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UNCLASSIFIED

ENDORSEMENT MEMO FOR DIRECTOR OF U.S. FOREIGN ASSISTANCE HENRIETTA FORE

FROM: Ambassador David C. Mulford, U.S. Embassy – India [signed]

SUBJECT: Fiscal Year 2007 Performance Report

I endorse the FY 2007 Performance Report and the validity of performance data. With a focused and effective Operational Plan, significant achievements were made in advancing transformational diplomacy goals in India.

Our cutting edge foreign assistance interventions continue to make a difference. Innovative public-private partnerships have improved the health of close to 20 million women and children. New education methodologies were adopted by four states, reaching over 16 million students. Our programs to increase energy efficiency leveraged over \$45 million to upgrade distribution networks. USG assistance contributed to the reduction of 75,000 tons of greenhouse gas emissions. Through the President's Agricultural Knowledge Initiative, half a million farmers on three million hectares of land have adopted resource conservation technologies, lowering costs while saving increasingly scarce water. Small-scale farmers receiving our assistance have seen their incomes increase by 30 percent. Seed capital of \$4 million has leveraged \$160 million from private and public investors to invest in small and medium enterprises. More than two million Indians benefited from women's legal counseling centers and over 3,000 groups were created to assist women, including Muslim women. Finally, strategically targeted training has been provided to Indian counterparts to combat terrorism, improve India's export controls and strengthen the growing U.S-India military partnership.

As I have mentioned before, I am extremely concerned about the steep foreign assistance budget cuts for India. The FY 2008 CBJ level of \$81 million and the FY 2009 OMB request of \$84 million reflect significant cuts from our FY 2007 level of \$103 million. Worse still is the disproportion of the cuts, which effectively eliminates resources for critical programs to improve agriculture, education, energy security, and human rights. While India continues to benefit from high economic growth rates, one-third of the world's poor live in India and India is actively interested in demonstration projects that show the way forward than ever before. This is not the time to cut off programs; it is imperative that we stay engaged in all the above areas and not just ongoing health interventions. This is important for both strategic and humanitarian reasons.

As you know, India is an important strategic ally that is critical to long-term regional stability and prosperity. As the largest democracy in the world with one of the largest markets, it is an anchor of support for the war on terrorism and rebuilding Afghanistan. Without addressing the needs and rising expectations of the 700 million Indians living on less than two dollars a day, however, prospects for India's own future stability could be threatened. India needs to continue growing and adopting new ideas to solve its huge infrastructure, educational, agricultural and energy challenges. At present India lacks the legitimacy to fully influence its neighbors as a regional power in promoting U.S. strategic interests.

While the country boasts of high economic growth rates, in reality two-thirds of the Indian population is left out of the benefits of this growth. This is creating strong political divisions that can increasingly hurt U.S. strategic interests. Most recently, we are seeing this in the stalled civil nuclear negotiations. Those not benefiting from India's growth are ripe for recruitment into destabilizing anti-social movements. Already large tracts of Indian territory are effectively outside government control, dominated by a rapidly growing Maoist insurgency that claimed over 700 lives last year. India's Muslim population – the second largest in the world – is also not benefiting from India's growth. Indian Muslims are disproportionately likely to be unemployed, illiterate and poor. It is in the U.S. national interest to support India's efforts to emerge as a major democratic power and help it to maintain its fragile political and social cohesiveness. To do this, we need to remain engaged in India's efforts to broaden its economic growth so that all Indians can participate and benefit.

USAID needs to stay engaged in India beyond the health sector not only for strategic reasons, but for humanitarian concerns as well. Based on World Bank figures, India has more poor people than Africa, Latin America, the Middle East, Central Asia and Europe combined. Close to half of all children are malnourished and 70% are anemic. Less than one-third of all Indians have completed the tenth grade. Not one city in India has fully reliable water or electricity service. India is the fifth largest (and the second fastest growing) emitter of greenhouse gas emissions. Forty percent of married women suffer from spousal violence. Clearly there is no way that the Millennium Development Goals can be met globally without India making significant progress in addressing these daunting challenges.

Our assistance has been making a difference in all of these areas with limited resources. Our programs have successfully demonstrated that seed funding and technical know-how can be used to tremendous effect in a number of critical sectors. Innovative models are taken to scale by the Indian government, using their own resources, to have a broad, sustainable impact that goes far beyond the USG's initial financial contribution. This leveraging, which multiplies by four every dollar invested by the USG, gives us a seat at a number of policy tables to help India direct its growing budgetary resources to high impact interventions that create jobs, expand services and strengthen governance.

I know that some argue that we should end all foreign assistance to India outside of health because of its rapid growth in certain sectors of the economy and even because it carries out its own foreign aid programs, which are chiefly humanitarian. But as World Bank President Zoellick recently pointed out, now is not the time to withdraw from strategic countries such as India when we are trying to integrate them more effectively in diplomacy and political security

institutions. We need to broaden and deepen our growing strategic relationship to enable the Indian Government and private sector to improve the quality and relevance of education for disadvantaged youth, raise rural incomes, increase India's energy security, expand the delivery of services and advance women's rights. Because of the rich opportunities for strategic partnerships and leveraging that exist in India, this can be done with a relatively small amount of funding. If we do not stay engaged, India's immense poverty and unequal growth will continue to foment political and societal fragmentation that can lead to instability and serve as a breeding ground for terrorist elements.

Restoring at least \$10 million to our FY 2008 and 2009 budget levels would more realistically allow us to capitalize on our hard-earned gains in capacity building and policy reform. Rather than having to abruptly terminate our activities, we will be able to graduate our signature programs so that technical capacity is transferred and programs are taken to scale by the Indian government and our private sector partners. The remaining funds will allow us time to identify and work with other actors who can take over on-going programs and scale-up our successful pilot activities. This would be a much more efficient use of our scarce foreign assistance resources. Without these funds, we are forced to terminate these programs precipitously, which will result in reduced services and benefits to the poor in some of India's most backward regions. In order for us to truly accelerate the advance of democracy, prosperity and human well-being in the developing world – a vision that you have eloquently articulated – it is imperative that we meet our commitment to help India bridge the gap between its relatively small affluent population and the poor majority.

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Acronym List

AFP	Acute Flaccid Paralysis
AI	Avian Influenza
AKI	Agriculture Knowledge Initiative
AMFI	Association of Mutual Funds
ANC	Ante Natal Check UP
APEW	Advanced Preventative Enforcement Workshop
APP	Asia-Pacific Partnership for Clean Development and Climate
ATI	Administrative Training Institutes
BCC	Behavior Change Communication
BEE	Bureau of Energy Efficiency
BESCOM	Bangalore Electricity Supply Company
Bt	Biotech
CAG	Comptroller and Audit General
CBO	Community Based Organization
CNR	Case Notification Rate
CO2	Carbon Dioxide
CYP	Couple years of protection
DMS	Disaster Management Support
DOTS	Directly Observed Therapy Short-course
DOS	Department of State
DPT3	3rd doze of Diphtheria, Pertusis and Tetanus Vaccine
EE	Employability Exchanges
EPI-LAB	Expanded Program for Immunization and LAB - Laboratory
ETC	Employability Training Centers
EXBS	Export and Border Security
FEMA	Federal Emergency Management Agency
FETP	Field Epidemiology Training Program
FP/RH	Family Planning/Reproductive Health
FPU	Fiscal Policy Unit
GAP	Good Agricultural Practices
GDA	Global Development Alliance
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GM	Genetically Modified
GME	Growth Oriented Microenterprise
GOI	Government of India
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
HVDS	High Voltage Distribution System
IACIT	International Air Cargo Interdiction Training
ICMR	Indian Council of Medical Research
ICS	Incident Command System

ICT	Information and Communication Technologies
IDSP	Integrated Disease Surveillance Projects
IECA	International Export Control Academy
IFPS	Innovations in Family Planning Services
IGF	India Growth Fund
ILO	International Labor Organization
IMET	International Military Education and Training
IRDA	Insurance Regulatory and Development Authority
IRI	Interactive Radio Instruction
IUD	Intra-Uterine Device
JHU	Johns Hopkins University
JNNURM	Jawaharlal Nehru National Urban Renewal Mission
KSCW	Karnataka State Commission for Women
KW-h	Kilowatt-hour
MCH	Maternal and Child Health
MDR	Multi-Drug Resistant
MFI	Microfinance Institutions
M&E	Monitoring and Evaluation
MOU	Memorandum of Understanding
NFHS	National Family Health Survey
NGO	Non-Governmental Organization
NOAA	National Oceanic and Atmospheric Administration
NRHM	National Rural Health Mission
NTPC	National Thermal Power Corporation
PACT/CRH	Program for Advancement of Commercial Technology/Child and Reproductive Health
PHEIC	Public Health Emergencies of International Concern
PLC/PSV	Pre-License Check/Post-Shipment Verification
PLHA	People Living with HIV/AIDS
PMTCT	Prevention of Mother to Child Transmission
PPB	Program Performance Budget
PPP	Public Private Partnerships
PWD	People With Disabilities
RH	Reproductive Health
RNTCP	Revised National TB Control Program
SDM	Standard Days Method
SEAF	Small Enterprise Assistance Fund
SEBI	Securities and Exchange Board of India
SMEs	Small and Medium Enterprises
TB	Tuberculosis
TDA	Trade Development Agency
TEST	Trade in Environmental Services and Technologies
TRM	Targeting and Risk Management
UP	Uttar Pradesh
US	United States
UNICEF	United Nations Children's Fund

UNODC	United Nations Office on Drugs and Crime
USAID	United States Agency for International Development
USDA	United States Department for Agriculture
USFS	United States Forest Service
USG	United States Government
USGS	United States Geological Services
WBREDA	West Bengal Renewal Energy Agency
WDI	Work Force Development Institute
WHO	World Health Organization
WMD	Weapons of Mass Destruction
WME	Weapons of Mass Effect
WPC	Women Power Connect

India 2007 Performance Report

Operating Unit Performance Summary

As India's global influence grows in the 21st century, USG foreign assistance has graduated away from a traditional development model to a strategic partnership. The major challenge with this new model is developing systems for program synergies, integration and cross-cutting themes that demonstrate how development and diplomatic resources work in tandem to achieve results at scale.

Noteworthy achievements were made in FY07. In the health sector focus has shifted from service-delivery provision to technical assistance and policy support to ensure a sustained impact. USG assistance protected four million women in India's most populated state of Uttar Pradesh with one year of modern contraception. Six million children received Vitamin A, two million were treated for diarrhea and seven million were reached with DPT3 immunizations. Advancements were also made in TB and polio treatment. The education program reached 16 million students with new education methodologies.

In agriculture adoption of resource conservation technologies by 500,000 farmers on three million hectares increased farmer income. Continued research on biotech eggplant and potato increase agricultural productivity. The Presidential Agricultural Knowledge Initiative is linking farmers to markets to accelerate growth in the agricultural economy. Increased competitiveness boosted demand-based skill training by using private sector/government/NGO partnerships to address the need for a skilled workforce. In FY07, 2,451 vulnerable youth completed training, of which 1,760 were employed. Infrastructure efforts focused on improving energy efficiency, leveraging over \$45 million to upgrade distribution networks. Economic opportunity programs supported 2,200 urban and rural micro-enterprises supported with business services, leading to a 30% increase in incomes. Clean energy activities resulted in 75,000 tons reduction of carbon dioxide emissions.

Strengthening the rule of law and protecting human rights led to two million women benefiting through safeguarding of legal rights.

To promote disaster readiness, USG helped build the capacity of key Indian national institutions to improve disaster management systems.

To increase peace and security, the USG provided training to Indian counterparts to combat terrorism, improve India's export controls and strengthen the growing U.S.-India military partnership.

Website: www.usaid.gov/india

Program Area Performance \ 1 Peace & Security \ 1.1 Counter-Terrorism

In FY07, a total of 135 Indians, through six different activities, received training in the U.S. and India. Training to improve the GOI's knowledge and institutional capacity to deal with potential terror attacks are improving India's ability to contribute to the Global War on Terrorism, a U.S. foreign policy priority. Strengthening India's command and control systems for counter-terrorism results in greater efficiency and eliminates bureaucratic roadblocks that can obstruct intelligence investigations and response to incidents.

Forging increased collaboration between U.S. and Indian law enforcement agencies also facilitates greater coordination on counter-terrorism.

In India, addressing counter-terrorism presents considerable challenges. Widespread poverty provides a fertile environment for terrorism, especially in areas where people perceive they are not benefiting from India's economic growth. Nevertheless, the majority of the Indian population is law-abiding, believes in democracy, and is interested in improving their lives through better access to education, health services and jobs. The GOI is committed to improving its command and control systems for counter-terrorism, and there is excellent collaboration with the USG to build India's capacity and capabilities. Thus, there are good prospects for achieving sustained, long-term impact to counter terrorist attacks and respond quickly and more effectively to any that take place.

With terrorist attacks common, increased law enforcement cooperation is critical to improving security. USG programs also make it safer for investment by U.S. businesses and enables U.S. companies and citizens to play a greater role in the country's economic development. An expanded role for Americans and U.S. business and private sector entities in India is critical in building a stronger strategic partnership between the U.S. and India. Collaboration among various USG agencies are building a solid foundation for further cooperation with Indian law enforcement agencies on anti-cyber-terror methods, counter mass-transit attacks and addressing illegal money laundering.

Through training and information sharing, the USG is assisting India's development as a steadfast partner in the Global War on Terrorism. USG efforts are well poised to further assist India in counter-terrorism and facilitate the country's transition from a Transforming Country to a Sustaining Partner.

Program Element Performance \ 1 Peace & Security \ 1.1 Counter-Terrorism \ 1.1.3 Governments' Capabilities

Terrorist attacks in India are increasingly common, indiscriminate and inflict large numbers of casualties. The growing political and economic relationship between the U.S. and India has resulted in an increasing number of Americans working in the country and greatly expanded U.S. business interests. Indian and U.S. law enforcement agencies must increase cooperation to strengthen India's ability and readiness to contribute to the Global War on Terrorism.

During FY07, a total of 135 Indians received training both in the U.S. and in India. Training included explosive incident countermeasures, protective intelligence and investigations management for major events, preventive attacks on soft targets, antiterrorism executive forum training and post blast investigations. While only 3 training participants were women (2.7 percent of the total trainees), the need to train more women is increasingly being realized.

USG support is improving India's counter-terrorism management capacity; increasing their ability to collect and provide information on terrorism to both government and civilian entities, providing access to the latest technologies and know-how and training Indians in combating terrorism. The program is also building India's ability and willingness to collaborate with the U.S. on counter-terrorism.

The Government of India (GOI) has shown keen interest and commitment in this strategically important collaboration with the USG. The responsible GOI agency provided proper facilities for trainings held in India and has ensured that all the trainings have been replicated by the participants at different police and

law enforcement academies throughout India. The GOI has even translated some of the training course material into local, regional languages in order to ensure benefits of the training at the lowest levels.

Element Indicator Narrative \ 1 Peace & Security \ 1.1 Counter-Terrorism \ 1.1.3 Governments' Capabilities

No targets were set when the Operational Plan was developed. In close consultation with relevant USG authorities in Washington, DC, a number of training programs were developed to improve India's counter-terrorism capability and to foster greater collaboration with the U.S. Indian personnel receiving USG-sponsored training included professional staff from various law enforcement agencies. In FY08, the program anticipates reaching the same number of direct beneficiaries, however, it is anticipated that there will be a much wider impact because of the dissemination of information and training material to other personnel not directly involved in the training.

Program Area Performance \ 1 Peace & Security \ 1.2 Combating Weapons of Mass Destruction (WMD)

In FY07, a total of 190 Indians, through five different programs, received training.

Training has helped improve enforcement of strategic trade control laws to meet international standards, enhanced the ability of GOI officials to implement and conduct pre-license checks and post-shipment verifications of export material, and has trained customs officers to better understand the risk management process. As a result, progress is being made in combating weapons of mass destruction (WMD).

As a nuclear state with advanced nuclear capability, experience with chemical weapons development, and a growing chemical and biotechnology industry, controlling WMD is a critical concern. India's proliferation risk profile is significant for all WMD-related technologies. Harmonizing India's laws and regulations to meet international standards for controlling border trade and interdicting illegal or illicitly traded WMD materials and technologies is necessary in order to strengthen nonproliferation. While there are considerable challenges ahead, India is making significant progress in improving its enforcement of strategic trade control laws to meet international standards and there is promising cooperation between the U.S. and India on export control. While the GOI is committed and is collaborating with the USG, continued USG training programs and improved collaboration will be necessary to ensure that India develops the capability to properly implement nonproliferation export controls and the spread of WMD and weapons of mass effect.

Strengthening nonproliferation measures is a strategic U.S. foreign policy objective in India. India's economic growth is privatizing many enterprises that encompass dual-use nuclear industries. Unfortunately, its commercial links with states in the Middle East and Asia and elementary strategic trade control system make India a potential supplier of materials, equipment, and technology useful in the development of WMD. Since 2000, the USG has maintained a strategic control program with India and collaboration between the U.S. and India continues to grow. USG programs have laid a solid foundation for working with India on non-proliferation of WMD. Through targeted technical assistance and increased cooperation, USG efforts are helping India to transform from a Transforming Country to a Sustaining Partner.

Program Element Performance \ 1 Peace & Security \ 1.2 Combating Weapons of Mass Destruction (WMD) \ 1.2.1 Counter WMD Proliferation and Combat WMD Terrorism

In FY07, the USG made significant progress on countering weapons of mass destruction (WMD) proliferation and combating WMD terrorism in India. Export and Border Security (EXBS) assistance implemented five programs: A U.S.-India Advanced Preventative Enforcement Workshop (APEW), an International Targeting and Risk Management (TRM) Workshop, an International Air Cargo Interdiction Training (IACIT), a U.S.-India Pre-License Check/Post-Shipment Verification (PLC/PSV) Workshop and a Nonproliferation Export Control Training at the International Export Control Academy (IECA) in Athens, Georgia. The APEW program helped the GOI improve its enforcement of strategic trade control laws and to meet international standards, and served as a forum for discussion of future export control cooperation between the U.S. and India. The PLC/PSV workshop assisted GOI licensing officials and enforcement personnel with implementing and conducting pre-license checks and post-shipment verifications of Indian exports, thereby strengthening GOI strategic trade controls. The TRM workshop trained customs officers in understanding the risk management process, including collection of data and information, analysis and risk assessment, the development of an effective action plan, and skills to track and report findings. U.S. Customs and Border Protection Agency officers trained GOI customs, trade and defense officials in targeting, detection and search-and-seizure procedures of WMD and Weapons of Mass Effect (WME) through the IACIT. At IECA, GOI officials received training on nonproliferation export controls.

The GOI is committed to the program and has indicated that these programs have been very useful in improving its ability to meet export control goals and in the standardization of procedures and practices with those of the U.S. In the long term, these programs assist India with the enforcement of its export controls as the government harmonizes them with the Nuclear Suppliers' Group, the Missile Technology Control Regime, the Australia Group and the Wassenaar Arrangement.

Program Area Performance \ 1 Peace & Security \ 1.3 Stabilization Operations and Security Sector Reform

In FY07, a total of 59 Indians received training in four different but complementary military related programs. Through the International Military and Training Program (IMET), key policy and decision makers in India now have first-hand knowledge of the U.S. and its military operations, techniques and procedures. A large percentage of Indian personnel trained in resource/acquisition management under IMET are subsequently posted as instructors at Indian training institutions, thus the overall impact is much greater than just the numbers directly trained by the USG program.

Training to bolster interoperability capability between the U.S. and Indian military forces has greatly contributed to improving stabilizing operations and security sector reform in India. Assistance in military education, training in intelligence and logistics and improving India's deployment and operations capacity for peacekeeping operations will enable closer cooperation between the USG and India in carrying out multilateral military operations, humanitarian assistance, disaster relief and counterterrorism operations. The USG program will enhance India's capability to operate more effectively in a multinational and joint operations environment in the future.

India has the third largest military in the world and has a long tradition of providing support to peacekeeping missions. Prospects for achieving long term impact on improving stability operations and security reform in India are good. India has already made significant advances as evidenced by multinational and joint operations conducted during relief and rescue operations to South and Southeast Asian nations during the 2006 tsunami and during a major earthquake in India. Although not without complexities, the GOI is committed to improved military and security collaboration with the USG.

Through training, information sharing and collaboration, the USG is assisting India's military forces to better respond to the challenges of the Global War on Terrorism, helping India to play a more important role in regional and global security issues and, in a new, bold strategic partnership, facilitating India's transformation from a Transforming Country to a Sustaining Partner. As the U.S. – India strategic partnership develops, leveraging this relationship to support U.S. foreign policy and strategic goals is a key element in transformational diplomacy.

Program Element Performance \ 1 Peace & Security \ 1.3 Stabilization Operations and Security Sector Reform \ 1.3.6 Defense, Military, and Border Restructuring, Reform and Operations

Significant achievements were made in FY07 in four categories: With respect to Joint Service, Indian officers trained in the U.S. through the International Military Education and Training (IMET) Program will reach senior leadership positions in planning and will eventually manage large military establishments. This will result in policy and key decision makers with first-hand knowledge of the U.S. military tactics, techniques and procedures. In FY07, 21 Indian officers were trained through IMET.

Regarding Resource/Acquisition Management, the number of personnel with the ability to effectively manage large Indian military force and provide expertise during India's acquisition process has increased. The IMET graduates from the Indian Ministry of Defense staff of acquisition and financial sections were better equipped and had in-depth knowledge during finalization of the first ever Hot Ship transfer case (The USS Trenton) under Foreign Military Sales program. In FY07, 11 personnel were trained.

On the Global War on Terrorism, a large percentage of Indian IMET graduates have subsequently been posted as instructors at equivalent Indian training institutions. In FY07, 17 Indian military personnel were trained.

Regarding Technical/Military Training, this training enhances India's capability to operate in a multinational and joint operations environment. This was evident during relief and rescue operations to South and Southeast Asian countries during the 2006 Asian tsunami and during a major earth quake in India and Pakistan where Indian personnel performed admirably. In FY07, 10 personnel were trained.

Due to reduced funding from what was requested the following long-term training activities for the Indian Military had to be cancelled: Information systems warfare training for seven officers at Naval Postgraduate School, Monterey, California and Professional/Technical/Resource Management for 16 officers in the U.S.

Due to delays in the Leahy HR Vetting process, the Prime Implementing Partner could not process five officers on time and they missed their opportunity for Professional/Technical/Resource Management training.

Challenges remain as Indian Military staffing procedures and laws invariably result in late approval of Indian students to attend U.S.-based courses. Since the Indian Fiscal Year splits the U.S. fiscal year exactly in half, our year-end fiscal requirements are often overlooked by India's military services.

Element Indicator Narrative \ 1 Peace & Security \ 1.3 Stabilization Operations and Security Sector Reform \ 1.3.6 Defense, Military, and Border Restructuring, Reform and Operations

The indicator “Percent of US recommended military training need met during the year” is less than 100%, reflecting a gap between expected IMET funding and what the Mission assessed to be India’s needs. India has opposed joint operations with USG assistance in the past; however, securing India’s participation in such an operation in the future will be a meaningful indicator for the success of our programs. The FY07 Actual should have totaled 71%, but an unexpected \$80,000 end-of-year supplement was received, which was put to good use and this is reflected in the adjustment. The FY08 Target has been adjusted downwards to reflect the fact that the Prime Partner, the Department of Defense, has received confirmation of 2008 funding, totaling only 59% of the amount requested.

Program Area Performance \ 2 Governing Justly & Democratically \ 2.1 Rule of Law and Human Rights

More than two million people have benefited from a USG-supported network of 38 legal counseling centers for women and a network of over 3,000 community groups. At the national level, a coalition of 500 NGOs was strengthened to advocate for women’s issues and serve as a resource for the women’s rights movement. The coalition advocates on issues such as domestic violence, sex-selective abortions, reservation for women in parliament.

The Muslim Women’s Initiative successfully promoted awareness about Muslim women’s rights under the Koran as well as Indian constitution. Women who participated in the program report enhanced self-esteem and greater respect within families. An increase in the number of complaints and requests for legal assistance among these groups has also been noted. The recently-released USG-supported Third National Family Health Survey (NFHS-3) has documented country-wide data on women’s empowerment and domestic violence that will inform future government and non-government initiatives.

Budget reductions have compelled us to look for ways to transition some activities to other government and non-government partners. In the two states where the program operates, state governments will continue to support several key activities developed through USG support, such as counseling and legal services for women, training of government doctors and public prosecutors to sensitively handle cases of violence against women, and effectively engaging NGOs, community groups and students in efforts to prevent sex-selective abortions. However, several effective multi-level platforms created through the program, such as the large network of active community groups, the national advocacy body WomenPowerConnect and the Muslim Women’s Initiative need continued support. The sudden withdrawal of USG support jeopardizes their ability to mature and sustain their activities.

Deep-rooted gender inequalities undermine India’s potential to convert its growth into human development. Despite progressive laws, policies and the progress achieved in the women’s rights arena, a lot remains to be done – every third woman faces domestic violence and India’s girl child sex ratio is one of the worst in the world. Given the success of these modest USG efforts, by walking away prematurely from this program area the USG loses a critical opportunity to contribute to moving India from a Transforming Country to a Sustaining Partner.

Program Element Performance \ 2 Governing Justly & Democratically \ 2.1 Rule of Law and Human Rights \ 2.1.4 Human Rights

Through a three-pronged approach that includes advocacy, creating community-based alternate support

systems and working with the formal legal sector, USG efforts are assisting to advance women's rights, particularly addressing issues of violence against women over such matters as dowry, domestic violence and sex-selective abortions. The 38 legal counseling centers and a network of lawyers and paralegals were created and strengthened using USG support. These centers continue to fulfill a long-standing critical need for women who are vulnerable to violence by providing safe, accessible legal and psycho-social counseling services.

In the State of Karnataka, the USG, in partnership with the KSCW, has set up Help Desks at seven Family Courts. The KSCW is committed to replicating this successful model throughout the state. 1,500 government doctors and public prosecutors were trained to provide services to women facing issues of violence. One of the training objectives is to promote sensitive management of cases involving violence against women along with related legal aspects. With USG support ending soon, the implementing partner has successfully lobbied the state governments to continue the training program with other funding.

In Rajasthan, engagement with the government and other community leaders has led to innovative efforts to prevent sex-selective abortions. Such events include celebrating the birth of a girl-child, and newly married couples taking oaths against feticide by banning clinics practicing sex-selective abortion. These activities herald a change of mindset as well as an increase in government action.

The USG supports and promotes Muslim women's rights as provided in the Holy Quran and by the Indian constitution. 260 community groups created by the program have helped launch a community-based system for safeguarding women's rights. Muslim women who have benefited from the activity report an increase in self-esteem and more respect from their families, and the community groups have noticed an increase in the number of requests for legal assistance and cases filed.

At the national level, WPC, a coalition set up with USG support to advocate for women's legal rights, has emerged as a prominent women's platform and resource for the women's movement. WPC has a membership of more than 500 and is actively engaged in advocating on such issues as sexual harassment, gender budgeting, domestic violence and the declining girl child sex ratio.

Element Indicator Narrative \ 2 Governing Justly & Democratically \ 2.1 Rule of Law and Human Rights \ 2.1.4 Human Rights

The definition of this indicator includes the number of domestic groups inclusive of NGOs, women's groups, community-based organizations and agencies receiving direct capacity-building support. These groups monitor violence against women at the community level.

The FY08 targets have been revised downward because the program will end in June 2008 and therefore there is less than a year for program implementation. Given this impending close-out, several of the groups in Rajasthan, one of the program's focus states, have been successfully linked to other programs of the parent organizations and will therefore not require USG funding. This is a result of a conscious effort by USG during the project's final year to transition the community-based processes established to other sustainable institutions.

Program Area Performance \ 3 Investing in People \ 3.1 Health

To sustain and accelerate reductions of morbidity, mortality, fertility, and malnutrition, and increase

equitable access to services, the USG has strengthened complementary efforts of the Indian government, NGOs, communities, and the private sector. This is evident in Reproductive Health, with strategically-directed technical assistance delivered at multiple levels. In FY07, USG assistance helped protect 4,277,672 couples in Uttar Pradesh with modern contraception. Clinicians, NGOs, village leaders, and other stakeholders remained the core of USG RH projects. In addition, expansion of innovative public-private partner projects resulted in health financing, social franchising, and various demand-creation approaches being implemented with substantial results.

Maternal and child health remained a priority in FY07, resulting in over two million children treated for diarrhea, six million children reached with Vitamin A, seven million children reached with DPT3 immunizations, and nearly 150,000 health care providers trained in newborn/maternal health.

To strengthen disease control efforts and capacity to react to future outbreaks, operations research was undertaken, disease surveillance activities were intensified, and hundreds of participants received training in field epidemiology. USG continues to closely track polio cases while supporting social mobilization efforts to reduce resistance of families in getting their children immunized against polio. In FY07, this support reduced the number of houses missed in polio vaccinations by over 1 million households.

After achieving coverage of all 1.1 billion inhabitants with the national TB program, the GOI, with USG support, is enhancing program quality and addressing challenges related to TB/HIV and Drug-Resistant TB strains. FY07 support resulted in 35,000 patients initiating treatment for TB.

Technical expertise, program experience, and results from the recent National Family Health Survey have all been instrumental in informing program design and bolstering advocacy efforts.

In moving India towards the sustaining partner category, thereby ensuring lasting impact of USG assistance, focus is increasingly shifting from service-delivery provision to higher-level technical assistance and policy support. To this aim, USG assistance is concentrated on bolstering the capacity of Indian health institutions and mainstreaming successful program strategies into national and state programs.

Program Element Performance \ 3 Investing in People \ 3.1 Health \ 3.1.1 HIV/AIDS

USG's HIV/AIDS program is increasingly linked and integrated with other health programs and sectors.

In linkages with other areas of health:

USG is assisting states to mainstream HIV/AIDS activities into Family Planning, Education, and Urban Health. Prevention of Mother-to-Child Transmission is an important area of convergence between HIV/AIDS and Maternal and Child Health activities, where joint technical support for health-related issues among children infected by HIV/AIDS is provided.

HIV/AIDS partners are also leveraging Title II food resources for Children Infected/Affected by HIV/AIDS in order to improve the nutritional status of orphans receiving anti-retroviral treatment.

TB/HIV consultants are being supported in several of the USG priority states to ensure complementarities between TB and HIV/AIDS programs such as cross-referrals between TB microscopy centers and HIV/AIDS Counseling and Testing centers and joint training on TB/HIV issues for health personnel.

Increasingly, USG partners are supported by the HIV/AIDS funds as well as Population funds, thus leveraging their experience for cross-sector programs.

HIV/AIDS prevalence estimates among the general population was included for the first time in India's 2005-06 National Family Health Survey. This survey, with technical assistance from the USG, was accepted as the key data source for providing new national HIV prevalence estimates.

In sectors other than health:

Joint activities have taken place to implement income generation activities for People Living with HIV/AIDS and support municipal corporations to incorporate HIV/AIDS activities into their urban development plans.

Indian and US-based companies are being encouraged to support HIV/AIDS programs for their workers and communities, as part of an effort to develop a broader coalition of private partners to support National AIDS efforts.

Program Element Performance \ 3 Investing in People \ 3.1 Health \ 3.1.2 Tuberculosis

Following nationwide expansion of Directly Observed Therapy Short-course (DOTS) in 2006, the Government of India's Revised National TB Control Program (RNTCP) set a goal to treat over 6 million TB patients during the next five years by improving and consolidating service quality and scaling up public-private partnerships and TB/HIV collaborative activities. USG support has been instrumental in these activities.

In consultation with the GOI and World Health Organization (WHO), USG support focused on the state of Haryana (pop. 23.4 million) by funding operational costs for diagnosis, purchase and delivery of drugs and monitoring. USG support enabled the focus-state of Haryana to exceed targets for cure rates and register over 12,000 patients for treatment in FY07.

In FY07, the Government of India began diagnosis and treatment of multi-drug resistant TB. USG support enabled the focus-state of Haryana to establish and equip an Intermediate Reference Laboratory, currently undergoing accreditation, for use in testing drug-sensitivity of Multi-Drug Resistant TB (MDR TB).

The Government of India has committed to taking over funding of Haryana state, allowing USG to focus on supporting WHO technical assistance to the national TB program and carry forward operations research and evaluations to inform policy making in TB/HIV, MDR TB, and other priority areas. In FY07, USG-supported studies on biological and behavioral risk factors, community surveillance, pediatric TB, and MDR-TB management which resulted in a number of improvements to national TB policies and guidelines. USG-supported operations research has also provided evidence for changes in technical guidelines for improving the national TB program.

This focus on high-level technical assistance will continue into FY08, with the aim of providing the national TB program with the tools and capacity to successfully control TB in India.

Program Element Performance \ 3 Investing in People \ 3.1 Health \ 3.1.5 Other Public Health Threats

USG continues to play a key role in the development and implementation of the GOI's Integrated Disease Surveillance Program (IDSP). Having supported research that led to program development, USG now supports technical assistance to implement and improve the program, and in the process has been able to leverage a \$13 million annual budget from the GOI and World Bank loan funding.

USG is supporting the strengthening of disease surveillance activities to report on public health emergencies of international concern and outbreak investigation. The strength of this system has been demonstrated in the rapid detection and definitive management of three avian influenza outbreaks during the last two years.

Partners have conducted a variety of training courses in FY07. USG provides technical assistance to improve the quality of these courses, including standardization of curriculum and increasing the field component and skills development. Gender is a key consideration, including balanced gender representation in all training programs.

Collaboration between epidemiologists and microbiologists has been improved via an EPI-LAB training tailor-made to suit the needs of a coordinated outbreak response at the district and state levels. This is the first such course being conducted in the region.

Regional epidemic preparedness and response training was conducted in collaboration with the National Institute of Communicable Diseases to provide capacity building to the Northern and North-Eastern states. Capacity for epidemic preparedness and response has improved significantly with better reporting and outbreak investigation reports in these states.

An approach involving the community for disease surveillance is being piloted in one district of Maharashtra. A field-based portable laboratory to carry out public health investigations on disease and post-disaster disease surveillance was field tested.

USG is supporting a Probe Study in collaboration with the Indian Council of Medical Research to estimate the preventable burden of H. influenzae type B (HiB) meningitis and pneumonia.

FY08 targets for trainings in M&E and research were revised upwards but kept lower than FY07, as actual numbers in FY07 reflect unanticipated opportunities that are unlikely to be repeated.

Program Element Performance \ 3 Investing in People \ 3.1 Health \ 3.1.6 Maternal and Child Health

USG MCH activities promoted evidence-based decision making and addressed the effective implementation of the GOI National Rural Health Mission (NRHM) and Integrated Child Disease Surveillance programs, thus contributing to reduced MCH mortality and morbidity. Focusing on the rural states of UP and Jharkhand, USG leveraged resources from the \$2 billion NRHM.

An urban health program focused on improving MCH indicators among the urban poor through technical, systems and policy interventions. USG's key role in supporting GOI MCH programs is clearly illustrated by the announcement of a national program, the National Urban Health Mission, for which USG has been advocating and providing technical input and support for five years. This mission is a \$1.5 billion, six-year GOI commitment that is equivalent to a US Presidential Initiative.

Technical assistance from the USG Micronutrient Program resulted in a GOI policy decision to increase the

target group receiving vitamin A supplements from 36 to 59 months in line with WHO/UNICEF guidelines. This is having a positive impact on reducing malnutrition in India.

Public-Private Partnerships to support the introduction of Zinc therapy for diarrhea and the introduction of Point of Use household water treatment were begun. Working with private sector manufacturers on the one hand, and with microfinance arrangements on the other, this approach was used to make technologies accessible to poor populations in UP.

Routine immunization was strengthened through advocacy, networking, and technical support for the scale-up of effective approaches. USG supports polio eradication through surveillance, lab and social mobilization activities. As a result of efforts during FY 07, there was a considerable reduction in the number of polio cases compared to FY06. Additionally, over 6 million children below the age of 12 months received DPT3 immunizations from USG programs.

Gender is a key consideration of USG programs. The recent National Family Health Survey (NFHS 3) is informing strategies and providing data for tracking progress on all MCH indicators by gender, including the key issue of gender differentials in use of health care services. By their nature, MCH programs are woman-focused – for example maternal health, mother as main caregiver of children, and female community health workers.

Two new indicators for policies and evaluation have been added to better capture the results of a new program.

Program Element Performance \ 3 Investing in People \ 3.1 Health \ 3.1.7 Family Planning and Reproductive Health

Success of the USG reproductive health (RH) program resulted in 4,277,672 women in Uttar Pradesh (UP), or nearly 14% of the state, being protected with modern contraception in FY07. In the last 7 years in UP, where USG has heavily invested, the contraceptive prevalence rate increased from 20-29% and use of modern spacing methods has doubled.

In FY07 more than \$5 million of GOI resources were leveraged, expanding the impact of USG programs. USG trained village leaders, nurse midwives, doctors and paramedical staff. The number of family planning (FP) service delivery points, including franchised clinics and retail shops, has significantly grown and increased access to FP. Eleven new approaches, mostly public-private partnerships with marketing companies and health providers, were introduced. These include voucher and social franchising schemes, and private provider NGO programs. Health financing was provided to 51,000 women, reducing financial barriers to health care. Combined with behavior change to increase FP demand, these innovations will improve access to RH services for vulnerable groups. All activities were supported by baseline studies, monitoring and research, which provide data needed to design effective programs, monitor progress, and advocate for scale-up. Government RH policies were improved this year in IUD revitalization, ANC and institutional delivery.

Most RH funds are funneled through a bilateral agreement between the GOI and USG, an arrangement requiring close coordination between the national and state governments. GOI commitment is demonstrated by government approval for all programs implemented under this mechanism. Host country contributions have also been substantial through an increased focus on FP, revitalized use of FP spacing methods,

particularly the IUD and SDM, and an expanded menu of FP choices, including injectable contraceptives.

Gender is a key consideration of RH programs. Women leaders and providers were specifically targeted for training on RH issues. PPP designs considered issues related to vulnerable groups, including women and other marginalized populations. BCC materials emphasized the importance of male involvement in household RH decision-making. The recent National Family Health Survey (NFHS 3) is informing strategies and providing data for tracking progress on key gender issues, including son preference and contraceptive use, improving male participation in FP, and gender attitudes to FP.

Program Element Performance \ 3 Investing in People \ 3.1 Health \ 3.1.8 Water Supply and Sanitation

USG's urban program continued to play a major role in the design and implementation of the Government of India's (GOI) National Urban Renewal Initiative (JNNURM), a \$12.5 billion reform-based urban infrastructure program for the 63 largest cities. USG-supported the development of model City Development Plans, required for government funding, for three cities at different levels of income and complexity. The project also supported the design and implementation of three principle pillars of JNNURM: a Model Municipal Law to accelerate municipal acceptance of responsibility for urban services; a National Municipal Accounting Manual to introduce modern accounting and budgeting systems; and the design for e-Governance systems. GOI funded a Pooled Finance Development Fund based on the success of a USG-supported pooled bond issue, including guidelines and an operational toolkit that will help medium-sized towns to access private financing. USG helped four states set up infrastructure funds and assisted another state with institutional restructuring of the state water utility to devolve responsibility to the local level, thus institutionalizing the identification, structuring, and market-based financing of bankable water supply and sanitation projects. The Japanese Bank for International Cooperation is partnering with USG and partially funding a \$238.1 million integrated sewage project. To ensure delivery of services to the poor, USG supported one state in establishing a state-wide pro-poor strategy, and worked with four cities in providing service access. USG helped local governments increase their revenues and improve their financial management systems. During FY07, four of these cities generated over \$13 million in local revenues. Another city is being used as a pilot for Orissa's state-wide implementation of transparent and modern financial management systems. Two cities developed financing plans for infrastructure projects identified in city development plans; one city issued a \$5 million bond, and another is seeking \$23.8 million in bond funds and financing from the International Finance Corporation.

USG also supported the establishment and initial project identification for the Indian Business Alliance for Water. The State of Rajasthan has initiated its own alliance based on the model, and other funders are assuming USG's role.

Element Indicator Narrative \ 3 Investing in People \ 3.1 Health \ 3.1.2 Tuberculosis

Five of the seven TB targets were met or exceeded in FY07.

Of the two indicators relating to USG support to the focus-state of Haryana, the target cure rate was surpassed but the target notification rate fell short of the target by 2%. These state-focused targets will shift to a national focus in FY08 as a consequence of USG's change of focus to higher-level technical assistance.

All three targets relating to special studies, evaluations, and resulting improvements to policies and

regulations were met or exceeded. USG-supported studies have resulted in improvements to national TB policies, and operations research has provided evidence for changes in technical guidelines for improving the national TB program.

The target for % of TB patients tested for HIV through USG-supported programs was surpassed in FY07, and will be increased to 20% for FY08 in anticipation of increasing activities related to TB-HIV coordination within India's high-prevalence states.

The target of one lab per 100,000 population in Haryana was close to achievement, but population growth in Haryana outpaced the staffing of new labs. This target is quite ambitious, as most national TB control programs have one lab for every 200-300,000 individuals. This target will be retained for FY08 as it is achievable.

The only target lowered next year is the Case Notification Rate. This is due to a change in the denominator (it will be tracking the whole country rather than one state).

Element Indicator Narrative \ 3 Investing in People \ 3.1 Health \ 3.1.5 Other Public Health Threats

All targets were met or exceeded in FY07:

The target number of people trained in research was exceeded. Six infectious disease hospitals were networked and received regular information. EPI-LAB training was conducted for nine Integrated Disease Surveillance Projects states. District epidemiologists and microbiologists were trained to carry out outbreak investigation and response at district level and for improving coordination between laboratory and epidemiological surveillance.

The target number of people trained in monitoring and evaluation was exceeded 5 times due to unanticipated demands. Coordination between the two national level institutions currently implementing the two-year Field Epidemiology Training Program (FETP) were strengthened. Training occurred in outbreak investigation and monitoring and evaluation of surveillance systems. Technical and financial support was provided for the short-term FETP for training of medical officers and health care workers.

WHO-India successfully piloted a community-based surveillance activity in one district of Maharashtra and provided a field-based portable laboratory for public health investigation for disease and post-disaster disease surveillance. The ongoing Hib Probe Study, which estimates the preventable burden of HiB meningitis and pneumonia, was implemented by the Indian Council of Medical Research (ICMR) in collaboration with JHU to estimate the preventable burden of HiB meningitis and pneumonia.

Element Indicator Narrative \ 3 Investing in People \ 3.1 Health \ 3.1.6 Maternal and Child Health

Nine of eleven MCH targets were met or exceeded in FY07.

The child diarrhea treatment target, however, was not met due to delay in public sector manufacture and distribution of zinc. The target reduction in missed households for polio immunization was not met due to continued mistrust and resistance towards polio immunization in some communities. The FY08 target has been revised upward, however, to include numbers from two partners rather than one.

The FY08 target for the number of people trained in maternal/newborn health has been revised to replace the previous target of zero, which was a place-holder until necessary programmatic decisions were made.

The target number of people trained in child health and nutrition has decreased due to the drastic reduction in FY08 resource levels from those originally approved in the phase-out proposal. As a result, trainings will focus on capacity building of partner staff to develop and strengthen linkages between communities and government programs.

The target number of children reached by USG-supported nutrition programs has been dramatically increased due to an adjustment of the indicator definition, which will include children reached with Title II food but not able to have their growth monitored.

The initial FY08 target number of children over 12 months of age who received DPT3 was zero due to the lack of a target at that point in time, but in consultation with the GOI it has been revised to reach over 6 million children.

Element Indicator Narrative \ 3 Investing in People \ 3.1 Health \ 3.1.7 Family Planning and Reproductive Health

All targets were met or exceeded in FP/RH in FY07. Instances where targets were far exceeded by results are explained below.

In FY07, training targets were exceeded by 60% in FY07 due to higher-than-anticipated training needs during the initial project start-up phase. Training targets are reduced in FY08, however, since most initial training needs have been met.

Financial resources leveraged by USG programs for FP/RH was 500% of FY07 targets due to unanticipated demand to air USG-produced media spots. The government of India allocated more funds in this area after FY07 targets were set. As a result, the target for FY08 has been quintupled, to a total of \$5 million.

The number of people covered by USG-supported health financing arrangements was exceeded by a factor of 1000 because at the time of target setting, it was unclear that a Agra voucher scheme would fit within the indicator definition. This target is set even higher in FY08 in anticipation of program scale-up.

The number of information gathering or research activities far exceeded targets due to a higher-than-anticipated number of requests from the Government of India for data collection and reports.

The number of USG-assisted service delivery points providing FP counseling or services was 25% higher than expected due to activities related to project start-up. The FY08 target is raised, yet lower than FY07 results since start-up activities have been completed.

Element Indicator Narrative \ 3 Investing in People \ 3.1 Health \ 3.1.8 Water Supply and Sanitation

Data for access to improved drinking water supply and sanitation facilities are based on the additional number of water supply and sewerage house connections provided as a result of USG assistance to Pune and Bhubaneswar in the preparation of City Development Plans directly leading to water and sanitation project investments, and construction of individual/community toilets in slum settlements of Agra and Sangli.

Improved access to water supply and sanitation helped to improve child and adult health. In Sangli, hygiene education was provided as a complement to the project investment further improving health.

Targets for 2008 reflect the total number of households that will benefit from the urban infrastructure program operating at national, state, and local levels. The numbers are substantially higher than FY07 as household connections to bulk infrastructure installed over the past few years will finally be made.

Program Area Performance \ 3 Investing in People \ 3.2 Education

In FY07, basic education activities focused on consolidating and scaling up education interventions implemented through USG funding. Reaching 16.4 million learners, the program mainstreamed interventions on education technology, Muslim education, health and hygiene and out-of-school children through government resources. Over 400,000 teachers and educators were trained on improved methods of teaching, including the use of various education technology tools.

The flagship technology initiative continued to generate significant government ownership and extend coverage. The results include a substantial improvement in the quality of education, with notable learning gains among students as reflected in a significant proportion of them mastering the content. For the third consecutive year, the products developed under this program won an information and technology award sponsored by reputable international agencies. The gains from the USG intervention on school health and hygiene was successfully integrated into the government education system in two states. The activity for bringing out-of-school children into school provided educational opportunities to 132,500 hard-to-reach and at-risk children and indirectly benefitted another 289,000. The Muslim school education program built excellent rapport between individual madrasas and the state government, and over 350 madrasas have accepted government support and are now offering formal education curriculum to students.

Prospects for achieving long term impact have improved as the programs transition to greater ownership of the activities by state governments and non-governmental partners. The USG initiated education alliance has added more partners, and has leveraged \$2.87 million against \$2 million from USG.

Education is fundamental to achieving India's Millenium Development Goals in human, social and economic development. Improving basic education is also critical to alleviating widespread poverty. India has made significant progress in raising school enrollment rates to 93%, though 8-10 million children are still out of school. The USG focus has shifted to issues of educational quality, the approach being one of demonstrating pilots and scaling them up through host government and private resources. These initiatives are playing an important role in moving India from a Transforming Country to a Sustaining Partner.

Program Element Performance \ 3 Investing in People \ 3.2 Education \ 3.2.1 Basic Education

During FY07, the education technology activity added new IRI curricula, including English language programs for Grade 3, programs in Science, Math and Social Studies for classes 4 and 5, and Urdu medium programs in Karnataka. A digital library, a national repository housing education technology materials, was launched and a multi-media Group Teaching and Learning software was developed. For the third consecutive year, the project products won a prestigious ICT e-education award sponsored by respected national and international agencies. The Government of India invited the USG to present its education model to senior education officials from 22 states. As a result, several states have indicated interest in seeking USG technical assistance to expand the program into their states and agreed to cover recurring costs.

A basic education activity provided education opportunities to 132,497 hard-to-reach and at-risk children.

The USG-funded education alliance was expanded with the addition of four additional NGO partners. Three new sub-grants were rolled out and progress on these three activities is satisfactory. Leveraged cash and in-kind resources exceeded the USG investment of \$2.8 million. The innovations introduced through this activity were highlighted in several ICT conferences and are now poised to contribute to India's education policy reforms.

The USG was able to build good rapport and trust between madrasas and state governments, and hundreds of madrasas have applied for government support. Over 350 madrasas are now receiving support in the form of honoraria for teachers, training for teachers, government text books and midday meals for children. The program developed a new set of comprehensive activity books for use in the madrasas. An in-depth consultative process was used to develop these materials. Madrasa teachers were also trained on child centered teaching processes.

A USG-funded program, which promotes a safe and healthier school environment, was completely integrated into the government education system in two states. This initiative was also incorporated into UNICEF's school quality improvement program, and is being rolled out across the country in partnership with the government.

Element Indicator Narrative \ 3 Investing in People \ 3.2 Education \ 3.2.1 Basic Education

Most of the basic education activities have exceeded their FY07 targets. For example, the education technology project has now expanded to all government schools in four states as planned (Karnataka, Chattisgarh, Jharkhand and Madhya Pradesh). Other programs have enrolled almost twice the number of children planned, and a far larger number of teachers/educators were trained over planned levels.

Actual achievements also include impacts from programs that did not receive any FY07 NOA funds. The significant gender difference in the number of teachers/educators trained is due to the fact that all these programs train government teachers. The percentage of female teachers is low in government schools, especially in rural areas where most of these programs are being implemented. The percentage of female teachers is also low in the madrasas (Islamic schools).

FY08 indicator targets were revised upward taking into consideration the fact that an additional State was included in the FY07 performance and planned expansion of education technology activities.

Program Area Performance \ 4 Economic Growth \ 4.1 Macroeconomic Foundation for Growth

Activities in fiscal policy made substantial gains above targets. Over 1,000 key personnel were trained in fiscal policy methodology using the latest fiscal tools to streamline Government of India procedures. Significant portions of state budgets in three states were managed within Financial Policy Units using international best practices in areas of performance budgeting, debt management, project appraisal and procurement. The fact that each of the states allocated its own budget to establish these units represents a solid commitment to a rational budgeting process. Government orders were issued to institutionalize the methodologies introduced, and USG-financed products were showcased in 18 additional states. At the national level, the Indian Planning Commission, the Central Statistical Organization, the Comptroller and Audit General endorsed these procedures. Female trainers and mentors were well represented in all training activities.

With budget cuts, the program is ending early, but the USG is collaborating with other donors and the GOI's Ministry of Finance to consolidate the gains achieved in fiscal "marksmanship" – the ability of states to forecast public expenditures and revenue mobilization as close as possible to actual achievements. This will ultimately improve the ability of states to raise resources from the markets, make good investment decisions and allocate funds where they are required.

The long-term prospects for a vibrant, prosperous India are strong, and open finance systems are critical to achieving and sustaining robust economic growth. For two decades India enjoyed a GDP growth rate of 6 percent, but in the past four years the GDP annual compound growth rate was 8.5 percent. This signals fundamental structural changes which are reshaping India's socio-economic landscape, including a significant rise in savings and investment. Savings have risen over the past decade to hit 33 percent of GDP, and household savings have risen and become more fluid, moving from government subsidized savings deposits to commercial banks and mutual funds. This opens more opportunities for state government to access markets. The U.S. supports India's efforts to become a global power, and is behind the government's focus on "inclusive growth" in which India's economic success will benefit all members of society.

Program Element Performance \ 4 Economic Growth \ 4.1 Macroeconomic Foundation for Growth \ 4.1.1 Fiscal policy

USG support has provided a practical system process that directly meets the goals of the GOI in increasing accountability and productivity of public investment. These systems with their training materials and manuals are now being adopted by leading donors and the Ministry of Finance for replication nationwide. Financial Planning Units (FPU) were established and staffed in all three project states. Four more international best practice manuals were developed for performance budgeting, debt management, project appraisal and procurement. Trainers and mentors are in place for three of these. Debt software was installed and debt data migrated in all three partner states. Training curricula is being integrated into training programs of two state Administrative Training Institutes (ATIs).

The FPUs are in the process of being fully staffed and institutionalized in state standard operating procedures. Government Orders are pending on performance budgeting and Project Appraisal in two of the three partner states.

Full partnership from state governments is needed to institutionalize these fiscal management systems. State commitment to date has been noteworthy; states have allocated funds to help establish FPUs to promote fiscal analysis and monitoring, have released large contingents of officers for training in the latest fiscal tools and techniques, have lent key members of their staff to help develop best practice manuals, guidelines and databases, and have issued Government Orders to institutionalize the methodologies introduced. Further, the Central Government continues to provide platforms at their own expense to showcase and build sustainability of USG-supported products (e.g., inviting 18 Indian states to review fiscal tools developed under the project, and bearing the cost of databases recommended by USG's project). Support has also come from the Indian Planning Commission, the Central Statistical Organization, the Comptroller and Audit General (CAG) of India, and public finance think tanks.

USG is promoting female trainers and mentors and developing gender-segregated information to include in the databases and socio-economic indicators.

As the program will be terminated earlier than anticipated due to budget cuts, the USG is collaborating with

other donors and the Ministry of Finance to pass on its documents, methodologies, and principles nationwide.

Element Indicator Narrative \ 4 Economic Growth \ 4.1 Macroeconomic Foundation for Growth \ 4.1.1 Fiscal policy

FY07 achievement for the First Indicator: Extends program performance budget methodology to more than 50% of state budgets; extend best practice project appraisal techniques to 4 key departments; mentors Fiscal Policy Unit members in fiscal marksmanship and analytical research; and, trains staff to use the macro-economic database and input-output tables. As a result of our support, there is notable improvement in the fiscal marksmanship of Indian states. For eg. in the states of Karnataka, Jharkhand and Uttarakhand (total population 100 million) the gap between budgeted estimates and actual expenditures and revenue mobilization has narrowed; in Karnataka, the revenue deficit has been eliminated. For the first time, these states have: staff units with capacity to produce issues that can analyze impact of regulatory, policy and procedural decisions on the budget; improved revenue and expenditure forecasting skills; a comprehensive data set of state debt and debt software enabling good debt management; project appraisal skills to weed out bad projects and prioritize good investment projects, and a results oriented budgeting methodology. FY07 target increased due to strong demand and participation from states; FY08 targets are reduced due to more training of trainers versus officials.

Program Area Performance \ 4 Economic Growth \ 4.2 Trade and Investment

During FY 07, the USG supported trade and investment capacity building training for government officials at the state level to promote public private partnerships (PPP). Guidelines used in the training formed the basis to vet PPP proposals by federal and state governments.

PPP guidelines were developed and revised through a consultative process with national ministries, other donors, experts from the private sector and state governments. The goal is to build institutional knowledge and capacity of government agencies responsible for approving PPP projects in infrastructure, bringing uniformity and transparency into the procurement process and improving investors' understanding of competitive conditions and regulatory standards. These guidelines will also be used to build political support of PPPs to bring transparency to the procurement process and help create a healthy environment for PPP projects. Other support programs of the GOI and World Bank apply these principles in states where PPP projects are under development.

The USG supports a variety of other capacity building activities in India: (a) strengthening regulation of the commodity futures market, particularly in the agricultural sector in order to facilitate trade; (b) assistance to the GOI to develop its financial markets in order to mobilize household savings to provide a source of financing for long-term development activities which sustain high rates of economic growth; (c) support the development of commercially viable urban infrastructure finance systems by developing demonstration projects of urban bodies on the efficient delivery of urban infrastructure services; and (d) support the GOI to reduce the size of the ballooning fiscal deficits in three Indian cities.

The U.S. is India's largest trade partner, and both countries embrace trade and commerce as engines of prosperity in a market-based economy. There has been an explosion of private-sector ties involving burgeoning trade and commercial links which will serve to propel and sustain India's growth over the long term. In order to sustain this growth rate and lift millions of people out of poverty, India will need to invest

\$330 billion in its infrastructure over the next 5-7 years. Improving investor confidence is a key priority for India, and one that will contribute to moving India to the next category of countries as a sustaining partner.

Program Element Performance \ 4 Economic Growth \ 4.2 Trade and Investment \ 4.2.2 Trade and Investment Capacity

The USG assisted the Indian government in the development of a comprehensive tool-kit (or handbook) on public-private partnerships (PPP) for use by both federal and state government officials. The tool-kit was reviewed and revised through a consultative process with respective national ministries, other donors and experts, the private sector, and state governments. It will build the institutional knowledge and capacity of government agencies responsible for the approval of PPP projects in infrastructure, bring about uniformity and transparency and improve investors' understanding of competitive conditions and regulatory standards. The tool-kit will also mobilize political support for PPPs in infrastructure and bring about transparency in the procurement process, and help create a healthy investment climate for PPP projects. The tool-kit is being embedded in other support programs the GOI and World Bank are providing to states in initiation and management of PPP projects.

Element Indicator Narrative \ 4 Economic Growth \ 4.2 Trade and Investment \ 4.2.2 Trade and Investment Capacity

USG-funded experts briefed state government officials on the concept of Public Private Partnerships (PPP) in infrastructure. The plan to hold additional training sessions on the PPP Handbook developed with USG support did not materialize since the Ministry of Finance was unable to mobilize state government officials before the end of the contract (December 31, 2006).

The Infrastructure PPP handbook is being used by federal and state government ministry officials to vet PPP proposals.

There is no FY2008 funding for the activity. The activity ended on December 31, 2006.

Program Area Performance \ 4 Economic Growth \ 4.3 Financial Sector

USG contributed substantially to the mobilization of private funds for investment in productive endeavors, from infrastructure to enterprise growth. USG programs assisted the India's securities market and insurance regulators in the development of robust regulatory systems and institutional capacity buildings enabling the securities and insurance markets to expand dramatically. USG assistance helped establish a state-of-the-art depository and an integrated market surveillance system that significantly reduced systemic risk and transaction costs in the capital market. USG-funded programs have: helped develop a robust financial futures and options market in India; sensitized the Indian judiciary and court system on best practices in market adjudication; developed regulations for private health insurance and improved understanding of impediments to the growth of a health insurance market in India; and helped develop a regulatory framework for increased access to insurance by the poor.

USG's contribution to the microfinance sector helped to significantly expand financial services to the poor. Microfinance legislation was developed and is under consideration in the Indian Parliament. USG helped develop partnerships between banks, municipal governments, and communities that are providing water and sanitation to 100 slums in three cities, and have demonstrated the role of microfinance in helping households connect to basic services. USG's support to a health service foundation enabled the development of an innovative model that delivers affordable healthcare for 43 types of illnesses to poor households. The model

has provided over 50,000 poor with access to efficient and timely healthcare while bringing economic benefits in terms of protection of their income and assets. The USG helped launch a venture capital fund, which was successful in raising \$160 million and to date has made firm investment commitments to twelve SMEs involved in life sciences, agri-business, manufacturing, consumer goods, and infrastructure services. Participating companies have on average increased employment by over 70%.

The successes of these financial sector initiatives have provided valuable models and experiences to the India's financial sector regulators, who now have the capacity to manage on their own. USG assistance has moved India towards becoming a sustaining partner in a growing strategic relationship.

Program Element Performance \ 4 Economic Growth \ 4.3 Financial Sector \ 4.3.1 Financial Sector Enabling Environment

USG contributed substantially to the mobilization of private funds for investment in productive endeavors, from infrastructure to enterprise growth. USG programs assisted the securities market regulator and the insurance regulator in the development of robust regulatory systems and institutional capacity building, enabling the securities and insurance markets to expand dramatically. The programs helped establish a state-of-the-art depository and an integrated market surveillance system leading to significantly reduced systemic risk and transaction costs in the capital market. The USG developed the Securities and Exchange Board of India (SEBI) into a robust capital market regulator with enhanced capacity to formulate and administer best practices regulation, enforcement and surveillance.

The program helped develop a robust financial futures and options market in India. It developed the Association of Mutual Funds in India into a model trade association. The program sensitized the Indian judiciary and court system on best practices in market adjudication. It enhanced capacity of the Insurance Regulatory and Development Authority (IRDA) in policy advocacy, developing regulations, supervision and financial and market examination of insurance companies.

The program developed a set of regulations for private health insurance and improved understanding of issues and impediments to the growth of a health insurance market in India. It helped develop a regulatory framework for increased access to insurance for the poor. It also helped develop the institutional capacity of trade associations such as Life Insurance and General Insurance Councils to articulate and engage with the regulator on policy and regulatory issues.

The program has been able to achieve the results due to the total commitment of SEBI and IRDA leadership and the Finance Ministry. These institutions have been very proactive and responsive to USG technical recommendations. They have consistently advocated for continued engagement of the USG in financial sector reform.

Program Element Performance \ 4 Economic Growth \ 4.3 Financial Sector \ 4.3.2 Financial Services

USG's contribution to the microfinance sector helped to significantly expand financial services to the poor in recent years, though the sector still serves less than 10 percent of the population. Microfinance legislation was developed and is under consideration in the Indian Parliament. A set of performance and financial reporting and auditing standards were developed for Micro Finance Institutions (MFIs), and an increasing number of MFIs are using the standards. A comprehensive database on operational aspects of the microfinance sector was developed.

Partnerships between banks, municipal governments, and communities provided water and sanitation to 100 slums in three cities, and demonstrated the role of microfinance in helping households connect to basic services, now being provided by other MFIs.

USG's support to a health service foundation, Healing Fields, enabled the development of an innovative model that delivers affordable healthcare for 43 types of illnesses to poor households. The model has provided over 50,000 poor with access to efficient and timely healthcare while bringing economic benefits in terms of protection of their income and assets. The Healing Fields model is being used by the World Bank, ILO, and others as a workable methodology to provide health insurance to poor households, and has helped inspire the establishment of the Micro Insurance Resource Center to promote micro health insurance.

The USG helped launch a venture capital fund, which was successful in raising \$160 million and to date has made firm investment commitments to twelve Small and Medium Enterprises (SMEs) involved in life sciences, agri-business, manufacturing, consumer goods, and infrastructure services. Participating companies have on average increased employment by over 70 percent. A home textiles and furnishings company grew from a small family business to one of India's biggest suppliers to Wal-mart and has created 280 jobs in the US. This success has inspired 90 additional private venture capital funds and the demand from the SMEs continues to increase.

A GDA with financial institutions in the US and India trained bankers in areas such as Basil II discipline, credit scoring, and assessing risk for small enterprises, thereby improving the overall health of the banking system, increasing capacity to accurately judge and value risk, and expand access to finance.

Program Area Performance \ 4 Economic Growth \ 4.4 Infrastructure

During FY07, the USG worked closely with the GOI's Bureau of Energy Efficiency (BEE) with the support of two state agencies to institutionalize energy efficiency through the development of energy conservation action plans. State energy conservation committees were established in Gujarat.

Other activities included assistance to BEE in implementation of the Energy Conservation Building Code through awareness and technical training workshops. The program also developed a cadre of building energy professionals and user guides for the design of energy efficient systems. USG support also developed standardized building assessment guides to improve energy efficiency in existing buildings and municipalities. The USG also carried out analyses in three clusters and cross-cutting technologies to promote energy efficiency in small and medium enterprises.

USG-supported activities completed all major milestones successfully by providing high quality technical assistance and training support to improve commercial and operation performance of three large electric utilities. The USG, working closely with the Power Finance Corporation, achieved financial closure of four pilot projects, leveraging over \$45 million to upgrade distribution networks and introduce performance measurement frameworks. Capacity building of utility managers, engineers and technicians completed the infrastructure upgrades, and over 300 staff were trained. The program developed an innovative public-private partnership business model for energy efficiency project financing, and has successfully structured municipal waste-water recycling and reuse projects to mitigate urban water shortages.

Financial viability in the Indian power sector is important to India's overall economic health. The reliance

on reliable electric power with financially sound utility companies is key to the achievement of medium term goals throughout the economy. The World Bank estimates that current losses in the Indian power sector amount to approximately \$5 billion per year. Financial losses on this scale, borne by state governments in the form of subsidies, preclude critical investments in other sectors such as health and education. The pilot activities supported under these energy services are providing critical models for India's utilities to respond to increasing energy demand and manage distribution and accounting systems efficiently.

Program Element Performance \ 4 Economic Growth \ 4.4 Infrastructure \ 4.4.1 Modern Energy Services

USG, with the GOI's Bureau of Energy Efficiency, worked with the full support of state agencies of Gujarat and Punjab to institutionalize energy efficiency through the development of energy conservation action plans which are serving as model tools for energy efficiency market transformation. USG support was instrumental in the development and launching of a national energy conservation building code for India that will help curb energy wastage in the building sector, which currently accounts for one third of the country's energy consumption. USG assisted the Gujarat Urban Development Company in rolling out a state level program for energy efficiency improvement in urban and local bodies, as well as promotion of energy efficiency in the state's vast small and medium enterprise sector. This program will serve as a national model for energy efficiency market transformation.

USG advanced design and implementation of technical and commercial best practices in electricity distribution in four pilot demonstration locations. These best practices are being adapted and internalized for wider replication in several states. USG assisted the Government of India in designing and launching a national franchisee training program to advance private participation in the electricity distribution sector. In partnership with the Japanese Bank for International Cooperation, USG designed a new customer report card tool for use by electric utilities to assess customer satisfaction. This effort will provide a critical missing link for policy makers to understand the impact of reforms and to fine tune policies and regulations to accelerate progress towards an efficient and sustainable electricity industry.

USG developed an innovative public-private partnership business model for water-energy co-management project financing. Based on this, the GOI's Bureau of Energy Efficiency is preparing to scale this up by launching a national agriculture energy demand side management program initially targeting six states.

Element Indicator Narrative \ 4 Economic Growth \ 4.4 Infrastructure \ 4.4.1 Modern Energy Services

The planned 200,000 Kwh of energy savings as a result of USG assistance was projected to result from implementing an agriculture demand side management activity (installation of energy efficient irrigation water pumps) with the Bangalore Electricity Supply Company (BESCOM). For compelling technical reasons the project feasibility study recommended pump replacement only after BESCOM commissions a high voltage distribution system (HVDS). BESCOM's HVDS installation program is expected to be completed by early 2008. Pump replacement was delayed, and the resulting FY 07 energy savings target was not met. The revised FY08 target of 2,880,000 Kwh is expected to be met due to HVDS availability.

FY07 energy training targets were exceeded across the board due to shorter-than-expected training mobilization lead times.

The targeted number of energy enterprises with improved business operations was exceeded due to

enthusiastic and effective support from USG's GOI partners. The FY08 target is adjusted upward due to USG's expectations of continued strong GOI support.

Program Area Performance \ 4 Economic Growth \ 4.5 Agriculture

Creating a more positive environment for development and improving agricultural productivity through technical assistance facilitated progress in this program area. New markets, technologies, innovations and fresh roles for the private and public sectors are shaping a new context for agriculture. Adoption of resource conservation technologies by half a million farmers on three million hectares contributed to increased agriculture productivity.

With 300 million Indian's living on less than a dollar a day, improving agricultural growth and reducing poverty is a huge challenge. Agriculture only contributes 18% to GDP and the GOI struggles with reforms that would catalyze growth and have a broad effect on the 650 million people dependent on the sector. India has one of the largest rural populations in the world, but agriculture accounts for only half of India's rural economy. Businesses are focusing on the rural sector, especially in food retail markets. With better infrastructure, opportunities for farmers to take advantage of emerging agro-processing industries and expanding retail markets is growing. Potential benefits to farmers, from higher prices to improved extension services and supply chains, could be revolutionary. Realizing these gains will require much-needed private investment and enabling actions by the GOI.

Achievements in agriculture are playing an important role in moving India from a Transforming Country to a Sustaining Partner. With 70% of India's 1.1 billion people living in rural areas and 60% of the labor force involved in agriculture, accelerating annual agricultural growth is critical to the country's development. Collaboration among various USG agencies (USDA, USAID, TDA) implementing the Presidential AKI are laying the foundation to transform Indian agriculture. With an approach that seeks to diversify agriculture and is led by the private sector, these efforts are linking farmers to markets, strengthening partnerships between Indian and U.S. universities, pioneering initiatives to improve water resource management and expanding biotechnology applications. Complemented with policy dialogue focusing on roles the private sector needs to play in development, USG efforts are poised to help accelerate growth in agriculture and the rural economy and foster the inclusive growth that is vital to India's future.

Program Element Performance \ 4 Economic Growth \ 4.5 Agriculture \ 4.5.1 Agricultural Enabling Environment

The USG implemented activities that address the objectives of the US-India Agriculture Knowledge Initiative and creation of an institutional framework enabling more productive farming.

The establishment of market-driven grades and standards will enable prices to reflect quality, thus rewarding higher value produce and returning greater returns to farmers. Detailed training manuals have been developed for Food Safety and Good Agricultural Practices (GAP), Grades and Standards and Market Extension and translated into local languages. Master trainers have been trained to train other instructors as well as provide extension services to the farmers. The trainers have started to train farmers at the state level.

USG recommendations provided in the "Roadmap: Development of India's Commodity Futures Market" are being implemented by the GOI. They were used in the draft law to strengthen the regulator and in other key regulations. Partnership with the exchanges led to over 6,000 farmers being educated about futures markets

and how to use them. Analyses done by USG experts helped a GOI task force to make recommendations to strengthen the futures market.

India is moving, with US help, towards approval of a genetically-modified food product. The Indian Council of Medical Research, with USG support, developed new guidelines for safety assessment of genetically modified (GM) foods. The guidelines are expected to be adopted in 2007. The GOI is moving forward with the recommendation to create a single-window regulatory mechanism, and delay a detrimental plan for GM food labeling.

Through a partnership with two Indian agricultural universities and two research institutes, research was conducted on 20 technologies in two biotech crops, insect-resistant eggplant and disease-resistant potato, bringing the project closer to providing pest and disease-resistant plant varieties to resource-constrained farmers. The Biotech eggplant is now entering the field trial stage.

Through partnership with US universities, three Indian Agriculture Universities have improved their capacity. A new post-harvest center was established with private and public support, agribusiness curricula was developed, new extension models have been demonstrated, and rural villagers' knowledge about nutrition has improved.

Program Element Performance \ 4 Economic Growth \ 4.5 Agriculture \ 4.5.2 Agricultural Sector Productivity

The USG helped to increase productivity in the agriculture sector through a variety of interventions, including access to finance, better technologies, and improved links between farmers and markets. These programs contributed to the US-India Agriculture Knowledge Initiative objectives.

A partnership between USG and financial sector research and lending institutions enabled volunteer financial sector specialists to share international experience in agri-business lending with a group of bankers, farmers, traders and agribusiness experts. A USG supported venture capital fund invested in an Agriculture Biotech company, leading to job growth and new product development.

Utilizing international research centers, new resource conservation technologies were developed and promoted that increase farm-level productivity, conserve natural resources and limit negative environmental impacts. These technologies include land leveling, raised-beds, direct seeding and associated techniques. These technologies reached approximately 3 million hectares and were used by an estimated 0.5 million farmers.

An American university partnership with a state marketing board helped mango farmers, processors, government officials and extension agents adopt Good Agricultural Practices (GAP), food safety management systems, and sanitary methods of packing fresh and processed mangoes. Country specific generic GAP standards for Indian fruits, particularly mangoes, were developed, and GAP certification for participating farmers was provided. GAP certified farmers received 20–30 percent greater returns from the domestic high value markets and about 50 percent higher returns from the export market.

Element Indicator Narrative \ 4 Economic Growth \ 4.5 Agriculture \ 4.5.1 Agricultural Enabling Environment

To create a more positive environment for agricultural development in India, the USG supported 17 institutions through development and training in grades and standards, and food safety and good agriculture practices with the national level marketing institute and three state agriculture boards.

The USG ensured the growth and stability of the commodities future market, a major price discovery and risk mitigation for farmers, through support to the Forward Markets Commission, the two leading exchanges, and a special commission reviewing national policy on future trading.

The USG supported the establishment of an efficient regulatory system for agriculture biotechnology products by working with the responsible GOI ministry, the medical council, and statistical institute, and collaborating with five research institutes to develop products that will become test cases for the regulatory system.

The USG increased capacity for modern agricultural science teaching and research at three Indian universities through partnerships with US universities.

Support to the futures market and university partnerships have been terminated, and funding is reduced for agriculture marketing standards.

Element Indicator Narrative \ 4 Economic Growth \ 4.5 Agriculture \ 4.5.2 Agricultural Sector Productivity

Several activities contributed to increased productivity, which included improving financial services, linking farmers to markets in the mango industry, and including the number of farmers using resource saving technologies. Individuals receiving USG support included farmers and bankers. The numbers of farmers using resource conservation technologies have been included in the FY07 actual, as the major contributing activity was not funded in FY07 and thus did not get included in target setting.

In FY08, activities anticipate utilizing more training of trainers techniques as well as leveraging private resources to increase the number of individuals reached.

Program Area Performance \ 4 Economic Growth \ 4.6 Private Sector Competitiveness

The USG's primary activity in this program area is workforce development. The main objective of the activity is to scale up and institutionalize a tried and tested employability training model for vulnerable youth. The project began in the middle of the fiscal year and made impressive gains during the first six months of operation. The project established partnerships with a range of private corporations and international and non-governmental organizations. A cash leverage of \$786,000 against a USG investment of \$1 million was generated exclusive of in-kind contributions from partners. Local industries are supporting the program by assisting with market surveys to identify growth sectors and by tailoring the curriculum to local needs. They are serving as industry advocates for the program, and are supporting on-the-job training in addition to providing job placements.

At the grassroots level, fourteen Employability Training Centers were established in three regions of India. Two of the three planned Employability Exchanges are functional and, at the national level, the Work Force Development Institute is providing overall operational, programmatic and technical support. The Indian Government has certified thirteen vocational skill curricula and included these on an official website for sharing and possible scale-up by other agencies. A quality management system that will lead to certification is being established to assure strong processes and quality during expansion and scale-up. Of the 4,124 youth enrolled in the program, 2,451 have completed the training and the rest are currently under training. 1,760 (72%) of those who have completed training are gainfully employed. As the program matures, we

expect these numbers to improve further.

Because of resource constraints, the program focus has been shifted from implementing training programs to setting up systems and processes that can sustain the model beyond USG funding.

For India to expand its economic growth, it is critical to exploit the full potential of its youth population and provide them with marketable skills. Large numbers of youth are unable to participate in India's economic growth because of the disconnect between the skills acquired through formal education and those required by industry. The workforce development activity will expand employment opportunities and help India move from a Transforming Country to a Sustaining Partner.

Program Element Performance \ 4 Economic Growth \ 4.6 Private Sector Competitiveness \ 4.6.3 Workforce Development

Progress in FY07 has exceeded targets. Effective partnerships with government, non-government and corporate bodies have been established at all levels for scale-up, implementation, technical cooperation and resource mobilization. The International Labor Organization, Moserbaer, Genpact, Reliance, the Tata Group and the American India Foundation are some of the prominent partners.

During the first year of the program, a cash leverage amounting to \$786,000 against the USG's investment of \$1 million was generated. There is also a substantial amount of in-kind leverage from partners, in terms of space provided for running the training centers, staff time contributed by NGOs and CBOs and volunteer time contributed by the corporate and business mentors.

Local industries are supporting the program in various ways: assisting in market surveys to identify growth sectors, helping modify the curriculum as per local needs, conducting guest lectures during training, advocating for the program, supporting on-the-job training, providing job references and placements.

The main objective of this element is to scale up and institutionalize a tried and tested employability training model for vulnerable youth. To meet this objective, a three-tier institutional framework has been set-up, as planned. At the grassroots level, 14 Employability Training Centers (ETC) are operational in the three targeted regions. At the regional level, two of the three planned Employability Exchanges (EEs) are functional and, at the national level, the Work Force Development Institute (WDI) is providing overall operational, programmatic and technical support to the activity.

The government has certified 13 vocational skill curricula and included these on their official website for sharing and potential scale-up by other agencies and programs. As implementation progresses, the curriculum, the pedagogy and the assessment systems are being further strengthened. A quality management system that will lead to ISO 9001:2000 certification is being established. Detailed guidelines and manuals are being developed. This will assure effective quality implementation during expansion and scale-up.

Element Indicator Narrative \ 4 Economic Growth \ 4.6 Private Sector Competitiveness \ 4.6.3 Workforce Development

The FY07 Operational Plan targets were linked to the FY07 NOA funds, and therefore all FY07 targets were zero. However, because of the early obligation of FY07 funds, field-level activities implementation began in

April 2007. The actual performance for this indicator therefore represents achievements for six months of implementation.

Of the 4,124 disadvantaged youth enrolled in the program, 2,451 completed the training and the balance of 1,673 are currently undergoing training. 1,760 of those who have completed training have already been placed. The placement percentage is slightly lower than planned because the process of placement is ongoing as of this report and the numbers are expected to rise by the end of October 2007.

Further, many of the students, especially the younger ones, have been motivated to go back to pursue further education following completion of the training. Students who complete the training generally receive good offers with credible organizations/agencies with average monthly salaries which are generally higher than the average entry level salaries in the respective regions.

The targets for FY08 are based on the fact that the number of training centers is going to increase rapidly from the current 14 to 45 by March 2008.

Program Area Performance \ 4 Economic Growth \ 4.7 Economic Opportunity

In FY07, the USG's economic opportunity program focused on developing clusters of urban and rural micro enterprises supported by sustainable business support services. The program reached 2,228 small, rural businesses (small-scale farmers) with assistance in growing fresh fruits and vegetables. These businesses were integrated with modern fresh produce supply chains and corporate partners. Rural households are impoverished by low agricultural productivity and limited employment opportunities, resulting in economic and political instability. The results of the program have been impressive with 70% of smallholder farmers achieving a 15% increase in production, a 30-40% improvement in product quality, and a 30% net increase in income. Over 60% of affiliated farmers experienced repeat sales to high-value markets. The program supports the President's Agriculture Knowledge Initiative, targeting agri-businesses and markets.

Under the urban component, out-sourcing of solid waste management in thirteen municipalities was achieved, providing jobs for 1,400 informal processors of solid waste in primary collection and treatment.

The India Growth Fund was established to bring equity investment to small and medium enterprises. The USG's \$4 million seed capital leveraged \$160 million from private investors. The fund has currently made a commitment to invest \$104 million in twelve small and medium enterprises. Approximately 3,000 new jobs have been created among these twelve firms.

The USG uses state-of-the-art value-chain methods to improve business support services and farmer productivity, linking them to markets, finance and technology. Economic opportunities for urban populations are being expanded through improved access to urban utilities. By focusing on the transformation of institutions and systems, including the leveraging of other resources, this program links directly to transformational diplomacy goals, moving India along the path towards a self-sustaining partner, and serving to meet Millennium Development Goals for poverty reduction.

Program Element Performance \ 4 Economic Growth \ 4.7 Economic Opportunity \ 4.7.3 Strengthen Microenterprise Productivity

To help increase incomes of India's poor majority, the USG's micro-enterprise program focused on developing clusters of urban and rural micro-enterprises supported by sustainable business support services.

The USG developed a model for partnering with private retailers to train their extension workers and lead

farmers on cultivation food safety and handling and food safety standards, harvesting techniques and post-harvest management. Training manuals were developed and translated into regional languages. These trained extension workers, in turn, trained the farmers. As a result, 70 percent of the smallholder farmers achieved over 15 percent increase in average vegetable production over the past two years and 60 percent of affiliated farmers made repeat sales to organizations representing high value markets in the food chain. A recent random survey (July 2007) of production costs and returns for selected project-affiliated farmers showed, on average, 30 to 40 percent improvement in product quality, a 15 percent reduction in the cost of production and an average increase of 30 percent in net incomes for participating smallholder farmers. The USG assisted the field extension agents of a farmer's cooperative to train member farmers to establish four tray nurseries, each with a production capacity of 80,000 seedlings. The project linked a major Indian exporter with mango producers for export to supermarkets in Europe. Coca Cola, a soft-drink manufacturer, signed a marketing agreement with clusters of project-supported mango growers in Andhra Pradesh to procure approximately 500 tons of mangos for their "Maaza" brand of soft-drink.

Under the Municipal Solid Waste Management out-sourcing component, thirteen municipalities have outsourced the primary collection and treatment of garbage to micro and small enterprises, providing regular job opportunities to nearly 1,800 informal rag-pickers and scavengers.

Element Indicator Narrative \ 4 Economic Growth \ 4.7 Economic Opportunity \ 4.7.3 Strengthen Microenterprise Productivity

To better leverage its own expertise and contribute to the US-India Agriculture Knowledge Initiative, the USG focused its micro enterprise program on farmers as small businesses and on urban solid waste management companies. Because of the inclusion of farmers as individual entrepreneurs, performance numbers are significantly higher for FY07 and have been adjusted accordingly for FY08.

Smallholder farmers include 357 fruit and vegetable farmers, 1500 mango farmers, and 371 farmers in an agriculture cooperative. Trainer of trainer courses were provided to over 100 field extension agents, which enabled a more efficient way of training larger numbers of farmers.

Program Area Performance \ 4 Economic Growth \ 4.8 Environment

USG assistance improves India's access to clean energy by promoting exchanges between the U.S. and India of replicable environmental techniques, technologies and business models. It helps facilitate efficient and cleaner power generation technologies, resulting in reduced greenhouse gases and establishing a process that sustains economic growth. During FY 07, USG helped India to reduce the carbon dioxide (CO₂) emissions by 75,000 tons. USG interventions focus on promoting best practices in upgrading and maintaining power stations. The USG equipped the NTPC with operational efficiency software tools, which have been readily adopted with plans to extend similar programs nation-wide. These practices are important to sustaining efficiency gains and abating CO₂ emissions.

The USG supported a technical demonstration of India's first biogas-based power generation facility using micro turbine technology in West Bengal. Through this demonstration, new frontiers in carbon-neutral electricity generation for rural areas were introduced using methane gas. There is potential to expand this technology well beyond this one demonstration. The social and economic benefits of applying methane gas to electricity generation are enormous while mitigating greenhouse gas emissions. This technology also offers opportunities for the competitive U.S. micro turbine market to expand into India.

A feasibility study for a proposed “integrated coal gasification combined cycle”-based 100 megawatt demonstration power plant project was completed, with the results shared with key government policy makers. Follow-up discussions are underway with principal stakeholders to develop a roadmap for implementation of this next-generation power generation technology.

Population growth and the rapid pace of India’s economic growth have placed severe strains on the environment. India is the fifth largest emitter of greenhouse gases and the second fastest growing emitter after China. The demand for electricity will rise by an estimated 760 gigawatts by 2030, equivalent to adding a 500-megawatt power plant every week for the next 25 years.

The successes of these environmental initiatives provide valuable experiences and a platform for the USG to successfully implement a portfolio of clean technologies and move India closer to meeting its clean energy goals. They also help India make the important transition to the status of a sustainable partner.

Program Element Performance \ 4 Economic Growth \ 4.8 Environment \ 4.8.2 Clean Productive Environment

USG interventions focus on sharing best practices in overhauling and maintenance of power stations, which is important for sustaining efficiency gains and CO2 emission abatement. USG is equipping NTPC with operational efficiency software tools. NTPC is readily adopting this know-how and plans to replicate it throughout its nation-wide fleet of electric power stations.

USG supported the WBREDA with technical demonstration of India’s first biogas-based power generation facility using microturbine technology. This demonstration has opened new frontiers for carbon-neutral electricity generation in rural areas from methane gas (a more potent greenhouse gas than CO2), thereby demonstrating economic and social development at the grass root level while mitigating GHG emissions. The WBREDA success is ripe for replication, and is also opening and developing a market for U.S. microturbine equipment vendors.

A feasibility study for a proposed “integrated coal gasification combined cycle”-based 100 megawatt demonstration power plant project was completed and the outcome was shared with key GOI policy and decision makers. Follow-up discussions are in progress with principal stakeholders to assist the GOI in developing a roadmap for implementing a demonstration program for this next-generation environment-friendly power generation technology which will ultimately generate power from coal with zero CO2 emissions.

These successes under USG’s largest bilateral climate change program are providing key experience and a platform for the DOS to successfully implement its portfolio of clean technology demonstration projects in India under the Administration’s APP program.

The yearly CO2 reduction is derived from inputs received from the NTPC – India’s premier electric utility and the fifth largest in the world. The FY07 target was easily met, yet the FY08 target has been reduced. This is because most of the major efficiency gains in the NTPC power stations have already been realized. Ongoing activities will increasingly focus on more advanced best practices in which gains in CO2 reductions are important for sustainability, but of lower magnitude compared to those of earlier years.

It should be noted that the CO2 reductions reported in the past did not factor in cumulative gains from USG interventions going back to 1995. This has been corrected with the result that total CO2 reductions attributable to USG assistance to NTPC to date amounts to 106 million tonnes.

Program Area Performance \ 5 Humanitarian Assistance \ 5.2 Disaster Readiness

India is one of the most hazard-prone countries in South Asia, stricken by numerous natural disasters. Disasters threaten millions of lives and can cause large-scale losses and seriously hinder India's development. To reduce India's vulnerability to disasters, the USG promotes U.S.-India collaboration in disaster-management. The USG is forging new, productive relationships with India to meet the challenge of protecting lives and property, especially the poor, from the devastation caused by natural and human-caused disasters. During FY07, 814,855 members of disaster management authorities, committees and task forces across seven states, 40 districts and over 30,000 villages were trained in disaster preparedness. An additional 576 government staff was trained at national and international centers on disaster response. Eighty-one scientists, engineers and researchers from government agencies responsible for forecasting and early warning of extreme climate events were also trained to provide better information to decision makers.

The USG has helped build the capacity of key national institutions and community organizations to improve disaster management systems. Seven Incident Command System (ICS) courses were established, and four institutions responsible for forecasting and early warning are using improved computer models.

Although the USG efforts lagged due to delayed government commitment, GOI buy-in has strongly revived and there is a reconstituted Project Advisory Committee with senior GOI representatives. State governments are also demonstrating a renewed commitment by pledging annual budgets for disaster risk reduction programs. There is notable support for the ICS which ensures that managers of incidents are trained and ready to respond in clearly defined functional areas, and there is close collaboration with the GOI to develop guidelines and to operationalize the ICS throughout India. The USG is promoting an alliance of public-private institutions on earthquake safety. Experts have analyzed and developed retrofit designs for five buildings in Delhi. The Delhi Government has agreed to replicate the process for other buildings.

Key institutions now have the capacity to manage disasters. USG assistance has moved India forward to mitigate the serious consequences of disasters and towards being a sustaining partner in a growing strategic relationship.

Program Element Performance \ 5 Humanitarian Assistance \ 5.2 Disaster Readiness \ 5.2.1 Capacity Building, Preparedness, and Planning

USG has helped build capacity in key institutions and at the community level to improve disaster management systems in the country. Seven ICS courses have been established at training institutes. Four institutions responsible for forecasts and early warning now have improved software/computer models along with application skills. Over 1,000 students and parents know what to do during and after an earthquake through a program of earthquake awareness and evacuation drills at a Delhi school. This school also served as a demonstration model for non-structural earthquake mitigation that will be replicated in other Delhi schools.

The USG promotes equity across all project-funded activities, with training that emphasizes increased participation of women and other marginalized people in planning for and managing disasters. Over 20% of participants trained in community-based disaster preparedness have been women.

Though the project lagged due to lack of host country commitment in 2005-2006, the GOI commitment was strongly revitalized with the reconstitution of a Project Advisory Committee made up of high-level representatives of key GOI entities. State governments including Gujarat and Maharashtra are also demonstrating commitment by setting aside funds in their annual budgets for disaster risk reduction programs. There is a groundswell of support for the ICS. Following positive feedback from a pilot program in Gujarat, the National Disaster Management Authority is working with the USG to develop guidelines for how to operationalize the ICS throughout the country.

The USG is fostering an alliance of public and private institutions for an earthquake safety program. A coalition of Indian and American experts have analyzed and developed retrofit designs for five lifeline buildings in Delhi. The Delhi Government is paying for the actual retrofit and has set up a “retrofit circle” for replicating the process for other critical buildings.

With one year left, USG has intensified efforts to address sustainability and exit strategies. Key institutions with curricula and trained faculty in place will continue capacity building efforts. State governments are developing strategies including the allocation from their own annual budgets for disaster management programs. USG agencies have begun discussions with their Indian counterparts on establishing MOUs for sustained collaboration. USG agencies working with GOI counterparts include USAID, USFS, NOAA, USGS and FEMA

Key Issue Performance \ Reducing gender based violence and exploitation

Women in India continue to face human rights violations. Living with social discrimination, women face constant threats of violence including sexual assault, feticide and domestic violence. USG support strengthens civil society to engage with formal and non-formal systems, advocate for better policies and educate communities, government and non-government institutions on women’s legal rights, enabling women to better protect their interests and break the cycle of discrimination interventions mainstream tested models for legal services, training and community-based dispute resolution and promote stronger implementation of laws protecting women from violence. With USG support, 38 legal counseling centers and a network of lawyers and paralegals fill a critical need for women vulnerable to violence by providing safe, accessible legal and psycho-social counseling services. A network of 21 NGOs mobilizes communities, works with men and builds partnerships with stakeholders to advance women’s rights.

Key Issue Performance \ Local Organization Capacity Development

The cornerstone of USG’s assistance strategy in India is sustainability. For sustainability to occur, projects and activities have focused on local institutional capacity development. The capacity of local institutions are built through technical assistance and training. In FY 2007, programs in health have helped build implementing institutions in the states of Uttar Pradesh, Jharkhand, Uttarakhand, Maharashtra, Tamil Nadu and Karnataka. Additionally, the health programs have created capacities at the national level to provide technical assistance. Social development programs have institutionalized legal literacy through judiciary and NGO strengthening and, under the education programs teachers and NGOs have been trained to carry out

services. USG's energy programs have strengthened the energy efficiency and power distribution sectors. Economic growth programs have strengthened municipal governance, fiscal governance at the state level and the capital market systems.

Key Issue Performance \ Trafficking in Persons

India is South Asia's center of gravity for the flow of trafficked women and children. It is also a source, transit and destination country for human trafficking. Children and young women are trafficked from rural areas to big cities, and across India's borders. India has been on the USG Tier 2 Watch List for four consecutive years. USG assistance strengthens GOI and NGO efforts to reduce trafficking incidences and promotes Indian Government and NGO partnerships for effective law enforcement. In collaboration with UNODC, the USG supports the Regional Action Forum process among South Asian countries to build the capacity of anti-trafficking networks for improved care and protection of survivors and to strengthen protection services for at-risk children. In FY07, six government homes were identified to serve as models to provide intensive support. Also, four NGO homes in remote areas will receive small grants for capacity building.

Key Issue Performance \ Anti-Corruption

Corruption is a constraint to India's prosperity and programs have addressed this vulnerability in many ways. Technical assistance has been provided to implement the Electricity Act of 2003. This act includes statutory measures to reduce losses by establishing the police and court enforcement capacities to reduce theft. Under the health program, USAID staff are involved in decision-making committees, so decisions are more transparent. USAID also has greater presence in states and closely monitors the provisions of inputs. The education program works with school monitoring and village education committees, which improves school governance and accountability. The women's legal rights program links NGO watchdogs with formal government structures in the legal sector that helps check corruption. The economic growth program, through its municipal finance activity, directly mitigates corruption by bringing the discipline of the market place to bear on municipal finances.

Key Issue Performance \ Microenterprise

Access to business development and financial services are necessary to improve the competitiveness of poor households. The Growth-oriented Microenterprise sector (GME) is a critical link in the job creation chain for the Indian economy. Growth-oriented microenterprise is driven by motives of entrepreneurship having potential to increase economic opportunities and create jobs. GMEs sit between tiny household microenterprises and small businesses. Servicing this segment helps create a bridge to finance and support entrepreneurs to transition from the self or family-centered employment to small businesses. USG focuses on building the technical, financial, and policy institutions and systems that create an enabling environment for these enterprises. In FY07, 2,228 microenterprises participated in USG assisted value chains which resulted in a 15% increase in average vegetable production by 70% of the smallholder producers and an average increase of 30% in their net income.

Key Issue Performance \ Trade Capacity Building

The U.S. is India's largest trade partner. A stronger U.S.-India economic relationship can be realized if India continues to pursue sound economic policies and implements reforms across many sectors. The USG

supports a variety of trade capacity building activities in India which: (a) strengthen regulation of the commodity futures markets and address agricultural sector commodity futures market facilitation issues; (b) help the GOI develop its financial markets in order to mobilize household savings to finance long-term development and sustain high rates of economic growth; (c) support the development of commercially viable urban infrastructure finance systems by developing demonstration projects and capacity building of urban local bodies and other institutions on the efficient delivery of urban infrastructure services; and (d) support the Government of India to reduce the size of the growing fiscal deficits in three Indian states.

Key Issue Performance \ Clean Energy

Sustainable, reliable, and affordable energy is necessary to broaden participation in India's economic growth. Financial viability in India's power sector is important to the country's overall economic health. Yet, significant power shortages continue to plague the economy due to a lack of cost recovery by utilities, and the subsequent inability of utilities to provide reliable, high quality power. The results are widespread bankruptcy of both utilities, and the state governments, which are forced to bail them out. USG helps India to reform its electric power distribution to recover costs and stem both technical and commercial losses. For better access to clean energy, USG works with Indian partners to increase efficiency in the power sector, conserve resources and promote clean energy technologies. USG facilitates sharing of energy and environment best practices between the U.S. and India. In FY07, USG assistance helped 11 energy enterprises to create improved business operations.

Key Issue Performance \ Global Climate Change

India's enormous population and rapidly rising demand for energy have put massive strains on the environment. Most electricity is generated by burning high-ash coal, the primary contributor to local air pollution and global warming. Indeed, India is the fifth largest emitter of greenhouse gases and the second fastest growing emitter after China. USG work in greenhouse gas (GHG) mitigation continues its dual role of financing clean energy projects and providing specialized technical assistance to advance adoption of GHG technologies to reduce emissions. A major strategic initiative has been the creation of a broad-based partnership on development of clean coal technology between the U.S. Department of Energy's National Energy Technology Laboratory and India's National Thermal Power Corporation. In FY07, 75,000 tonnes of greenhouse gases were reduced.

Key Issue Performance \ Applied Research

USG programs receive varied and critical guidance from applied research. The entire health, population and nutrition portfolio is based on applied research. One prominent example is the Third National Family Health Survey, which was recently released, and forms the information base for programs in child health, specifically nutrition and polio transmission. The same survey has informed the program on HIV/AIDS and issues of family violence. Support to other public health threats such as avian influenza are framed from applied research undertaken by international organizations. Maternal health activities, draw on research provided by the Bureau of the Census. Efforts to eliminate the transmission of tuberculosis are grounded in applied research on program performance and drug resistance. Applied research has been used for educational technology (radio, video, and computer-aided interaction along with satellite technology and video conferencing) to improve the quality of teaching and learning in primary classes. By the end of the year, this research will enhance learning of over 13 million children in 210,000 schools across four states.

Key Issue Performance \ Community Mobilization/Participation

USAID's social and health programs directly target communities at the local level. Community mobilization is a key component of these programs. Communities have been used to form groups, especially women's associations, to consult and provide the services required for the community. India being a diverse country, there is no single approach to community mobilization. Non-governmental organizations are used as vehicles for mobilizing the people. Key achievements in FY 2007 include the use of village level volunteers in health programs. The volunteers cover families and provide reproductive health services, especially to the eligible female members of the household. Similarly, the HIV/AIDS program has worked at the grass root level with communities through NGOs. The education and legal literacy program has also worked with communities to include children and women as beneficiaries of the program.

Key Issue Performance \ Public-Private Partnerships

Given India's complex development challenges, scaling up activities in a country of this magnitude means doing things differently. The USG's new development approach consists of innovative and exciting partnerships with private and public resources where USG funds are used to leverage resources to extend social and economic investments. These ground-breaking pilot partnerships are replicated through the GOI, the private sector, civil society and other donors, with the objective of extending assistance to reach the "tipping point" where initiatives have a broader, more sustainable impact that goes far beyond initial investments. Key FY07 accomplishments include: more than \$5.7 in million public and private resources leveraged for FP/health projects; cumulative cash/in-kind leveraging of \$2.87 million by the education alliance activity; and cash leveraging of \$786,000 against the USG's investment of \$1 million by the workforce development activity. Also, the USG leveraged funding from donors to carry out the National Family Health Survey, the most trusted source of up-to-date information on population, health, and social conditions in India at the national and state level. This survey serves as a valuable resource tool for the GOI, state governments and donors for developing and monitoring effective health, population and social policies and programs in India.

Key Issue Performance \ Water

In Maternal and Child Health, 900 latrines, 650 sewers, and 4 potable water systems were constructed in rural areas, per USAID's environmental regulations. In addition, water boards were organized and trained to maintain and operate water systems, based on the standards established by the GOH with previous USAID assistance. In Natural Resources and Biodiversity, USAID helped the Ministry of Environment and Natural Resources prepare draft regulations governing the use of water resources and a draft National Water Policy. USAID also conducted a study of how the national water regulating authority could integrate environmental services payments into water tariffs. USAID partners are following-up with this Ministry to help ensure that the regulations and the policy are officially approved. Finally, micro watershed management plans were implemented with key stakeholders in 12 communities, and training was provided to enable those communities to monitor water quality.

Key Issue Performance \ Increasing gender equity

The gender issue is particularly relevant to India, where women face strong cultural and social biases that present major obstacles to their obtaining quality health care, secure livelihoods, political enfranchisement and social equality. Gender-based violence and sexual and economic exploitation also are part of the reality

for many Indian women and girls. In FY 2007, gender programs were incorporated in new activities and ongoing programs were monitored for their impact on gender. Key achievements include: Indian Government socio-economic data base and program budgeting have been segregating data collection and reporting by gender; a gender analysis was carried out under a financial sector assistance project and technical assistance was provided to the partners accordingly; a gender assessment of the HIV/AIDS portfolio was conducted; and the education program has a component on enhancing the capacity of public schools to enroll and retain girls.

Key Issue Performance \ Food Security

In recent years, food grain and oil seed production in India has stagnated and failed to cope with increasing consumption, eroding the country's food security and making it a large importer of food grains. Household food security continues to be elusive. About 300 million people below the poverty line are food insecure, 36% of women in the reproductive age group suffer chronic energy deficiency and 40% of children below five years are underweight. In FY07, the USG food aid program complemented the GOI efforts to ensure the food security of about 12.7 million vulnerable women and children at the greatest risk to mortality, morbidity and malnutrition. A USG-supported fund invested in an Agricultural Biotech company leading to new product development. Utilizing international research centers, new resource conservation technologies were promoted that increase farm-level productivity. These technologies were adopted by an estimated 500,000 farmers on approximately three million hectares of land.

Key Issue Performance \ Counter Terrorism

Terrorist attacks in India are common, indiscriminate and inflict large numbers of casualties. Indian and U.S. law enforcement agencies cooperate to strengthen India's readiness and ability to contribute to the Global War on Terrorism. The USG provides training to increase GOI access to the latest police technology, anti-cyber-terror methods, and techniques to respond to mass transit and money laundering. India has the second largest Muslim population in the world and they are among the most underserved and poorest segments of the population. USG supports counter-terrorism efforts by engaging with moderate Muslim leaders and working to alleviate conditions that foster extremism. The USG also supports GOI efforts to combat terrorism by improving health care, education, creating jobs and improving governance in areas that are fertile recruitment grounds for extremist groups. During FY07, a total of 135 Indians received training, which included explosive incident countermeasures, protective intelligence and investigations management for major events, preventive attacks on soft targets, antiterrorism executive forum training and post blast investigations. USG support is improving India's counter-terrorism management capacity by increasing authorities' ability to collect and provide information on terrorism and providing access to the latest technologies and know-how to combat terrorism.

1 Peace & Security - India

1.1 Counter-Terrorism\1.1.3 Governments' Capabilities

Number of people trained in Anti-terrorism By USG Programs

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	Number of women					Number of men					
					2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	
1,017	-	135	-	135	30	-	-	-	-	-	987	-	-	-	-

669

1.1.3 Governments' Capabilities narrative (no more than 1500 characters)

chars

No targets were set when the Operational Plan was developed. In close consultation with relevant USG authorities in Washington, DC, a number of training programs were developed to improve India's counter-terrorism capability and to foster greater collaboration with the U.S. Indian personnel receiving USG-sponsored training included professional staff from various law enforcement agencies. In FY08, the program anticipates reaching the same number of direct beneficiaries, however, it is anticipated that there will be a much wider impact because of the dissemination of information and training material to other personnel not directly involved in the training.

1.3 Stabilization Operations and Security Sector Reform\1.3.6 Defense, Military, and Border Restructuring, Reform and

Number of joint operations conducted with USG assistance

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	-	-	1	-

1.3 Stabilization Operations and Security Sector Reform\1.3.6 Defense, Military, and Border Restructuring, Reform and

Percent of US recommended military training need met during the year

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	50	75	60	59

783

1.3.6 Defense, Military, and Border Restructuring, Reform and Operations narrative (no more than 1500 characters)

chars

The indicator "Percent of US recommended military training need met during the year" is less than 100%, reflecting a gap between expected IMET funding and what the Mission assessed to be India's needs. India has opposed joint operations with USG assistance in the past; however, securing India's participation in such an operation in the future will be a meaningful indicator for the success of our programs. The FY07 Actual should have totaled 71%, but an unexpected \$80,000 end-of-year supplement was received, which was put to good use and this is reflected in the adjustment. The FY08 Target has been adjusted downwards to reflect the fact that the Prime Partner, the Department of Defense, has received confirmation of 2008 funding, totaling only 59% of the amount requested.

2 Governing Justly & Democratically - India

2.1 Rule of Law and Human Rights\2.1.4 Human Rights

Number of domestic human rights NGOs receiving USG support

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
3,070	3,200	3,200	3,500	2,500

812

chars

2.1.4 Human Rights narrative (no more than 1500 characters)

The definition of this indicator includes the number of domestic groups inclusive of NGOs, women's groups, community-based organizations and agencies receiving direct capacity-building support. These groups monitor violence against women at the community level.

The FY08 targets have been revised downward because the program will end in June 2008 and therefore there is less than a year for program implementation. Given this impending close-out, several of the groups in Rajasthan, one of the program's focus states, have been successfully linked to other programs of the parent organizations and will therefore not require USG funding. This is a result of a conscious effort by USG during the project's final year to transition the community-based processes established to other sustainable institutions.

3 Investing in People - India

3.1 Health\3.1.2 Tuberculosis

Average population per USG-supported TB microscopy laboratory

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
100,000	100,000	111,961	100,000	100,000

3.1 Health\3.1.2 Tuberculosis

Case notification rate in new sputum smear positive pulmonary TB cases in USG-supported areas

					number of women (do not use, do not need to disaggregate)				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
54	58	56	66	53	-	-	-	-	-

3.1 Health\3.1.2 Tuberculosis

Number of evaluations

					process					results					impact					other					
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	
-	4	4	4	4	-	2	2	2	2	-	2	2	2	2	-	-	-	-	-	-	-	-	-	-	-

3.1 Health\3.1.2 Tuberculosis

Number of improvements to laws, policies, regulations or guidelines related to improved access t and use of health services drafted with USG support

					number of men (do not use, no need to disaggregate)				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	2	2	2	2	-	-	-	-	-

3.1 Health\3.1.2 Tuberculosis

Number of special studies

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	6	9	6	6

Percent of all registered TB patients who are tested for HIV through USG-supported programs

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	number of women					number of men				
					2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
7	12	15	15	20	-	-	-	-	-	-	-	-	-	-

1477
chars

3.1.2 Tuberculosis narrative (no more than 1500 characters)

Five of the seven TB targets were met or exceeded in FY07.

Of the two indicators relating to USG support to the focus-state of Haryana, the target cure rate was surpassed but the target notification rate fell short of the target by 2%. These state-focused targets will shift to a national focus in FY08 as a consequence of USG's change of focus to higher-level technical assistance.

All three targets relating to special studies, evaluations, and resulting improvements to policies and regulations were met or exceeded. USG-supported studies have resulted in improvements to national TB policies, and operations research has provided evidence for changes in technical guidelines for improving the national TB program.

The target for % of TB patients tested for HIV through USG-supported programs was surpassed in FY07 and will be increased to to 20% for FY08 in anticipation of increasing activities related to TB-HIV. The target for FY08 lowered next year is the Case Notification Rate. This is due to a change in the denominator (it will be tracking the whole country rather than one state).

3.1 Health\3.1.5 Other Public Health Threats

Number of baseline or feasibility studies

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	-	-	-	-

3.1 Health\3.1.5 Other Public Health Threats

Number of information gathering or research activities

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
3	3	3	1	1

3.1 Health\3.1.5 Other Public Health Threats

Number of people trained in monitoring and evaluation

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
75	25	121	25	50

3.1 Health\3.1.5 Other Public Health Threats

Number of people trained in research with USG assistance

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
60	20	107	20	40

1478
chars

3.1.5 Other Public Health Threats narrative (no more than 1500 characters)

All targets were met or exceeded in FY07:

The target number of people trained in research was exceeded. Six infectious disease hospitals were networked and received regular information. EPI-LAB training was conducted for nine Integrated Diseases Surveillance Projects states. District epidemiologists and microbiologists were trained to carry out outbreak investigation and response at district level and for improving coordination between laboratory and epidemiological surveillance.

The target number of people trained in monitoring and evaluation was exceeded 5 times due to unanticipated demands. Coordination between the two national level institutions currently implementing the two-year Field Epidemiology Training Program (FETP) were strengthened. Training occurred in outbreak investigation and monitoring and evaluation of surveillance systems. Technical and financial support was provided for the short-term FETP for training of medical officers and health care workers as implemented by the Indian Council of Medical Research (ICMR) in collaboration with JHU to estimate the preventable burden of HiB meningitis and pneumonia.

3.1 Health\3.1.6 Maternal and Child Health

Number of baseline or feasibility studies

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
10	6	6	4	4

3.1 Health\3.1.6 Maternal and Child Health

Number of cases of child diarrhea treated in USAID-assisted programs

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
2,000,000	2,400,000	1,642,000	3,600,000	3,600,000

3.1 Health\3.1.6 Maternal and Child Health

Number of children less than 12 months of age who received DPT3 from USG-supported programs

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
8,293,507	7,000,000	7,173,455	-	6,156,564

3.1 Health\3.1.6 Maternal and Child Health

Number of children reached by USG-supported nutrition programs

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
99,000	73,403	77,222	64,500	114,809

3.1 Health\3.1.6 Maternal and Child Health

Number of children under 5 years of age who received vitamin A from USG-supported programs

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
4,518,789	4,957,794	6,014,355	5,439,853	5,439,853

Number of people trained in child health and nutrition through USG-supported health area programs

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	number of women					number of men				
					2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
2,029	1,280	1,912	675	-	-	-	-	-	-	-	-	-	-	-

3.1 Health\3.1.6 Maternal and Child Health

Number of people trained in maternal/newborn health through USG-supported programs

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	number of women					number of men				
					2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
198,526	5,000	149,436	-	100,158	-	-	-	-	82,274	-	-	-	-	17,884

3.1 Health\3.1.6 Maternal and Child Health

Number of special studies

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
15	3	3	4	4

**1497 3.1.6 Maternal and Child Health narrative (no more than 1500 characters)
chars**

Nine of eleven MCH targets were met or exceeded in FY07.

The child diarrhea treatment target, however, was not met due to delay in public sector manufacture and distribution of zinc. The target reduction in missed households for polio immunization was not met due to continued mistrust and resistance towards polio immunization in some communities. The FY08 target has been revised upward, however, to include numbers from two partners rather than one.

The FY08 target for the number of people trained in maternal/newborn health has been revised to replace the previous target of zero, which was a place-holder until necessary programmatic decisions were made.

The target number of people trained in child health and nutrition has decreased due to the drastic reduction in FY08 resource levels from those originally approved in the phase-out proposal. As a result, the number of children under 5 years of age who received DPT3 was zero due to the lack of a target at that point in time, but in consultation with the GOI it has been revised to reach over 6 million children.

3.1 Health\3.1.7 Family Planning and Reproductive Health

Amount of in-country public and private financial resources leveraged by USG programs for FP/RH

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
9,000,000	1,000,000	5,756,098	-	5,000,000

3.1 Health\3.1.7 Family Planning and Reproductive Health

Couple years of protection (CYP) in USG-supported programs

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
4,000,000	4,200,000	4,277,672	4,400,000	4,400,000

3.1 Health\3.1.7 Family Planning and Reproductive Health

Number of baseline or feasibility studies

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
3	5	7	1	5

3.1 Health\3.1.7 Family Planning and Reproductive Health

Number of evaluations

					process					results					impact					other					
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	
-	3	5	-	7	-	2	2		4	-	1	3	2	4	-		-	-	-	-			-	-	

3.1 Health\3.1.7 Family Planning and Reproductive Health

Number of information gathering or research activities

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
1	6	75	-	104

3.1 Health\3.1.7 Family Planning and Reproductive Health

Number of monitoring plans

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
2	3	4	-	3

3.1 Health\3.1.7 Family Planning and Reproductive Health

Number of new approaches successfully introduced through USG-supported programs

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
4	8	11	3	7

3.1 Health\3.1.7 Family Planning and Reproductive Health

Number of people covered by USG-supported health financing arrangements

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	36	51,493	36	173,196

3.1 Health\3.1.7 Family Planning and Reproductive Health

3.1 Health\3.1.8 Water Supply and Sanitation

Number of people in target areas with access to improved drinking water supply as a result of USG assistance

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	number of women					number of men				
					2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
429,500	7,500	9,290	466,500	466,500	171,800	3,000	4,360	186,600	186,600	257,700	4,500	4,930	279,900	279,900

3.1 Health\3.1.8 Water Supply and Sanitation

Number of people in target areas with access to improved sanitation facilities as a result of USG assistance

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	number of women					number of men				
					2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
103,118	22,500	24,820	380,882	380,882	41,247	9,000	10,980	152,353	152,353	-	-	13,840	-	228,529

931 3.1.8 Water Supply and Sanitation narrative (no more than 1500 characters)
chars

Data for access to improved drinking water supply and sanitation facilities are based on the additional number of water supply and sewerage house connections provided as a result of USG assistance to Pune and Bhubaneswar in the preparation of City Development Plans directly leading to water and sanitation project investments, and construction of individual/community toilets in slum settlements of Agra and Sangli. Improved access to water supply and sanitation helped to improve child and adult health. In Sangli, hygiene education was provided as a complement to the project investment further improving health.

Targets for 2008 reflect the total number of households that will benefit from the urban infrastructure program operating at national, state, and local levels. The numbers are substantially higher than FY07 as household connections to bulk infrastructure installed over the past few years will finally be made.

3.2 Education\3.2.1 Basic Education

Number of learners enrolled in USG-supported primary schools or equivalent non-school-based settings

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	number of women					number of men				
					2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
13,511,940	13,852,272	16,387,543	14,131,358	21,777,916	6,517,114	6,682,069	7,860,723	6,818,369	10,381,828	6,994,826	7,170,203	8,526,820	7,312,989	11,396,088

3.2 Education\3.2.1 Basic Education

Number of teachers/educators trained with USG support

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	number of women					number of men				
					2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
352,378	369,613	400,791	429,600	564,214	126,912	134,892	117,925	165,200	156,048	225,466	234,721	282,866	264,400	408,166

Number of textbooks and other teaching and learning materials provided with USG assistance

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	-	-	-	-

**1068
chars**

3.2.1 Basic Education narrative (no more than 1500 characters)

Most of the basic education activities have exceeded their FY07 targets. For example, the education technology project has now expanded to all government schools in four states as planned (Karnataka, Chattisgarh, Jharkhand and Madhya Pradesh). Other programs have enrolled almost twice the number of children planned, and a far larger number of teachers/educators were trained over planned levels. Actual achievements also include impacts from programs that did not receive any FY07 NOA funds.

The significant gender difference in the number of teachers/educators trained is due to the fact that all these programs train government teachers. The percentage of female teachers is low in government schools, especially in rural areas where most of these programs are being implemented. The percentage of female teachers is also low in the madrasas (Islamic schools).

FY08 indicator targets were revised upward taking into consideration the fact that an additional State was included in the FY07 performance and planned expansion of education technology activities.

4 Economic Growth - India

4.1 Macroeconomic Foundation for Growth 4.1.1 Fiscal policy

Number of key personnel in fiscal policy and fiscal administration trained with USG assistance

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	Number of women					Number of men				
					2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
3,271	455	1,007	200	100	271	45	93	20	10	3,000	410	914	180	90

4.1 Macroeconomic Foundation for Growth 4.1.1 Fiscal policy

Percent of necessary preconditions for a successful Fiscal Policy Unit (FPU) established

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
65	24	24	6	6

1297

4.1.1 Fiscal policy narrative (no more than 1500 characters)

chars

FY07 achievement for the First Indicator: Extends program performance budget methodology to more than 50% of state budgets; extend best practice project appraisal techniques to 4 key departments; mentors Fiscal Policy Unit members in fiscal marksmanship and analytical research; and, trains staff to use the macro-economic database and input-output tables. As a result of our support, there is notable improvement in the fiscal marksmanship of Indian states. For eg. in the states of Karnataka, Jharkhand and Uttarakhand (total population 100 million) the gap between budgeted estimates and actual expenditures and revenue mobilization has narrowed; in Karnataka, the revenue deficit has been eliminated. For the first time, these states have: staff units with capacity to produce issues that can analyze impact of regulatory, policy and procedural decisions on the budget; improved revenue and expenditure forecasting skills; a comprehensive data set of state debt and debt software enabling good debt management; project appraisal skills to weed out bad projects and prioritize good investment projects, and a results oriented budgeting methodology. FY07 target increased due to strong demand and participation from states; FY08 targets are reduced due to more training of trainers versus officials.

4.2 Trade and Investment 4.2.2 Trade and Investment Capacity

Number of participants in USG supported trade and investment capacity building trainings

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	Number of women					Number of men				
					2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	100	50	100	-	-	30	10	30	-	-	70	40	70	-

chars

USG-funded experts briefed state government officials on the concept of Public Private Partnerships (PPP) in infrastructure. The plan to hold additional training sessions on the PPP Handbook developed with USG support did not materialize since the Ministry of Finance was unable to mobilize state government officials before the end of the contract (December 31, 2006).

The Infrastructure PPP handbook is being used by federal and state government ministry officials to vet PPP proposals.

There is no FY2008 funding for the activity. The activity ended on December 31, 2006.

4.4 Infrastructure\4.4.1 Modern Energy Services

Energy saved as a result of USG assistance

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	200,000	-	2,400,000	2,880,000

4.4 Infrastructure\4.4.1 Modern Energy Services

Number of energy enterprises with improved business operations as a result of USG assistance

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
4	3	7	3	11

4.4 Infrastructure\4.4.1 Modern Energy Services

Number of people receiving USG supported training in energy related business management systems

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	Number of women					Number of men				
					2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	-	30	-	200	-	-	4	-	40	-	-	26	-	160

4.4 Infrastructure4.4.1 Modern Energy Services

Number of people receiving USG supported training in energy related policy and regulatory practices

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	Number of women					Number of men				
					2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	-	335	-	400	-	-	58	-	80	-	-	277	-	320

4.4 Infrastructure4.4.1 Modern Energy Services

Number of people receiving USG supported training in technical energy fields

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	Number of women					Number of men				
					2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
75	100	334	100	100	-	5	12	5	5	-	95	322	95	95

1076
chars

4.4.1 Modern Energy Services narrative (no more than 1500 characters)

The planned 200,000 Kwh of energy savings as a result of USG assistance was projected to result from implementing an agriculture demand side management activity (installation of energy efficient irrigation water pumps) with the Bangalore Electricity Supply Company (BESCOM). For compelling technical reasons the project feasibility study recommended pump replacement only after BESCOM commissions a high voltage distribution system (HVDS). BESCOM's HVDS installation program is expected to be completed by early 2008. Pump replacement was delayed, and the resulting FY 07 energy savings target was not met. The revised FY08 target of 2,880,000 Kwh is expected to be met due to HVDS availability.

FY07 energy training targets were exceeded across the board due to shorter-than-expected training mobilization lead times.

The targeted number of energy enterprises with improved business operations was exceeded due to enthusiastic and effective support from USG's GOI partners. The FY08 target is adjusted upward due to USG's expectations of continued strong GOI support

4.5 Agriculture4.5.1 Agricultural Enabling Environment

Number of institutions/organizations making significant improvements based on

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
8	15	17	45	45

1199

4.5.1 Agricultural Enabling Environment narrative (no more than 1500 characters)

chars

To create a more positive environment for agricultural development in India, the USG supported 17 institutions through development and training in grades and standards, and food safety and good agriculture practices with the national level marketing institute and three state agriculture boards.

The USG ensured the growth and stability of the commodities future market, a major price discovery and risk mitigation for farmers, through support to the Forward Markets Commission, the two leading exchanges, and a special commission reviewing national policy on future trading.

The USG supported the establishment of an efficient regulatory system for agriculture biotechnology products by working with the responsible GOI ministry, the medical council, and statistical institute, and collaborating with five research institutes to develop products that will become test cases for the regulatory system.

The USG increased capacity for modern agricultural science teaching and research at three Indian universities through partnerships with US universities.

Support to the futures market and university partnerships have been terminated, and funding is reduced for agriculture marketing standards.

4.5 Agriculture4.5.2 Agricultural Sector Productivity**Number of individuals who have received USG supported short term agricultural sector productivity training**

					Number of women					Number of men				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
50	50	105	50	125	5	5	5	5	25	45	45	100	45	100

670

4.5.2 Agricultural Sector Productivity narrative (no more than 1500 characters)

chars

Several activities contributed to increased productivity, which included improving financial services, linking farmers to markets in the mango industry, and including the number of farmers using resource saving technologies. Individuals receiving USG support included farmers and bankers. The numbers of farmers using resource conservation technologies have been included in the FY07 actual, as the major contributing activity was not funded in FY07 and thus did not get included in target setting.

In FY08, activities anticipate utilizing more training of trainers techniques as well as leveraging private resources to increase the number of individuals reached.

4.6 Private Sector Competitiveness4.6.3 Workforce Development**Number of people gaining employment or more remunerative employment as a result of participation in USG-funded workforce development programs**

					number of women					number of men				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	-	1,760	-	11,155	-	-	847	-	5,368	-	-	913	-	5,787

4.6 Private Sector Competitiveness\4.6.3 Workforce Development

Number of persons completing USG-funded workforce development programs

					number of women					number of men				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	-	2,451	-	13,232	-	-	1,078	-	5,820	-	-	1,373	-	7,412

4.6 Private Sector Competitiveness\4.6.3 Workforce Development

Number of persons participating in USG-funded workforce development programs

					number of women					number of men				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	-	4,124	-	14,326	-	-	1,604	-	5,572	-	-	2,520	-	8,754

1269

4.6.3 Workforce Development narrative (no more than 1500 characters)

chars

The FY07 Operational Plan targets were linked to the FY07 NOA funds, and therefore all FY07 targets were zero. However, because of the early obligation of FY07 funds, field-level activities implementation began in April 2007. The actual performance for this indicator therefore represents achievements for six months of implementation.

Of the 4,124 disadvantaged youth enrolled in the program, 2,451 completed the training and the balance of 1,673 are currently undergoing training. 1,760 of those who have completed training have already been placed. The placement percentage is slightly lower than planned because the process of placement is ongoing as of this report and the numbers are expected to rise by the end of October 2007.

Further, many of the students, especially the younger ones, have been motivated to go back to pursue further education following completion of the training. Students who complete the training generally receive good offers with credible organizations/agencies with average monthly salaries which are generally higher than the average entry level salaries in the respective regions.

The targets for FY08 are based on the fact that the number of training centers is going to increase rapidly from the current 14 to 45 by March 2008.

4.7 Economic Opportunity\4.7.3 Strengthen Microenterprise Productivity

Number of micro enterprises participating in USG assisted value chains

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
1,270	80	2,228	300	2,562

675

4.7.3 Strengthen Microenterprise Productivity narrative (no more than 1500 characters)

chars

To better leverage its own expertise and contribute to the US-India Agriculture Knowledge Initiative, the USG focused its micro enterprise program on farmers as small businesses and on urban solid waste management companies. Because of the inclusion of farmers as individual entrepreneurs, performance numbers are significantly higher for FY07 and have been adjusted accordingly for FY08.

Smallholder farmers include 357 fruit and vegetable farmers, 1500 mango farmers, and 371 farmers in an agriculture cooperative. Trainer of trainer courses were provided to over 100 field extension agents, which enabled a more efficient way of training larger numbers of farmers.

