation (DC), Minneapolis to manufacture industrial air filters for gas turbines. The systems will significantly improve the efficiency of gas turbines resulting in improved air quality. DC anticipates first year sales in 1995-96 of \$4 million. DC also plans to introduce other products into the Indian market such as dust and fume collectors for the work place and filters for diesel engines. The air pollution reduction impact from these new products will be evident in 1997-98.

S.O. 5.2. Reduced gaseous and suspended particulate matter at selected power plants: As discussed under SO4, GEP will offset greenhouse gases (particularly CO<sub>2</sub>) through partial funding of five sugar mill cogeneration project which would displace over seven million tons of CO<sub>2</sub>. Therefore, if the total 3,500 MW were developed, over 300 million tons of CO<sub>2</sub> could be displaced over the 20-year lifetime of the advanced biomass cogeneration sugar mills.

## Intermediate Results

5.1.1 (a). Increased number of companies manufacturing clean technologies: In 1994/95 seven Indo-US business alliances assisted by USAID produced in India improved, pollution-reducing boilers and control equipment. This equipment resulted in substantial reductions in suspended particulate and gaseous matter. Due to drastically reduced funding levels, (requested \$8 million obligated \$2.2 million), TEST could only approve three Indo-US alliances in 1995/96 which will manufacture improved air intake filters, gas cleaning equipment and sugarcane separation systems.

5.1.1. (b). Increased number of power plants using clean technologies: Because the GEP project just began operations in 1995 there are not yet any power plants using USAID-funded clean technologies. Two NTPC power plants are designing and implementing clean technology applications to improve their efficiency and decrease green house gas and suspended particulate matter emissions. Purchase and installation of the equipment is expected to take place in 1996/97.

5.1.2 Increase in the value of sales of clean technologies (equipment) in India: The annual sales value of all clean technologies and equipment by TEST-supported firms is estimated at \$37 million for 1995/96 against a target of \$40 million. GEP-related clean power generation technology sales targets will be set in 1996/97.

5.1.3. Increased volume of treated municipal wastes through commercially viable systems and 5.1.4. Access to treated or disposed sewage, solid waste and water through commercially viable systems: The urban infrastructure component of the FIRE project is designed to develop an infrastructure finance system to mobilize resources for urban environmental infrastructure projects. FIRE provides \$125 million in Housing Guaranty assistance over a five-year period and supporting grant funds for technical assistance, training and management support services. The program strategy is to develop commercially viable urban environmental infrastructure projects, (i.e. water supply, sewerage, effluent treatment and solid waste management systems) which will improve air, water and land quality at selected municipalities.

The development of the first USAID-supported environmental infrastructure project began during 1994-95. (The normal time frame for development of such an environmental infrastructure project, including technical/financial/environmental feasibility analysis, financial closure, and other contractual arrangements, range from 18-24 months before the construction begins, and another 18-24 months for completion of the construction phase. Hence no performance data for 1994-95 for indicators 5.1.3 and 5.1.4 is available.) With USAID support the Infrastructure Leasing & Financial Services Ltd (ILFS), a private institution, has developed and packaged a commercially viable environmental infrastructure project, discussed under strategic objective one, which includes a water supply and sewerage system for Tirupur, a small city of approximately 350,000 people in the state of Tamil Nadu. This project will provide access to treated water and sewage to all the inhabitants of Tirupur by the end of 1997. The T.A. and training support to Tirupur municipality will equip the municipality with skills to prepare environmental maps, conduct environmental impact assessments (EIAs) and monitor the environmental status of the

municipality, including access to US expertise on treatment technologies. In 1995-96 the legal entity through which the program will be implemented was established, and initial short listing of potential BOT operators has been completed.

A number of other potential projects on solid waste management, water supply and sewerage systems have been identified in the states of Gujarat, Andhra Pradesh, Karnataka and Maharashtra, for which feasibility analyses are being carried out. Since environmental infrastructure projects like Tirupur have long gestation periods, actual performance data under P.O indicators 5.1.3 and 5.1.4 are not available in 1995-96.

5.1.5 Hectares of fly-ash ponds and land fills avoided due to commercial utilization of ash: USAID is working through the GEP Project to advance and accelerate commercial investment in power plant generated flyash utilization. In 1996/97, targets will be set for this indicator.

Leverage: Under this S.O. USAID projects and leadership have leveraged considerable support from other USG and donor agencies which contribute to results under this strategic objective:

- TEST helped to mobilize a World Bank commitment to finance India's first large scale hazardous waste incineration project (\$22 million) and to fund a US waste water treatment and solid waste management feasibility study in India's largest and major polluting industrial complex;
- TEST clients have benefitted from \$255 million in World Bank lines of credit available for the procurement of industrial pollution control equipment.
- Based on its successful work with the urban infrastructure component of the FIRE project, ILFS is actively negotiating with the World Bank a US\$250 million line of credit for investment in urban infrastructure. As a result, in 1996-97, apart from the Tirupur project, two more water supply/solid waste/sewage system projects are expected to start;
- TEST gained support from the US Asia Environmental Partnership (USAEP) to introduce a cleaner and more energy efficient technology for coal beneficiation and strengthen capacity development of a variety of Indian institutions and organizations concerned with better environmental protection;
- U.S. Environmental Protection Agency (USEPA) has agreed to monitor emissions from foundries for improved air quality management.

### **3. Expected Progress for FY 97 and FY 98**

In 1996-97, USAID, through the TEST project, will support another seven Indo-U.S. environmental business alliances with a projected annual sales value of \$60 million--\$80 million by 1997-98 (indicator 5.1.2). Correspondingly, the reduction in gaseous and suspended particulate matter in air at selected industrial sites/power plants will be 85% in 1996-97 and 90%

in 1997-98 (S.O. indicator 5.2). This project will help the environmental industry reach the \$4 billion level in sales projected for the year 2000 primarily by the direct TEST support of 25 Indo-US environmental collaborations which will market \$300 million of clean and/or environmental products; by USAID support for a business environmental information system designed to facilitate technological and commercial linkages between Indian and American industries; and by the promotion of successful technologies (e.g. caustic soda remediation) through specialized market channels (i.e. producer associations, suppliers, state pollution control boards).

In 1996-97 and 1997-98 GEP will implement efficiency improvements in the NTPC units already selected related to indicator 5.1.1 and 5.1.2. Results will be measured and monitored in reduction of specific air pollution emissions as well as the efficiency improvements. Two plants belonging to State Electricity Boards will also be identified as beneficiaries under this program. Additionally, three workshops and seminars on advanced and clean technologies will be organized while a demonstration commercial-scale advanced coal conversion technology demonstration plant for a grant of \$2.5 million will be operational and ready to produce efficiency and emissions results. Implementation of USAID-supported investment projects will begin in 1996-97 and 1997-98, promoting efficient bagasse burning to maximize both the period of bagasse usage as well as surplus power produced in cogeneration. The exact number of eligible projects will be known in 1996-97, baseline data on the investment projects to be supported will be compiled and targets for CO<sub>2</sub> reduction will be established. Finally, related to indicator 5.1.5, Indian and US firms are approaching NTPC and other power utilities to express interest in commercial exploitation of fly ash and bottom ash. In 1997/98, indicators should demonstrate the impact of commercial investments.

For the infrastructure component of the FIRE project, by 1998-99, three other water supply/solid waste/sewage system projects are expected to provide services for the collection and disposal of solid waste (up to 150 tons a day during 1997-98 and 300 tons a day during 1998-99-indicator 5.1.3.1); the treatment of sewage (up to 140 million liters/day in 1998-99-indicator 5.1.3.2); the treatment of water (up to 46 million liters/day during 1997-98 and 370 million liters/day during 1998-99-indicator 5.1.3.3). These efforts will provide access to treated/disposed sewage, solid waste, and water for around 350,000 people in 1997-98 and one million people in 1998-99 through commercially viable systems (indicator 5.1.4).

## **F. Strategic Objective 6: Increased conservation and availability of crop-related germplasm.**

### **1. Summary of Data**

The Problem: India is one of the foremost sources of the world's biodiversity and the origin of at least 20 important crop species including rice, citrus (lemon and orange), banana, cucumber and millet. Yet India's genetic diversity is threatened by its population growth rate and pressures on its environment.

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#### Strategic Objective Indicators: \*

■ Increased number of germplasm samples stored in genebanks; from 176,000 samples in 1993/94 to 250,000 per year by the end of the USAID project in FY 98. Target 176,000 in 1995/96. **Achieved:** 176,000

#### Intermediate Results Indicators: \*

■ Increased number of new germplasm acquisitions; Target: from 2,818 in 1993/94 to 3,000 in 1994/95 and 3,000 in 1995/96. **Achieved:** 2,788 in 1994/95 and expecting to achieve 3,000 in 1995/96.

■ Number of exchanges of germplasm material; Target: from 6,097 exchanges in 1993/94 to 5,000 in 1994/95 and 5,000 in 1995/96. **Achieved:** 40,811 in 1994/95 and an expected 5,000 in 1995/96.

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\*Additional data on planned and actual results for this Special Objective can be found in Annex A, USAID's Program Performance Monitoring Plan (PPMP).

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### **2. Analysis of SO Progress**

USAID's program to achieve this Strategic Objective supports India's efforts to develop its capacity for increased conservation crop-related germplasm for national use and for regional and global exchange. To that objective, USAID is assisting the National Bureau of Plant Genetic Resources to expand its existing storage capacity and facilitate exchanges.

The following results were achieved in 1995:

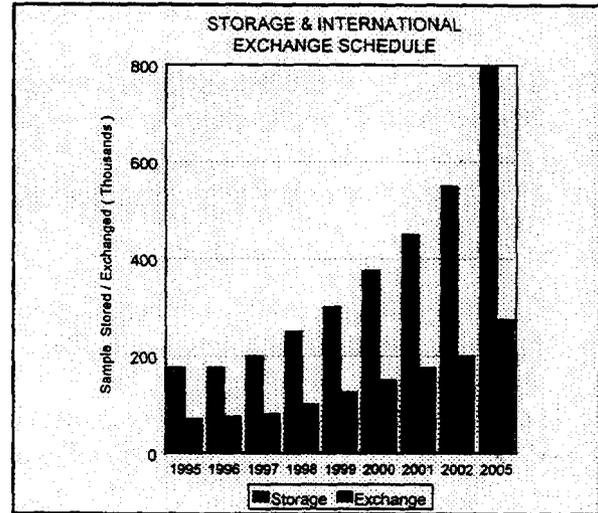
■ The number of new germplasm acquisitions was substantially on target with 2,788 acquisitions in 1994/95 compared to the target of 3,000 acquisitions.

■ The actual number of germplasm samples exchanged increased almost eight-fold; i.e., 40,811 as against the 5,000 target (indicator 6.2.1). The number of germplasm exchanges fluctuates from year to year because requests depend on the weather, crises in resistance of important crops, and

needs of researchers. The annual germplasm exchange rate is expected to stabilize around 1998-99.

■ Four collaborative research programs with US institutions resulted in significant scientific advances. These exchanges improved the quality of soybean seeds, identified and evaluated egg plant taxonomy, and advanced DNA finger printing techniques for banana germplasm diversity and stability.

During 1996, the following USAID activities are contributing to the achievement of the strategic objective.



■ Awaiting the completion of additional storage capacity (the new genebank), anticipated to be operational in 1997, the acquisition of new germplasm has been modest even though a target of 3,000 germplasm acquisitions is likely to be met (indicator 6.1.1) this year. Similarly, the number of germplasm specimens stored (176,000) remained stationary this year although there will be a quantum jump next year after the new genebank is commissioned. (Strategic Objective Indicator 6.1).

■ The target of an additional 5,000 germplasm exchanges is being met easily, and it is expected that the total germplasm exchanged will again exceed the targeted number of specimens by the end of 1996. (indicator 6.2.1).

■ Of the four quarantine greenhouse facilities (New Delhi, Hyderabad in Andhra Pradesh, Kanpur and Bhowali in Uttar Pradesh), three have been completed (New Delhi, Hyderabad and Kanpur) and handed-over to the National Bureau of Plant Genetic Resources (NBPGR). The fourth quarantine facility will be completed over by June 1996. Relevant training of the Indian professionals responsible for operation and maintenance of the above three facilities has also been given.

■ Procurement of scientific equipment and germplasm storage units amounting to \$5.3 million has been completed. All scientific equipment has been received and installed. The long and medium-term storage units from the United States will be installed shortly.

### 3. Expected Progress for FY 97 and FY 98

The genebank facility will be dedicated in late 1996 by the President of India. Also during the year, the Second World Congress on Crop Sciences will be convened in New Delhi at NBPGR headquarters. Several thousand scientists from than 150 countries are expected to participate in the Congress with the US delegation being headed by the Under Secretary of Agriculture.

The following results will be achieved in 1997:

- Both long and medium-term storage modules will be installed in the genebank raising its capacity to 800,000 samples. The genebank will become fully operational.
- An additional 24,000 germplasm samples will be stored, raising the cumulative number to 200,000.
- Approximately 50,000 additional germplasm acquisitions will raise the cumulative number of new germplasm acquisitions to 59,000.
- Approximately 5,000 germplasm samples will be exchanged to promote scientific research and of increase crop production in other countries.
- The fourth quarantine greenhouse facility at Bhowali (U.P.) will become fully operational.
- Another (fourth) Indo-US joint collaboration for identification, collection and exchange of citrus germplasm will be conducted. The samples collected shall be exchanged with the U.S.
- One collaborative research activity in the area of medicinal plants will be completed. Scientific exchanges shall benefit both India and the U.S.
- A group of nine professionals will be trained in the United States in specialized areas covering DNA finger printing technologies and medicinal plants.
- A database management system for documentation of germplasm characteristics will be installed and tested for operation. This will facilitate provision of information globally and promote exchange of germplasms with user countries.

USAID/India support will conclude on September 30, 1997. During the 1997/98 period, the following additional progress is anticipated:

- A further 50,000 germplasm samples will be stored in the genebank, raising the number to 250,000 (S.O. indicator 6.1).
- An additional 50,00 germplasms will be identified and acquired, raising the number of new acquisitions to 106,000 (indicator 6.1.1).
- About 20,000 germplasms will be exchanged globally raising the number to around 71,000 (indicator 6.2.1).
- The database management system will be fully operational, facilitating free flow of information on request.

By the year 2000, NBPGR will have achieved its ultimate targets in terms of storage of germplasm samples (800,000 samples--cumulative), exchange of germplasm on a global basis (275,000--cumulative) and acquisition of new germplasm samples (650,000--cumulative).

SO6.FIN

## G. Special Objective 1: Reduced transmission of HIV infection.

### 1. Summary of Data

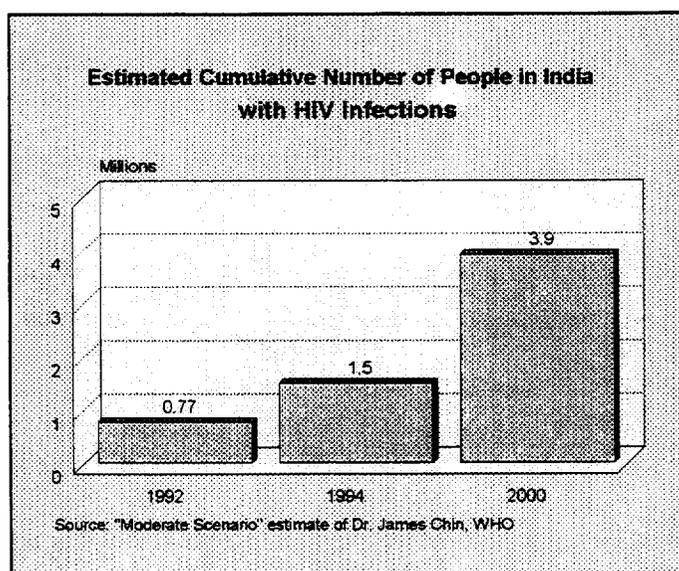
**The Problem:** Since the first AIDS case was registered in Madras in 1986, the GOI has reported 2,312 AIDS cases from 31 states and union territories. The States of Maharashtra and Tamil Nadu lead in the number of reported cases. Three quarters of the cases reported have acquired the disease through contact with multiple heterosexual partners. The number of officially reported cases is only a small fraction of the actual AIDS morbidity. According to estimates based on HIV prevalence, the actual number of AIDS cases in India is likely between five to ten thousand. The World Health Organization estimates that India will have between two and three million HIV positive persons and 179,000 AIDS cases by 1996 and overtake Thailand as the Asian country with the most HIV infections by the year 2000, when HIV infections may reach five million.

USAID/India is now involved in working with Voluntary Health Services (VHS), the non-governmental implementing agency in Madras, to quantify agreed-upon results indicators, determine methods and approach of data collection, obtain baseline data for each indicator, and set up an ongoing monitoring system that will obtain annual performance data for each indicator. It has been agreed that a system of behavioral sentinel surveillance will be used to measure changes, and a WHO-tested module for surveys of health facilities will be used to gain information about the proportion of high-risk population receiving STD services. The first round of behavioral sentinel surveys is being commissioned for implementation in May 1996, and baseline data should be available by August 1996, at which time we will be able to define targets through 2002.

### 2. Analysis of Special Objective Progress

Since January 1995 when the AIDS Prevention and Control (APAC) project in Tamil Nadu become operational, significant progress has been made. VHS has built and equipped a new office and recruited six of the eight professional staff required to implement the project. A week long orientation program was organized for staff. Four of the senior most staff members held consultations in Bangkok with AIDSCAP's Regional Office which provides technical assistance to the project. On its return to

India, the VHS team prepared an implementation plan and budget for the first twelve months of the program and prepared a program brochure which provides Tamil Nadu's many governmental



and non-governmental organizations with a good overview of APAC strategies and priorities. VHS then invited proposals from Tamil Nadu NGOs and has already made a few early grants. It is working in partnership with the Indian Association for the Study of Sexually Transmitted Diseases and the State Health authorities to develop a statewide strategy for improving access to and quality of STD treatment services in both the public and the private sector. Fifty journalists have been sensitized to the need for responsible reporting on HIV/AIDS. Work has begun on fleshing out the behavioral research component of the program, and capable research institutions interested in working on HIV/AIDS-related issues have been identified. VHS has developed a request for proposals for the first round of a behavioral sentinel surveillance study which will obtain baseline data for the performance indicators chosen for this program. Important groundwork has been laid for the prevention program in Tamil Nadu.

The Tamil Nadu Government has given priority to HIV/AIDS prevention activities in the state, and it has strongly supported the USAID-funded private sector effort being implemented by Voluntary Health Services. From the outset, APAC activities are being planned and executed in close collaboration with local NGOs, private sector physicians, and private sector organizations such as the London Rubber Company, which is located in Madras and is the largest private sector manufacturer of condoms in India.

Other donors: USAID works in close coordination with other donors active in HIV prevention. The World Bank, for example, is giving the GOI \$100 million to implement a seven-year National AIDS Control Program (NACP) intended to help state government-run health systems work on HIV/AIDS prevention. The British Overseas Development Agency is engaged in developing a country-wide intervention with truck-drivers to promote behavior modification and STD treatment. The European Community is supporting NGO action in several Indian States. Most other donors contribute funds to the GOI's NACP. After the creation of UNAIDS, UN agencies are in the process of redefining their involvement in India's NACP.

### **3. Expected Progress for FY 97 and FY 98**

During this period the performance indicators and data collection methods will be finalized. By June 1996, baseline data will be available, and in subsequent years, studies will be conducted to measure changes in all the key elements addressed by the APAC project. A monitoring and evaluation plan will be in place. At least 40 physicians will be trained in effective, appropriate, client-centered, STD treatment approaches. More than 20 grants will be made to NGOs engaged in HIV/AIDS prevention activities, and at least three behavioral research studies will be commissioned. Approximately 50 more journalists will be trained. One resource center for HIV/AIDS information dissemination will be established. A system will be developed and established to provide training, consulting, and institutional strengthening to the many NGOs in Tamil Nadu that are or will be involved in HIV/AIDS prevention activities. With global field support funds, and assistance from AIDSCAP, USAID will also support pilot prevention activities in the vicinity of Delhi where data now available shows an HIV/AIDS problem and where financial support to NGOs for work on HIV/AIDS prevention is lacking.

SPLSO1.FIN

## H. Special Objective 2: Increased investment in agribusiness by private firms.

### 1. Summary of Data

The Problem: Agriculture contributes over 70% of GDP providing, directly or indirectly, a living for almost 700 million people. The lack of proper post-harvest handling and processing facilities (less than 1% of horticultural production is processed in India versus 70% in Brazil and US), coupled with an inadequate infrastructure, results in post-harvest horticultural losses exceeding 30% (valued at about \$90 million) and many lost opportunities in rural-sector job creation. USAID's support to this special objective helps reduce India's rural poverty by supporting the expansion of high-value, labor-intensive horticulture activities and an expanded agroprocessing industry.

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#### Special Objective Indicators:

- Increase in total investments in USAID-funded projects. Target: \$32 million in 1995/96. **Achieved:** \$33 million.
- Increase in ICICI lending to agribusiness sector. Target: \$60 million in 1995/96. **Achieved:** \$63 million.
- Increase in value of horticultural exports. Target: \$380 million in 1995/96. **Achieved:** Approximately \$400 million.

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Additional information on planned targets and actual achievements for this special objective can be found in Annex A, the Program Performance Monitoring Plan.

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### 2. Analysis of SO Progress

The total number of agribusiness firms assisted by this project increased from 12 in 1994 to 19 in 1995-96. These 19 projects have a total project cost of about \$33 million with USAID funding of \$10.3 million. The Industrial Credit and Investment Corporation of India (ICICI), USAID's partner, has been encouraged by the success of USAID subprojects and has increased its agribusiness exposure from \$4.2 million in 1991/92 to approximately \$63 million in 1995/96 (indicator 2). Equally important, the project's mid-term evaluation found that other financial intermediaries have increased their lending to \$106 million from close to zero.

The annual value of horticultural exports from India for 1994-95 totalled \$367 million, and it is estimated to reach \$400 million during 1995-96. (Indicator 3).

As agribusiness complexity increases in India, the demand for technical assistance grows. Private firms assisted by the project's TA component, which calls for a 50% cost sharing arrangement, have increased from 18 in 1993-94 to 25 in 1994-95. Similarly, USAID-financed technical

and non-governmental organizations with a good overview of APAC strategies and priorities. VHS then invited proposals from Tamil Nadu NGOs and has already made a few early grants. It is working in partnership with the Indian Association for the Study of Sexually Transmitted Diseases and the State Health authorities to develop a statewide strategy for improving access to and quality of STD treatment services in both the public and the private sector. Fifty journalists have been sensitized to the need for responsible reporting on HIV/AIDS. Work has begun on fleshing out the behavioral research component of the program, and capable research institutions interested in working on HIV/AIDS-related issues have been identified. VHS has developed a request for proposals for the first round of a behavioral sentinel surveillance study which will obtain baseline data for the performance indicators chosen for this program. Important groundwork has been laid for the prevention program in Tamil Nadu.

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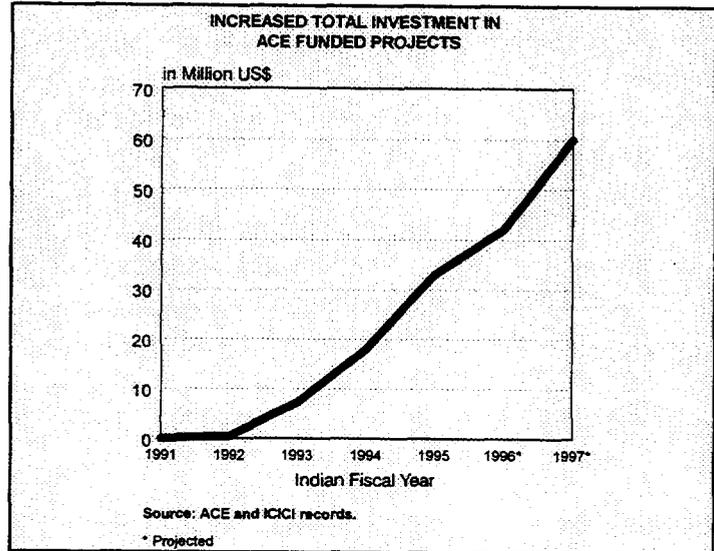
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assistance expanded the innovation base from only three high value crops to five (as targeted). All USAID projects have been successfully commercialized, are meeting their repayment schedules, and currently serve as successful demonstration projects to other entrepreneurs and development finance institutions (DFIs).

**Background:** The 1996 mid-term evaluation estimated the direct sustainable full employment resulting from USAID-funded activities at 450,000 labor days per annum. Successful ACE-supported ventures in



agribusiness have attracted additional domestic investment in agribusiness, the key SpO2 objective, and opened important opportunities for the purchase of U.S. agribusiness equipment.

USAID/India has also effectively facilitated Indo-US linkages through training programs at leading US universities (e.g. University of California at Davis), business exchanges, and by sponsoring Indian agribusiness leaders at key US trade events. These nurturing activities have improved India's perception of U.S. manufacturers of agribusiness equipment.

Originally limited to the state of Maharashtra, the ACE project now elicits requests from agribusiness interests across the country. This expansion was made possible by the GOI's interest-free loan of \$18 million in PL-480 Title III program local currency to ICICI for on-lending to agribusiness borrowers.

In 1996 ICICI will sanction new projects in button mushrooms, strawberries, cashew and vegetable processing, papain, and geranium oil. One loan, for example is a geranium oil project in the state of Tamil Nadu with a total project cost of \$3.8 million, and it could generate up to 50,000 labor days of employment in depressed rural areas. In another project, Weikfield Agro Products Limited (WAPL), Pune has proposed a \$5.1 million investment in vegetable processing with USAID funding of approximately \$200,000. This project has technical

#### **A Small Entrepreneur in a High Risk Venture**

With ACE assistance Mrs. Vidya Iyer set up a high risk, dry flower unit which has already created 5000 labor days mostly supplied by unemployed young women from the small plant's neighborhood. Hi-Rel, her venture, has provided a new source of income to poor farmers in the region and created a market niche for previously discarded flowers.

collaboration and marketing assistance arrangements with Franklin Farm Inc., North Franklin, Connecticut and projects a demand of 125,000 work days at peak capacity.

USAID is also increasing its support to improve policy dialogue between horticulture associations, agribusiness groups and the national and state governments. For example, the U.S.-India Commercial Alliance, established on January 16, 1995 during the business development mission to India by the Secretary of Commerce, encourages bilateral business and policy dialogue over a two-year period. During 1995 and 1996

ACE made a significant contribution to the Alliance by working with leading industry associations such as the Federation of Indian Chambers of Commerce & Industry (FICCI) where the project is financing the Indo-U.S. Agribusiness Information Center. The USAID-financed Technical Coordinator has been based at FICCI in New Delhi to increase linkages between Indian and American agribusiness firms to increase transfers of US agribusiness technologies.

### **3. Expected Progress for FY 97 and FY 98**

Investments in ACE-funded projects are expected to increase from \$32 million in 1995/96 to \$42 million in 1996-97 and \$60 million in 1997-98 (Sp.O. indicator 1). ICICI's lending to the agribusiness sector is expected to reach \$75 million in 1996/97 and will surpass \$100 million by 1997-98 (Sp.O. indicator 2). If India continues to relax its import restrictions and improves its international trade infrastructure, horticulture exports of India could surpass \$400 million by 1996-97 and \$500 million by the end of the project in 1997-98 (Sp.O. indicator 3).

By 1997-98, ACE based projects will have: a) demonstrated the competitiveness of more than ten high value crops; b) strengthened more than ten more industry associations, c) facilitated over ten Indo-U.S. agribusiness linkages, d) assisted the participation of Indian and US entrepreneurs and executives in more than ten investment and trade fora; e) promoted women agribusiness entrepreneurs and increased field and shop demand for female workers; and f) assisted over 100 Indian firms to access improved US technologies and equipments. The end result will be commercially viable mechanisms that promote investment in India's potentially vast, labor-intensive agribusiness sector.

#### **The Second Green Revolution and US Know-How**

Lack of refrigeration exacerbates the severe post-harvest losses that cut rural income in India. Through the Indo-US commercial alliance, Frick (India) Ltd., and York International, Waynesboro, Pennsylvania, formed a joint venture to manufacture and market efficient refrigeration machinery for food processing applications. USAID, through its support to the Indo-US Commercial Alliance, helped make this possible.

### **III. STATUS OF MANAGEMENT CONTRACT**

#### **A. Strategic Objective Changes or Refinements**

There have been no significant changes to either the strategy or the strategic objectives as agreed per 95 State 136402 which is attached to and part of Annex A. During the course of the dialogue with USAID/W and our development partners here in India, however, there have been a number of refinements, modifications and additions to the Performance Monitoring Plan (PMP) submitted in October 1995. Each modification, and the reason for the change, is detailed below in Section D.

#### **B. Special Concerns or Issues**

USAID has accelerated its reengineering effort. It just completed a series of Mission focus groups addressing various reengineering issues and is now preparing to make reengineering-based organizational changes in selected programmatic areas. Based on information derived from the intensive focus group exercise which took place over the course of two months, USAID is proceeding to create its own form of experimental lab. USAID is establishing a fully empowered Strategic Objective (SO) team for our environment portfolio, and a fully empowered team for new initiatives in women's programming which is not an SO itself, but cuts across all Mission SOs. Each team is being formally delegated increased authorities (as identified in ADS Series 100) and will be empowered to make all decisions necessary to achieve its objectives. USAID is also planning to place OE travel and training budgets, as well as a cash awards budget, under the control of team leaders and office directors. At the end of this experiment, USAID will compare reengineered operating procedures with more traditional ones, assess the quality and efficiency of each and proceed to implement best practices of each. A more complete description of USAID's reengineering program was provided in New Delhi 02887 which is reproduced below under Section III. E.

#### **C. 22 CFR Issues and Schedule**

USAID/India's on-going activities have no outstanding implementation actions related to the requirements under 22 CFR 216, such as IEEs or EAs.

For the two FY 96 new starts--Women and Children's Health (WACH) and the Women's Initiative (WIN)--USAID needs ANE/BEO approval of categorical exclusion of these projects (by about August 1996) since they are basically technical assistance and training support activities.

For the one FY 97 new start--Environmental Protection Initiative (EPI)--USAID will determine whether it would require ANE/BEO concurrence of an IEE once we have further elaborated the design of this activity (by about September 1996).

#### **D. Refinements to Program Performance Monitoring Plan (PPMP)**

The following is a list of refinements in indicators and baselines and of corrections to the October 1995 version of the PPMP. Many of these changes were made in response to suggestions from USAID/W; others represent data refinements based on more recent and reliable data or modified targets.

The term "Program Outcome" in the previous document has been replaced with "Intermediate Results" in accordance with USAID/W guidance.

#### **Strategic Objective 1: Increased mobilization of capital through financial sector reforms**

As noted above there has been no significant change in the Strategic Objective (SO) or Intermediate Results (IR) definition for SO1 since the October 1995 submission. There have been, however, several refinements in the definition of SO1 indicators as follows :

- Indicator 1.1.3 "Increased number of financial instruments traded on stock exchanges" has been changed to "Increased types of financial instruments traded on stock exchanges" in accordance with USAID/W's suggestion.
- Indicator 1.1.6 "Increased number of municipal and local governments involved in issuing financial instruments" has been changed to "Increased number of municipal, local and state government entities involved in issuing financial instruments." This change was made to include agencies such as water boards, electricity boards and state governments as eligible organizations for assistance.
- Indicator 1.2.7 "Number of USAID-assisted models for expanded capital investment negotiated and disseminated to development partners" has been changed to "Types of USAID-assisted models for expanded capital investment negotiated and disseminated to development partners" per USAID/W's cabled suggestion.

The following refinements in the values of SO1 indicators were made:

- The baseline value for Indicator 1.1 has been changed from "216" to "244" based on more recent and reliable data.
- The baseline value for Indicator 1.2 has been changed from "1.7" to "1.63" based on more recent and reliable data.
- The targets for IR Indicator 1.1.2 in 1997, 1998 and 1999 have been adjusted upwards based on greater than expected progress in moving to screen-based trading.

- The intermediate targets for Indicator 1.1.3 "Options (1996-97) and Futures (1997-98)" have been changed to "Futures (1996-97) and Options (1997-98)" since it is more likely that an indexed future market will be established before an options market.
- The baseline year for Indicator 1.2.1 has been changed from 1994/95 to 1993/94.
- The baseline value for Indicator 1.2.3 has been sharpened to 893 from 890 based on updated and more reliable data.
- The baseline value for Indicator 1.2.4 has been changed from "15.8%" to "13.9 %" based on updated and more reliable data.
- The baseline target and annual expected values of Indicator 1.2.6 have been changed to "to be determined". Closer examination of the data on performance of housing finance companies in granting shelter credit to families with income below the median level has revealed significant gaps, at the sector source levels. Even the estimates of baselines and targets are found very inaccurate. An examination of primary records at HFC level has been undertaken by RHUDO to provide a complete and reliable report on this indicator in the near future.
- The target value for Indicator 1.2.8 has been reduced from "5" to a more realistic "4".

### **Strategic Objective 2: Reduced fertility in north India**

There has been no change in the Strategic Objective (SO) or Intermediate Results (IR) definition for SO2 since the October 1995 submission. Several additional indicators have been proposed as follows :

- To measure the annual impact of IFPS, the following indicators have been added to IR 2.1 in accordance with USAID/W's suggestion: 2.1.5 "Percentage of married couples with wife aged 15-49 using a contraceptive method in six focus districts (%)"; 2.1.6 "Population served by non-government projects in U.P. (million)"; and 2.1.7 "Contraceptive social marketing sales in U.P. a) Condoms, b) Pills".

### **Strategic Objective 3: Increased child survival and improved nutrition in selected states**

There has been no change in the Strategic Objective or Intermediate Results (IR) definition for SO3 since the October 1995 submission. There have been no changes in the definition of the existing Indicators, but a new, fourth S.O. indicator has been added as follows:

- Indicator 3.4 has been added ("Percent of births occurring after less than a 24 month birth interval") in order to track USAID program effects in this critical determinate of child survival and improved nutrition.

The following refinements in the value of SO3 indicators were made:

- Indicators 3.1.1.2, 3.1.2.1, 3.1.2.2, 3.1.3.1: The baseline and target values for Bihar have been added as the NFHS Report for Bihar is now available.
- Indicators 3.1.1.1: The baseline and target values for U.P., Orissa and M.P. have been changed as there was an error in the previous document.
- Indicator 3.1.1.2: The baseline and target values for U.P. have been changed based on more recent and reliable data.

**Strategic Objective 4: Improved environmental and financial sustainability in the energy sector**

There has been no change in the Strategic Objective (SO) definition for SO4 since the October 1995 submission. There have been some refinements in the definition of Intermediate Results (IR) as follows:

- IR 4.1 "Increased efficiency in power generation and use" has been changed to "Increased efficiency in power generation and use in targeted sectors and industries" in order to focus efforts under this SO.
- IR 4.2 "Increased use of clean technologies" has been changed to "Increased use of clean power generation technologies" to indicate the focus of this IR on power generation.

There have been several refinements in the definition of SO4 indicators as follows :

- Indicators 4.2 "Percentage reduction in transmission and distribution losses" and 4.1.2 "Percent increase in KWH billed to KWH produced" have been interchanged. This change is in accordance with USAID/W suggestions that the losses form a part of the overall efficiency measurement.
- Indicator 4.3 "Ratio of net CO2 emission per unit power generated (volume of emission/ KWH)" has been changed to "Ratio of net CO2 emission per unit power generated (net emission /KWH)".
- Indicator 4.1.1 "Percent increase in plant load factor" has been changed to "Percent increase in plant load factor in coal-fired power plants" to indicate the focus on coal-fired power plants.
- Indicator 4.1.3 "Additional indicators will be provided when the EPI project is developed and approved" has been added to indicate the intention to design EPI in support of this intermediate result.

- Indicator 4.2.1 "Percentage increase in MW of energy produced through clean technologies (percent of increase)" has been changed to "Percentage increase in MW of energy produced through clean coal technologies (%)" to sharpen the management focus on coal-fired power plants.

- Indicator 4.2.2 "Percent of increase in MW of energy produced through renewable energy technologies (%)" has been added to IR 4.2 in accordance with USAID/W's suggestion and keeping the GEP, PACER and EMCAT projects' contributions in view.

There have been several refinements in the values of SO4 indicators as follows:

- The baseline value for Indicator 4.2 has been changed from 73% to 72.3% based on more reliable, corrected data.

- The baseline value for Indicator 4.2.1 has been changed from "0.35% (240 MW)" to "0" as the indicator has been modified to indicate focus on "clean" technologies.

- The target value for Indicator 4.2.1 has been changed from "12% (35,000 MW)" to "TBD" since the indicator has been modified to indicate focus on "clean" technologies.

There have been some refinements in the Contributing Activities for SO4 as follows:

- SO4, IR4.1: "IPPI" has been deleted since IPPI has been merged with EMCAT. EPI has been added.

- SO4, IR4.2: "PACER and EMCAT" have been added since these activities contribute to IR 4.2.

### **Strategic Objective 5: Improved air and water quality at selected industrial sites and municipalities**

There has been no change in the Strategic Objective (SO) definition for SO5 since the October 1995 submission. There is a refinement in the definition of Intermediate Results (IR) as follows:

- IR 5.1 "Improved control of air and water pollution at selected sites" has been changed to "Improved control of air and water pollution at selected industrial sites and municipalities" to clarify the IR.

There have been some refinements in the definition of SO5 indicators as follows:

- Indicator 5.2, "Reduction in gaseous and suspended particulate matter in air at selected industrial sites" has been refined to "Reduction in gaseous emissions and suspended particulate matter in air at selected industrial sites and power plants". This was amended in order to include the contribution of the GEP project.

■ Indicator 5.1.1 "Increased number of companies using clean technologies" has been amended to "Increased number of (a) companies manufacturing clean technologies [1] (TEST), and (b) power plants using clean technologies (GEP)" to give more precision and clarity to the results that USAID is attempting to achieve.

■ Indicator 5.1.2 "Value of annual sales in clean technologies" has been changed to "Value of sales in clean technologies by companies (TEST) [2], and purchases of clean technologies by power plants (GEP)" to give more precision and clarity to the results that USAID is attempting to achieve.

The following intermediate indicator has been added to include the contribution of the GEP project:

■ Indicator 5.1.5 "Hectares of fly-ash ponds and land fills avoided due to commercial utilization of ash (hectares)."

There have been several refinements in the values of SO5 indicators as follows:

■ The target value for Indicator 5.1 has been changed from "20% (in 1998-99)" to "10% (in 1997-98)" as there was an error in the previous document.

■ The baseline value for Indicator 5.2 has been changed from "0% (in 1993-94)" to "0% (in 1993-94 for TEST Project)" and "0% (in 1994-95 for GEP Project)" in order to measure the results of the GEP Project.

■ The target value for Indicator 5.2 has been changed from "20% (in 1998-99)" to "90% (in 1997-98 for the TEST Project)" to increase expectations in light of recent experience and "4% has been added as the target for GEP Project".

■ The baseline value for Indicator 5.1.1 has been corrected from "8 (in 1994-95)" to "0 (in 1992/93 for TEST Project)" and "0 (in 1994/95 for GEP Project)" in order to measure the results of the GEP Project.

■ The target value for Indicator 5.1.1 has been changed from "25 (in 1997-98)" to "25 (in 1997/98 for TEST Project)" and "7 (in 2000-01 for GEP Project)" in order to measure the results of the GEP Project.

■ The baseline value for Indicator 5.1.2 has been changed from "15 (in 1994/95)" to "0 (in 1992/93 for TEST Project)" and "0 (in 1994/95 for GEP Project)" in order to measure the results of the GEP Project.

■ The target value for Indicator 5.1.2 has been changed from "60 (in 2004/05)" to "80 (in 1997/98 for TEST Project)" and "150 (in 2000-01 for GEP Project)" in order to measure the results of the GEP Project.

■ The final, 1998/99 target values of Indicators 5.1.3.1, 5.1.3.2, 5.1.3.3 and 5.1.4 have been changed from "800" to "300", from "200" to "140", from "600" to "370" and from "2 million" to "1 million" in order to lower expectations of urban environmental infrastructure component of FIRE.

#### **Strategic Objective 6: Increased conservation and availability of crop-related germ-plasm**

There has been no change in the Strategic Objective (SO) or Intermediate Results (IR) definition since the October 1995 submission. There have been some refinements in the values of SO6 indicators as follows:

- The target value for Indicator 6.1.1 has been changed from 650,000 to 100,000 to indicate an annual rather than cumulative target.
- The baseline value for Indicator 6.2.1 has been changed from 66,097 to 6,097 to correct a typo in the previous document.
- The target value for Indicator 6.2.1 has been changed from 275,000 to 25,000 to indicate an annual rather than cumulative target.

#### **Special Objective 1: Reduced transmission of HIV infection**

There has been no change in the Special Objective or the indicator definition for SpO1 since the October 1995 submission.

#### **Special Objective 2: Increased investment in agri-business by private firms**

There has been no change in the Special Objective or the indicator definition for SpO 2 since the October 1995 submission.

There is a refinement in the values of SpO2 indicators as follows:

- The baseline value for Indicator 2 has been changed from "0" to "4.2" and the target value for indicator 2 has been changed from "200" to "100". These changes were made based on the use of more reliable data.
- The baseline value for Indicator 3 has been changed from "241" to "155" and the target value for Indicator 3 has been changed from "494" to "500" to correct a previous error.

#### **E. Reengineering Status Report**

The following cable was transmitted to AID/W in mid-March 1996 and summarizes current Mission reengineering efforts.

QUOTE:  
AMEMBASSY NEW DELHI  
SECSTATE WASHDC

New Delhi 002887

SUBJECT: Reengineering Update  
REF: State 246810

## I. Reengineering Status Report

The pace of reengineering USAID/India is accelerating and has produced early positive results. Per reftel, mission-wide training in core values and the new management systems was conducted in September by our mission trainers, and a reengineering handbook was prepared. We have just completed a series of ten mission-wide focus groups to get feedback on current mission operations and how to proceed with reengineering USAID/India. The experience and findings proved illuminating:

There is a consensus that USAID staff are satisfied with the current work environment; perceive USAID to be free of gender and other forms of discrimination; Indian and American professionals feel well integrated and empowered to do their jobs; teamwork and pride in accomplishments are high. Furthermore, staff believe that the core values do not represent a fundamental change in the way USAID/India conducts its business.

However, staff believe that USAID does not do as good a job as it should in public relations in India, inter-office communication could be better and, although participation is high when it comes to implementation of USAID program, more work needs to be done to involve partners and customers in program planning. There was both interest and concern raised in how teams would function in comparison to current mission operations. And, there was general agreement that ongoing project agreements with the GOI would be virtually impossible to "reengineer." The overarching conclusion was that USAID should proceed as quickly as possible with reengineering changes which can improve an already well functioning system and should be incrementally implemented.

## II. Next Steps

### A. Team Formation

Based on the recent focus group exercise, USAID/India will create its own form of experimental lab. We will set up a fully empowered strategic objective (SO) team for the entire environment/energy portfolio, and a fully empowered team for new initiatives in women's programming, not an SO in and of itself, but a program which cuts across all mission SOs. Each team will be formally delegated increased authorities, as identified in State 233055 and outlined in ADS series 100, and empowered to make all decisions necessary to achieve its objectives. We

also plan to place OE travel and training budgets, as well as a cash awards budget, under the control of the each team.

We chose these two teams for several reasons. Our partners and customers in the environment/energy field represent an innovative and progressive-thinking group much more flexible than many of our other, more traditional, Government of India (GOI) partners. We think that we have a better chance of bringing them even further into the planning, implementation and evaluation process than we have in some other sectors of our portfolio.

The women's initiative lends itself particularly well to reengineering. It is a new activity and one in which we will require a great deal of interaction and support from partner organizations and advice from customers to be effective. We are in a position to bring in partners and customers at the early stage of the program, in the design process itself, which should be less cumbersome than retrofitting an existing program. And it is an initiative that cuts across sectoral and office lines and can benefit from interdisciplinary participation within USAID itself.

We also chose the two in order to compare and contrast the management results in a new cross-cutting (women's initiative) set of activities with those in an ongoing (environment) set of activities.

We will monitor and evaluate the operations and results achieved by these two teams and take the lessons learned into account as we reengineer the rest of the portfolio and organization.

#### B. Training and Technical Assistance

We think that training is a critical aspect of reengineering and plan to continue to place high priority on it. We are sending eight, possibly, nine staff members to the March AWACS, A&A and NMS training of trainers sessions and plan for these trainers to conduct mission-wide training sessions upon their return. We also plan to conduct a general orientation session, similar to the one conducted in September 95, for mission partners and customers.

We will be seeking TA/training in team development and management. According to our colleagues in ANE experimental labs, this assistance was critical to successful team performance. If such assistance is no longer available from USAID/W sources, OE permitting we will be looking for local sources of such expertise.

#### C. Empowered Offices

All office directors will also be provided with travel, training and discretionary funding to support ongoing and new initiatives. Groups/committees formed to design new child survival activities under SO3, and to program the remaining economic growth funds under SO1 will complete customer surveys by the end of the fiscal year and will determine what if any steps USAID may undertake to respond to food security issues.

#### D. Personnel Evaluation System

For USDHS, we have formally initiated the new personnel evaluation system with its focus on reengineering principles, core values and team participation. We have worked hard to tie work objectives directly to our core values, reengineering objectives and specific results which reflect our strategic objectives.

We are reviewing and plan to revise, as appropriate and feasible, the FSN evaluation system to incorporate reengineering principles and the core values. We also plan to include greater levels of authority and responsibility in FSN job descriptions and work objectives when this process is completed.

#### E. Public Relations and Internal Communications

With the help of a USIS junior officer who is rotating through USAID, we will prepare one page handouts on our program similar to those prepared for the Hillary Clinton trip. These will be updated annually. We will be preparing press releases on all project agreements, including amendments, which was not the case in the past. USAID director has already participated in press briefings for the vernacular press, will continue to do so periodically, and will look for other opportunities to promote USAID activities. We will continue our reporting to USAID/W on success stories.

The director and deputy will continue to meet with the focus groups to discuss mission-wide issues including reengineering. An abbreviated briefing packet will be prepared for all USAID employees and included in orientation programs for new employees.

### III. Issues

#### A. Incremental Approach

By taking an incremental approach to reengineering, we are aware that there will be confusion and potential tension between those parts of USAID that are reengineered and those that are not. And, for those individuals who are both members of new teams and participants in non-reengineered committees we appreciate that there will be problems of divided attention and split supervisory relationships.

We believe, however, based on our focus group findings, that these organizational stresses are no more serious than those that would be created by a more radical approach, and that we can manage them. The lessons we learn from our operations research comparing teams to committees will be important when we take on more intransigent counterparts and more complex implementation issues. We hope to lessen the stress by (a) empowering all offices as much as possible, (b) using reengineering methodologies, i.e., Customer surveys for all new activities, and (c) providing technical assistance and training in team development and management.

## B. Dual Systems in India and in Washington

As we identified in our last reengineering update cable (May 95), our biggest reengineering challenge is attempting to persuade the Government of India to alter its approach to the funding and implementation of development activities. The entire GOI development structure, both GOI-funded and donor-funded assistance, is based on a project model. It is highly improbable that the GOI will agree to obligating by strategic objectives unless virtually all of the controls built into the project obligation system are duplicated in strategic objective agreements. However, we will continue to discuss this with our GOI counterparts and periodically inform you of our progress.

If congress still requires reporting by projects, not strategic objectives, and the statutory and regulatory input tracking requirements have not been removed, particularly in the case of Title II food aid, we acknowledge that a new reengineered assistance delivery system will have to exist along side elements of the old project and program assistance systems. Hopefully all elements of the NMS will be flexible enough to accommodate the dual reporting and tracking systems required by both host countries and the USG.

## C. FSN Classification System - A Continuing Problem

As we restructure the personnel evaluation and reward system, we are attempting to make the FSN system consistent with the USDH system. We would like to restructure the job descriptions and evaluation criteria of all FSNs to reflect reengineering principles and core values, and to include levels of authority and accountability commensurate with new responsibilities. However, the state FSN classification and compensation system and recent USAID decisions limiting the authorities for FSNs present us with considerable obstacles. This is particularly important because we have FSNs who should be running so teams, and because as the Indian economy opens to foreign companies, we have found it not unusual for local salary scales to be four to 10 times higher than ours.

FYI the current banding system being tested here by the state department appears to increase flexibility for FSN classification at lower levels and decrease flexibility at upper levels. We hope the M Bureau is carefully examining the implications of this approach in terms of USAID's reengineering efforts.

## IV. Conclusion

The focus group experience has given considerable impetus to USAID/India's reengineering effort. We believe we have come up with an approach that is realistic in our current situation, within our resources to accomplish, and which will provide us valuable lessons to complete the job. Our next report will describe team composition and authorities for the environment and women's teams and provide information on the other follow-up actions described in this message.

#### IV. RESOURCE REQUIREMENTS

##### A. Program Funding Request by Strategic Objective

###### 1. Overview

In the absence of an FY 96 budget level with earmarking patterns, it is difficult to project the effects of reduced budget scenarios for FY 97 and FY 98. Nevertheless, the following sensitivity analysis discusses the impact of the various budget scenarios provided by USAID/W on USAID's strategic objectives and results framework.

Tables 1 and 2 summarize the resource levels required to make progress toward achieving six strategic objectives and two special objectives in FY 96, FY 97 and FY 98. These request levels assume the following budget parameters provided by the ANE Bureau:

- FY 96 - \$52.8 million (75% of the FY 96 CP level of \$70.4 million)
- FY 97 - \$65.5 million Base (OMB request level)  
\$52.4 million (Base minus 20%)
- FY 98 - \$59.0 million (Base minus 10%)  
\$45.9 million (Base minus 30%)

Each of these total budget scenarios includes estimated Global field support funding for India. It does not include funding from US-AEP with which USAID/India has an on-going partnership. It also does not include P.L. 480 Title II and Housing Guaranty resources, both of which are shown separately in Table 1.

At the 75% of FY 96 CP (\$52.8 million) level USAID would be able to continue its current activities, maintain strategic objective targets and start new activities in FY 96 under S.O.2 and S.O.3--the Women and Children's Health Project, or WACH (formerly EXPAND) and Women's Initiative, or WIN. These new activities, for which NADs were approved by USAID/W during the spring 1995 country strategy review, would receive initial FY 96 funding of \$3.0 million for WACH and \$2 million for WIN. Only \$3.9 million would be allotted in bilateral population funds, but \$11.4 million in Global Field Support is programmed in support of IFPS.

At the base level for FY 97 (\$65.5 million), USAID's current results framework would remain viable, and it would be able to start another new, planned results package activity, EPI, under S.O.5. (Enhanced air and water quality at selected industrial sites and municipalities).

At the base -20% level for FY 97 (\$52.4 million), the planned new start EPI would be deferred to FY 98. One on-going activity (TEST) will conclude as scheduled in FY 97 but with less than planned funding. No new obligations for existing S.O.5 activities would be made beyond FY 97, and this S.O. would eventually be dropped from the results framework unless additional funds

were forthcoming in FY 98. The other on-going activity (EMCAT) would be extended into FY 98, and this activity would remain under this S.O. although long-term strategic targets would have to be adjusted.

At the base -10% and -30% levels for FY 98 (\$59 and \$49.9 million), USAID would start a new activity under the economic growth S.O.1. The new activity, Technical Assistance for Accelerated Growth, or TAAG, would maintain a residual presence in economic growth activities in India after all other existing projects under S.O.1 end in FY 98.

Earmarking patterns: In preparing the attached tables, USAID made its allocations based on projected results. The earmarking pattern that developed from these "allocations by results" included funding for population activities in FY 96 totalling \$15.3 million--\$11.4 million of Global field support and \$3.9 million of bilateral funds. This represents 29% of the total funds for USAID. For FY 97 and FY 98, we have projected higher population funding levels at 29% and 40% respectively under each scenario. Population funds will provide for the IFPS family planning project in Uttar Pradesh; a limited amount for both PACT/CCRH and the new start WACH; and for Global field support which totals approximately 20% of country levels for FY 96, FY 97, and FY 98.

Child survival (and AIDS) funding totals \$9.4 million (18%) in FY 96, between \$13 million and \$16 million in FY 97 at both scenarios and between \$15 and \$21 million (35%) in FY 98 at both scenarios.

We have allocated \$14.7 million in environment funds in FY 96 (28% of the total), between \$17.9 and \$12.6 million in FY 97 (approximately 26% of the total) and between \$5.7 and \$5.1 million in FY 98 (approximately 10% of the total).

Economic growth (discretionary) funding for both bilateral and Global field support activities totals 25% in FY 96 (\$13.3 million); 18% and 22% in FY 97 at both levels (\$12.1 million and 11.3 million) and 14% and 16% (\$8.4 million and \$7.3 million) in FY 98.

Basic education Global field support funding totals \$200,000 in FY 96, \$300,000 in FY 97 and \$300,000 in FY 98 in support of girl's and women's education activities under WIN.

## **2. Programmatic priorities by S.O.**

S.O.1: Increased mobilization of capital through financial sector reforms: At the 75% of CP level in FY 96, USAID will be able to continue its existing activities. FIRE will receive \$5.0 million in FY 96, and at both the base and base -20% scenarios in FY 97, it will receive \$4.27 million to meet important contractual responsibilities and achieve the ambitious strategic objective targets. Any funding cutback in this SO would significantly slow implementation and hamper USAID's ability to achieve the intermediate results of increased financial market efficiency through policy and regulatory reforms. The TASP project, which has been reoriented to support S.O.1 financial sector reforms, will receive \$1.8 million in FY 96 and \$500,000 in FY 97 at both

the base and base -20% levels, but will be phased out in FY 98 as planned. A follow-on project for FIRE and TASP financial sector reform activities will be designed in FY 97 for an early FY 98 start. One of the two residual activities--Housing Finance--will be fully funded in FY 96. The other activity--CTD--will be funded in FY 96 and FY 97 and will be phased out in mid 1998 as scheduled.

In order to sustain a USAID presence in economic growth in India USAID proposes to start a new activity in FY 98--Technical Assistance for Accelerated Growth (TAAG)--provided there are resources. This new activity, which is a follow-on to the current FIRE, Housing Finance and TASP projects, will receive initial funding of \$3.5 million of economic growth funds (discretionary funds) at the base -10% scenario, and \$2.0 million at the base -30% scenario for FY 98. For the design of TAAG USAID has included \$300,000 in PD&S (discretionary) funding in FY 97 under S.O.1.

Although at this time USAID does not propose any economic growth funding (discretionary funds) for Global field support for S.O.1 in FY 96, FY 97 and FY 98, USAID will actively consider such field support needs as FY 96 and FY 97 funding availabilities become clearer.

S.O.2: Reduced fertility in north India: Because of its substantial pipeline, the IFPS project would receive only \$2.8 million in bilateral funding in FY 96. It would then be incrementally funded at \$6-\$8 million in FY 97 and at \$11-\$16 million in FY 98 at all the budget scenarios with population and child survival funds. Any cutbacks for Global field support funding in particular would slow its implementation and jeopardize the project's ability to achieve performance benchmarks.

At the 75% of CP level for FY 96, USAID intends to start a new activity, Women and Children's Health Project (WACH), which name replaces the former EXPAND project. Design of this project is underway, and at the 75% level, WACH would receive a lower initial FY 96 obligation of \$0.5 million in population funding (and \$2.5 million in child survival funding under S.O.3).

The PACT/CCRH activity would be incrementally funded in FY 96, FY 97 and FY 98 at all the budget scenarios from population, child survival and AIDS funds.

A reduction in the proposed population funds would drastically reduce allocations for the Global field support for India activities, and this would jeopardize the implementation of the IFPS family planning program and affect achievement of SO targets. The IFPS project's only T.A. resources are Global field support-funded Cooperative Agreements which are vital for achievement of targeted results. Any drastic cuts would force elimination of some of these Cooperative Agreements under Global projects, and this would seriously delay achieving intermediate results targets set for S.O.2. The resource levels proposed for attaining this strategic objective are consistent with our performance targets for the three-year planning period.

S.O.3: Increased child survival and improved nutrition in selected areas: At the 75% of CP level for FY 96, USAID would be able to start the new Women's Initiative (WIN) in FY 96 with initial obligation of \$2 million from both child survival and discretionary economic growth funding. Also, as noted above, the new Women and Children's Health (WACH) project would be funded primarily from child survival funds but also from the population account. At the base level and the base -20% level in FY 97, these two new starts would receive a total of \$7.4 million and \$5.8 million respectively. At the base -10% level and the base -30% level in FY 98, these projects would receive \$7.5 million and \$5.3 million respectively.

For the proposed WACH project, the preliminary technical needs assessments which have been carried out in the states of Madhya Pradesh and Rajasthan involving the state governments and other partners, document the compelling needs related to maternal mortality and morbidity and child survival. The WACH project activities will contribute importantly to achieving intermediate results targets set for S.O.2 and S.O.3, and any further cutbacks in FY 97 or FY 98 funding would cause serious start-up delays and thus hamper achievement of intermediate results of increased contraceptive use and improved reproductive health, empowered women, and improved quality and coverage of child survival programs in the selected states. In addition, there is an opportunity to leverage Japanese assistance for WACH activities which might be jeopardized by the lack of funds or delays in implementation.

A severe cutback in child survival funding would slow down initial implementation, and affect the achievement of targets for under-five and infant mortality rates, the targets for reducing the percentage of underweight children less than four years, and the ability of WIN and WACH to achieve the intermediate results related to improved child survival programs and empowered women. Global field support funding is also proposed for technical assistance for the WACH activity from child survival funds, and for the WIN activity using basic education funds for girls' and women's education and discretionary/economic growth funds for microfinance.

One current activity, QCHT, is to be incrementally funded from the child survival account. It will receive \$2.0 million in FY 96, \$3.4 million in FY 97 at the base level, and \$2.0 million in FY 98 at the base -10% level to complete its LOP funding. At the base -20% level in FY 97 and the base -30% level in FY 98, it will receive \$2.9 million and \$1.5 million respectively, and will be phased out in FY 98 as scheduled but with less than planned funding. Any cutback would jeopardize the ability to achieve immunization targets for 1-2 year old children.

S.O.4: Improved environmental and financial sustainability in the energy sector: The bulk of the activities under S.O.4 comes under the fully funded GEP project and the EMCAT project. At the 75% of CP level for FY 96, the EMCAT activity under this SO would receive \$4.0 million. This is the only activity under this SO which requires new obligations. In FY 97 this activity would receive incremental funding of \$5.0 million at the base level and \$4.0 million at the base -20% level. In FY 98 it would receive \$1 million at both the scenarios. Global field support funding is also proposed for technical assistance and training in renewable energy fields at approximately \$1 million each in FY 96 and FY 97.

S.O.5: Enhanced air and water quality at selected industrial sites and municipalities: USAID activities under S.O.5 are funded through the TEST project, a portion of the GEP project (which is already fully funded) and a portion of the FIRE project. The component of the FIRE Project which mobilizes resources for investment in urban environmental infrastructure would be fully financed with increments of \$2.7 million in FY 96 and \$2.3 million at both the scenarios in FY 97.

The TEST project, would receive \$6.3 million in FY 96 at the 75% of CP level, and in FY 97 \$7.0 million at the base level and \$5.1 million at the base -20% level. At these lower funding levels, it will be phased out by FY 97 as scheduled but with less than planned funding. This reduced funding would affect the targets for an increased number of companies manufacturing clean technologies and annual value of sales in clean technologies which would adversely impact on the pollution reduction targets.

At the base level for FY 97, USAID would be able to start a new activity, the Environmental Protection Initiative (EPI), with a lower initial obligation of \$2.2 million in FY 97 to provide technologies and advice on policy reform critical to reducing pollution. At the base -20% level for FY 97, USAID would be forced to defer EPI to FY 98, even though the design of this effort has already begun. Delaying this activity would hamper our ability to achieve the intermediate results of improved control of air and water pollution projected for S.O.5. Postponing the EPI would also impose considerable costs on USAID's efforts to implement the recently signed Indo-U.S. Common Agenda for the Environment (CAE). EPI is the first major new activity to be initiated by the USG in support of the CAE, and its postponement would severely limit opportunities to pursue key elements under the Agenda, most specifically activities related to trade, investment and transfer of technology. Delay of EPI would also limit potential links between US and Indian companies interested in industrial pollution technologies and would hurt initiatives already underway, such as the effort to introduce electric vehicle to India. For the design of EPI USAID has included \$200,000 in PD&S funding in FY 97 under S.O.5.

Global field support funding is proposed at about \$150,000 to \$200,00 each in FY 96, FY 97 and FY 98 (at all budget scenarios) for technical assistance for environmental pollution prevention activities.

S.O. 6: Increased conservation and availability of crop-related germplasm: The only residual biodiversity activity--Plant Genetic Resources (PGR)--would receive \$400,000 in FY 96 to complete its funding, and USAID support to this activity will be phased out in FY 97 as planned.

SP.O. 1: Reduced transmission of HIV infection: At the 75% of CP level for FY 96, the only on-going activity for AIDS prevention and control will receive an increment of \$800,000 in FY 96; at the base level for FY 97 it will receive \$1.2 million; at the base -20% level for FY 97 it will be scaled down to \$1.0 million; at the base -10% level for FY 98 it will be funded at \$2.0 million; and at the base -30% level for FY 98 it will receive \$1.8 million. At these minimum funding levels, USAID will be able to meet currently planned objectives. Global field support

funding is proposed at about the same level (approximately \$300,000) at each of the budget scenarios for each fiscal year.

SP.O.2: Increased investment in agri-business by private firms: The Agricultural Commercialization and Enterprise (ACE) project, which uses discretionary funding, will be fully funded with increments in FY 96, FY 97 and FY 98 at all budget scenarios. It will be phased out by FY 98 as scheduled. A small amount of Global field support funding (approximately \$200,000 in discretionary funds) is also proposed for technical assistance in each fiscal year.

### **3. Threshold Level**

If our program budget level for any fiscal year falls below \$45 million with expected earmarking patterns, such a level would force USAID to restructure its strategic framework, reduce the level of effort of key activities and adjust results targets for many of our strategic objectives. It would force the Mission to consider phasing out of certain environmental and economic growth activities at the conclusion of currently authorized projects, as well as possibly curtailing currently planned level of effort for Special Objective 2 (ACE). (The PACDs for FIRE, TASP and CTD projects are in mid-1998; the Housing Finance project PACD is September 1996.)

A threshold level of \$45 million would prevent the new-start EPI in either FY 97 or FY 98. Such a budget reduction would also adversely affect the critical technical assistance provided by the Global field support-funded Cooperative Agreements (CAs), particularly in the area of population stabilization efforts, and many activities of these CAs would have to be scaled back drastically. Further, USAID would reduce considerably planned levels of effort for interventions in family planning, child survival, empowerment of women, and environmental technologies and resources specific targets in these areas. In addition, the existing opportunity to leverage other donor assistance in these areas would be lost. It would hamper USAID's ability to support critical policy directions in capital market and financial sector reforms, pollution reduction, reproductive health, child survival and fertility reduction.

### **4. PD&S**

USAID has proposed \$300,000 in discretionary funds and \$200,000 in environment funds in FY 97 for the design of the two new activities--TAAG and EPI--under S.O.1 and S.O.5 respectively.

### **5. US-AEP**

The U.S.-Asia Environmental Partnership supports activities that lead to the continuing development and adoption of less polluting and more resource efficient production processes and services in India. These activities include: NGO business environmental partnership program, transfer of environmentally responsible energy efficient technologies, and an environmental exchange program. In addition to this direct US-AEP regional support (about \$7 million in the last three years) which we hope will continue in the future, USAID received annually an average

cash transfer of \$250,000. Although USAID has not included this (non-add) amount in the budget tables, it is expected that this level of funding support will continue in FYs 96, 97 and 98.

## **6. Housing Guaranty Program**

Under the RHUDO-supported Housing Guaranty Program, HG loan resources are being provided for two important Mission programs.

HG authorizations support the expansion of India's private shelter finance sector and to extend its benefits to low-income families. The program is helping to link community-based and grass roots financial institutions more effectively into the resources of the formal financial sector. For each of FYs 97 and 98 USAID requires \$5 million in HG authorizations for housing loan guarantees under this program.

HG authorizations also support a program to help India create a debt market to finance the massive backlog of basic urban environmental infrastructure, focusing on water supply, sewage, and solid waste management. For each of FYs 97 and 98 USAID requires \$20 million in HG authorizations for loan guarantees under this program. Should these HG funds not become available, program performance targets would have to be lowered.

## **7. P.L. 480 Title II**

Mission requests a total of \$96.2 million for FY 96, \$102.8 million for FY 97 and \$96.2 million FY 98 for continuing its annual, non-emergency Title II food aid grant program in India which is implemented through CARE and CRS. The FY 97 level also includes \$6.6 million for CARE's monetization program. These levels include estimated commodity value and ocean freight. CARE's program will largely support the GOI's Integrated Child Development Services (ICDS) program covering 6.6 million, 6 months to 6 year old children, pregnant and lactating women and adolescent girls every day. This is one of the most ambitious integrated child survival programs in the world. CRS' program is targeted to under privileged classes through its maternal and child health, food-for-work, school feeding and other feeding activities which reach about 661,000 beneficiaries daily.

### **B. Technical Support Needs from USAID/W**

USAID's estimated technical support needs from the Global Bureau for FY 1996 to FY 1998 under various funding scenarios are provided below. A project-by-project break-up of these requirements is provided in Table 3.

FY 1996 (75% of CP) - \$15.7 million

FY 1997 (Base) - \$15.2 million

FY 1997 (Base -20%) - \$13.0 million

FY 1998 (Base -10%) - \$15.5 million

FY 1998 (Base -30%) - \$12.3 million

About 75 percent of these funds provide vital technical assistance through the Global Bureau field support-funded cooperative agencies for USAID's S.O. 2, Reduced Fertility in North India. These cooperative agencies provide technical assistance in several areas like public sector service delivery, operations research, logistics management, training to health providers, policy analysis, training of leaders as managers of family planning programs, testing of new contraceptives, supporting workshops, etc. Funding below the base level in FY 1997 and FY 1998 for field support would jeopardize the implementation of USAID's largest family planning program (IFPS) in the world, whose only technical assistance resources are Global Bureau-funded cooperative agreements. Any drastic cut would force USAID to eliminate some of these cooperative agreements which would adversely affect the momentum gained in Uttar Pradesh and would delay achieving results targets for S.O. 2. USAID's proposed FY 96 new starts--Women and Children's Health (WACH) and Women's Initiative (WIN)--could also be deprived of critical technical assistance from the Global Bureau in the initial years of implementation.

### **C. Program Management Requirements: Operating Expenses and Staffing**

India's enormous problems and impressive potential which make a strong USAID program important for both the Indian and U.S. governments. That said, we understand the pressures to reduce OE levels around the world, and have just had a major success in getting the Embassy to start taking actions now which will help contain and even eliminate significant future year OE costs for our Mission. At our initiative, the Embassy has agreed to absorb USAID offices into the Embassy compound by 1999 and to allot more of their FBO-owned housing for USAID officers. This will result in significant cost savings to our OE budget in later years and help us operate effectively this year at \$3,365,000, a 10.5% reduction from our FY 1996 ABS request. We have also taken other actions which have both short-term and long-term benefits, including eliminating eight FSN positions in FY 96. With such a reduction, we are even more convinced that we are one of the leanest missions in Asia when staffing is compared to program size. We have also initiated other steps, such as combining field trips to cover several tasks and projects and requesting our counterparts to visit New Delhi more often. Because of the structure of our portfolio, explained more fully on the next page, we do not foresee further staff cuts in the near future. Such action would not only severely compromise our ability to fulfill our mandated oversight responsibilities and increase our vulnerability, but jeopardize the accomplishment of our strategic objectives and undermine our efforts at a time when India is becoming more receptive to US investment and technical assistance.

With the influx of multi-national corporations and foreign investors during the past year and increased competition for housing and office properties, our principal OE concern has centered around the significant increases in housing costs for USDHs. These increases have ranged between 100% and 150%. As these exceptional increases are virtually certain to continue, drastic changes may be necessary if we are to continue USAID operations in New Delhi. Our anxiety is heightened as the current lease on our office building expires in 1999. As noted above, as a

result of these concerns, and at USAID's request, the Ambassador directed the Embassy to develop plans for making additional U.S.-owned office space available to USAID by 1999. This should be possible as other agencies/sections decrease in size and FBO reconfigures the Embassy compound. We are expecting to then move the USAID office to the Embassy compound, thus avoiding attempts to renew our office lease which we estimate will cost well over \$1 million annually compared to the current annual payment of \$300,000. The Embassy is also reexamining space at the Embassy housing enclave for possible creation of additional apartments. Together with the FBO houses currently owned by the U.S. Government, these two housing sources could be sufficient to provide US-owned housing to all USDHs working in New Delhi, including USAID's, by the year 2000. Despite these hopeful initial developments in the interim, we must have some relief to keep up with the significant increases occurring in the housing market.

A related OE need concerns recent increases in per diem and travel costs within the country and an expected significant increase in utility costs. Due to India's size, (it is cheaper to fly to other Asian countries than to some of our project locations), our in-country travel budget is already the largest in the Region. We cannot afford further reductions in the number of trips to compensate for rising costs if we are to monitor our activities adequately and work with our partners and other donors. It is important to mention that 10 of the 15 active projects in our portfolio are implemented through a large number of local NGOs and commercial organizations. This fact, combined with the large size of the country and the decline in staff and OE levels in real terms, has placed extraordinary demands on our staff. Although we have managed to maintain a reasonable level of oversight of USAID-funded activities through judicious use of our OE and staff levels, the task is becoming very difficult because of overall increases in the cost of operations.

Inflation of other cost, such as utilities, has been held to an artificially low level in light of the upcoming National elections. We expect significant increases in these areas after the spring elections. As 85% of our operating costs are fixed in nature, we have little room to meet our discretionary costs, including training and travel. There will also be less flexibility because our reengineering initiatives will require higher expenditures on staff training and incountry travel costs will increase because of a greater focus on monitoring the achievement of results and targets projected in the R4.

FSN salaries increased by an average of 15% in FY 1995 which we were able to absorb by delaying implementation of the revised compensation plan by seven pay periods and annualizing the increase into FY 1996 to cover the funding shortfalls. The wage survey for the current year has already been completed, and we expect similar increases. While the options to again delay implementation or not pay the full recommended increase are available, we feel they are fraught with adverse consequences. With the opening up of the Indian economy, employment opportunities have increased significantly, and we risk losing our best FSN talent to the private sector, at the same time we are expecting our FSNs to shoulder more responsibility.

In considering other alternatives to using OE funds for managing and overseeing our strategic objectives, we have had only minor success in obtaining GOI approval to use project funds to cover such costs. We will continue to build in the authority to use project funds to cover project related duties normally funded through OE as new projects are designed; however, this has been difficult to sell to the GOI. With the reduced program levels anticipated for this year and next, we may have fewer new projects coming on line.

Table 4 provides the spread of our staff by strategic objective, and it illustrates that more than half of our technical resources are spent on two of our SOs. As we look at the various budget scenarios for the coming years, we believe our staff (minus the eight cuts currently agreed upon) must remain fairly constant even at the worst case scenario. If we are forced to take 10 to 30% cuts in program funds, we will have no choice but to reduce the expected impact and eliminate SOs. This will not result in significant staff savings because, as mentioned above, when new projects are developed we expect to gain GOI approval for adding the necessary additional staff at program expense. In later years this will provide some relief as current projects managed by OE FSNs are replaced by new projects managed by project funded FSNs, but not in the next couple of years. Table 5 includes our minimum OE needs for FY 1996. For reasons described above, in FY 1997 and FY 1998, we will need modest increases in OE.

In summary USAID's critical need for OE will peak over the next three years. In later years, if USAID can successfully negotiate free housing and office space as anticipated, the long-term cost of maintaining USDHs in this Mission will drop considerably, leaving the FSNs as the biggest cost item within our budget. If the GOI approves program funding for FSNs in our new project designs, we will be able to reduce considerably the OE costs of USAID FSN staff. Further cuts in OE in the next couple of years will leave us little choice but to consider an involuntary reduction-in-force. This action would not result in cost savings as, like most missions, we will have a large unfunded liability (over \$600,000) which would require a significant addition to our budget if that course of action ever becomes necessary.

#### **D. Budget Tables and Charts**

See following pages for budget Tables 1 through 5.

**Table 1**  
**All Resources Table**  
**USAID/ India**  
(\$000)

Funding Category	FY 1996*	FY 1997		FY 1998	
		Base**	Base - 20%	Base - 10%	Base -30%
<b>Sustainable Development</b>					
<b>Economic Growth</b>	13,300	12,070	11,320	8,400	7,250
Of which: Field Support ***	700	200	150	200	150
<b>Child Survival/Disease</b>	9,345	16,500	13,100	20,950	15,120
Of which: Field Support ***	2,045	2,700	2,400	3,600	2,620
<b>Basic Education</b>	200	300	300	300	250
Of which: Field Support ***	200	300	300	300	250
<b>Population</b>	15,280	18,760	15,150	23,680	18,150
Of which: Field Support ***	11,430	10,760	9,150	11,230	9,150
<b>Environment</b>	14,700	17,900	12,550	5,650	5,100
Of which: Field Support ***	1,300	1,200	950	150	100
USAEP	0	0	0	0	0
<b>Democracy</b>	0	0	0	0	0
Of which: Field Support ***					
<b>Total:</b>	52,825	65,530	52,420	58,980	45,870
<b>Economic Support Funds</b>	0	0	0	0	0
Of which: Field Support ***					
<b>PL480:</b>					
Title II 1/	96,200	102,800	102,800	96,200	96,200
<b>Other:</b>					
Housing Guaranty	20,000	25,000	25,000	25,000	25,000
Enhanced Credit Guaranty	0	0	0	0	0
<b>GRAND TOTAL</b>	169,025	193,330	180,220	180,180	167,070

\* The FY 1996 level is from operating bureau allocations based on 75 per cent of the 1996 CP request level.

\*\* Base is defined as operating bureau allocations from the FY 1997 OMB request level.

\*\*\* Refers to Field Support – both Global-funded and Mission-funded.

1/ Includes estimated value of commodity and ocean freight (CARE: Commodity - \$57.7 million, Freight - \$18.6 million; and CRS: Commodity - \$13.9 million, Freight - \$6.0 million). FY 97 level also includes \$6.6 million for CARE monetization program (Commodity - \$5.1 million, Freight - \$1.5 million).

**Table 2**  
**Funding Scenarios by Objective**  
**USAID/India**  
**FY 97 - 98 R4**  
**(\$000)**

OBJECTIVE	FY 1996*	FY 1997		FY 1998	
		Base**	Base - 20%	Base -10%	Base - 30%
<b>Strategic Objective 1:</b> Increased Mobilization of Capital Through Financial Sector Reforms Development Assistance Funds	8,600	5,870	5,870	3,500	2,000
<b>Total SO 1::</b>	<b>8,600</b>	<b>5,870</b>	<b>5,870</b>	<b>3,500</b>	<b>2,000</b>
<b>Strategic Objective 2:</b> Reduced Fertility in North India Development Assistance Funds	17,045	22,660	17,950	31,630	23,950
<b>Total SO 2::</b>	<b>17,045</b>	<b>22,660</b>	<b>17,950</b>	<b>31,630</b>	<b>23,950</b>
<b>Strategic Objective 3:</b> Increased Child Survival and Improved Nutrition in Selected Areas Development Assistance Funds	8,180	13,100	10,800	12,700	9,120
<b>Total SO 3::</b>	<b>8,180</b>	<b>13,100</b>	<b>10,800</b>	<b>12,700</b>	<b>9,120</b>
<b>Strategic Objective 4:</b> Improved Environmental and Financial Sustainability in the Energy Sector Development Assistance Funds	5,100	6,400	4,800	1,900	1,800
<b>Total SO 4::</b>	<b>5,100</b>	<b>6,400</b>	<b>4,800</b>	<b>1,900</b>	<b>1,800</b>
<b>Strategic Objective 5:</b> Improved Air and Water Quality at Selected Industrial Sites and Municipalities Development Assistance Funds	9,200	11,500	7,750	3,750	3,300
<b>Total SO 5::</b>	<b>9,200</b>	<b>11,500</b>	<b>7,750</b>	<b>3,750</b>	<b>3,300</b>
<b>Strategic Objective 6:</b> Increased Conservation and Availability of Crop-Related Germplasm Development Assistance Funds	400	0	0	0	0
<b>Total SO 6::</b>	<b>400</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Special Objective 1:</b> Reduced Transmission of HIV Infection Development Assistance Funds	1,100	1,500	1,300	2,300	2,050
<b>Total SPO 1::</b>	<b>1,100</b>	<b>1,500</b>	<b>1,300</b>	<b>2,300</b>	<b>2,050</b>
<b>Special Objective 2:</b> Increased Investment in Agri-business by Private Firms Development Assistance Funds	3,200	4,500	3,950	3,200	3,650
<b>Total SPO 2::</b>	<b>3,200</b>	<b>4,500</b>	<b>3,950</b>	<b>3,200</b>	<b>3,650</b>
<b>GRAND TOTAL</b>	<b>52,825</b>	<b>65,530</b>	<b>52,420</b>	<b>58,980</b>	<b>45,870</b>

Note: S.O. 1 and S.O. 5 funding includes PD&S funds for design of new activities.

\* The FY 1996 level is from operating bureau allocations based on 75 per cent of the 1996 CP request level.

\*\* Base is defined as operating bureau allocations from the FY 1997 OMB request level.

**Table 3**  
**Global Field Support**  
**USAID/India**  
**(\$ 000)**

Mission Strategic Objective	Field Support Activity Title and Number	Priority	Duration	Estimated Funding (\$ 000)							
				FY 1996		FY 1997				FY 1998	
				Obligated By		FY 1997 Base Obligated By		FY 1997 Base -20% Obligated By		FY 1998 Base -30% Obligated By	
				Operating Unit	Global Bureau	Operating Unit	Global Bureau	Operating Unit	Global Bureau	Operating Unit	Global Bureau
<b>S.O. 1: Increased Mobilization of Capital Through Financial Sector Reforms</b>											
No Global Field Support Needed											
<b>Total S.O. 1:</b>				0		0		0		0	
<b>S.O. 2: Reduced Fertility in North India</b>											
<b>Population Funds:</b>											
936-3023	Demographic and Health Survey III	High	1996-98		660		1,000		900		900
936-3024	Population Technical Assistance	High	1996-96		100		0		0		0
936-3030	Strategies for Improving Serv. Delivery	High	1996-98		750		400		400		500
936-3038	FP Logistics Management	High	1996-98		270		300		200		200
936-3044	CONRAD	High	1996-98		200		300		300		300
936-3046	Res. for the Aware. of POP Inputs (BUCEN)	High	1996-98		400		500		400		600
936-3046	Res. for the Aware. of POP Inputs (EWCPOP)	High	-		800		300		200		0
936-3046	Population Reference Bureau	High	1996-96		75		0		0		0
936-3051	Contraceptive Social Marketing III	High	1996-98		1,125		1,200		900		950
936-3052	POP Communication Services II	High	1996-98		600		600		600		600
936-3054	Michigan Fellows	High	1996-98		250		250		250		250
936-3056	Promoting Financial Investment & Transfer	High	1996-98		700		600		300		600
936-3058	Coop. for Assistance and Relief Everywhere	High	1996-98		300		300		200		200
936-3059	Access to FP Thru Women Management	High	1996-98		1,400		1,310		1,000		1,000
936-3060	Evaluation of FP Program Impact	High	1996-98		450		400		410		250
936-3068	Asso. for Vol. Surgical Contracep. Program	High	1996-98		1,000		1,000		1,000		700
936-3069	JHPIEGO	High	1996-98		500		0		0		450
936-3072	Prime	High	1996-98		1,000		1,300		1,190		750
936-3078	Policy	High	1996-98		850		1,000		900		900
<b>Sub-total Population Funds:</b>					<b>11,430</b>		<b>0</b>	<b>10,760</b>		<b>0</b>	<b>9,150</b>

Mission Strategic Objective	Field Support Activity Title and Number	Priority	Duration	Estimated Funding (\$ 000)								
				FY 1996		FY 1997				FY 1998		
				Obligated By		FY 1997 Base Obligated By		FY 1997 Base -20% Obligated By		FY 1998 Base -30% Obligated By		
				Operating Unit	Global Bureau	Operating Unit	Global Bureau	Operating Unit	Global Bureau	Operating Unit	Global Bureau	
<b>Child Survival Funds</b>												
936-6006	Basic Support for Inst. Child Survival	High	1996-98		140		250		200			200
<b>Sub-total Child Survival Funds:</b>					<b>140</b>	<b>0</b>	<b>250</b>	<b>0</b>	<b>200</b>	<b>0</b>		<b>200</b>
<b>Child Survival/AIDS Funds</b>												
936-5972	AIDS Technical Support	High	1996-98		125		150		100			100
<b>Sub-total Child Survival/AIDS Funds:</b>					<b>125</b>		<b>150</b>		<b>100</b>			<b>100</b>
<b>Total S.O. 2:</b>					<b>11,695</b>	<b>0</b>	<b>11,160</b>	<b>0</b>	<b>9,450</b>	<b>0</b>		<b>9,450</b>
<b>S.O. 3: Increased Child Survival and Improved Nutrition in Selected Areas</b>												
<b>Child Survival Funds:</b>												
936-5966	BRF/Maternal Health	High	1996-98		100		100		50			50
936-5991	Data for Decision Making in the Health Sector	High	1996-98		200		200		150			150
936-6006	Basic Support for Inst. Child Survival	High	1996-98		300		300		300			300
	4-5 CAs to be determined (for WACH)	High			880		1,400		1,300			1,570
<b>Sub-total Child Survival Funds:</b>					<b>1,480</b>	<b>0</b>	<b>2,000</b>	<b>0</b>	<b>1,800</b>	<b>0</b>		<b>2,070</b>
<b>Basic Education Funds:</b>												
936-5848	Girls' and Women's Education Project	High	1996-00		200		300		300			250
<b>Economic Growth (Discretionary) Funds:</b>												
940-0406	Microenterprise Innovation Project	High	1996-96		500		0		0			0
<b>Total S.O. 3:</b>					<b>2,180</b>	<b>0</b>	<b>2,300</b>	<b>0</b>	<b>2,100</b>	<b>0</b>		<b>2,320</b>
<b>S.O. 4: Improved Environmental and Financial Sustainability in the Energy Sector</b>												
936-5730	Renewable Energy Application & Training	High	1996-97		350		100		50			0
936-5734	Energy Training Program	High	1996-97		400		450		400			0
936-5737	Biomass Energy Systems Technology	High	1996-97		50		50		0			0
936-5741	Energy Technology Innovation	High	1996-97		300		400		350			0
<b>Total S.O. 4:</b>					<b>1,100</b>		<b>1,000</b>		<b>800</b>			<b>0</b>

Mission Strategic Objective	Field Support Activity Title and Number	Priority	Duration	Estimated Funding (\$ 000)								
				FY 1996		FY 1997				FY 1998		
				Obligated By		FY 1997 Base Obligated By		FY 1997 Base -20% Obligated By		FY 1998 Base -30% Obligated By		
				Operating Unit	Global Bureau	Operating Unit	Global Bureau	Operating Unit	Global Bureau	Operating Unit	Global Bureau	
<b>S.O. 5: Improved Air and Water Quality at Selected Industrial Sites and Municipalities</b>												
936-5559	Environmental Pollution Prevention	High	1996-98		200		200		150			100
<b>Total S.O. 5:</b>					<b>200</b>		<b>200</b>		<b>150</b>			<b>100</b>
<b>S.O. 6: Increased Conservation and Availability of Crop-Related Germplasm</b>												
No Global Field Support Needed												
<b>Total S.O. 6:</b>					<b>0</b>		<b>0</b>		<b>0</b>			<b>0</b>
<b>Special Objective 1: Reduced Transmission of HIV Infection</b>												
936-5972	AIDS Technical Support	High	1996-98		300		300		300			250
<b>Total SP.O. 1:</b>					<b>300</b>		<b>300</b>		<b>300</b>			<b>250</b>
<b>Special Objective 2: Increased Investment in Agri-business by Private Firms</b>												
936-4214	Regional Agribusiness Project	High	1996-98		200		200		150			150
<b>Total SP.O. 2:</b>					<b>200</b>		<b>200</b>		<b>150</b>			<b>150</b>
<b>TOTAL GLOBAL FIELD SUPPORT:</b>					<b>15,675</b>	<b>0</b>	<b>15,160</b>	<b>0</b>	<b>12,950</b>	<b>0</b>		<b>12,270</b>

**Table 4**  
**Staff Requirements By Objective (FY 1996)**

**USAID/India**

Staff	Strategic Objective 1: Financial Sect.Reforms	Strategic Objective 2: Reduced Fertility	Strategic Objective 3: Child Surv/Imp.Nutr.	Strategic Objective 4: Improv.Environ. &Fin.Sustain.	Strategic Objective 5: Air & Water Quality	Strategic Objective 6: Availability of Germplasm	Special Objective 1: APAC	Special Objective 2: ACE	Other	Total Staff by Class
USDH	0.5	4	1	1	0.5	0.5	0.5	0.5	6.5	15
FSN* (OE)	5	13.5	10	4	3.5	1.5	1.5	2	91	132
FSN* (TF)										0
FSN *(Prog.)				2						2
US/TCN PSC (OE)									1	1
US/TCN PSC (TF)										0
US/TCN PSC (Program)										0
<b>Total Staff by Objective</b>	<b>5.5</b>	<b>17.5</b>	<b>11</b>	<b>7</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>2.5</b>	<b>98.5</b>	<b>150</b>

\* Refers to both FSNDH and FSNPSC.

Above tables do not include RHUDO staff and Vacant positions planned to be eliminated.

'OTHER' includes the full staff from Director's, Controller's, Project Implementation and Support, Contracting and Executive Offices and partial staff from Program Office. Further the figure of 98.5 includes 23 'professionals' with the balance being lower grade support staff, such as warehouse/C&R/drivers/etc.

**Table 5**  
**USAID/India**  
**Operating Expense Requirements**  
**(\$ 000)**

OE/Trust Funded Levels by Major Function Code	FY 1996
U100 USDH	338.8
U200 FN Direct Hire	158.6
U300 Contract Personnel	866.2
U400 Housing	420.8
U500 Office Operations	1,163.1
U600 NXP	417.5
Total Mission-Funded OE	3,365.0
.....Of which Trust Funded	0

R4 - ANNEX A



**PROGRAM PERFORMANCE MONITORING PLAN**

**INDIA**

April 1996  
USAID/NEW DELHI

**PROGRAM PERFORMANCE MONITORING PLAN  
USAID/INDIA**

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## **INTRODUCTION**

The objective trees and tables which follow contain the data necessary to review USAID/New Delhi's progress against the six Strategic Objectives and the ten Intermediate Results which support those objectives. In addition there are two Special Objectives. There are 21 Strategic Objective and Special Objective indicators and 39 Intermediate Results indicators. In total there are 60 indicators which track results in achieving the progress towards these Strategic Objectives, Intermediate Results and Special Objectives.

The indicators are those which best measure our progress, and those for which we have been able to obtain baseline data and reliable reporting. For each Strategic Objective / Special Objective there is an objective tree which illustrates the logic of the strategy and the results tracking system. The tree is followed by two tables (a definition table and a data table) for each S.O., I.R. and Sp.O. The tables include the following:

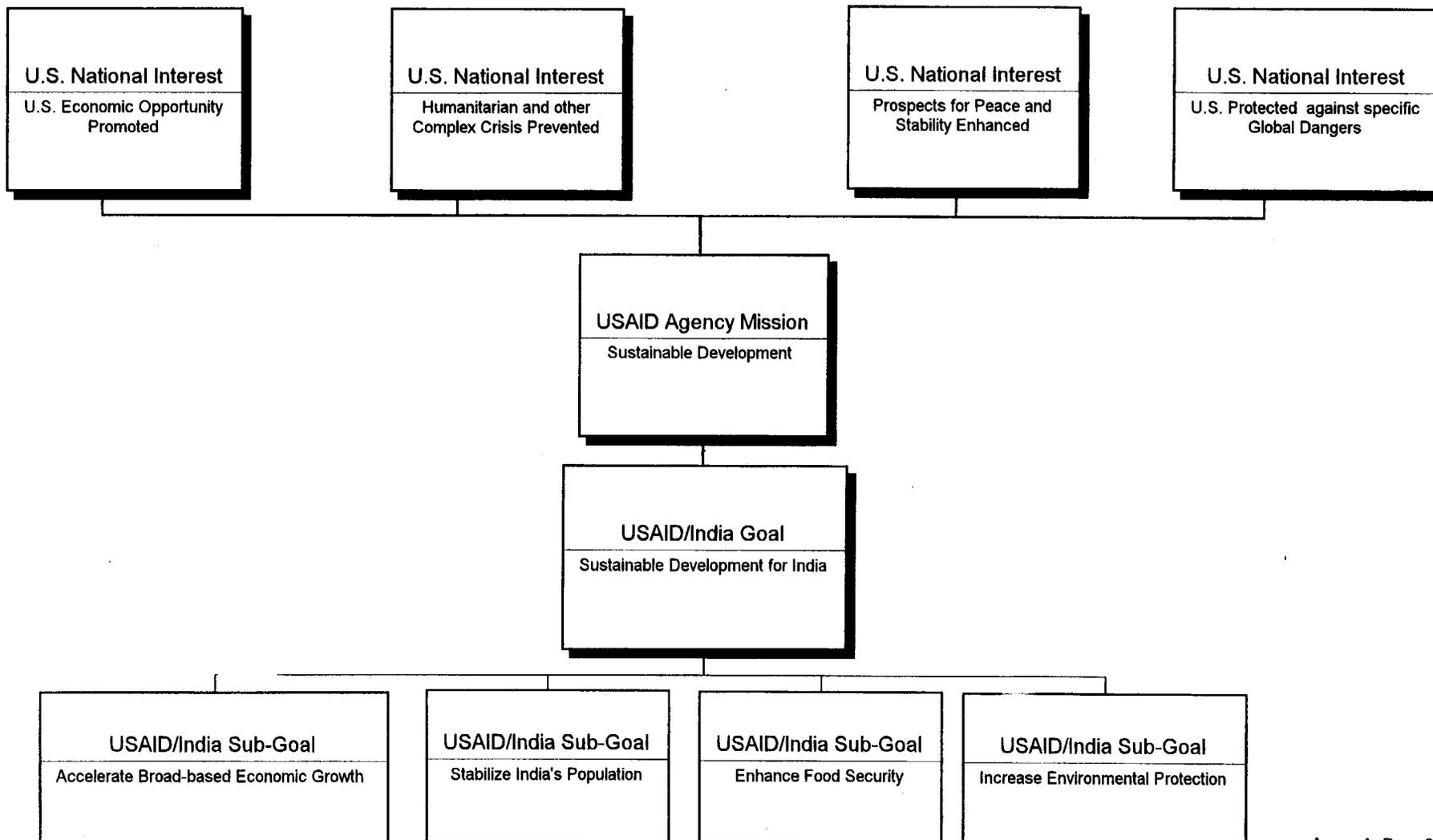
### **Definition Tables** include:

- Performance Indicators
- Definition of Indicator and Unit of Measurement
- Data Source
- Method/Approach of data collection
- Data acquisition by mission (Frequency / Responsible Office)
- Availability of Data at Mission
- Reporting and Analysis of data (Schedule, Quality of Data)
- Indicator data (Baseline value /Year ; Target value / year)

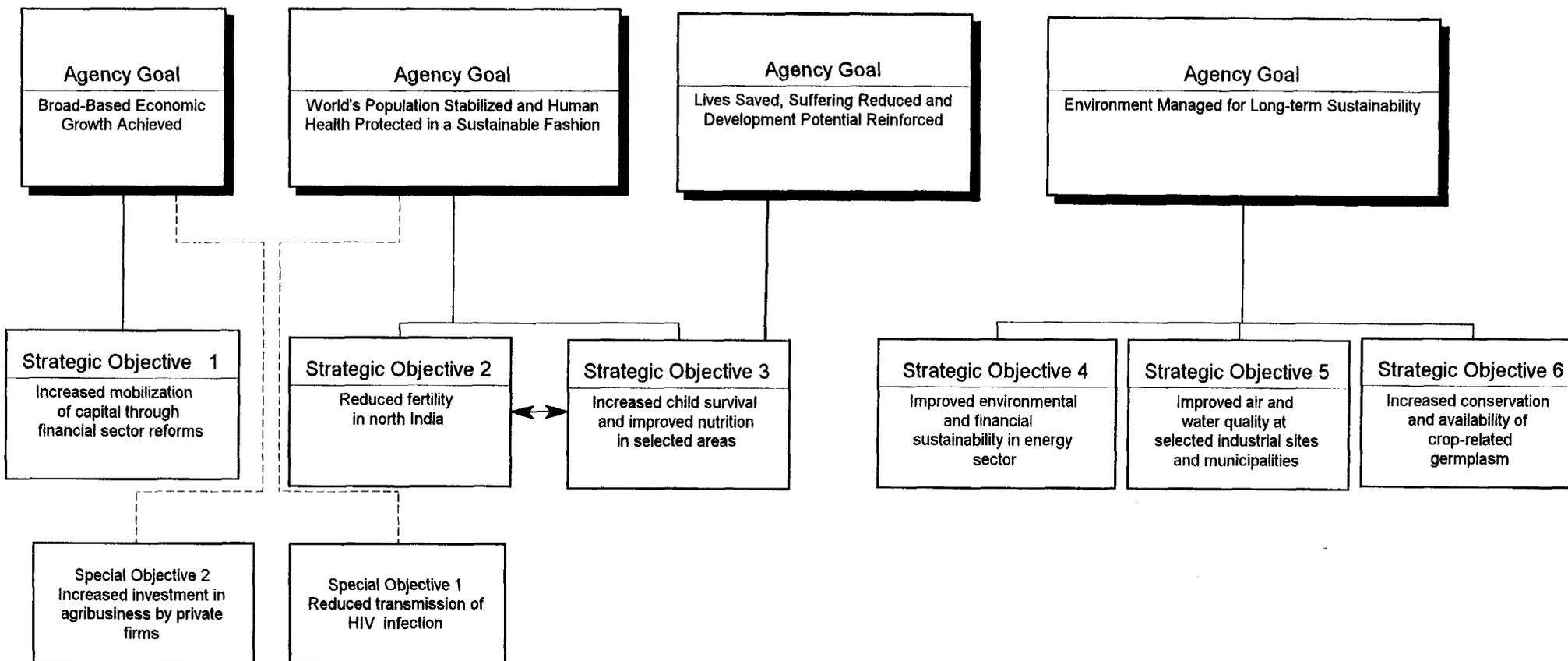
### **Data Tables** include:

- Performance Indicator / Definition and Unit of Measurement
- Data Source / Methodology of collection
- Baseline Data: Year/Value
- Performance by Year: Expected Vs. Actual

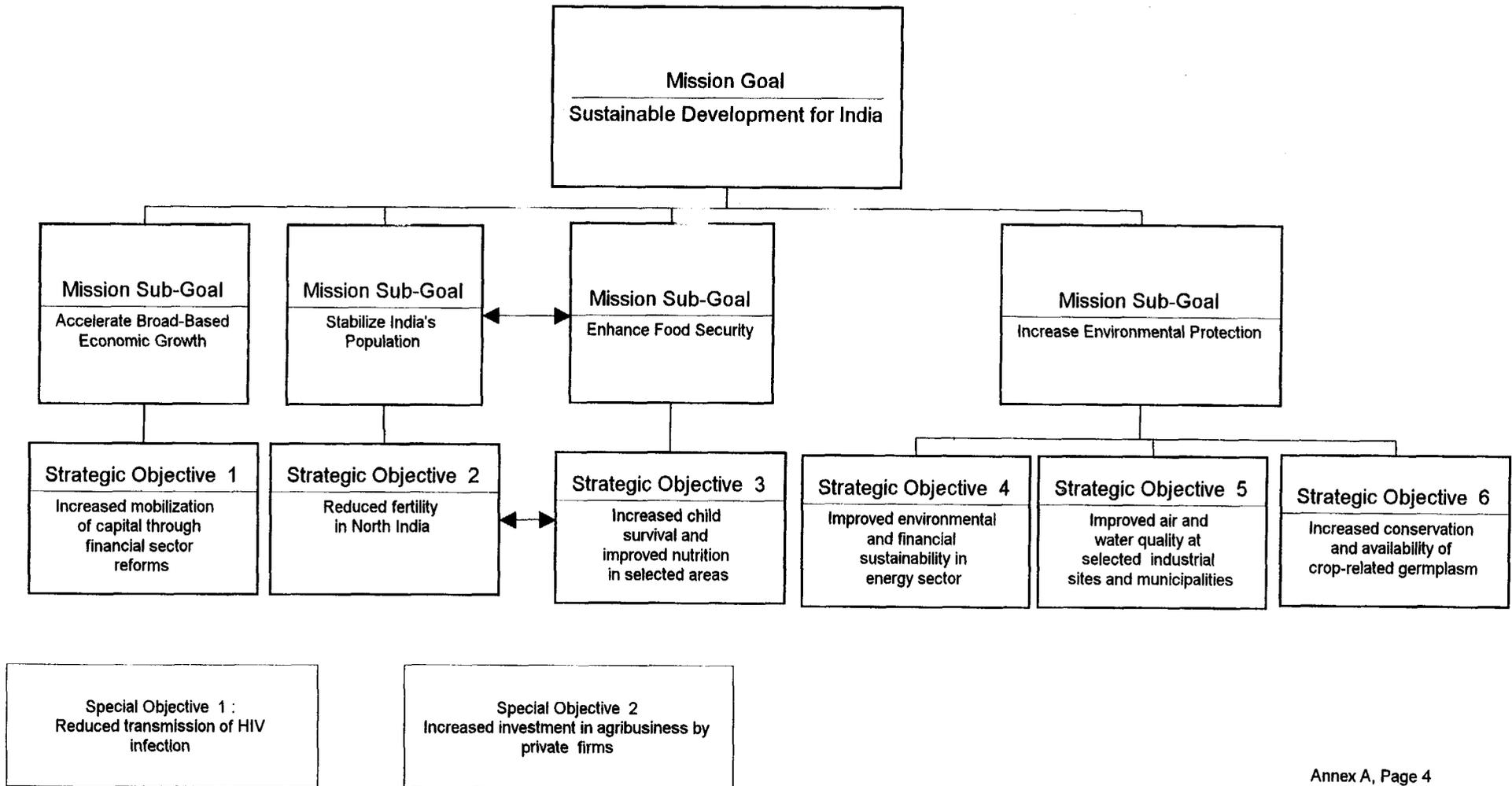
# AGENCY AND USAID/INDIA GOAL LINKAGE



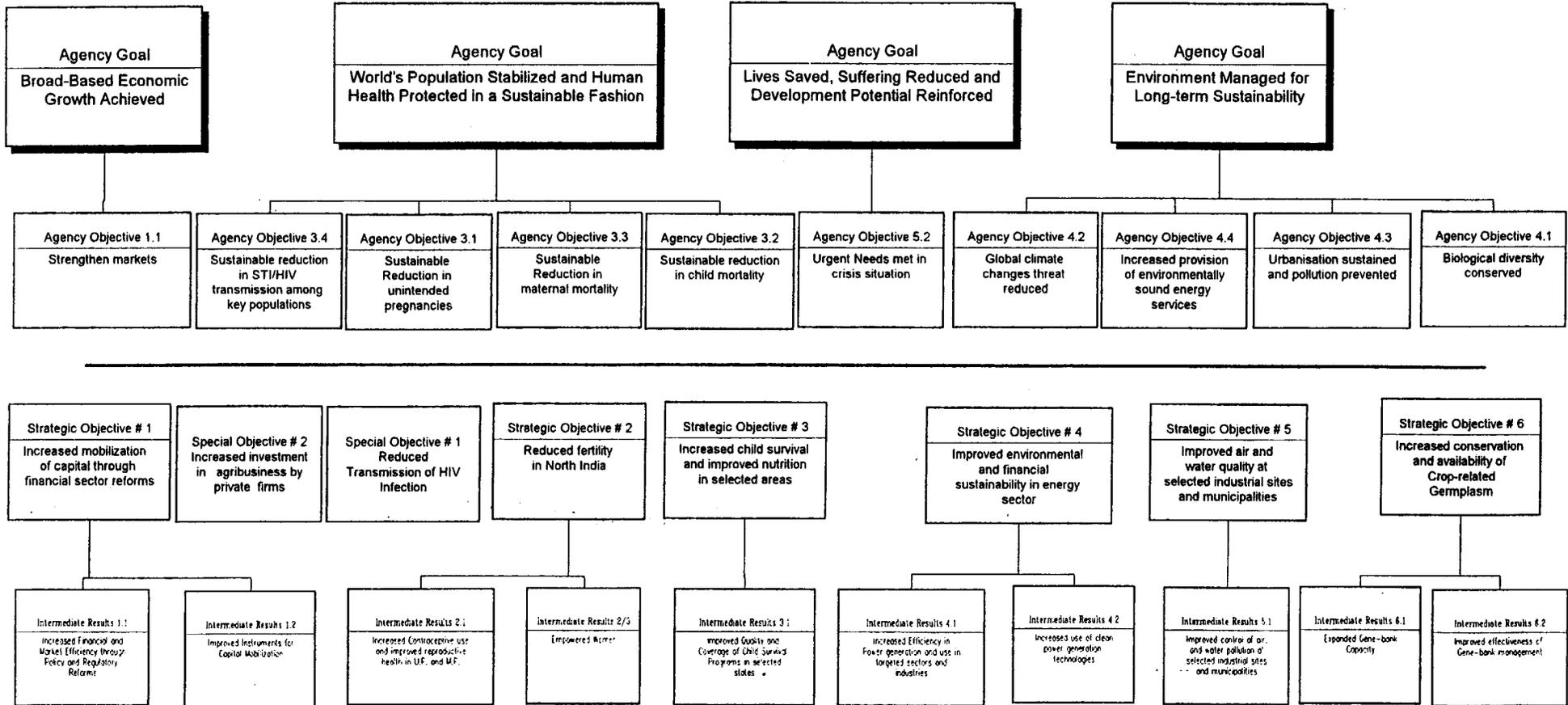
## AGENCY GOALS AND USAID/INDIA RESULTS FRAMEWORK



## RESULTS FRAMEWORK - USAID/INDIA



## AGENCY OBJECTIVES AND USAID/INDIA RESULTS FRAMEWORK INTERFACE



**STRATEGIC OBJECTIVE 1 TREE**

Mission Sub-Goal  
**ACCELERATE BROAD BASED  
 ECONOMIC GROWTH**

Strategic Objective 1  
**INCREASED MOBILIZATION OF CAPITAL  
 THROUGH FINANCIAL SECTOR  
 REFORMS**

Performance Indicators

- 1.1 Increased amount of new capital (equity and debt) raised through the securities markets
- 1.2 Increased foreign indirect institutional (portfolio) investment
- 1.3 Increased amount of private capital used to finance commercially viable urban environmental infrastructure

Intermediate Results 1.1  
**INCREASED FINANCIAL MARKET  
 EFFICIENCY THROUGH POLICY AND  
 REGULATORY REFORMS**

Intermediate Results 1.2  
**IMPROVED INSTRUMENTS  
 FOR CAPITAL MOBILIZATION**

Performance Indicators

- 1.1.1 Clearing and settling time of traded securities reduced in securities markets
- 1.1.2 Price transparency improved in securities markets
- 1.1.3 Increased types of financial instruments traded on stock exchanges
- 1.1.4 Reduced amount of time it takes to list on the stock exchange after the initial public offering
- 1.1.5 Securities depository system established and functioning
- 1.1.6 Increased number of municipal, state and local governments / entities involved in issuing financial instruments

Performance Indicators

- 1.2.1 Increased number of issuers in the capital market
- 1.2.2 Increased number of investors in the capital market
- 1.2.3 Increased amount of private capital raised by small enterprises
- 1.2.4 Increased percentage of household financial assets held in shares and debentures
- 1.2.5 Increased number of non-conventional entities involved in shelter credit provision in USAID-assisted programs
- 1.2.6 Increased volume of shelter related credit to below median-income households
- 1.2.7 Types of USAID-assisted models for expanded capital investment negotiated and disseminated to development partners
- 1.2.8 Increased number of commercially viable urban environmental infrastructure projects under construction

Contributing Activities  
 FIRE  
 HFSP / HFSEP  
 TASP

Contributing Activities  
 FIRE  
 HFSP/HFSEP  
 TASP  
 CTD

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**STRATEGIC OBJECTIVE 1 : DEFINITION TABLE AND INDICATOR PLAN**

PERFORMANCE INDICATOR DEFINITION (AND UNIT OF MEASUREMENT)	DATA SOURCE	METHOD/ APPROACH OF DATA COLLECTION	DATA ACQUISITION BY MISSION		DATA AVAILABLE AT MISSION	REPORTING & ANALYSIS		INDICATOR DATA	
			SCHEDULE FREQUENCY	RESPONSIBLE OFFICE		SCHEDULE BY REPORT	QUALITY OF DATA	BASELINE (Start Date)	TARGET (End Date)
<b>STRATEGIC OBJECTIVE 1</b>									
<b>INCREASED MOBILIZATION OF CAPITAL THROUGH FINANCIAL SECTOR REFORMS</b>									
1.1 Increased amount of new capital (equity and debt) raised through the securities markets (Rs. billion)	Government of India	Economic Survey	Annual	PRO	No	Annual	Good	244 (1993-94)	700 (1998-99)
1.2 Increased foreign indirect institutional (portfolio) investment (\$ billion)	Government of India	Economic Survey	Annual	PRO	No	Annual	Good	1.63 (1993-94)	5 (1998-99)
1.3 Increased amount of private capital used to finance commercially viable urban environmental infrastructure (Rs. billion)	RHUDO/NIUA/ ILFS/HUDCO	Project reports, Sector assessment, Annual evaluations	Annual	RHUDO	No	Annual	Firm	0 (1993-94)	3.75 (1997-98)

SEBI : Securities Exchange Board of India  
 NIUA : National Institute of Urban Affairs  
 ILFS : Infrastructure Leasing and Financial Services  
 HUDCO: Housing and Urban Development Corporation

**STRATEGIC OBJECTIVE 1 : DATA TABLE - EXPECTED AND ACTUAL RESULTS**

PERFORMANCE INDICATOR / DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA			1994-95	1995-96	1996-97	1997-98	1998-99
	YEAR	VALUE						
<b>STRATEGIC OBJECTIVE 1</b>								
<b>INCREASED MOBILIZATION OF CAPITAL THROUGH FINANCIAL SECTOR REFORMS</b>								
1.1 Increased amount of new capital (equity and debt) raised through the securities markets (Rs. billion)	1993/94	244	Actual	276.21	260 [2]			
			Expected	250	300	400	500	700
1.2 Increased foreign indirect institutional (portfolio) investment (\$ billion)	1993/94	1.63	Actual	1.53	1.92 [2]			
			Expected	1.8	2.5	3.5	4	5
1.3 Increased amount of private capital used to finance commercially viable urban environmental infrastructure (Rs. billion) [1]	1993/94	0	Actual	0	0 [3]			
			Expected	0	1.65	2.65	3.75	

[1] As interim indicator for ongoing projects: Estimated number of projects under negotiation with private capital participation to finance commercially viable urban environmental infrastructure during 1994-95 was 1 and is expected to be 3 in 1995-96.

[2] Data represents eleven months of actual data and an estimate for March 1996.

[3] For Tirupur project, Rs. 0.2 billion have been raised and deposited with ILFS, and the remaining Rs. 1.45 billion are expected to be raised by September 1996. The construction shall commence in September, 1996, and the funds will begin to be used at that time.

**STRATEGIC OBJECTIVE 1 : DEFINITION TABLE AND INDICATOR PLAN**

PERFORMANCE INDICATOR DEFINITION (AND UNIT OF MEASUREMENT)	DATA SOURCE	METHOD/ APPROACH OF DATA COLLECTION	DATA ACQUISITION BY MISSION		DATA AVAILABLE AT MISSION	REPORTING & ANALYSIS		INDICATOR DATA	
			SCHEDULE FREQUENCY	RESPONSIBLE OFFICE		SCHEDULE BY REPORT	QUALITY OF DATA	BASELINE (Start Date)	TARGET (End Date)
<b>INTERMEDIATE RESULTS 1.1</b>									
<b>INCREASED FINANCIAL MARKET EFFICIENCY THROUGH POLICY AND REGULATORY REFORMS</b>									
1.1.1 Clearing and settling time of traded securities reduced in securities markets (# of days)	SEBI PW contractor	Annual report Project reports	Annual	PRO	Yes	Annual	Firm	14-21 (1993-94)	7-14 (1998-99)
1.1.2 Price transparency improved in securities markets (proportion of screen based trading to total volume traded and # of stock exchanges using screen based trading system)	SEBI PW contractor	Annual report Project reports	Annual	PRO	No	Annual	Good	No system to verify trade, date, time and price (1993-94)	90% most exchanges (1998-99)
1.1.3 Increased types of financial instruments traded on stock exchanges (types of instruments)	SEBI PW contractor	Annual report Project reports	Annual	PRO	Yes	Annual	Firm	9 types of financial instruments in trade (1993-94)	Securitization of debts and their trade (1998-99)
1.1.4 Reduced amount of time it takes to list on the stock exchange after the initial public offering (days)	SEBI PW contractor	Annual report Project reports	Annual	PRO	No	Annual	Fair	50-70 (1993-94)	30-35 (1998-99)
1.1.5 Securities depository system established and functioning	SEBI PW contractor	Annual report Project reports	Annual	PRO	Yes	Annual	Firm	system not available (1993-94)	system functioning for 50 of the stocks and bonds traded in India (1998-99)
1.1.6 Increased number of municipal, state and local governments / entities involved in issuing financial instruments (#)	NIUA MOUAE/GOI	Annual report Project reports	Annual	RHUDO	Yes	Annual	Firm	0 (1994-95)	5 (1997-98)

SEBI : Securities Exchange Board of India

NIUA : National Institute of Urban Affairs

ILFS : Infrastructure Leasing and Financial Services

HUDCO : Housing and Urban Development Corporation

GOI : Government of India

NSE : National Stock Exchange

FIRE : Financial Institutions Reforms and Expansion Project

PW : Price Waterhouse

MOUAE : Ministry of Urban Affairs and Employment

STRATEGIC OBJECTIVE 1 : DATA TABLE - EXPECTED AND ACTUAL RESULTS

PERFORMANCE INDICATOR / DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA			1994-95	1995-96	1996-97	1997-98	1998-99
	YEAR	VALUE						
<b>INTERMEDIATE RESULTS 1.1</b>								
<b>INCREASED FINANCIAL MARKET EFFICIENCY THROUGH POLICY AND REGULATORY REFORMS</b>								
1.1.1 Clearing and settling time of traded securities reduced in securities markets (days)	1993/94	14-21	Actual	4-21	4-16			
			Expected	10-21	12-20	10-18	8-16	7-14
1.1.2 Price transparency improved in securities markets (proportion of screen based trading to total volume traded and # of stock exchanges using screen based trading system)	1993/94	No system to verify trade, date, time and price system)	Actual	10% (2 exchanges)	more than 50% [1] (4 exchanges)			
			Expected	10% (1 exchange)	20% (2 exchanges)	80% (4 exchanges)	85% (6 exchanges)	90% (Most exchanges)
1.1.3 Increased types of financial instruments traded on stock exchanges (types of instruments)	1993/94	9 types of financial instruments in trade	Actual	9	Not traded to date			
			Expected	9	Municipal Bonds	Futures	Options	Securitization of debts and their trade
1.1.4 Reduced amount of time it takes to list on the stock exchange after the initial public offering (days)	1993/94	50-70	Actual	50-70	50-70			
			Expected	50-70	50-60	40-60	40-50	30-35
1.1.5 Securities depository system established and functioning	1993/94	System not available	Actual	-	Legislation in-effect through ordinance			
			Expected	-	Legislation enacted and regulation promulgated		Depository hardware, software and building to serve atleast 50% of stocks and bond market	Depository system functioning for 50% of stock and bond traded in India
1.1.6 Increased number of municipal, state and local governments/entities involved in issuing financial instruments (no. of municipal and local governments)	1994/95	0	Actual	0	1			
			Expected	0	1	3	5	

[1] Based on the estimates of 4 exchanges OTCEI, NSE, BSE and DSE

**STRATEGIC OBJECTIVE 1 : DEFINITION TABLE AND INDICATOR PLAN**

PERFORMANCE INDICATOR DEFINITION (AND UNIT OF MEASUREMENT)	DATA SOURCE	METHOD/ APPROACH OF DATA COLLECTION	DATA ACQUISITION BY MISSION		DATA AVAILABLE AT MISSION	REPORTING & ANALYSIS		INDICATOR DATA	
			SCHEDULE FREQUENCY	RESPONSIBLE OFFICE		SCHEDULE BY REPORT	QUALITY OF DATA	BASELINE (Start Date)	TARGET (End Date)
<b>INTERMEDIATE RESULTS 1.2</b>									
<b>IMPROVED INSTRUMENTS FOR CAPITAL MOBILIZATION</b>									
1.2.1 Increased number of issuers in the capital market ( # of issues)	Government of India	Economic Survey	Annual	PRO	No	Annual	Good	1,143 (1993-94)	2,200 (1997-98)
1.2.2 Increased number of investors in the capital market (# of investors in million)	SEBI	SEBI reports	Annual	PRO	No	Annual	Fair	17 (1993-94)	22 (1997-98)
1.2.3 Increased amount of private capital raised by small enterprises (Rs. million)	OTCEI PW contractor	Annual report Project reports	Annual	PRO	No	Annual	Good lags by one year	893 (1993-94)	1,100 (1997-98)
1.2.4 Increased percentage of household financial assets held in shares and debentures (%)	RBI/CSO	Quick Estimates	Annual	PRO	No	Annual	Good lags by one year	13.9% (1993-94)	20% (1997-98)
1.2.5 Increased number of nonconventional entities involved in shelter credit provision in USAID-assisted programs (#)	NHB MOUAE HST/MSS contractor Abt Associates	Reports Sector assessment Annual evaluations Reports	Annual	RHUDO	No	Annual	Firm	0 (1991-92)	25 (1995-96)
1.2.6 Increased volume of shelter related credit to below-median income households (Rs. billion)	NHB MOUAE HST/MSS Contractor Abt Associates	Project reports Sector assessment Annual evaluations Reports	Annual	RHUDO	No	Annual	Fair	TBD [1] (1991-92)	TBD [1] (1995-96)
1.2.7 Types of USAID-assisted models for expanded capital investment negotiated and disseminated to development partners (types of models)	NIUA MOUAE ILFS / HUDCO MSS contractor	Project reports Sector assessment Annual evaluations Reports	Annual	RHUDO	No	Annual	Firm	0 (1994-95)	3 (1997-98)
1.2.8 Increased number of commercially viable urban environmental infrastructure projects under construction (#)	NIUA MOUAE ILFS / HUDCO MSS contractor	Project reports Sector assessment Annual evaluations Reports	Annual	RHUDO	No	Annual	Firm	0 (1994-95)	4 (1997-98)

[1] The data on shelter credit by HFCs to below-median income households has significant gaps, and it is insufficient for making any reliable estimate of the performance of the project on this indicator. USAID has undertaken an examination of primary records at HFCs so that it can provide a complete, reliable report including baseline, expected and actual results on this indicator in the near future.

SEBI : Securities Exchange Board of India  
OTCEI : Over the Counter Exchange of India  
RBI : Reserve Bank of India  
NHB : National Housing Bank

MOUAE : Ministry of Urban Affairs and Employment  
NIUA : National Institute of Urban Affairs  
ILFS : Infrastructure Leasing and Financial Services  
HUDCO : Housing and Urban Development Corporation

HST : Housing Seva Trust  
MSS : Management Support Services  
TBD : To be determined

**STRATEGIC OBJECTIVE 1 : DATA TABLE - EXPECTED AND ACTUAL RESULTS**

PERFORMANCE INDICATOR / DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA			1994-95	1995-96	1996-97	1997-98	1998-99
	YEAR	VALUE						
<b>INTERMEDIATE RESULTS 1.2</b>								
<b>IMPROVED INSTRUMENTS FOR CAPITAL MOBILIZATION</b>								
1.2.1 Increased number of issuers in the capital market (no. of issues)	1993/94	1,143	Actual	1,666	1,850 [1]			
			Expected	1,650	1,800	1,950	2,200	
1.2.2 Increased number of investors in the capital market (no. of investors in million)	1993/94	17	Actual	17				
			Expected	17	18.5	20	22	
1.2.3 Increased amount of private capital raised by small enterprises (Rs. million)	1993/94	893	Actual	705 [2]	932 [2]			
			Expected	910	980	1,030	1,100	
1.2.4 Increased percentage of household financial assets held in shares and debentures (percentage)	1993/94	13.9% [3]	Actual	10.7%				
			Expected	16.5%	17.2%	18.2%	20.0%	
1.2.5 Increased number of non-conventional entities involved in shelter credit provision in USAID-assisted programs ( no. of entities)	1991/92	0	Actual	19	23			
			Expected	19	25			
1.2.6 Increased volume of shelter related credit to below-median income households (Rs. billion)	1991/92	TBD [4]	Actual	[4]				
			Expected	TBD	TBD			
1.2.7 Types of USAID-assisted models for expanded capital investment negotiated and disseminated to development partners (types of models)	1994/95	0	Actual	0	1			
			Expected	0	1	2	3	
1.2.8 Increased number of commercially viable urban environmental infrastructure projects under construction (no. of projects)	1994/95	0	Actual	0	0			
			Expected	0	0	2	4	

[1] Based on actual data for nine months and estimates of the 4th quarter.

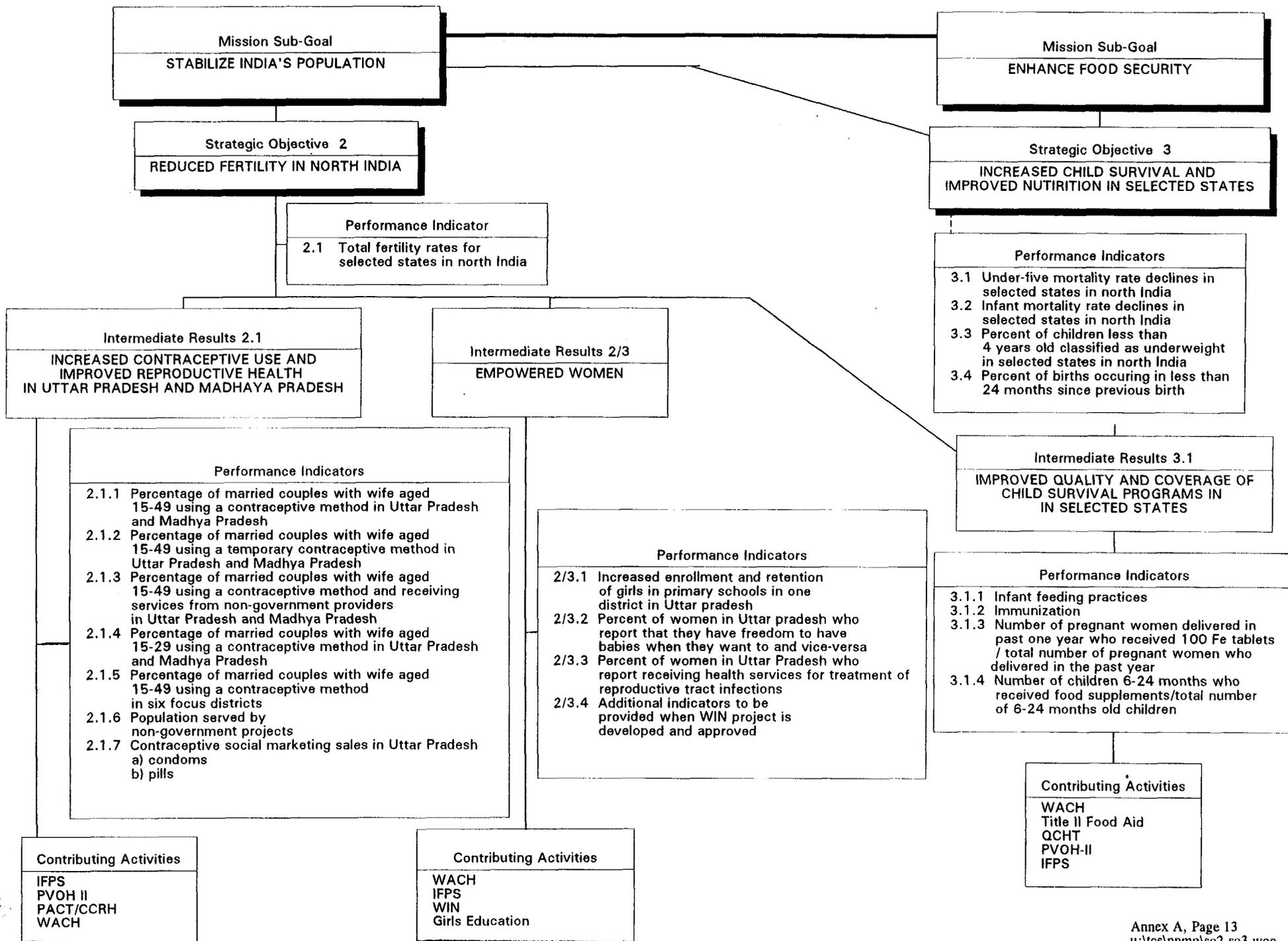
[2] Rs. 705 million raised from 34 issues in 1994-95 and Rs. 932 million raised from 38 issues in 1995-96 as compared to Rs. 893 million from 18 issues in 1993-94.

[3] Estimated by Central Statistical Organization based on data provided by Reserve Bank of India.

[4] The data on shelter credit by HFCs to below-median income households has significant gaps, and it is insufficient for making any reliable estimate of the performance of the project on this indicator. USAID has undertaken an examination of primary records at HFCs so that it can provide a complete, reliable report including baseline, expected and actual results on this indicator in the near future.

TBD : To be determined

## STRATEGIC OBJECTIVES 2 & 3 TREE



**STRATEGIC OBJECTIVE 2 : DEFINITION TABLE AND INDICATOR PLAN**

PERFORMANCE INDICATOR DEFINITION (AND UNIT OF MEASUREMENT)	DATA SOURCE	METHOD/ APPROACH OF DATA COLLECTION	DATA ACQUISITION BY MISSION		DATA AVAILABLE AT MISSION	REPORTING & ANALYSIS		INDICATOR DATA	
			SCHEDULE FREQUENCY	RESPONSIBLE OFFICE		SCHEDULE BY REPORT	QUALITY OF DATA	BASELINE (Start Date)	TARGET (End Date)
<b>STRATEGIC OBJECTIVE 2</b>									
REDUCED FERTILITY IN NORTH INDIA									
2.1 Total fertility rates for selected states in north India	NFHS [1]	Survey reports	Every 3-5 Years (1997-2000)	PHN	No	Every 3-5 Years (1997-2000)	Good	U.P. - 4.8 M.P. - 3.9 (1992)	U.P. - 3.9 M.P. - 3.0 (2001)

[1] NFHS survey was conducted in 1992 and will be conducted every 3-5 years.

**STRATEGIC OBJECTIVE 2 : DATA TABLE - EXPECTED AND ACTUAL RESULTS**

PERFORMANCE INDICATOR/ DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA (1)			1995	1996	1997	1998	1999	2000	2001
	YEAR	VALUE								
<b>STRATEGIC OBJECTIVE 2</b>										
REDUCED FERTILITY IN NORTH INDIA										
2.1 Total fertility rates for selected states in north India	1992	U.P. - 4.8 M.P. - 3.9	Actual [1]  Expected			U.P.-4.3 M.P.- 3.4				U.P.-3.9 M.P.- 3.0

[1] The baseline in 1992 was established by the NFHS which is planned to be conducted in 1997/98 and 2000/01. The 'actuals' for 1992, 1997/98 and 2000/01 will therefore be based on firm and reliable survey data. The actuals in the intervening years will be based on interpolation.

**STRATEGIC OBJECTIVE 2 : DEFINITION TABLE AND INDICATOR PLAN**

PERFORMANCE INDICATOR DEFINITION (AND UNIT OF MEASUREMENT)	DATA SOURCE	METHOD/ APPROACH OF DATA COLLECTION	DATA ACQUISITION BY MISSION		DATA AVAILABLE AT MISSION	REPORTING & ANALYSIS		INDICATOR DATA	
			SCHEDULE FREQUENCY	RESPONSIBLE OFFICE		SCHEDULE BY REPORT	QUALITY OF DATA	BASELINE (Start Date)	TARGET (End Date)
<b>INTERMEDIATE RESULTS 2.1</b>									
<b>INCREASED CONTRACEPTIVE USE AND IMPROVED REPRODUCTIVE HEALTH IN UTTAR PRADESH AND MADHYA PRADESH</b>									
2.1.1 Percentage of married couples with wife aged 15-49 using a contraceptive method in Uttar Pradesh and Madhya Pradesh (%)	NFHS [1]	Survey reports	Every 3-5 Years (1997-2000)	PHN	No	Every 3-5 Years (1997-2000)	Good	U.P. 20 M.P. 36 (1994)	U.P. - 40 M.P. - 56 (2001)
2.1.2 Percentage of married couples with wife aged 15-49 using a temporary contraceptive method in Uttar Pradesh and Madhya Pradesh (%)	NFHS [1]	Survey reports	Every 3-5 Years (1997-2000)	PHN	No	Every 3-5 Years (1997-2000)	Good	U.P. 7 M.P. 5 (1994)	U.P. - 20 M.P. - 17 (2001)
2.1.3 Percentage of married couples with wife aged 15-49 using a contraceptive method and receiving services from non-government providers in Uttar Pradesh and Madhya Pradesh (%)	NFHS [1]	Survey reports	Every 3-5 Years (1997-2000)	PHN	No	Every 3-5 Years (1997-2000)	Good	U.P. 5 M.P. 4 (1994)	U.P. - 20 M.P. - 15 (2001)
2.1.4 Percentage of married couples with wife aged 15-29 using a contraceptive method in Uttar Pradesh and Madhya Pradesh (%)	NFHS [1]	Survey reports	Every 3-5 Years (1997-2000)	PHN	No	Every 3-5 Years (1997-2000)	Good	U.P. 5 M.P. 10 (1994)	U.P. - 20 M.P. - 20 (2001)
2.1.5 Percentage of married couples with wife aged 15-49 using a contraceptive method in six focus districts (%)	PERFORM survey[1]	Survey reports	Annual	PHN	No	Annual	Good	33 (1994)	46 (2001)
2.1.6 Population served by non-government projects in Uttar Pradesh (million)	SIFPSA Management Information System	Report	Annual	PHN	No	Annual	Good	0.2 (1994)	TBD (2001)
2.1.7 Contraceptive social marketing sales in Uttar Pradesh a) condoms (in million) b) pills (in thousand cycles)	Operations Research Group Retail Audit	Survey reports	Annual	PHN	No	Annual	Good	condoms-17 pills-180 (1994)	condoms-131 pills-3200 (2001)

[1] The PERFORM survey will be conducted every two years, and NFHS survey will be conducted every 3-5 years.

**STRATEGIC OBJECTIVE 2 : DATA TABLE - EXPECTED AND ACTUAL RESULTS**

PERFORMANCE INDICATOR / DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA (1)			1995	1996	1997	1998	1999	2000	2001
	YEAR	VALUE								
<b>INTERMEDIATE RESULTS 2.1</b>										
<b>INCREASED CONTRACEPTIVE USE AND IMPROVED REPRODUCTIVE HEALTH IN UTTAR PRADESH AND MADHYA PRADESH</b>										
2.1.1 Percentage of married couples with wife aged 15-49 using a contraceptive method in Uttar Pradesh and Madhya Pradesh (%)	1992	U.P. - 20 M.P. - 36	Actual [1] Expected							U.P. - 30 M.P. - 46  U.P. - 40 M.P. - 56
2.1.2 Percentage of married couples with wife aged 15-49 using a temporary contraceptive method in Uttar Pradesh and Madhya Pradesh (%)	1992	U.P. - 7 M.P. - 5	Actual [1] Expected							U.P. - 13 M.P. - 11  U.P. - 20 M.P. - 17
2.1.3 Percentage of married couples with wife aged 15-49 using a contraceptive method and receiving services from non-government providers in Uttar Pradesh and Madhya Pradesh (%)	1992	U.P. - 5 M.P. - 4	Actual [1] Expected							U.P. - 12 M.P. - 9  U.P. - 20 M.P. - 15
2.1.4 Percentage of married couples with wife aged 15-29 using a contraceptive method in Uttar Pradesh and Madhya Pradesh (%)	1992	U.P. - 5 M.P. - 10	Actual [1] Expected							U.P. - 12 M.P. - 15  U.P. - 20 M.P. - 20
2.1.5 Percentage of married couples with wife aged 15-49 using a contraceptive method in six focus districts (%)	1995	33	Actual Expected	33 33						35 37 39 41 43 46
2.1.6 Population served by non-government projects in Uttar Pradesh (million)	1994	0.2	Actual Expected	5 5						11 18 TBD TBD TBD TBD
2.1.7 Contraceptive social marketing sales in Uttar Pradesh a) condoms (in million) b) pills ( in thousand cycles)	1994	condoms-17 pills-180	Actual Expected	condoms-21 pills-230 condoms-21 pills-230						condoms-26 pills-750 condoms-63 pills-850 condoms-79 pills-1300 condoms-95 pills-1800 condoms-114 pills-2500 condoms-131 pills-3200

[1] The baseline in 1992 was established by the N.F.H.S. which is planned to be conducted in 1997/98 and 2000/01. The 'actuals' for 1992, 1997/98 and 2000/01 will therefore be based on firm and reliable survey data. The actuals in the intervening years will be based on interpolation.

**STRATEGIC OBJECTIVE 2 : DEFINITION TABLE AND INDICATOR PLAN**

PERFORMANCE INDICATOR DEFINITION (AND UNIT OF MEASUREMENT)	DATA SOURCE	METHOD/ APPROACH OF DATA COLLECTION	DATA ACQUISITION BY MISSION		DATA AVAILABLE AT MISSION	REPORTING & ANALYSIS		INDICATOR DATA	
			SCHEDULE FREQUENCY	RESPONSIBLE OFFICE		SCHEDULE BY REPORT	QUALITY OF DATA	BASELINE (Start Date)	TARGET (End Date)
<b>INTERMEDIATE RESULTS 2/3</b>									
<b>EMPOWERED WOMEN</b>									
2/3.1 Increased enrollment and retention of girls in primary schools in one district in Uttar Pradesh									
2/3.1.1 Percentage of 6-11 year old girls enrolled in lower primary (%)	Ministry of HRD and NCERT published documents	Annual survey data	Annual	FFD	No	Annual	Good	TBD [1]	TBD [1]
2/3.1.2 Percentage of girls enrolled in class 1 who dropped out by Class 8 (%)	Ministry of HRD and NCERT published documents	Annual survey data	Annual	FFD	No	Annual	Good	TBD [1]	TBD [1]
2/3.2 Percent of women in Uttar Pradesh who report that they have freedom to have babies when they want to and vice-versa	PERFORM survey and NFHS [2]	Survey data	1996, 1997/2000	PHN	No	1996, 1997/2000	Good	TBD [1]	TBD [1]
2/3.3 Percent of women in Uttar Pradesh who report receiving health services for treatment of Reproductive Tract Infections (RTIs) (%)	PERFORM survey and NFHS [2]	Survey data	1996, 1997/2000	PHN	No	1996, 1997/2000	Good	TBD [1]	TBD [1]
2/3.4 Additional indicators to be provided when WIN Project is developed and approved	TBD	TBD	TBD	FFD		TBD		TBD	TBD

[1] Baseline and target data will be available later.

[2] The PERFORM survey will be conducted every two years, and NFHS survey will be conducted every 3-5 years.

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**STRATEGIC OBJECTIVE 2 : DATA TABLE - EXPECTED AND ACTUAL RESULTS**

PERFORMANCE INDICATOR / DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA (1)			1995	1996	1997	1998	1999	2000	2001
	YEAR	VALUE								
<b>INTERMEDIATE RESULTS 2/3</b>										
<b>EMPOWERED WOMEN</b>										
2/3.1 Increased enrollment and retention of girls in primary schools in one district in Uttar Pradesh										
2/3.1.1 Percentage of 6-11 year old girls enrolled in lower primary (%)	TBD [1]	TBD [1]	Actual							
			Expected	TBD						
2/3.1.2 Percentage of girls enrolled in class 1 who dropped out by Class 8 (%)	TBD [1]	TBD [1]	Actual							
			Expected	TBD						
2/3.2 Percent of women in Uttar Pradesh who report that they have freedom to have babies when they want to and vice-versa (%)	TBD [1]	TBD [1]	Actual							
			Expected	TBD						
2/3.3 Percent of women in Uttar Pradesh who report receiving health services for treatment of Reproductive Tract Infections (RTIs) (%)	TBD [1]	TBD [1]	Actual							
			Expected	TBD						
2/3.4 Additional indicators to be provided when WIN project is developed and approved										

[1] Baseline and target data will be available later.

**STRATEGIC OBJECTIVE 3 : DEFINITION TABLE AND INDICATOR PLAN**

PERFORMANCE INDICATOR DEFINITION (AND UNIT OF MEASUREMENT)	DATA SOURCE	METHOD/ APPROACH OF DATA COLLECTION	DATA ACQUISITION BY MISSION		'DATA AVAILABLE AT MISSION	REPORTING & ANALYSIS		INDICATOR DATA	
			SCHEDULE FREQUENCY	RESPONSIBLE OFFICE		SCHEDULE BY REPORT	QUALITY OF DATA	BASELINE (Start Date)	TARGET (End Date)
<b>STRATEGIC OBJECTIVE 3</b>									
<b>INCREASED CHILD SURVIVAL AND IMPROVED NUTRITION IN SELECTED STATES</b>									
3.1 Under-five mortality rate (no. of under-five deaths per 1000 children) declines in selected states in north India (#)	NFHS [1]	Survey reports	Every 3-5 Years (1997-2000)	FFD	No	Every 3-5 Years (1997-2000)	Good	U.P. - 141 Orissa - 131 M.P. - 130 Bihar - 128 Rajasthan - 103 (1992-93)	U.P. - 113 Orissa - 105 M.P. - 104 Bihar - 103 Rajasthan - 81 (2000-01)
3.2 Infant mortality rate declines (no. of infant deaths per 1000 live births) in selected states in north India (#)	NFHS [1]	Survey reports	Every 3-5 Years (1997-2000)	FFD	No	Every 3-5 Years (1997-2000)	Good	U.P. - 100 Orissa - 112 M.P. - 85 Bihar - 89 Rajasthan - 73 (1992-93)	U.P. - 85 Orissa - 95 M.P. - 73 Bihar - 75 Rajasthan - 62 (2000-01)
3.3 Percent of children less than 4-years old classified as underweight in selected states in north India (%)	NFHS [1]	Survey reports	Every 3-5 Years (1997-2000)	FFD	No	Every 3-5 Years (1997-2000)	Good	U.P. - 50 M.P. - 57 Rajasthan - 42 (1992-93)	U.P. - 38 M.P. - 38 Rajasthan - 38 (2000-01)
3.4 Percent of births occurring in less than 24 months since previous birth (%)	NFHS [1]	Survey reports	Every 3-5 Years (1997-2000)	PHN	No	Every 3-5 Years (1997-2000)	Good	U.P. - 27 M.P. - 25 Rajasthan - 24 (1992-93)	U.P. - 22 M.P. - 20 Rajasthan - 19 (2000-01)

[1] National Family Health Survey (NFHS) was conducted in 1992 and will be done every 3-5 years.

**STRATEGIC OBJECTIVE 3 : DATA TABLE - EXPECTED AND ACTUAL RESULTS**

PERFORMANCE INDICATOR/ DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA			1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
	YEAR	VALUE									
<b>STRATEGIC OBJECTIVE 3</b>											
<b>INCREASED CHILD SURVIVAL AND IMPROVED NUTRITION IN SELECTED STATES</b>											
3.1 Under-five mortality rate declines (no. of under 5 deaths per 1000 children) in selected states in north India	1992/93	U.P. - 141 Orissa - 131 M.P. - 130 Bihar - 128 Rajasthan- 103	Actual	[1]	[1]						
			Expected	[1]	[1]	U.P. - 129 Orissa - 118 M.P. - 119 Bihar - 117 Rajasthan - 94			U.P. - 113 Orissa - 105 M.P. - 104 Bihar - 103 Rajasthan - 81		
3.2 Infant mortality rate declines (no. of infant deaths per 1000 live births) in selected states in north India	1992/93	U.P.- 100 Orissa - 112 M.P. - 85 Bihar- 89 Rajasthan - 73	Actual	[1]	[1]						
			Expected	[1]	[1]	U.P. - 92 Orissa - 103 M.P. - 78 Bihar - 80 Rajasthan - 67			U.P. - 85 Orissa - 95 M.P. - 73 Bihar - 75 Rajasthan - 62		
3.3 Percent of children less than 4-years old classified as underweight in selected states in north India (%)	1992/93	U.P. - 50 M.P. - 57 Rajasthan- 42	Actual	[1]	[1]						
			Expected	[1]	[1]	U.P. - 44 M.P. - 49 Rajasthan - 40			U.P. - 38 M.P.- 38 Rajasthan - 38		
3.4 Percent of births occurring in less than 24 months since previous birth (%)	1992/93	U.P. - 27 M.P. - 25 Rajasthan- 24	Actual	[1]	[1]						
			Expected	[1]	[1]	U.P. - 25 M.P. - 23 Rajasthan - 22			U.P. - 22 M.P.- 20 Rajasthan - 19		

[1] NFHS Survey was conducted in 1992, and will be done every 3-5 years.

**STRATEGIC OBJECTIVE 3 : DEFINITION TABLE AND INDICATOR PLAN**

PERFORMANCE INDICATOR DEFINITION (AND UNIT OF MEASUREMENT)	DATA SOURCE	METHOD/ APPROACH OF DATA COLLECTION	DATA ACQUISITION BY MISSION		'DATA AVAILABLE AT MISSION	REPORTING & ANALYSIS		INDICATOR DATA	
			SCHEDULE FREQUENCY	RESPONSIBLE OFFICE		SCHEDULE BY REPORT	QUALITY OF DATA	BASELINE (Start Date)	TARGET (End Date)
<b>INTERMEDIATE RESULTS 3.1</b>									
<b>IMPROVED QUALITY AND COVERAGE OF CHILD SURVIVAL PROGRAMS IN SELECTED STATES</b>									
<b>3.1.1 Infant feeding practices</b>									
3.1.1.1 Number of infants given colostrum at birth/total number of live births (%)	CARE and CRS program data and NFHS reports [1]	CARE and CRS surveys/ special studies	Annual [2]	FFD	No	Annual [2]	Good	U.P. n.a. Orissa 14% M.P. 35% Bihar n.a. (1992-93) [4]	U.P. n.a. Orissa 40% M.P. 60% Bihar n.a. (2000-01) [4]
3.1.1.2 Number of children 1-2 years who receive breast milk plus solid or mushy foods at 7-9 months/ total number of 1-2 years old children (%)	CARE and CRS program data and NFHS reports [1]	CARE and CRS surveys/ special studies	Annual [2]	FFD	No	Annual [2]	Good	U.P. 13% Orissa 19% M.P. 19% Bihar 15% (1992-93) [4]	U.P. 60% Orissa 70% M.P. 70% Bihar 60% (2000-01) [4]
<b>3.1.2 Immunization</b>									
3.1.2.1 Number of children 1-2 yrs fully immunized by age one / total number of 1-2 year old children (%)	CARE and CRS program data and NFHS reports [1]	CARE and CRS surveys/ special studies/ PVOH II program data	Annual [3]	FFD/PHN	No	Annual [3]	Good	U.P. 17% Orissa 35% M.P. 26% Bihar 9% (1992-93) [4]	U.P. 85% Orissa 85% M.P. 85% Bihar 75% (2000-01) [4]
3.1.2.2 Number of pregnant women who received TT/total number who delivered in the past year (%)	CARE and CRS program data and NFHS reports [1]	CARE and CRS surveys/ special studies	Annual [3]	FFD/PHN	No	Annual [3]	Good	U.P. 32% Orissa 51% M.P. 37% Bihar 26% (1992-93) [4]	U.P. 85% Orissa 90% M.P. 85% Bihar 85% (2000-01) [4]

[1] National Family Health Survey (NFHS) was conducted in 1992, and will be done every 3-5 years.

[2] Data from selected program areas will be collected annually on a cyclic basis by CARE and CRS from 1996-97 onwards.

[3] Data from selected program areas will be collected annually by CARE and CRS from 1996-97 onwards.

[4] All baseline and target data are subject to PVO concurrence.

**STRATEGIC OBJECTIVE 3 : DEFINITION TABLE AND INDICATOR PLAN**

PERFORMANCE INDICATOR DEFINITION (AND UNIT OF MEASUREMENT)	DATA SOURCE	METHOD/ APPROACH OF DATA COLLECTION	DATA ACQUISITION BY MISSION		DATA AVAILABLE AT MISSION	REPORTING & ANALYSIS		INDICATOR DATA	
			SCHEDULE FREQUENCY	RESPONSIBLE OFFICE		SCHEDULE BY REPORT	QUALITY OF DATA	BASELINE (Start Date)	TARGET (End Date)
<b>INTERMEDIATE RESULTS 3.1</b>									
<b>IMPROVED QUALITY AND COVERAGE OF CHILD SURVIVAL PROGRAMS IN SELECTED STATES</b>									
3.1.3 Number of pregnant women delivered in past one year who received 100 Fe tablets/ total number of pregnant women who delivered in the past year (%)	CARE and CRS program data and NFHS reports [1]	CARE and CRS surveys/ special studies	Annual [1]	FFD	No	Annual [1]	Good	U.P. 25% Orissa 47% M.P. 39% Bihar 18% (1992-93) [2]	U.P. 75% Orissa 90% M.P. 85% Bihar 75% (2000-01) [2]
3.1.4 Number of children 6-24 months who received food supplements / total number of 6-24 months old children (%)	CARE and CRS Program Data	CARE and CRS surveys/ special studies	Annual [1]	FFD	No	Annual [1]	Good	TBD [3]	TBD [3]

[1] Data from selected program areas will be collected annually by CARE and CRS from 1996-97 onwards.

[2] All baseline and target data are subject to PVO concurrence.

[3] TBD : To be determined. Baseline and target data can be established only after CARE and CRS complete their surveys/special studies in 1997.

**STRATEGIC OBJECTIVE 3 : DATA TABLE - EXPECTED AND ACTUAL RESULTS**

PERFORMANCE INDICATOR/ DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA			1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
	YEAR	VALUE									
<b>INTERMEDIATE RESULTS 3.1</b>											
<b>IMPROVED QUALITY AND COVERAGE OF CHILD SURVIVAL PROGRAMS IN SELECTED STATES</b>											
<b>3.1.1 Infant feeding practices</b>											
3.1.1.1 No. of infants given colostrum at birth/total number of live births (%)	1992/93	U.P. - n.a. Orissa - 14% M.P. - 35% Bihar- n.a.	Actual	[1]	[1]						
			Expected	[1]	[1]		U.P. - n.a. Orissa - 25% M.P. - 45% Bihar- n.a.			U.P. - n.a. Orissa - 40% M.P. - 60% Bihar -n.a.	
3.1.1.2 Number of children 1-2 years who receive breast milk plus solid or mushy foods at 7-9 months/ total number of 1-2 years old children (%)	1992/93	U.P. - 13% Orissa - 19% M.P. - 19% Bihar- 15%	Actual	[1]	[1]						
			Expected	[1]	[1]		U.P. - 35% Orissa - 40% M.P. - 40% Bihar- 35%			U.P. - 60% Orissa - 70% M.P. - 70% Bihar -60%	
<b>3.1.2 Immunization</b>											
3.1.2.1 Number of children 1-2 yrs fully immunised by age one / total number of 1-2 year old children (%)	1992/93	U.P. - 17% Orissa - 35% M.P. - 26% Bihar - 9%	Actual	[1]	[1]						
			Expected	[1]	[1]		U.P. - 50% Orissa - 50% M.P. - 50% Bihar - 40%			U.P. - 85% Orissa - 85% M.P. - 85% Bihar - 75%	
3.1.2.2 Number of pregnant women who received TT/total number who delivered in the past year (%)	1992/93	U.P. - 32% Orissa - 51% M.P. - 37% Bihar- 26%	Actual	[1]	[1]						
			Expected	[1]	[1]		U.P. 75 - % Orissa - 80% M.P. - 80% Bihar- 75%			U.P. - 85% Orissa - 90% M.P. - 85% Bihar 85%	

[1] Data from selected program areas will be collected annually by CARE and CRS from 1996-97 onwards.

**STRATEGIC OBJECTIVE 3 : DATA TABLE - EXPECTED AND ACTUAL RESULTS**

PERFORMANCE INDICATOR/ DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA			1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
	YEAR	VALUE									
<b>INTERMEDIATE RESULTS 3.1</b>											
<b>IMPROVED QUALITY AND COVERAGE OF CHILD SURVIVAL PROGRAMS IN SELECTED STATES</b>											
3.1.3 Number of pregnant women delivered in past one year who received 100 Fe tablets/ total number of pregnant women who delivered in the past year (%)	1992/93	U.P. - 25% Orissa - 47% M.P. - 39% Bihar- 18%	Actual  Expected	[1]  [1]	[1]  [1]		U.P. - 69% Orissa - 69% M.P. - 69% Bihar - 60%			U.P. - 75% Orissa - 90% M.P. - 85% Bihar- 75%	
3.1.4 Number of children 6-24 months who received food supplements /total number of 6-24 months old children (%)	TBD [2]	TBD [2]	Actual  Expected	  TBD	  TBD	  TBD	  TBD	  TBD	  TBD	  TBD	  TBD

[1] Data from selected program areas will be collected annually by CARE and CRS from 1996-97 onwards.

[2] TBD : To be determined. Baseline and target data can be established only after CARE and CRS complete their surveys/special studies in 1997.

## STRATEGIC OBJECTIVE 4 TREE

Mission Sub-Goal
<b>INCREASE ENVIRONMENTAL PROTECTION</b>

Strategic Objective 4
<b>IMPROVED ENVIRONMENTAL AND FINANCIAL SUSTAINABILITY IN ENERGY SECTOR</b>

Performance Indicators
4.1 Private power as percentage of power generating capacity
4.2 Percent increase in KWH billed to KWH produced
4.3 Ratio of net CO2 emissions per unit power generated

Intermediate Results 4.1
<b>INCREASED EFFICIENCY IN POWER GENERATION AND USE IN TARGETED SECTORS AND INDUSTRIES</b>

Intermediate Results 4.2
<b>INCREASED USE OF CLEAN POWER GENERATION TECHNOLOGIES</b>

Performance Indicators
4.1.1 Percent increase in plant load factor in coal fired power plants
4.1.2 Percent reduction in transmission and distribution losses
4.1.3 Additional indicators will be provided when EPI project is developed and approved

Performance Indicators
4.2.1 Percent increase in MW of energy produced through clean coal technologies
4.2.2 Percent increase in MW of energy produced through renewable energy technologies

Contributing Activities
EMCAT PACER EPI USAEP

Contributing Activities
GEP PACER EMCAT

1/2

**STRATEGIC OBJECTIVE 4 : DEFINITION TABLE AND INDICATOR PLAN**

PERFORMANCE INDICATOR DEFINITION (AND UNIT OF MEASUREMENT)	DATA SOURCE	METHOD/ APPROACH OF DATA COLLECTION	DATA ACQUISITION BY MISSION		DATA AVAILABLE AT MISSION	REPORTING & ANALYSIS		INDICATOR DATA	
			SCHEDULE FREQUENCY	RESPONSIBLE OFFICE		SCHEDULE BY REPORT	QUALITY OF DATA	BASELINE (Start Date)	TARGET (End Date)
<b>STRATEGIC OBJECTIVE 4</b>									
<b>IMPROVED ENVIRONMENTAL AND FINANCIAL SUSTAINABILITY IN ENERGY SECTOR</b>									
4.1 Private power as percentage of power generating capacity (%) [1]	CMIE	Secondary data	Annual	EEE	Yes	Annual	Good lags by 4 months	4.4% (1993-94)	20% (2001-02)
4.2 Percent increase in KWH billed to KWH produced (%)	CMIE	Secondary data	Annual	EEE	Yes	Annual	Good lags by 1 year	72.3% (1992-93)	77% (2002-03)
4.3 Ratio of net CO2 emissions per unit power generated (net emissions in kg/KWh)	ADB	ALGAS project	Annual	EEE	No	Annual	Fair lags by 1 year	1.24 (1993-94)	1.05 (2004-05)

[1] Those private power projects will be tracked that have reached financial closure.

CMIE : Centre for Monitoring Indian Economy

ADB : Asian Development Bank

**STRATEGIC OBJECTIVE 4 : DATA TABLE - EXPECTED AND ACTUAL RESULTS**

PERFORMANCE INDICATOR / DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA			1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
	YEAR	VALUE												
<b>STRATEGIC OBJECTIVE 4</b>														
<b>IMPROVED ENVIRONMENTAL AND FINANCIAL SUSTAINABILITY IN ENERGY SECTOR</b>														
4.1 Private power as percentage of power generating capacity (%) [1]	1993/94	4.4%	Actual Expected	4.4% 5%	n.a. 6%	 8%	 9%	 10%	 12%	 16%	 20%			
4.2 Percent increase in KWH billed to KWH produced (%)	1992/93 1993/94	72.3% 73.7%	Actual Expected	n.a. 73%	n.a. 74%	 74%	 75%	 75%	 75%	 76%	 77%	 77%		
4.3 Ratio of net CO2 emissions per unit power generated (net emissions in kg/KWH)	1993/94	1.24	Actual Expected	[2] 1.23	[2] 1.21	 1.20	 1.19	 1.17	 1.15	 1.12	 1.10	 1.08	 1.06	 1.05

[1] Those private power projects will be tracked that have reached financial closure.  
[2] Data will be available in April 1996.

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**STRATEGIC OBJECTIVE 4 : DEFINITION TABLE AND INDICATOR PLAN**

PERFORMANCE INDICATOR DEFINITION (AND UNIT OF MEASUREMENT)	DATA SOURCE	METHOD/ APPROACH OF DATA COLLECTION	DATA ACQUISITION BY MISSION		DATA AVAILABLE AT MISSION	REPORTING & ANALYSIS		INDICATOR DATA	
			SCHEDULE FREQUENCY	RESPONSIBLE OFFICE		SCHEDULE BY REPORT	QUALITY OF DATA	BASELINE (Start Date)	TARGET (End Date)
<b>INTERMEDIATE RESULTS 4.1</b>									
<b>INCREASED EFFICIENCY IN POWER GENERATION AND USE IN TARGETED SECTORS AND INDUSTRIES</b>									
4.1.1 Percent increase in plant load factor in coal fired power plants. [1] (% plant load factor)	CMIE	Secondary data	Annual	EEE	Yes	Annual	Good lags by 4 months	61% (1993-94)	70% (2004-05)
4.1.2 Percent reduction in transmission and distribution losses (% reduction)	CMIE	Secondary data	Annual	EEE	Yes	Annual	Good lags by 1 year	22% (1992-93)	17% (2004-05)
4.1.3 Additional indicators will be provided when EPI project is developed and approved.									

[1] Plant Load Factor is the ratio of total power generated in a year to installed capacity multiplied by 365 days multiplied by 24 hours per day.

CMIE : Centre for Monitoring Indian Economy

EPI : Environmental Protection Initiative

**STRATEGIC OBJECTIVE 4 : DATA TABLE - EXPECTED AND ACTUAL RESULTS**

PERFORMANCE INDICATOR / DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA			1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
	YEAR	VALUE												
<b>INTERMEDIATE RESULTS 4.1</b>														
<b>INCREASED EFFICIENCY IN POWER GENERATION AND USE IN TARGETED SECTORS AND INDUSTRIES</b>														
4.1.1 Percent increase in plant load factor in coal fired power plants (% plant load factor) [1]	1993/94	61%	Actual	60%	n.a.									
			Expected	61%	62%	63%	64%	65%	66%	67%	68%	69%	69%	70%
4.1.2 Percentage reduction in transmission and distribution losses (% reduction)	1992/93 1993/94	22% 21.5%	Actual	21% [2]	n.a.									
			Expected	22%	21.5%	21%	20.5%	20%	19.5%	19%	18.5%	18%	17.5%	17%
4.1.3 Additional indicators will be provided when EPI Project is developed and approved														

[1] Plant Load Factor is the ratio of total power generated in a year to installed capacity multiplied by 365 days multiplied by 24 hours per day.

[2] CMIE provisional estimates

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**STRATEGIC OBJECTIVE 4 : DEFINITION TABLE AND INDICATOR PLAN**

PERFORMANCE INDICATOR DEFINITION (AND UNIT OF MEASUREMENT)	DATA SOURCE	METHOD/ APPROACH OF DATA COLLECTION	DATA ACQUISITION BY MISSION		DATA AVAILABLE AT MISSION	REPORTING & ANALYSIS		INDICATOR DATA	
			SCHEDULE FREQUENCY	RESPONSIBLE OFFICE		SCHEDULE BY REPORT	QUALITY OF DATA	BASELINE (Start Date)	TARGET (End Date)
<b>INTERMEDIATE RESULTS 4.2</b>									
<b>INCREASED USE OF CLEAN POWER GENERATION TECHNOLOGIES</b>									
4.2.1 Percent increase in MW of energy produced through clean coal technologies [1] (%)	NTPC / NCPU	Secondary data Surveys	Annual	EEE	No	Annual	Good	0 (1993-94)	TBD (2002-03)
4.2.2 Percent increase in MW of energy produced through renewable energy technologies [2] (%)	CMIE	Secondary data	Annual	EEE	Yes	Annual	Good lags by 4 months	0.2 % (1993-94)	10% (2004-05)

[1] Clean coal technologies include coal beneficiation, coal washing, integrated gassification combined cycle, pressurized fluidized bed gassification etc.

[2] Renewable energy technologies include wind, solar, mini-micro hydel power and bio-mass cogeneration.

NTPC : National Thermal Power Corporation

NCPU : National Council of Power Utilities

TBD : To be determined

CMIE : Centre for Monitoring Indian Economy

**STRATEGIC OBJECTIVE 4 : DATA TABLE - EXPECTED AND ACTUAL RESULTS**

PERFORMANCE INDICATOR / DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA			1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
	YEAR	VALUE												
<b>INTERMEDIATE RESULTS 4.2</b>														
<b>INCREASED USE OF CLEAN POWER GENERATION TECHNOLOGIES</b>														
4.2.1 Percent increase in MW of energy produced through clean coal technologies [1] (%)	1993/94	0	Actual	0	0									
			Expected	0	0	TBD [3]	TBD	TBD	TBD	TBD	TBD	TBD		
4.2.2 Percent increase in MW of energy produced through renewable energy technologies [2] (%)	1993/94	0.2%	Actual	0.58%	1 % [4]									
			Expected	0.35%	1 %	2%	3 %	4%	5%	6%	7%	8%	9%	10%

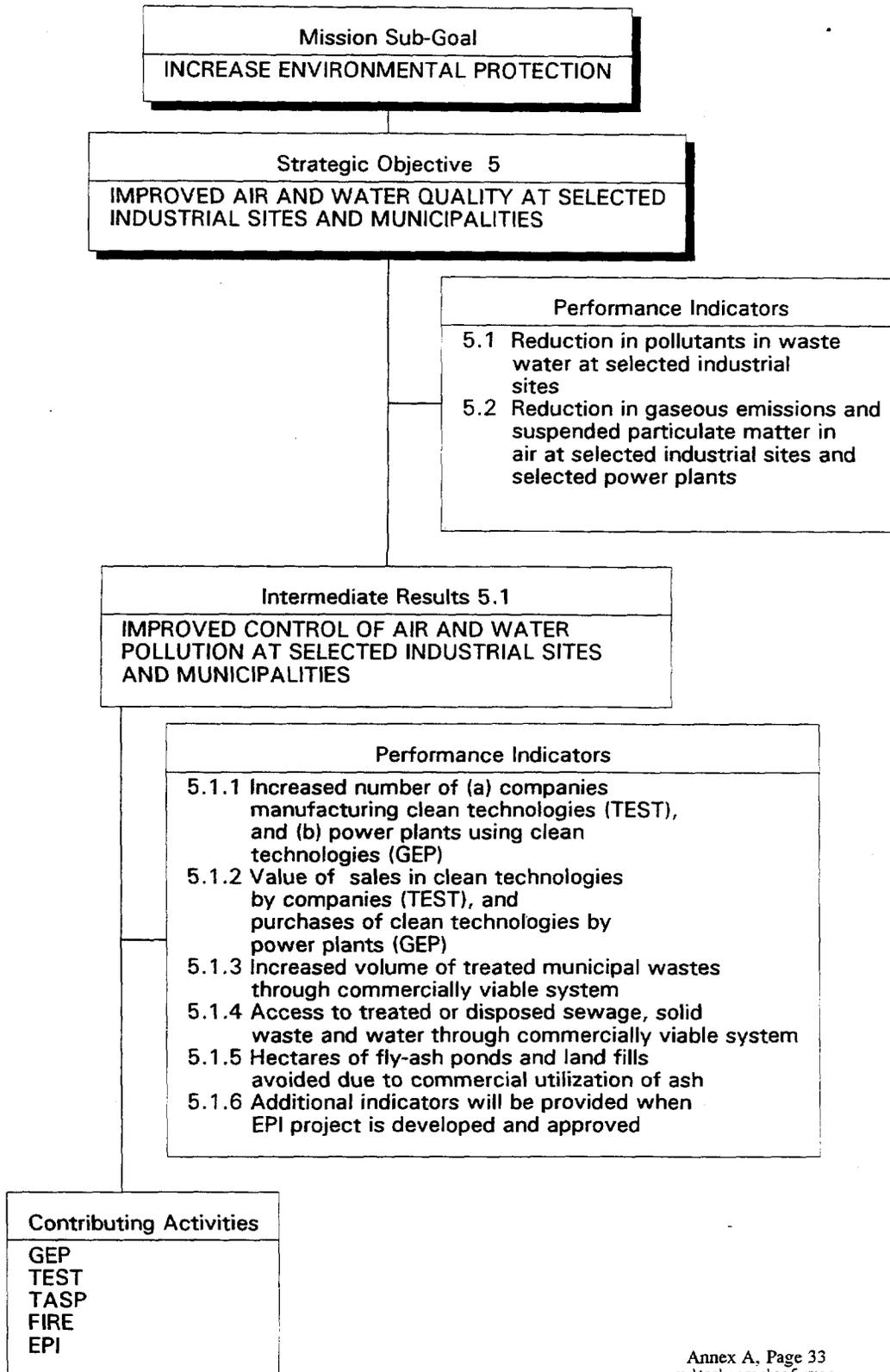
[1] Clean coal technologies include coal beneficiation, coal washing, integrated gassification combined cycle, pressurized fluidized bed gassification etc.

[2] Renewable energy technologies include wind, solar, mini-micro hydel power and bio-mass cogeneration

[3] The selection process for companies to be financed will be completed by September 1996 and then targets can be determined.

[4] Centre for Monitoring Indian Economy projections

## STRATEGIC OBJECTIVE 5 TREE



**STRATEGIC OBJECTIVE 5 : DEFINITION TABLE AND INDICATOR PLAN**

PERFORMANCE INDICATOR DEFINITION (AND UNIT OF MEASUREMENT)	DATA SOURCE	METHOD/ APPROACH OF DATA COLLECTION	DATA ACQUISITION BY MISSION		DATA AVAILABLE AT MISSION	REPORTING & ANALYSIS		INDICATOR DATA	
			SCHEDULE FREQUENCY	RESPONSIBLE OFFICE		SCHEDULE BY REPORT	QUALITY OF DATA	BASELINE (Start Date)	TARGET (End Date)
<b>STRATEGIC OBJECTIVE 5</b>									
<b>IMPROVED AIR AND WATER QUALITY AT SELECTED INDUSTRIAL SITES AND MUNICIPALITIES</b>									
5.1 Reduction in pollutants in waste water at selected industrial sites ( % reduction)	Project records NEERI	secondary data	Annual	EEE	Yes	Annual	Good	0% (1993-94)	10% (1997-98)
5.2 Reduction in gaseous emissions and suspended particulate matter in air at selected industrial sites and selected power plants (% reduction)	Project records NTPC	secondary data	Annual	EEE	Yes	Annual	Good	1993-94 - 0% [1] 1994-95 - 0% [2]	1997-98 - 90%[1] 2000-01 - 4% [2]

[1] The data is for TEST project.

[2] The data is for GEP project.

NEERI : National Environmental Engineering Research Institute  
 NTPC : National Thermal Power Corporation  
 SEB : State Electricity Boards

TEST : Trade in Environmental Services and Technologies  
 GEP : Greenhouse Gas Pollution Protection  
 TBD : To be determined

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**STRATEGIC OBJECTIVE 5 : DATA TABLE - EXPECTED AND ACTUAL RESULTS**

PERFORMANCE INDICATOR / DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA			1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000	2000-01
	YEAR	VALUE								
<b>STRATEGIC OBJECTIVE 5</b>										
<b>IMPROVED AIR AND WATER QUALITY AT SELECTED INDUSTRIAL SITES AND MUNICIPALITIES</b>										
5.1 Reduction in pollutants in waste water at selected industrial sites (percent reduction)	1993/94	0%	Actual	[1]	[1]					
			Expected	0%	3%	6%	10%			
5.2 Reduction in gaseous emissions and suspended particulate matter in air at selected industrial sites and selected power plants (% reduction)	1993/94	0%	Actual	0%	97% [2]					
	Industrial Sites TEST Project		Expected	0%	80%	85%	90%			
	1994/95	0%	Actual	0%	0% [3]					
	Power Plants GEP Project		Expected	0%	0.5%	1%	2%	3%	3.5 %	4%

[1] The first project on waste water treatment is not operational and therefore there has been no reduction in pollutants yet.

[2] The average reduction of pollutants is 97% (minimum 82% and maximum 99%) in eleven (11) plant sites, which reported data and which are using equipment manufactured by Kirloskar-SynderGeneral; which is a Indo-US venture assisted by USAID to manufacture and service pollution control equipment and technology. Another Indo-US joint venture has just been commercialized, but data is not available yet. Eight other USAID-assisted Indo-US ventures to manufacture and service pollution control equipment and technology have not yet begun to manufacture or to sell their products.

[3] Two power plants (NTPC-Dadri and Singrauli) have been identified, and US experts are visiting them. They will suggest suitable technology and other measures for reduction of emissions.

**STRATEGIC OBJECTIVE 5 : DEFINITION TABLE AND INDICATOR PLAN**

PERFORMANCE INDICATOR DEFINITION (AND UNIT OF MEASUREMENT)	DATA SOURCE	METHOD/ APPROACH OF DATA COLLECTION	DATA ACQUISITION BY MISSION		DATA AVAILABLE AT MISSION	REPORTING & ANALYSIS		INDICATOR DATA	
			SCHEDULE FREQUENCY	RESPONSIBLE OFFICE		SCHEDULE BY REPORT	QUALITY OF DATA	BASELINE (Start Date)	TARGET (End Date)
<b>INTERMEDIATE RESULTS 5.1</b>									
<b>IMPROVED CONTROL OF AIR AND WATER POLLUTION AT SELECTED INDUSTRIAL SITES AND MUNICIPALITIES</b>									
5.1.1 Increased number of (a) companies manufacturing clean technologies [3] (TEST), and (b) power plants using clean technologies (GEP) (# of companies and # of power plants)	ICICI, Industry NTPC	secondary data	Quarterly	EEE	No	Annual	Fair	0 [1] (1992-93)	25 [1] (1997-98)
								0 [2] (1994-95)	7 [2] (2000-01)
5.1.2 Value of sales in clean technologies by companies (TEST) [4], and purchases of clean technologies by power plants (GEP) (cumulative \$ millions)	ICICI, Industry NTPC	secondary data	Quarterly	EEE	No	Annual	Fair	0 [1] (1992-93)	80 [1] (1997-98)
								0 [2] (1994-95)	150 [2] (2000-01)
5.1.3 Increased volume of treated municipal wastes through commercially viable system									
5.1.3.1 Tons of solid waste collected and disposed (tons per day)	Municipalities/ HUDCO/ NIUA/ILFS	Survey/Annual Evaluations/ Sector Assessment Report	Annual	RHUDO	No	Annual	Good	0 (1994-95)	300 (1998-99)
5.1.3.2 Volume of sewage treated (million litres per day)	Municipalities/ HUDCO/ NIUA/ILFS	Survey/Annual Evaluations/ Sector Assessment Report	Annual	RHUDO	No	Annual	Good	0 (1994-95)	140 (1998-99)
5.1.3.3 Volume of water treated (million litres per day)	Municipalities/ HUDCO/ NIUA/ILFS	Survey/Annual Evaluations/ Sector Assessment Report	Annual	RHUDO	No	Annual	Good	0 (1994-95)	370 (1998-99)
5.1.4 Access to treated or disposed sewage, solid waste, and water through commercially viable system (population in million)	Municipalities/ HUDCO/ NIUA/ILFS	Survey/Annual Evaluations/ Sector Assessment Report	Annual	RHUDO	No	Annual	Good	0 (1994-95)	1 (1998-99)
5.1.5 Hectares of fly-ash ponds and land fills avoided due to commercial utilization of ash (hectares)	NTPC, SEBs, captive power plants	secondary data, government reports	Annual	EEE	No	Annual	Fair	0 (1994-95)	TBD (2001-02)
5.1.6 Additional indicators will be provided when EPI project is developed and approved									

[1] The data is for TEST project.

[2] The data is for GEP project.

[3] Companies manufacturing boilers, turbines, generators, filters and coal ash products such as ash bricks etc.

[4] Sales in clean technologies may also include boilers, turbines, generators, filters etc. and coal ash products such as ash bricks etc.

NTPC : National Thermal Power Corporation

NIUA : National Institute of Urban Affairs

ICICI : Industrial Credit and Investment Corporation of India

ILFS : Infrastructure Leasing and Finance Services

HUDCO : Housing and Urban Development Corporation

TBD : To be determined

**STRATEGIC OBJECTIVE 5 : DATA TABLE - EXPECTED AND ACTUAL RESULTS**

PERFORMANCE INDICATOR / DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA			1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000	2000-01
	YEAR	VALUE								
<b>INTERMEDIATE RESULTS 5.1</b>										
<b>IMPROVED CONTROL OF AIR AND WATER POLLUTION AT SELECTED INDUSTRIAL SITES AND MUNICIPALITIES</b>										
5.1.1 Increased number of (a) companies manufacturing clean technologies [1] (TEST), and (b) power plants using clean technologies (GEP) (# of companies and # of power plants)	1992/93 Companies TEST Project	0	Actual	7	10					
			Expected	10	13	17	25			
	1994/95 Power Plants GEP Project	0	Actual	0	0 [3]					
			Expected	1	2	3	4	5	6	7
5.1.2 Value of sales in clean technologies by companies (TEST) [2], and purchases of clean technologies by power plants (GEP) (cumulative \$ millions)	1992/93 Companies TEST Project	0	Actual	10	37					
			Expected	30	40	60	80			
	1994/95 Power Plants GEP Project	0	Actual	0	0 [3]					
			Expected	0	25	50	75	100	125	150
5.1.3 Increased volume of treated municipal wastes through commercially viable system										
5.1.3.1 Tons of solid waste collected and disposed (tons per day)	1994/95	0	Actual	0	0					
			Expected	0	0	0	150	300		
5.1.3.2 Volume of sewage treated (million litres per day)	1994/95	0	Actual	0	0					
			Expected	0	0	0	0	140		
5.1.3.3 Volume of water treated (million litres per day)	1994/95	0	Actual	0	0					
			Expected	0	0	0	46	370		
5.1.4 Access to treated or disposed sewage, solid waste, and water through commercially viable system (population in millions)	1994/95	0	Actual	0	0					
			Expected	0	0	0	0.35	1		
5.1.5 Hectares of fly-ash ponds and land fills avoided due to commercial utilization of ash (hectares)	1994/95	0	Actual	0	0					
			Expected	0	0	TBD [4]	TBD	TBD	TBD	TBD
5.1.6 Additional indicators will be provided when EPI project is developed and approved										

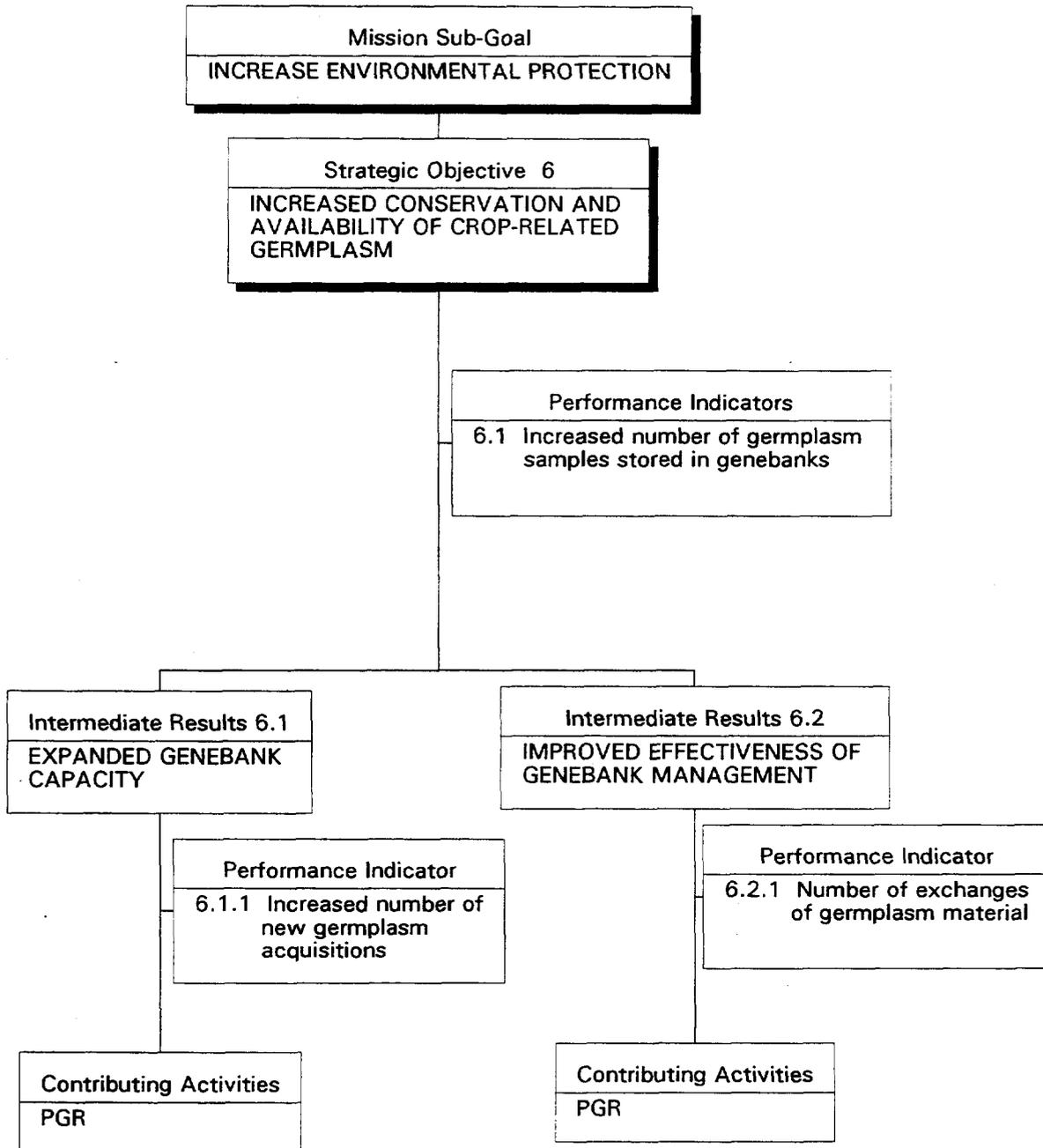
[1] Companies manufacturing boilers, turbines, generators, filters and coal ash products such as ash bricks etc.

[2] Sales in clean technologies include boilers, turbines, generators, filters, and coal ash products such as ash bricks etc.

[3] Although some progress was expected, the project was authorized in April, 1995 and data therefore not yet available.

[4] The GEP project is still in a formative stage and targets will be determined once selection of sites to be assisted is complete.

# STRATEGIC OBJECTIVE 6 TREE



**STRATEGIC OBJECTIVE 6 : DEFINITION TABLE AND INDICATOR PLAN**

PERFORMANCE INDICATOR DEFINITION (AND UNIT OF MEASUREMENT)	DATA SOURCE	METHOD/ APPROACH OF DATA COLLECTION	DATA ACQUISITION BY MISSION		DATA AVAILABLE AT MISSION	REPORTING & ANALYSIS		INDICATOR DATA	
			SCHEDULE FREQUENCY	RESPONSIBLE OFFICE		SCHEDULE BY REPORT	QUALITY OF DATA	BASELINE (Start Date)	TARGET (End Date)
<b>STRATEGIC OBJECTIVE 6</b>									
<b>INCREASED CONSERVATION AND AVAILABILITY OF CROP-RELATED GERM-PLASM</b>									
6.1 Increased number of germplasm samples stored in genebanks (no. of accessions)	Research Highlights NBPGR	Base collection centers and regional stations	Annual	EEE	No	Annual	Good	176,000 (1993-94)	800,000 (2004-05)

NBPGR : National Bureau of Plant Genetic Resources

**STRATEGIC OBJECTIVE 6 : DATA TABLE - EXPECTED AND ACTUAL RESULTS**

PERFORMANCE INDICATOR / DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA			1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
	YEAR	VALUE												
<b>STRATEGIC OBJECTIVE 6</b>														
<b>INCREASED CONSERVATION AND AVAILABILITY OF CROP-RELATED GERM-PLASM</b>														
6.1 Increased number of germplasm samples stored in genebank (no. of accessions)	1993/94	176,000	Actual	176,000	176,000 [1]									
			Expected	176,000	176,000	200,000	250,000	300,000	375,000	450,000	550,000	625,000	700,000	800,000

[1] Existing capacity of genebank is 176000 which has been met in 1993. The number of samples stored in the genebank will increase in the coming year, April, 1996 - March 31, 1997.

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**STRATEGIC OBJECTIVE 6 : DEFINITION TABLE AND INDICATOR PLAN**

PERFORMANCE INDICATOR DEFINITION (AND UNIT OF MEASUREMENT)	DATA SOURCE	METHOD/ APPROACH OF DATA COLLECTION	DATA ACQUISITION BY MISSION		DATA AVAILABLE AT MISSION	REPORTING & ANALYSIS		INDICATOR DATA	
			SCHEDULE FREQUENCY	RESPONSIBLE OFFICE		SCHEDULE BY REPORT	QUALITY OF DATA	BASELINE (Start Date)	TARGET (End Date)
<b>INTERMEDIATE RESULTS 6.1</b>									
EXPANDED GENE BANK CAPACITY									
6.1.1 Increased number of new germplasm acquisitions (no. per year)	Research Highlights NBPGR	Base collection centers and regional stations	Annual	EEE	No	Annual	Good	2,818 (1993-94)	100,000 (2004-05)

NBPGR : National Bureau of Plant Genetic Resources

**STRATEGIC OBJECTIVE 6 : DATA TABLE - EXPECTED AND ACTUAL RESULTS**

PERFORMANCE INDICATOR / DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA			1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
	YEAR	VALUE												
<b>INTERMEDIATE RESULTS 6.1</b>														
<b>EXPANDED GENE BANK CAPACITY</b>														
6.1.1 Increased number of new germplasm acquisitions (no. per year)	1993/94	2,818	Actual	2,788	[1]									
			Expected	3,000	3,000	50,000	50,000	50,000	75,000	75,000	100,000	75,000	75,000	100,000

[1] It is anticipated that the target will be met. Data will be available in September 1996.

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**STRATEGIC OBJECTIVE 6 : DEFINITION TABLE AND INDICATOR PLAN**

PERFORMANCE INDICATOR DEFINITION (AND UNIT OF MEASUREMENT)	DATA SOURCE	METHOD/ APPROACH OF DATA COLLECTION	DATA ACQUISITION BY MISSION		DATA AVAILABLE AT MISSION	REPORTING & ANALYSIS		INDICATOR DATA	
			SCHEDULE FREQUENCY	RESPONSIBLE OFFICE		SCHEDULE BY REPORT	QUALITY OF DATA	BASELINE (Start Date)	TARGET (End Date)
<b>INTERMEDIATE RESULTS 6.2</b>									
<b>IMPROVED EFFECTIVENESS OF GENE BANK MANAGEMENT</b>									
6.2.1 Number of exchanges of germplasm material (no. per year)	Research Highlights NBPGR	Base collection centers and regional stations	Annual	EEE	No	Annual	Good	6,097 (1993-94)	25,000 (2004-05)

NBPGR : National Bureau of Plant Genetic Resources

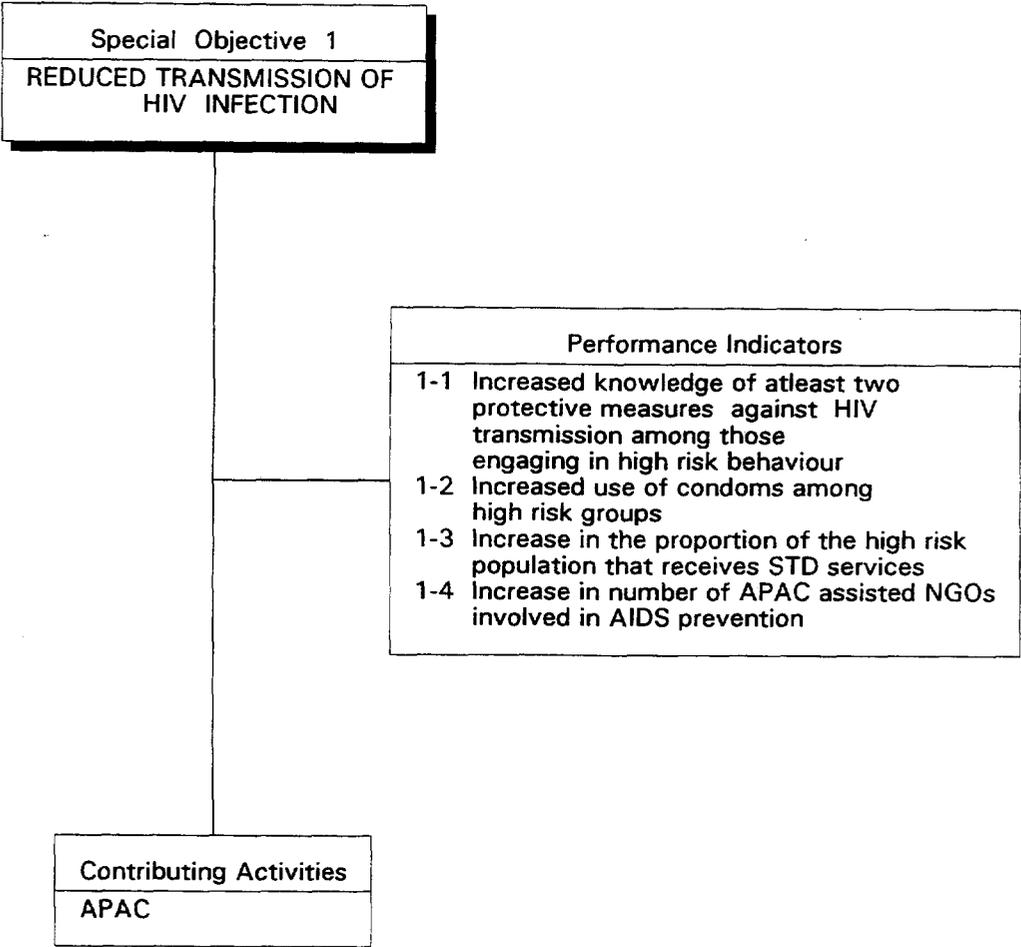
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**STRATEGIC OBJECTIVE 6 : DATA TABLE - EXPECTED AND ACTUAL RESULTS**

PERFORMANCE INDICATOR / DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA			1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
	YEAR	VALUE												
<b>INTERMEDIATE RESULTS 6.2</b>														
<b>IMPROVED EFFECTIVENESS OF GENE BANK MANAGEMENT</b>														
6.2.1 Number of exchanges of germplasm material (no. per year)	1993/94	6,097	Actual	40,811	[1]									
			Expected	5,000	5,000	5,000	20,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000

[1] It is anticipated that the target will be met. Data will be available in September 1996. Currently, the number of germplasm exchanges is fluctuating over the years due to very few genebanks in other countries. Once their number increases, the rate of exchanges of germplasm shall stabilize as reflected from year 1997-98 to 2004-05.

**SPECIAL OBJECTIVE 1 TREE**



**SPECIAL OBJECTIVE 1 : DEFINITION TABLE AND INDICATOR PLAN**

PERFORMANCE INDICATOR DEFINITION (AND UNIT OF MEASUREMENT)	DATA SOURCE	METHOD/ APPROACH OF DATA COLLECTION	DATA ACQUISITION BY MISSION		DATA AVAILABLE AT MISSION	REPORTING & ANALYSIS		INDICATOR DATA	
			SCHEDULE FREQUENCY	RESPONSIBLE OFFICE		SCHEDULE BY REPORT	QUALITY OF DATA	BASELINE (Start Date)	TARGET (End Date)
<b>SPECIAL OBJECTIVE 1</b>									
<b>REDUCED TRANSMISSION OF HIV INFECTION</b>									
1-1. Increased knowledge of atleast two protective measures against HIV transmission among those engaging high risk behavior (% population)	VHS	Knowledge attitude and behavior studies	Annual	PHN	No	Annual	Good	TBD (1995-96)	TBD (2001-02)
1-2. Increased use of condoms among high risk groups (% increase)	VHS	Knowledge attitude and behavior studies	Annual	PHN	No	Annual	Good	TBD (1995-96)	TBD (2001-02)
1-3. Increase in the proportion of the high risk population that receives STD services (% population)	VHS	Knowledge attitude and behavior studies	Annual	PHN	No	Annual	Good	TBD (1995-96)	TBD (2001-02)
1-4. Increase in number of APAC assisted NGOs involved in AIDS prevention (number)	VHS	Project records	Annual	PHN	Yes	Annual	Firm	0 (1995-96)	100 (2001-02)

[1] Baseline data will be available by April 1996 as baseline studies are being commissioned now. Targets and expected data will be determined after these studies.

TBD : To be determined

NGO : Non-Governmental Organizations

STD : Sexually Transmitted Disease

APAC : AIDS Prevention and Control Project

VHS : Voluntary Health Services, Madras

AIDS : Acquired Immune Deficiency Syndrome

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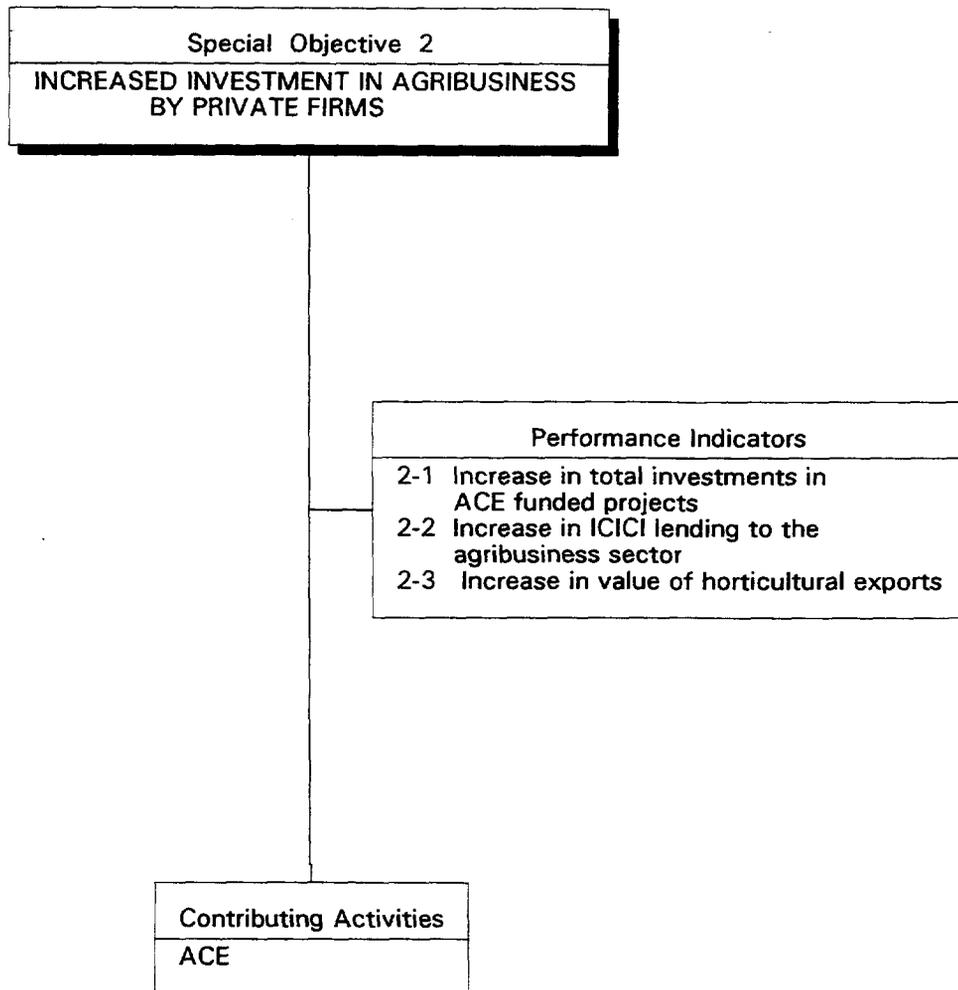
**SPECIAL OBJECTIVE 1 : DATA TABLE - EXPECTED AND ACTUAL RESULTS**

PERFORMANCE INDICATOR / DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA			1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
	YEAR	VALUE							
<b>SPECIAL OBJECTIVE 1</b>									
<b>REDUCED TRANSMISSION OF HIV INFECTION</b>									
1-1. Increased knowledge of at least two protective measures against HIV transmission among those engaging high risk behavior (% population)	1995/96	TBD [1]	Actual						
			Expected	TBD	TBD	TBD	TBD	TBD	TBD
1-2. Increased use of condoms among high risk groups (% increase)	1995/96	TBD [1]	Actual						
			Expected	TBD	TBD	TBD	TBD	TBD	TBD
1-3. Increase in the proportion of the high risk population that receives STD services (% population)	1995/96	TBD [1]	Actual						
			Expected	TBD	TBD	TBD	TBD	TBD	TBD
1-4. Increase in number of APAC assisted NGOs involved in AIDS prevention (number)	1995/96	0	Actual						
			Expected	15	30	45	60	75	100

[1] Baseline data will be available by April 1996 as baseline studies are being commissioned now. Targets and expected data will be determined after these studies.

TBD : To be determined

## SPECIAL OBJECTIVE 2 TREE



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**SPECIAL OBJECTIVE 2 : DEFINITION TABLE AND INDICATOR PLAN**

PERFORMANCE INDICATOR DEFINITION (AND UNIT OF MEASUREMENT)	DATA SOURCE	METHOD/ APPROACH OF DATA COLLECTION	DATA ACQUISITION BY MISSION		DATA AVAILABLE AT MISSION	REPORTING & ANALYSIS		INDICATOR DATA	
			SCHEDULE FREQUENCY	RESPONSIBLE OFFICE		SCHEDULE BY REPORT	QUALITY OF DATA	BASELINE (Start Date)	TARGET (End Date)
<b>SPECIAL OBJECTIVE 2</b>									
<b>INCREASED INVESTMENT IN AGRIBUSINESS BY PRIVATE FIRMS</b>									
2-1. Increase in total investments in ACE funded projects (\$ million) (cumulative)	ICICI Project data	Secondary data	Annual	EEE	No	Annual	Firm	0 (1991-92)	60 (1997-98)
2-2. Increase in ICICI lending to the agribusiness sector (\$ million) (cumulative)	ICICI	Secondary data	Annual	EEE	No	Annual	Good	4.2 (1991-92)	100 (1997-98)
2-3. Increase in value of horticultural exports (\$ million) (annual)	APEDA Economic Survey	Secondary data	Annual	EEE	No	Annual	Fair	155 (1991-92)	500 (1997-98)

ICICI : Industrial Credit and Investment Corporation of India  
 ACE : Agriculture Commercialization and Enterprise  
 APEDA : Agricultural Products Export Development Authority

**SPECIAL OBJECTIVE 2 : DATA TABLE - EXPECTED AND ACTUAL RESULTS**

PERFORMANCE INDICATOR / DEFINITION AND UNIT OF MEASUREMENT	BASELINE DATA			1994-95	1995-96	1996-97	1997-98
	YEAR	VALUE					
<b>SPECIAL OBJECTIVE 2</b>							
<b>INCREASED INVESTMENT IN AGRI-BUSINESS BY PRIVATE FIRMS</b>							
2-1. Increase in total investments in ACE funded projects (\$ million) (cumulative)	1991/92	0	Actual	18	33 [1]		
	1992/93	0.47					
	1993/94	7.1	Expected	21	32	42	60
2-2. Increase in ICICI lending to the agri-business sector (\$ million) (cumulative)	1991/92	4.2	Actual	45	63		
			Expected	20	60	75	100
2-3. Increase in value of horticultural exports (\$ million) (annual) [2]	1991/92	155	Actual	367	400 [3]		
	1992/93	184					
	1993/94	326	Expected	340	380	440	500

[1] Data upto December 1995.

[2] Horticultural products include fruits, flower, spices and vegetables such as mangoes, grapes, garlic and chrysanthemum.

[3] Data represents actual data for six months and estimates of six months.

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TAGS:

SUBJECT: INDIA - COUNTRY PROGRAM STRATEGY REVIEW,  
MARCH 6-10, 1995

SUMMARY.

1. DURING PROGRAM WEEK, USAID AGREED UPON A STRATEGY AND ACTION PLAN FOR INDIA, SUBJECT TO COMMENTS AND ACTIONS TO BE COMPLETED AS STATED IN THIS CABLE. USAID/INDIA IS COMMENDED FOR ITS STRATEGY AND ACTION PLAN PRESENTATION. REPRESENTATIVES OF ANE, BHR, PPC, G AND M BUREAUS, AS WELL AS STATE SA/INS, PARTICIPATED IN THE PROGRAM REVIEW. THE USAID/INDIA MISSION WAS REPRESENTED BY DEPUTY DIRECTOR, TERRY MYERS, AND PROGRAM OFFICER, JON OIROURKE.

2. THE MISSION WILL PROCEED WITH IMPLEMENTING THE STRATEGY AND REPORTING ON RESULTS. FORMAL DELEGATION OF AUTHORITIES TO MANAGE AND IMPLEMENT THE STRATEGY UNDER A RE-ENGINEERED AGENCY SYSTEM IS DEFERRED UNTIL THE AGENCY FINALIZES REMAINING OPERATIONAL CONSIDERATIONS (E.G., CONTENT AND DETAIL OF USAID/W-MISSION MANAGEMENT CONTRACT, EXTENT OF DELEGATIONS OF AUTHORITIES). AT THAT TIME, ANE WILL WORK WITH THE MISSION TO TRANSITION THE CURRENT STRATEGY AGREEMENT INTO A FORMAL MANAGEMENT CONTRACT, AS NECESSARY. THE EXPAND AND WIN NAD'S WERE APPROVED; APPROVAL OF THE NAD FOR THE EPI WAS DEFERRED. REGRET DELAY IN TRANSMITTING THIS CABLE. END SUMMARY.

A. GENERAL

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ANNEX A Page 51

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THE JUSTIFICATION FOR HAVING SUSTAINABLE DEVELOPMENT OBJECTIVES IN INDIA IN ECONOMIC GROWTH, AND IN GLOBAL ISSUES OF POPULATION AND ENVIRONMENT IS COMPELLING. THE SAME COMPELLING RATIONALE EXISTS WHEN U.S NATIONAL INTERESTS ARE CONSIDERED (E.G., TRADE, REGIONAL STABILITY). THIS WAS ENDORSED BY STATE/INS. THERE WAS BROAD SUPPORT, THOUGH NOT UNANIMOUS, THAT DUE TO ITS CENTRALITY TO GLOBAL ISSUES AND U.S. NATIONAL INTERESTS, INDIA WOULD BE A STRONG CANDIDATE FOR ADDITIONAL RESOURCES SHOULD THEY BECOME AVAILABLE. IN THE FORTHCOMING BUDGET SUBMISSION, THE BUREAU WILL EVALUATE THE OVERALL LEVELS FOR INDIA IN RELATION TO U.S. INTERESTS, USAID PROGRAM PERFORMANCE IN INDIA, AND COMPETING NEEDS ACROSS THE BUREAU. THE EXTENT OF USAID'S INVESTMENT IN ECONOMIC GROWTH IN INDIA WILL BE BASED ON PERFORMANCE OF USAID/INDIA ACTIVITIES, COMPARED TO RELATIVE PERFORMANCE AND U.S. INTERESTS IN OTHER COUNTRIES.

4. IT WAS DECIDED THAT GREATER SPECIFICITY (OR FOCUS) IS NEEDED FOR STRATEGIC OBJECTIVES (S.O.S) FOR ECONOMIC GROWTH AND ENVIRONMENT. REVISION OF THE STRATEGIC OBJECTIVE IN THE AREA OF POPULATION, HEALTH AND NUTRITION (REDUCED FERTILITY IN NORTH INDIA) WAS ALSO PROPOSED.

5. IT WAS AGREED THAT THE USAID PROGRAM IN INDIA SHOULD NOT FOCUS SOLELY ON ONE OR TWO STATES, BUT SHOULD INCLUDE A COMBINATION OF REGIONAL AND NATIONAL LEVEL INTERVENTIONS. HOWEVER, IT WAS ALSO AGREED THAT POPULATION, HEALTH AND CHILD SURVIVAL EFFORTS SHOULD PRIMARILY FOCUS ON NORTH INDIA, WHERE FERTILITY, INFANT MORTALITY AND MATERNAL MORTALITY LEVELS PROVIDE COMPELLING RATIONALE.

#### B. STRATEGY

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6. DURING PROGRAM WEEK, THE AGENCY REACHED AGREEMENT ON A STRATEGY FOR INDIA, SUBJECT TO THE FOLLOWING COMMENTS AND COMPLETION OF THE ACTIONS GIVEN BELOW.

#### ECONOMIC GROWTH

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7. THE AGENCY WILL CONTINUE WORK IN THE SUSTAINABLE DEVELOPMENT AREA OF ECONOMIC GROWTH IN INDIA, ALONG THE LINES OF REFORMULATED STRATEGIC OBJECTIVES OUTLINED BELOW.

8. THE ECONOMIC GROWTH STRATEGIC OBJECTIVE WILL BE REFORMULATED TO SHOW GREATER SPECIFICITY AS TO USAID'S EFFORTS. THE REFORMULATION SHOULD INCLUDE A STRATEGIC

OBJECTIVE FOR QUOTE INCREASED ACCESS THROUGH FINANCIAL REFORMS UNQUOTE, WHICH WILL HELP INDIA MOBILIZE RESOURCES NEEDED TO FINANCE DEVELOPMENT. ASSOCIATED PROGRAM OUTCOMES ARE EXPECTED TO INCLUDE POLICY REFORMS AND INSTITUTIONAL DEVELOPMENT (INCLUDING ACTIVITIES SUCH AS

TRAINING AND TECHNICAL ASSISTANCE, BUT ALSO ACTIVITIES SUCH AS THE DEVELOPMENT AND EXTENSION OF NEW FINANCIAL INSTRUMENTS). POLICY ACTIVITIES WOULD SUPPORT THE RESOURCE MOBILIZATION OBJECTIVE, BUT THERE IS AN UNDERSTANDING THAT THIS SHOULD NOT BE NARROWLY INTERPRETED. A SEPARATE ECONOMIC GROWTH STRATEGIC OBJECTIVE OR TARGET OF OPPORTUNITY SHOULD FOCUS ON AGRIBUSINESS. IN REFORMULATING THE S.O., THE MISSION WILL, TO THE EXTENT POSSIBLE, ATTEMPT TO REFLECT BENEFICIARY IMPACT.

9. AID/W BUREAUS ACKNOWLEDGED THE SYNERGIES OBSERVED TO DATE AND LINKAGE BETWEEN USAID'S ECONOMIC GROWTH AND ENVIRONMENT ACTIVITIES IN INDIA. THEY ALSO ENCOURAGED MISSION MANAGEMENT TO CONTINUE SUPPORTING INCREASED SYNERGY BETWEEN MISSION OFFICES AND BETWEEN THE RUDO AND MISSION OFFICES.

10. USAID/INDIA WILL TAKE THE LEAD IN REFORMULATING THE STRATEGIC OBJECTIVE(S) IN THIS SUSTAINABLE DEVELOPMENT AREA AND WILL SUBMIT A REVISED OBJECTIVE TREE PRIOR TO THE START OF THE BPD EXERCISE. (NOTE: MISSION HAS SUBMITTED THE REVISION; SEE PARA 34 BELOW.) USAID/W RECOGNIZES THAT CHANGING THE S.O.S AND P.O.S COULD MEAN A CHANGE IN MEASURES THAT MAY CAUSE A DELAY IN SHOWING RESULTS. NEW MEASURES MAY REQUIRE SPECIAL STUDIES OR NEW EFFORTS ON THE PART OF THE MISSION OR THE IMPLEMENTOR TO CREATE A BASELINE AND GET A SERIES OF DATA. TO THE EXTENT POSSIBLE, THE MISSION SHOULD USE EXISTING MEASURES OR CRAFT ONES FOR WHICH A TIME SERIES ALREADY EXISTS. PLEASE INCLUDE THE MEASURES IN THE SUBMISSION OF THE REVISED S.O.S AND P.O.S. WASHINGTON BUREAUS WILL REVIEW REFORMULATED OBJECTIVES AND APPROVE THEM. THIS TIMEFRAME WILL ALSO ALLOW USAID/INDIA TO PREPARE ITS BPD USING THE REVISED S.O. FORMULATION.

11. THE MISSION AND ANE/SEA WILL WORK TOGETHER TO DEVELOP MEASURES THAT SHOW THE EXTENT OF INCREASED PARTICIPATION AND ACCESS CREATED BY THE REFORMULATION OF OBJECTIVES. DETAILS ON A TIMETABLE ARE TO BE AGREED UPON BETWEEN THE MISSION AND ANE/SEA AND WILL BE DISCUSSED IN SEPARATE COMMUNICATION.

## POPULATION/CHILD SURVIVAL/HEALTH

1. THERE WAS DISAGREEMENT AS TO HOW PL 480 TITLE II RESOURCES SHOULD BE ACCOUNTED FOR IN THE INDIA COUNTRY STRATEGY. AT THE PROGRAM WEEK WRAP UP MEETING, IT WAS AGREED THAT ANE, PPC, AND BHR SHOULD MEET TO ENSURE THE CONSISTENT APPLICATION OF THE FOOD AID AND FOOD SECURITY POLICY PAPER (DATED 2/27/95) WITH REGARD TO THE INDIA PROGRAM, AND PROVIDE THE MISSION WITH GUIDANCE. THE AA'S OF PPC AND BHR MET SEPARATELY AND DISCUSSED THE IMPORTANCE OF ENSURING THE CONSISTENT APPLICATION OF THE FOOD AID AND FOOD SECURITY POLICY PAPER, AND THE NEED TO FOCUS FOOD AID RESOURCES ON THE TWO FOOD SECURITY PRIORITY AREAS IDENTIFIED IN THE POLICY PAPER -- ENHANCEMENT OF AGRICULTURAL PRODUCTIVITY AND OF HOUSEHOLD NUTRITIONAL STATUS. REPRESENTATIVES OF ANE, BHR AND PPC THEN MET AND AGREED THAT: (1) ALL MISSIONS APPLYING FOR FOOD AID RESOURCES MUST CLEARLY AND EXPLICITLY ARTICULATE THEIR PROPOSED FOOD AID SUPPORTED PROGRAMS IN THE CONTEXT OF ENHANCING FOOD SECURITY, AND (2) BECAUSE THE CONCEPT OF ENHANCING NATIONAL FOOD SECURITY IS USUALLY BEYOND USAID'S MANAGEABLE INTEREST, IT IS MORE USEFUL AND CREDIBLE TO EXPRESS FOOD SECURITY OBJECTIVES IN TERMS OF THE PRIORITY FOCUS AREAS OF INCREASING AGRICULTURAL PRODUCTIVITY AND/OR IMPROVING HOUSEHOLD NUTRITION. (THIS AGREEMENT IS REFLECTED IN THE PPC MEMORANDUM OF CONVERSATION DATED 3/23/95, WHICH HAS BEEN FORWARDED TO THE MISSION.)

13. ON THE BASIS OF THIS AGREEMENT ON POLICY APPLICATION, ID/W RECOMMENDS THAT THE MISSION SERIOUSLY CONSIDER THE FOLLOWING MODIFICATIONS IN THE AREA OF POPULATION, HEALTH AND NUTRITION.

A. THE MISSION SHOULD SPECIFY (A) STABILIZING POPULATION GROWTH (INDICATORS: UNCHANGED); AND (B) ENHANCING FOOD SECURITY (INDICATORS: COULD INCLUDE MISSION PROPOSED CHILD SURVIVAL INDICATORS ON MORTALITY, OR NUTRITIONAL IMPACT AS INDICATED IN THE CHILD SURVIVAL S.O. BELOW) AS SUBGOALS.

B. THE MISSION SHOULD SPECIFY AS STRATEGIC OBJECTIVES: (A) REDUCED FERTILITY IN NORTH INDIA (INDICATORS: SAME PER CPS REVIEW WEEK DISCUSSIONS); AND (B) INCREASED CHILD SURVIVAL AND IMPROVED NUTRITION (INDICATORS: CHILD SURVIVAL INDICATORS ON MORTALITY, OR THE MISSION MAY BE BETTER ABLE TO REPORT ON NUTRITIONAL IMPACT OF PROGRAMS IN

THE SHORT TO MEDIUM TERM THAN THEIR IMPACT ON MORTALITY. OTHER USEFUL AND POSSIBLE INDICATORS WERE NOTED IN GOLDMAN'S APRIL 13 EMAIL.) ALTHOUGH THESE SPECIFIC

OBJECTIVES ARE DISTINCT AND SEPARATE, THERE IS RECOGNITION OF THE SYNERGY BETWEEN STRATEGIC OBJECTIVES AND PROGRAM OUTCOMES.

C. THE MISSION SHOULD SPECIFY PROGRAM OUTCOMES FOR THE ABOVE S.O.S AS FOLLOWS:

S.O.

P.O.

REDUCED FERTILITY

- INCREASED CONTRACEPTIVE USE (UNCHANGED PER CPS REVIEW WEEK DISCUSSIONS)

- EMPOWERED WOMEN (SPECIFIC RESULTS TBD)

INCREASED CHILD SURVIVAL

- RESULT(S): TO BE IDENTIFIED FROM THE USAID FOOD AID FEEDING PROGRAMS. HERE THE CONTRIBUTION OF CARE AND CRS CAN BE INCLUDED IF KEY TO THE ACCOMPLISHMENT OF THE S.O. AN EXAMPLE OF AN IMPORTANT RESULT AT THIS LEVEL COULD REFER TO INCREASED EFFICIENCY OR COVERAGE OF THE ICDS PROGRAM. IT COULD ALSO BE A RESULT WHOSE ACHIEVEMENT WOULD DEPEND IN PART ON THE EFFORTS OF USAID PARTNERS.

- EMPOWERED WOMEN (RESULTS TBD AND INCLUDED IF APPROPRIATE)

14. WITH THE PROPOSED FORMULATION, THE AGENCY WILL BE ABLE TO ARTICULATE TO CONGRESS AND TO OTHERS HOW TITLE II FOOD AID IN INDIA IS BEING USED TO ADVANCE SIGNIFICANT DEVELOPMENT OBJECTIVES, ESPECIALLY BY CONTRIBUTING TO THE ENHANCEMENT OF FOOD SECURITY SPECIFIED BY THE USAID FOOD AID POLICY PAPER, AND HOW THE MISSION HAS FULLY INTEGRATED FOOD AID INTO ITS DEVELOPMENT PROGRAM AND STRATEGIC OBJECTIVES.

15. THE AGENCY SUPPORTS USAID/INDIA'S PROPOSAL TO EXPAND ITS POPULATION/REPRODUCTIVE HEALTH PROGRAM INTO ANOTHER STATE, EMPLOYING PRINCIPLES FROM THE CAIRO POPULATION CONFERENCE. USAID/INDIA WILL CONTINUE TO WORK TO IMPROVE THE COMPLEMENTARITY OF ITS POPULATION/MCH AND CHILD PROGRAMS IN NORTHERN INDIA. AS COMPLEMENTARITY

IS KEY FOR ATTAINING THE POPULATION S.O. OF A ROUGHLY 20-22 PERCENT REDUCTION IN TOTAL FERTILITY IN NORTHERN INDIA

BY 2001, THE MISSION WILL REPORT IN NEXT YEAR'S ACTION PLAN ON HOW WELL THE INTEGRATION IS PROCEEDING AND WHETHER THE S.O. STILL CAN BE ACHIEVED. (SEE BELOW FOR COMMENTS ON THE EXPAND NAD.)

#### ENVIRONMENT

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16. THE ENVIRONMENT STRATEGIC OBJECTIVE WILL BE REFORMULATED TO SHOW GREATER SPECIFICITY. AT A MINIMUM, REFORMULATION SIGNIFIES SEPARATING OUT BIODIVERSITY AS A STAND ALONE STRATEGIC OBJECTIVE OR A TARGET OF OPPORTUNITY. REFORMULATION MAY INCLUDE SEPARATING ENERGY AND URBAN INDUSTRIAL POLLUTION COMPONENTS AS TWO DISCRETE OBJECTIVES OR KEEPING THEM TOGETHER IN ONE OBJECTIVE, DEPENDING ON A MORE DETAILED REVIEW OF THE SYNERGY BETWEEN THE CURRENT AND PROPOSED ACTIVITIES AND ASSURING CONTINUING ADEQUATE ATTENTION TO GLOBAL CLIMATE CHANGE. AS A RESULT, THE AGENCY WILL HAVE EITHER TWO OR THREE STRATEGIC OBJECTIVES IN SUSTAINABLE DEVELOPMENT AREAS OF ENVIRONMENT. USAID/W RECOGNIZES THAT CHANGING THE S.O.S AND P.O.S COULD MEAN A CHANGE IN MEASURES THAT MAY CAUSE A DELAY IN SHOWING RESULTS. NEW MEASURES MAY REQUIRE SPECIAL STUDIES OR NEW EFFORTS ON THE PART OF THE MISSION OR THE IMPLEMENTOR TO CREATE A BASELINE AND GET A SERIES OF DATA. TO THE EXTENT POSSIBLE, THE MISSION SHOULD USE EXISTING MEASURES OR CRAFT ONES FOR WHICH A TIME SERIES ALREADY EXISTS. PLEASE INCLUDE THE MEASURES IN THE SUBMISSION OF THE REVISED S.O.S AND P.O.S.

17. THE AGENCY NOTES THAT THE PLANT GENETIC RESOURCES PROJECT, USAID'S PRIMARY BIODIVERSITY ACTIVITY IN INDIA, WILL END IN FY 1997. THE MISSION HAS NOT PROPOSED ANY NEW INITIATIVES IN BIODIVERSITY. ALTHOUGH THE AGENCY HAS NOT DESIGNATED BIODIVERSITY PRIORITY COUNTRIES/ECOZONES, AN AGENCY WIDE PRIORITY SETTING EXERCISE IS GETTING UNDERWAY. THERE IS A STRONG LIKELIHOOD THAT INDIA WILL EMERGE FROM THIS PROCESS AS AN AGENCY BIODIVERSITY PRIORITY COUNTRY. IN LIGHT OF THIS PROCESS, USAID/W AND THE MISSION WILL WORK TOGETHER OVER THE NEXT YEAR TO DETERMINE WHICH INTERVENTIONS MAKE SENSE AND HOW THEY COULD BE FUNDED. THE RESULTS OF THESE DELIBERATIONS WILL BE INCLUDED IN NEXT YEAR'S ACTION PLAN.

18. USAID/INDIA WILL TAKE THE LEAD IN REFORMULATING THE S.O.S IN THIS SUSTAINABLE DEVELOPMENT AREA AND WILL SUBMIT A REVISED OBJECTIVE TREE PRIOR TO THE START OF THE BPD EXERCISE. (NOTE: MISSION HAS SUBMITTED ITS REVISED TREE; SEE PARA 34 BELOW.) WASHINGTON BUREAUS WILL REVIEW THE MISSION'S OBJECTIVE REFORMULATION AND THEN APPROVE THE STRATEGIC OBJECTIVES. THIS TIMEFRAME WILL ALSO ALLOW

USAID/INDIA TO PREPARE ITS BPD USING THE REVISED S.O. FORMULATION.

TARGET OF OPPORTUNITY: HIV/AIDS  
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19. THE HIV/AIDS TARGET IS APPROVED AS PROPOSED WITH ITS FOCUS ON TAMIL NADU. IN DEVELOPING AND IMPLEMENTING.

### C. ACTION PLAN

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20. DURING PROGRAM WEEK, THE AGENCY REACHED AGREEMENT ON THE ACTION PLAN FOR INDIA, SUBJECT TO THE FOLLOWING COMMENTS.

### RESOURCES

1. RESOURCES MIX: THE MISSION SHOULD CAREFULLY REVIEW ITS REQUIREMENT FOR ECONOMIC GROWTH FUNDS (ESPECIALLY IN SUPPORT OF REVISED STRATEGIC OBJECTIVES), AND PROVIDE AN ANALYSIS THAT CLEARLY SPELLS OUT THE TRADEOFFS IN TERMS OF RESULTS LOST AT VARIOUS LEVELS OF FUNDING. FOR EXAMPLE, IT WAS GENERALLY AGREED DURING THE ACTION PLAN REVIEW THAT, WHILE IMPORTANT, AGRIBUSINESS IS A RELATIVELY LOWER PRIORITY THAN FINANCIAL SECTOR REFORM. THE ANALYSIS SHOULD LAY OUT CLEARLY THE FUNDING THRESHOLD BELOW WHICH ACHIEVEMENT OF PROGRAM OUTCOMES IS DOUBTFUL, AND PLAUSIBLE ASSOCIATION BETWEEN MISSION INVESTMENTS AND ACHIEVEMENT OF RESULTS AT THE S.O. LEVEL IS UNLIKELY TO OCCUR. THE ANALYSIS SHOULD ADDRESS POINTS WHERE THE S.O. IN PART, OR AS A WHOLE, WOULD BE JETTISONED, RATHER THAN STRETCHED OUT OR MERGED WITH OTHER PARTS OF THE STRATEGIC FRAMEWORK. THIS ANALYSIS WILL GO FURTHER THAN FINANCIAL EXPLANATIONS BASED ON PIPELINE OR MORTGAGE (FOR EXAMPLE, EVEN IF THERE IS AN UNFUNDED MORTGAGE IN SEVERAL PROJECTS, THAT FACT IS INSUFFICIENT TO ARGUE FOR ADDITIONAL RESOURCES, WHAT RESULTS WILL NOT BE ACHIEVED AND HOW WILL NOT ACHIEVING THESE UNDERMINE VIABILITY OF THE STRATEGIC OBJECTIVE?). THIS SAME ANALYSIS SHOULD BE APPLIED TO THE ENVIRONMENT S.O.S AND TO THE POPULATION/HEALTH S.O.S, ESPECIALLY WHERE SHORTAGE OF RESOURCES TO PROCURE SERVICES WILL UNDERMINE

OVERALL ACHIEVEMENT OF THAT STRATEGIC OBJECTIVE. IF POSSIBLE, THIS ANALYSIS SHOULD BE SUBMITTED WITH THE REQUEST FOR ACCELERATED ECONOMIC GROWTH AND ENVIRONMENT S.O.S, BUT BEFORE THE BPD SUBMISSION.

22. STAFFING LEVEL AND OE: AT THIS TIME, THE USDH STAFF LEVEL AND MIX APPEAR ADEQUATE. PLANNED ADJUSTMENTS IN

CURRENT USDH WORKLOAD WILL COVER THE EXPECTED START-UP OF THE PROPOSED ACTIVITIES. PRESSURES ON THE OE BUDGET CONTINUE AND USAID/INDIA SHOULD NOT EXPECT RELIEF OVER THE NEXT YEAR.

23. PIPELINE: ALTHOUGH INDIA HAS HAD A LARGE POPULATION PIPELINE IN THE PAST DUE TO IFPS, THE EXPENDITURE RATE FOR THIS PROJECT ACCELERATED IN FY 1994, AND IS EXPECTED TO

ACCELERATE EVEN MORE IN FY 1995. BY THE END OF FY 1995 THE MISSION ESTIMATES THAT ITS OVERALL PIPELINE WILL AVERAGE LESS THAN TWO YEARS. ALSO, AT THAT TIME, HALF OF THE PROJECTS IN THE PORTFOLIO WILL HAVE PIPELINES OF LESS THAN ONE YEAR. USAID/INDIA AND USAID/W WILL CONTINUE TO TRACK THE MISSION'S ACTUAL EXPENDITURE RATE CLOSELY.

24. POPULATION FUNDING: THE DEVELOPMENT OF A NEW FAMILY PLANNING AND REPRODUCTIVE HEALTH (AND POSSIBLY CHILD SURVIVAL) PROGRAM IN ANOTHER NORTH INDIAN STATE WILL PLACE NEW DEMAND ON FIELD SUPPORT RESOURCES, RESULTING IN POSSIBLE SHORTFALLS IN GLOBAL FIELD SUPPORT. SHOULD SUCH SHORTFALLS OCCUR, MISSION IS PREPARED TO SHIFT FUNDING CURRENTLY BUDGETED FOR BILATERAL ACTIVITIES TO COVER THESE SHORTFALLS IF THE FIELD SUPPORT LEVELS CANNOT BE INCREASED. ALTHOUGH INDIA RANKS FIRST IN THE BUREAU IN TERMS OF NEED FOR POPULATION FUNDING, FUTURE FUNDING ALLOCATIONS WILL BE BASED ON NEED AND RELATIVE PERFORMANCE OF THE INDIA PROGRAM VIS-A-VIS OTHER MISSIONS.

25. ENHANCED CREDIT AUTHORITY (ECA): WHETHER THE MISSION WILL GET FUNDING FOR THIS OR HOW MUCH IT MIGHT GET REMAINS UNCLEAR. THE AGENCY'S ECP REQUEST WENT TO THE HILL AT HALF OF WHAT USAID PROPOSED AND NO FINAL DECISION IS EXPECTED FOR AT LEAST ANOTHER TWO MONTHS. REGARDING FY 1997, G, ANE AND M WILL ENTERTAIN EXPRESSIONS OF INTEREST IF ONLY TO OBTAIN A ROUGH SENSE OF POTENTIAL DEMAND.

NEW ACTIVITY DESCRIPTIONS

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26. ENVIRONMENTAL PROTECTION INITIATIVE (EPI 386-0538): APPROVAL OF THE NAD IS DEFERRED UNTIL A G-USAEP-ANE TEAM ALLY AGREEABLE DATE AND AS SOON AS POSSIBLE, TO HELP THE MISSION ESTABLISH A FRAMEWORK FOR RESULTS AND FOCUS THE INITIATIVE, MAKING THE BEST USE OF AGENCY RESOURCES, LINKING EPI MORE CLOSELY TO OTHER ONGOING OR PLANNED ACTIVITIES. ONCE THIS EFFORT IS COMPLETE, MISSION WILL RESUBMIT THE NAD TO USAID/W FOR REVIEW, APPROVAL AND DELEGATION OF AUTHORITY.

27. EXPANDING FAMILY PLANNING SERVICES AND REPRODUCTIVE HEALTH CARE (EXPAND 386-0536): SUBJECT NAD IS HEREBY APPROVED. THE MISSION SHOULD PROCEED TO DEVELOP THE PROJECT PAPER, SUBJECT TO THE GUIDANCE BELOW. WITH THIS CABLE, THE ASSISTANT ADMINISTRATOR OF THE ANE BUREAU DELEGATES AD HOC AUTHORITY TO THE DIRECTOR OF USAID/INDIA TO APPROVE AND AUTHORIZE THE PROJECT.

APPROVAL IS GRANTED WITH THE FOLLOWING GUIDANCE:

-- THE DESIGN TEAM SHOULD EXPLORE THE IDEA OF FURTHER INTEGRATING EXPAND TO INCLUDE CHILD SURVIVAL AS WELL AS REPRODUCTIVE HEALTH ACTIVITIES RATHER THAN DOING A SEPARATE CHILD SURVIVAL PROJECT IN FY 97. THIS APPROACH WOULD PROVIDE GREATER SYNERGIES BETWEEN AN S.O. ON CHILD SURVIVAL AND THE FERTILITY REDUCTION S.O. AND ALLOW THE MISSION TO BETTER JUSTIFY UTILIZING POPULATION FUNDING FOR SELECTED REPRODUCTIVE HEALTH AND CHILD SURVIVAL ACTIVITIES AS THEY DIRECTLY IMPACT ON FERTILITY DECLINE. A SEPARATE CHILD SURVIVAL PROJECT WOULD BE MUCH MORE RELIANT ON SCARCE ECONOMIC GROWTH FUNDING.

-- SERIOUS CONSIDERATION NEEDS TO BE GIVEN TO DONOR COLLABORATION/PARTNERSHIP GIVEN THAT REPRODUCTIVE HEALTH ACTIVITIES (WHICH INCLUDE STDS) REQUIRE APPROPRIATE FACILITIES AND EQUIPMENT AS WELL AS TA AND TRAINING TO ACHIEVE RESULTS. THE JAPANESE ARE WELL SUITED TO PROVIDE THE FORMER BUT IF THIS COLLABORATIVE EFFORT IS NOT POSSIBLE, THE SAME KINDS OF INPUTS WILL BE REQUIRED FROM OTHER SOURCES.

-- REENGINEERING PRINCIPLES WILL BE APPLIED BY THE DESIGN TEAM SO THAT STAKEHOLDERS, PARTNERS AND CUSTOMERS ARE INVOLVED IN THE DESIGN AND IMPLEMENTATION OF EXPAND AND HAVE A COMMITMENT TO HELP ACHIEVE AGREED UPON RESULTS. TO FACILITATE THIS PROCESS A STAFF PERSON FROM THE REENGINEERING TEAM SHOULD BE PART OF THE DESIGN TEAM.

-- BASED ON "LESSONS LEARNED" FROM WORKING WITH THE GOVERNMENT OF INDIA (GOI) ON THE IFPS PROJECT, THE DESIGN TEAM AND THE MISSION SHOULD DETERMINE WHAT NON-PROGRAM AGREEMENTS WILL BE EXPECTED FROM THE

GOI TO ENSURE TIMELY IMPLEMENTATION OF EXPAND ACTIVITIES AND DISBURSEMENT OF FUNDS SO THAT RESULTS WILL BE ACHIEVED AS PLANNED.

-- COMPETITION IN THE SELECTION OF THE "OTHER STATE" IN WHICH EXPAND WILL OPERATE SHOULD BE PROMOTED. A SIGNIFICANT PART OF THE CRITERIA FOR SELECTION SHOULD BE BASED ON THE LEVEL OF COMMITMENT ON THE PART OF THE

STATE GOVERNMENT AND OTHER PARTNERS TO ACHIEVING THE PROPOSED PROGRAM OUTCOMES AND TO FACILITATING IMPLEMENTATION OF ACTIVITIES. THE LEVEL OF COMMITMENT IS CRITICAL TO ACHIEVE SUCCESSFUL, TIMELY PROGRAM OUTCOMES.

-- RESOURCE CONCERNS WILL BE TAKEN INTO ACCOUNT WHEN DETERMINING THE SIZE OF THE ACTIVITY. THE MISSION WILL ADVISE ANE/ORA ON THE EMERGING RESOURCE REQUIREMENTS AND ISSUES. THE MAGNITUDE OF PROGRAM DESIGN AND IMPLEMENTATION EFFORTS WILL OBVIOUSLY DEPEND ON THE AVAILABILITY OF FUNDS.

-- INDICATORS IN THE LOGFRAME WILL BE REFINED SO THAT THEY ARE LINKED TO INDICATORS IN THE PROGRAM OUTCOME. IN ADDITION, INDICATORS FOR REPRODUCTIVE HEALTH WILL NEED TO BE DEVELOPED.

DESIGN OF EXPAND WILL BEGIN IN EARLY MAY WITH TECHNICAL NEEDS ASSESSMENT/STRATEG DESIGN TEAM TRAVELING TO INDIA FOR 3-4 WEEKS. ANE WILL PROVIDE ONE TECHNICAL PERSON, GLOBAL WILL PROVIDE TWO PEOPLE, AND CONSULTANTS WILL BE DRAWN FROM THE POPTECH PROJECT. THE RESULTS PACKAGE DESIGN WILL BEGIN IN OCTOBER-NOVEMBER. ANE/SEA WILL PROVIDE ONE PERSON FOR UP TO 4 WEEKS, GLOBAL WILL PROVIDE AT LEAST ONE PERSON FOR UP TO 4 WEEKS, AND M/IRT WILL PROVIDE ONE PERSON. OTHER CONSULTANTS WILL BE CONTRACTED THROUGH POPTECH.

28. WOMEN'S INITIATIVE (WIN - OYB TRANSFER): THIS SMALL EXPERIMENTAL PROGRAM TO INTEGRATE IDEAS AND TECHNIQUES

HIGHLIGHTED AT THE CAIRO CONFERENCE BY USING A COMBINATION OF G IMPLEMENTATION INSTRUMENTS TO SUPPORT THE POPULATION S.O. IS LAUDABLE. THE RESULTS OF THIS PROGRAM ARE TIED CLOSELY TO THE TYPES OF FUNDS AVAILABLE.

29. APPROVAL THE WIN NAD IS GRANTED. A TEAM WILL BE SENT TO THE FIELD TO:

-- HELP THE MISSION IDENTIFY WOMENIS ORGANIZATIONS WITH WHICH THE MISSION COULD WORK,

-- DEVELOP A PARTICIPATORY PROCESS WHEREBY THE BENEFICIARIES ARE ACTIVELY INVOLVED IN THE PROGRAM DESIGN PROCESS, AND

-- DETERMINE IF THE IDENTIFIED ACTIVITIES CAN HAVE SIGNIFICANT DEVELOPMENT RESULTS UNDER THE POPULATION S.O., GIVEN THAT THIS INITIATIVE MAY BE DRIVEN BY THE AVAILABILITY OF TARGETED OR RESTRICTED USE FUNDS THAT

PRESCRIBE ACCEPTABLE RESULTS (E.G., POPULATION FUNDS, CHILD SURVIVAL FUNDS, AND BASIC EDUCATION FUNDS).

THE MISSION WILL COORDINATE WITH ANE AND G BUREAU OFFICES IN LAUNCHING THE DESIGN EFFORT AT A MUTUALLY AGREEABLE TIME. G/WID CURRENTLY HAS NO MECHANISM THROUGH WHICH TO PROVIDE FOR, OR CONTRIBUTE TO A DESIGN TEAM. HOWEVER, G/WID COULD PROVIDE A TEAM OR TEAM MEMBERS VIA A MECHANISM THAT IS IN THE PROCESS OF BEING FINALIZED AND WHICH IS EXPECTED TO BE IN PLAY BY JULY 1995.

GLOBAL BUREAU RESOURCES

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30: THE FOLLOWING IS A LIST OF ACTIVE GLOBAL BUREAU FIELD SUPPORT EFFORTS IN INDIA. USAID/INDIA WILL REVIEW THIS LIST AND CONFIRM ITS NEED FOR THE FOLLOWING FIELD SUPPORT ACTIVITIES FROM G. USAID/INDIA WILL FACTOR THE RESULTS OF THIS EXERCISE IN ITS BPD SUBMISSION.

-- FIELD SUPPORT:

449-0009 REGIONAL AGRIBUSINESS PROJECT  
 940-0014 FINANCIAL SECTOR DEVELOPMENT PROGRAM  
 0-0015 INSTITUTIONAL REFORM AND INFORMAL SECTOR  
 0-0404 INSTITUTE FOR CONTEMPORARY STUDIES  
 936-3023 DEMOGRAPHIC HEALTH SURVEY III  
 936-3024 POPULATION TECHNICAL ASSISTANCE  
 936-3030 STRATEGIES FOR IMPROVING SERVICE DELIVERY  
 936-3038 FP LOGISTICS MANAGEMENT  
 936-3044 CONTRACEPTIVE RESEARCH AND DEVELOPMENT  
 936-3069 JHPIEGO  
 936-3046 RESOURCE FOR AWARENESS OF POP INPUTS (RAPID,  
 EWCPOP, BUCEN AND PRB)  
 936-3068 ASSOC. FOR VOL. SURGICAL CONTRACEPTION  
 PROGRAM.  
 936-3051 CONTRACEPTIVE SOCIAL MARKETING III  
 936-3052 POP COMMUNICATION SERVICES II  
 936-3058 COOPERATIVE FOR AMERICAN RELIEF EVERYWHERE  
 936-3059 ACCESS TO FP THROUGH WOMEN MANAGEMENT  
 936-3060 EVALUATION OF FP PROGRAM IMPACT  
 936-3054 MICHIGAN FELLOWS  
 936-3072 PRIME (PRIMARY PROVIDERS TRAINING AND  
 EDUCATION IN REPRODUCTIVE HEALTH)  
 936-3078 POLICY (POPULATION POLICY PLANNING, ANALYSIS  
 AND ACTION)  
 936-5966 BRP/MATERNAL HEALTH  
 CISION MAKING IN THE HEALTH SECTOR  
 936-6006 BASIC SUPPORT FOR INSTITUTIONALIZING CHILD  
 SURVIVAL

936-5122 OPPORTUNITIES FOR MICRONUTRIENT MALNUTRITION  
 5-5559 ENVIRONMENTAL POLLUTION PREVENTION  
 936-5730 RENEWABLE ENERGY APPLICATION AND TRAINING  
 936-5734 ENERGY TRAINING PROGRAM  
 936-5737 BIOMASS ENERGY SYSTEMS TECHNOLOGY  
 936-5738 PRIVATE SECTOR ENERGY DEVELOPMENT-  
 936-5743 ENERGY EFFICIENCY PROJECT  
 936-5972 AIDS TECHNICAL SUPPORT  
 940-1008 HOUSING AND URBAN PROGRAMS  
 AT SOME TIME LATER IN THE YEAR, THE GLOBAL BUREAU WILL  
 PROVIDE A LIST OF CORE-FUNDED RESEARCH PROJECTS OPERATING  
 IN INDIA.

#### PERFORMANCE INDICATORS

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 31. THE MONITORING PLAN SUBMITTED WITH THE COUNTRY  
 PROGRAM DOCUMENT DID NOT INCLUDE INTERIM TARGETS  
 (BENCHMARKS). THESE BENCHMARKS WILL BE COMPARED TO ACTUAL  
 PERFORMANCE AND WILL CONSTITUTE ONE OF THE BASES FOR  
 BUDGET ALLOCATION. THEREFORE IT IS CRUCIAL THAT THE  
 MONITORING PLAN INCLUDE INTERIM TARGETS FOR ALL INDICATORS  
 FROM THE BASELINE TO THE TARGET.

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32. THE COMPLETED MONITORING PLAN WILL BE SUBMITTED WITH OR PRIOR TO THE BPD, BUT NO LATER THAN JUNE 28. USAID/W UNDERSTANDS THAT IN CERTAIN CIRCUMSTANCES IT MAY BE DIFFICULT TO COMPLETE ALL THE CELLS IN THE PLAN.

CATEGORY C PROJECTS

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33. USAID/INDIA HAS NO CATEGORY C PROJECTS.

REVISED OBJECTIVE TREE

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34. ON APRIL 4, MISSION SUBMITTED A NEW VERSION OF ITS STRATEGIC OBJECTIVE TREE FOR ECONOMIC GROWTH AND ENVIRONMENT. RESULTS OF AGENCY REVIEW OF THIS TREE WILL BE CABLED TO THE MISSION SEPTEL.

35. BUREAU REGRETS DELAY IN TRANSMISSION OF THIS CABLE.

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