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ACTION PLAN

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USAID/NEW DELHI

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I. Overview of USAID Strategy

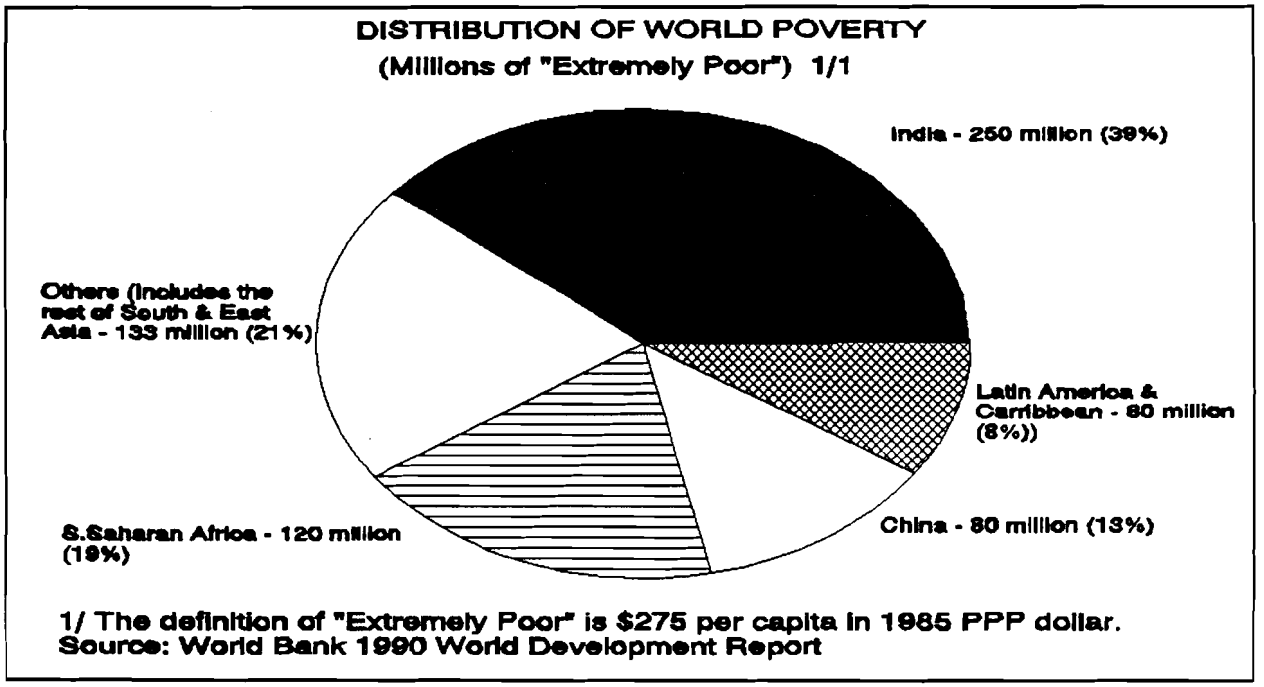
1. Introduction

In February 1994, USAID/W approved a strategic framework for its program in India through the year 2000. The framework laid out an approach to help India reach a level of sustainable development by the turn of the century. It focused on three primary objectives: accelerating broad-based economic growth, stabilizing population growth, and protecting the environment.

There have been several noteworthy changes since that strategy was approved--within the international development community, within the US foreign policy community, in USAID and in India itself. At Cairo, donors, NGOs and governments acknowledged the importance of linking concerns about world population growth to broader development concerns and the role and status of women. US elections in November have produced a widespread questioning of foreign aid and the structure of US agencies working in international affairs; budget concerns are becoming budget realities; past priorities are being shifted or challenged. And India has experienced a breakthrough in its image in foreign markets. India as an emerging market has brought streams of suitors interested in Indian business partners. Foreign investment in India's capital markets has continued to grow. But, at the same time, while foreign enthusiasm for India's potential is building, local elections and fractious party politics dampen the political will needed to speed the reform process.

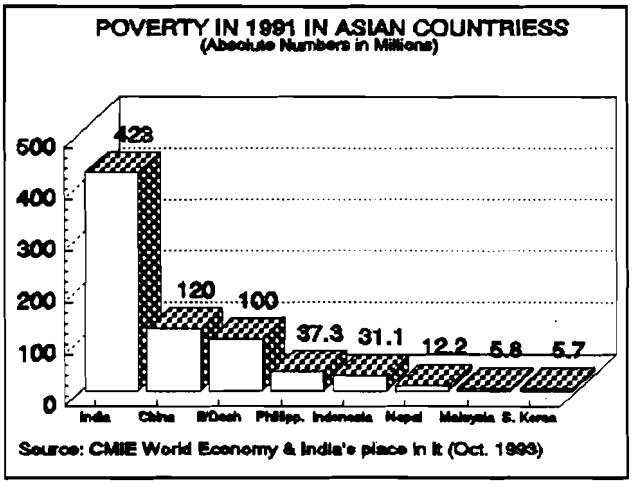
Given these changes, one could argue that we need to make corresponding revisions in our own approach to India. It is easy to let the headlines and the angst they create obscure the basic fundamentals of development in India or to exaggerate our ability to affect them.

The fundamentals are stark and unchanged: India's population approaches one billion people. At current growth rates, it will nearly double before it stabilizes towards the end of the next century. More than half of its people are illiterate, two-thirds of its children are undernourished, and 50 percent live below the poverty line. In fact, there is more extreme poverty and food insecurity in India than in all of Asia combined, including China, and two of every five of the world's desperately poor live in India. By the year 2000, 35 percent of India will be living in urban areas, millions of people in cities built to serve thousands, with consequences for health, political stability and the economy only hinted at by the plague scare this year.



Affecting these fundamentals is not easy. India is big; its culture and history run deep. Its bureaucracy is entrenched. At one time, USAID provided half of India's aid budget, $2 billion in 1964 dollars. Today, we contribute less than three percent of donor assistance, and donor assistance as a whole represents a far less significant portion of India's total budget than it once did. Because our contribution is not great in terms of budget, its importance derives from the quality of ideas and experience applied at key points to critical problems.

The strategy approved in February last year is grounded in an understanding of India's fundamentals. It recognized the strength and the limits of our resources. While there has been a great deal of beating of the political waters in the last year, both in India and in the U.S., in fact, neither India's fundamentals nor our basic resources have been deeply affected. This action plan, therefore, does not propose a major change in strategy. It takes into account events since last February and makes adjustments in the strategic framework to reflect them. And it tries, difficult as it is, to anticipate changes in future resource allocations



and their effect on our support for India's drive to sustainable development.

USAID's program targets three strategic objectives:

-- Accelerate broad-based economic growth through increased competition and innovation in selected sectors such as housing finance, capital markets, agribusiness and power generation.
- Stabilize India's population by reducing fertility in north India. This will be accomplished by increasing contraceptive use and improving reproductive health in north India, increasing child survival efforts, and supporting programs to improve the role and status of women.
-- Protect the environment by increasing energy conservation and productivity, improving environmental conditions in selected industrial areas and protecting biodiversity.

Success in achieving these objectives, as we said last year, has important implications for India and for the United States. If achieved, India moves forward as a modern and prosperous society where benefits are shared through an open market and guided by a strong democracy. If India fails, it will continue with the world's greatest concentration of poor, with issues of poverty, caste, religion and regional autonomy threatening its democracy. For the United States, helping India reach a point of sustainable development is the single greatest contribution we can make to reducing world poverty. Population stabilization and reduced pollution will limit dangers from global warning, loss of biodiversity, refugee flows, and regional tension. An open, competitive India will mean export and investment opportunities for the U.S., already India's largest trading partner and source of foreign investment. Increased trade and investment with India will mean new exports and jobs for the United States.

2. Encouraging Broad-Based Economic Growth

The image of India's economy is that of a caged tiger; an economy that could grow as fast as the East Asian "tigers", but whose potential has been tragically thwarted by poor policies, over-regulation, and isolation from the world economy.

From its early years of independence, India has developed a vast, intrusive and bureaucratic system of controls over the economy which have restricted competition, innovation and job creation. This system, which depended on Soviet-style central planning, banned most imports and discouraged foreign investment to protect local industry from international competition. The GOI nationalized banking and channeled domestic investment into capital-intensive, government-owned enterprises unconcerned with the dictates of supply and demand. The government regulated the most basic business decisions for all firms above 100 employees; borrowing, investment, capacity utilization, pricing and distribution were all decided by government bureaucrats. In perhaps one of the most perverse expressions of state control, no public and private sector enterprises with over 100 employees are permitted to go out of business; there

being no "exit policy" for unsuccessful ventures. There are over 150,000 "sick" firms with liabilities exceeding assets. These policies thwarted India's competitiveness and innovation and left India far below international "best practice" standards in terms of technology, scale, efficiency, and ability to offer products at high prices and variable quality.

GOI Policies Restrict Competition, Innovation, Job Creation and Poverty Reducing Growth

The Economist's recent (January, 1995) survey of India provided an example of how GOI-imposed policies and regulations restrict competition, innovation and productivity and deprive the poor of greatly needed jobs and income. It explained why India does not export the "low tech" items that so many other countries exported in their initial efforts to move onto a path of sustained poverty reduction. GOI law requires that toys, cheap radios, cotton garments and 836 other items (including almost all consumer items) be produced by only "small scale" companies with total investments of less than $2 million -- less than required to purchase a hectare of land in New Delhi. And to increase production capacity these firms must first obtain government permission. Large companies with greater capital resources and economies of scale are prohibited from producing these items. Moreover, such policies protects small, inefficient producers by prohibiting imports of these goods. Thus, India's entire consumer-goods industry, the source of tens of millions of jobs and income for the poor, "suffers from not only being kept artificially small; protectionism also fosters poor design and shoddy quality."

The bankruptcy of India's economic policies became evident in the early 1980s. Yet in India's open political system, it took time to build a consensus and a financial crisis to trigger the bold redirection of Indian economic policy. After several years of political stalemate, the Congress Party began to dismantle the obsolete system it had created.

Much has been accomplished over the past three years. The industrial licensing system is being disbanded; trade policy is being liberalized with import and export controls significantly reduced; tariff rates are being reduced; foreign companies are now welcome; the Indian rupee is now convertible on the trade account; many previously controlled prices have been freed; government spending has been limited; and some modest steps have also been taken to liberalize interest rates and free the banking system from government interference.

The results of these reforms are starting to become visible: a modest increase in growth of real Gross Domestic Product, a decline in inflation, a reduction in the budget deficit, a major increase in foreign exchange reserves, a greater role for the private sector and a resurgence in exports (albeit from a low base). The liberalized policies are also beginning to expand foreign investments in India. Over the past four years, India approved $6.8 billion in new investment proposals from foreign companies, including $2.3 billion from the U.S. In 1994 US investment approvals registered a seven-fold increase over 1991.

However, state controls over the economy are still pervasive. They hampered efforts to improve productivity and prevent India from reaching the sustained growth rate of eight percent needed to reduce India's massive poverty. Easy policy options have been taken,

Record of the Reforms

	1991	1993	1994 (est.)
- GDP Growth Per Year	1.2%	3.1%	4.2%
- Inflation	13.9%	6.4%	10.0%
- Central Government Fiscal Deficit (%GDP)	8.4%	5.8%	7.4%
- Foreign Currency Reserves	$3.6 bill.	$10.1 bill.	$18.0 bill.
- Foreign Investment Approvals	$0.23 bill.	$2.9 bill.	$3.0 bill.

leaving more politically-sensitive but essential choices for later. The GOI still has yet to embrace a privatization policy; banks remain in government hands; organized labor has fiercely resisted banking reform and modernization; tariffs, lower than they were, remain among the highest in the world; laws still prevent companies from redeploying or firing workers; an exit policy is yet to be promulgated, and the consumer goods industry is protected from domestic and foreign competition. The most obvious cause of India's low productivity is still the vast set of GOI-imposed restrictions on competition among Indian enterprises and with foreign enterprises. Fortunately in the subsectors (e.g., the electronics industry) where the GOI has removed such restrictions, Indian entrepreneurs responded with admirable productivity gains.

To create jobs USAID encourages increased competition and innovation in selected areas chosen for their influence on systemic problems and reflecting USAID's comparative advantage. Financial markets, for example, are at the heart of India's resource allocation system, and USAID and the US have considerable experience and expertise to offer in capital markets and housing finance. By streamlining financial markets and testing market-based financial instruments, USAID helps India mobilize high rates of savings for investments required for rapid economic growth. Also, USAID efforts to increase competition, innovation and investment (particularly US investment) in power generation and agribusiness have immediate, widespread effects on growth and income generation. US comparative advantage in these sectors critical to growth leverages additional private resources.

To increase economic growth to the targeted eight percent, India will need to both raise investment from the present level of 25 percent of GDP and improve the return on those investments through market-determined allocations. India cannot rely on its inefficient and nearly bankrupt nationalized banking system. Substantial improvement in the emerging private financial markets are necessary to mobilize internally-generated savings and serve the increasingly complex needs of Indian industry, agriculture, housing and trade. With India's leading financial institutions, USAID has helped develop venture capital for the commercialization of technology. We have contributed to the rapid expansion of the national housing finance system, increasing low-income urban shelter and encouraging the deregulation of interest rates. Current programs increase financial resources mobilized by the housing sector, strengthen market-oriented housing finance institutions,

and expand housing finance to low-income households.

USAID also supports efforts to revamp India's capital markets to enable them to serve as efficient and reliable sources of development finance. We support reforms in the regulatory framework for capital market operations, underwrite institutional development aimed at modernizing India's capital market operations and broaden and deepen the debt market by expanding its capacity to serve as a major source of private finance for urban infrastructure projects. Special attention will be given to developing automated exchanges to allow small startup companies access to India's equity markets.

Outdated Technology in Vogue in India

Newcomers to India are often surprised to see the number of older vehicles on the roads. Closer inspection, however, reveals that these are really brand new cars manufactured with old technology. In the words of the Economist: "Only in India is it possible to choose between a brand-new 1950s Austin and a factory-fresh 1950s Hillman". These cars, and many other similar commodities, are metaphors for India's lack of innovation and competitiveness.

Given India's long-standing econornic isolation, it is particularly important that efforts to stimulate international trade and investment succeed. USAID training programs, studies and consultancies encourage a broadening of India's economic relations with the outside world. Modest grants to policy think-tanks promote debate on India's export and direct foreign investment policies. USAID also brings to India world-renowned experts to discuss how deregulation and global integration was approached in East Asia, Latin America and Eastern Europe.

Privatization of infrastructure is also critical to India's long-term development. Without an expansion of power, agribusiness and urban public works, accelerated economic growth will not be realized. Yet constrained government spending and grossly inefficient state-owned utilities make such as expansion impossible. USAID is leading donor efforts to improve the policy framework for the privatization of the power sector and urban public works infrastructure.

In sum, economic growth remains key to India's reaching a point of sustainable development, but within USAID economic growth funds are increasingly scarce. Our economic growth strategy, therefore, focuses on activities where the U.S. has a comparative advantage to leverage private funds, encourage reform and promote sustainable institutional reform. We plan to complete on time current projects in our economic growth portfolio, and, if available examine the merits of using the Enhanced Credit Program (ECP) to augment our resources. We have planned no new starts in recent years, but intend to follow up our important work in this area in FY 97 with a new project to support economic liberalization (SEL). The project will provide technical assistance and training related to formulating policies critical to economic reform and to the mobilization of private capital which will make them work: tax, banking and finance, trade and investment, privatization. It will encourage research and public debate through seminars, workshops and conferences with Indian academic, non-profit and business

institutions and organizations.

3. Stabilizing Population Growth

Key to India's success in sustained economic growth and poverty reduction is a simultaneous reduction in its population growth rate. India's population doubled in the last 30 years, and in the last decade added 170 million, which is more than the population of Japan. At 914 million people today, it has added 20 million people since USAID's strategy was approved a year ago. It will overtake China as the world's most populous country early in the next century.

Population Profile

Demographically, India is two countries. While over half the country is well into the demographic transition from high fertility/mortality to low fertility/mortality, the other half has barely entered it. The latter group is represented by the four contiguous Hindi-belt states of the north - Bihar, Uttar Pradesh, Rajasthan and Madhya Pradesh - which alone account for 40 percent of India's population. The continuing high fertility and high but slowly declining mortality of these states effectively off-sets fertility decline in the rest of the country. If current trends continue, it will be at least 50 years before these states move through the demographic transition and the country's population is stabilized.

High birth rates are linked to poor health for women and children. The UN estimates 60 percent of Indian children are malnourished; repeated pregnancies put mothers at risk. And the sheer numbers of births outstrip India's ability to deliver public health services--nearly a third of India's children go without immunizations despite a major effort by the government to achieve a 100 percent immunization rate.

Women's low status contributes to poor maternal health high fertility and child and infant mortality. The diminished status of women is reflected in the declining ratio of females to males (929 females to every 1000 males) in high rates of female foeticide and infanticide, and in low rates of literacy. Only slightly more than a third of Indian girls attend primary school, half as many as boys, and female literacy rates in poor, rural areas of India fall as low as two percent.

India's population growth is a global issue. With 16 percent of the world's population, India has 40 percent of its poor. Two of every five women dying in childbirth die in India, and a fourth of all children dying before the age of five. India's continued growth affects the possibility of worldwide population stability and has real implications for the world's environment and natural as well as human resources.

In 1952 India launched the first national family planning program in the world. It has had moderate success overall, and especially in south India, particularly Tamil Nadu and Kerala where fertility is close to replacement levels, but progress in north India has been much slower. In states like Uttar Pradesh and Madhya Pradesh, together with close to a third of India's total population, women still average about five children, well above the national average of 3.5.

The early program focused on meeting targets primarily through sterilization. Aggressive sterilization campaigns in the mid-1970s left a lingering public resistance to family planning and reluctance among politicians and local leaders to give it open support. Technology has lagged, and the introduction of approaches other than sterilization such as condoms and IUDs has been limited. The pill was first introduced officially into the public program only in 1988; the government is hesitant to confront feminist groups opposed to the introduction of Depo Provera and Norplant and lacks the reach to provide reproductive health and quality family planning services required to support an effective population program.

As a result, sterilization (90 percent of which is female sterilization) accounts for almost 85 percent of all modern contraceptive use. The lack of alternative contraceptive choices is also reflected in high rates of often high risk abortions--an estimated seven abortions for every ten births in some states--90 percent of which are performed by unlicensed practitioners. It is also seen in the tremendous unmet demand for family planning--nearly 30 million couples want no more children in the next two years or no more at all, but are not practicing family planning.

Private Practitioners Take the Lead

The Indian Medical Association (IMA), with a membership of over 85,000 physicians nationwide, is about to demonstrate the power of the private sector to provide viably important family planning services. With USAID assistance, the IMA has begun to train its membership to deliver modern methods of birth spacing, emphasizing oral contraceptives. IMA's target is to have 50,000 members providing family planning services in the next few years to millions married couples of reproductive age. After demonstrating the important role that private practitioners of western medicine can play in India's family planning program. Attention is also being turned to mobilizing India's traditional medical practitioners who number over one million. Combined, these practitioners serve many more people than government services can ever hope to reach, and can no longer be overlooked if India is to solve its population problem.

The Mission's population strategy focuses on north India, India's Hindi language belt, where illiteracy, low status of women, and inadequate quality of and access to services contribute to extraordinarily high fertility rates. The bulk of our work is on improving the quality and access to services in Uttar Pradesh, with 140 million people, India's largest state and one of its most challenging. The challenge has been reflected in the numerous delays in the start-up of what is USAID's largest family planning project in the world. We are behind schedule, but have made real progress in the last year, putting in place the resources and the mechanism required to allow the program to proceed. Its aims are to:

- increase access to family planning services by strengthening the capacity of both public and private providers, expanding access through hospitals clinics, home and community distribution, social marketing, employer programs and commercial sales to hard to reach rural areas and to urban and peri-urban poor.

- improve quality of family planning services by expanding the range of contraceptive choices available to clients, boosting technical competence of providers and counselor, strengthening management and follow-up services, and improving

distribution.

- broaden support through greater public understanding of the health and welfare benefits to family planning and an increased role for women in its implementation; increased knowledge among couples of effective contraceptives and sources of public and private services; increase the awareness among national and local leaders, business, media and women's organizations as to the importance of population stabilization to India's future and of family planning to the well-being to India's people.

USAID's IFPS project is part of a broader joint approach to social development in Uttar Pradesh, including GOI, World Bank and UNICEF support to reproductive health, child survival and female education.

Reflecting post-Cairo priorities, we are working to complement family planning efforts with a new, ten-year project to start in FY 96, EXPAND, which will include reproductive health interventions in northern India. (A copy of this proposed new activity description is attached in the Annex.) We are also proposing a joint effort with the Global Bureau to support women's initiatives in north India through grants to local NGOs working in areas such as women's leadership, income generation, education and health. (A copy of this proposed new activity description for this women's initiative (WIN) is also included in the Annex.) We are also launching this year a project (PACT/POP) to spur private initiatives in population and reproductive health.

An important aspect of a successful population program is increased child survival. Some 70 million Indian children suffer from malnutrition, significantly increasing mortality and morbidity rates. India's food supply remains at risk to unpredictable monsoon rains; the poor lack the ability to pay for food, and the inefficient government distribution system often lacks the reach necessary to get to the most needy. At the same time, the government's Integrated Child Development Services Program, aimed at children below the age of six and pregnant and lactating mothers, represents a unique resource for supplying food, nutrition education, early childhood education, health and family planning information to mothers and children. With USAID's support, CARE has established a long-standing relationship with ICDS and is working to strengthen its impact through integration of health and nutrition education with child feeding programs.

Finally, we are continuing two national efforts related to child survival begun before the strategy was developed which have important implications for north India: the creation of the National Institute of Biologicals (NIB), to improve the quality and safety of vaccines critical to the national immunization program, and a project providing grants to NGOs with innovative approaches to child survival, maternal health and family planning.

4. Protecting the Environment

India's burgeoning population, rapid urbanization, and economic growth threaten both India's natural resources and the global environment. Pollution already constrains economic growth, adding costs to companies forced to treat contaminated water before processing, to move away from hazardous waste deposits, or to take back products like leather tainted by chemical residues and rejected by foreign buyers. It imposes rising health costs, particularly in urban areas. By the end of the century, India will have 350 million people living in cities and 40 cities of more than a million people. Its three largest cities--Delhi, Bombay and Madras--are already among the ten worst polluted cities in the world in terms of particulate matter, carbon monoxide, nitrogen oxides, hydrocarbons, lead and sulfur dioxide. More than a third of urban dwellers lack access to safe drinking water; more than three-fourths lack access to hygienic sewage disposal.

Air Pollution in New Delhi

Delhi is a clear example of India's urban environmental woes. The concentration of suspended particulate matter is 600 g/m3 compared to the emission norm of 75 g/m3 established by WHO to prevent adverse health effects. Respiratory ailments in the city are 12 times the national average. Measurements of air quality violate the country's ambient air quality standards for SO2 and NOX in the winter months and for dust or suspended particulate throughout the year. Lead in gasoline is released by vehicles at a rate of 400 kilograms/day and causes irreversible mental retardation, especially to children who absorb it five times faster than adults. Delhi's water is also of generally poor quality with unacceptable levels of organic and inorganic elements because of poor sanitation services and outdated infrastructure. The Yamuna river, flowing through the heart of the city, is an open sewer.

Environmental damage in India has global dimensions. India is the world's fifth largest--and second fastest growing--source of global warming. Carbon dioxide emissions, 70 percent of total global warming increases, grew by 60 percent during the 1980s, and estimates indicate greenhouse gas emissions tripling between 1988 and 2010.

The single greatest contributor to India's greenhouse gas emissions is the power sector, fueled primarily by high ash coal. Coal accounts for two-thirds of total power and pollution from coal plants will become an increasing problem as power production expands an estimated 30 percent in the next five years to keep pace with India's industrial growth.

Growing population pressures threaten India's biodiversity and global access to India's wealth of natural resources. One of the world's foremost sources of biodiversity, India is the origin or point of domestication of at least 20 crop species; including rice, citrus, chickpea, cucumber, sugar cane, yams, bananas, pepper, mango, cotton and millet. Nearly 17,000 known species of higher plants are found in India, and hundreds of species important for agriculture and horticulture. Preservation of India's genetic material, now under siege from population growth, urbanization and farming, is of global consequence.

Based on a major assessment in 1994, USAID developed an environmental strategy that focuses on three areas: air pollution, related to power generation; urban and industrial pollution, particularly water and sewage; and biodiversity protection.

Given the close relationship between power and greenhouse gas emissions, the single most important action India can take to reduce global warming may be to improve the generation, transmission, distribution and use of electricity. We have programs in place to increase the productivity of India's power sector. We are supporting the privatization of power, with financial incentives to producers to increase plant load factors. We are facilitating the development and commercialization of energy technologies to reduce emissions and improve generation and transmission of energy, working particularly on clean coal technologies, cogeneration and renewables. We are working with key energy intensive industries to increase their efficiency and reduce their demand for power. And under a project proposed for FY 96 we will be working with industry groups, NGOs and government regulators on improved approaches to pollution prevention.

Global Impact of India's Environmental problems

* India is the fifth largest contributor in the world to greenhouse gas emissions. Various growth estimates indicate that these emissions will triple from the 1987 level by 2010 with no change in current practices, policies and technologies. In the best case, carbon dioxide will double.
* Chlorofluorocarbon (CFC) emissions, which cause ozone depletion, are growing rapidly principally as a result of growth in consumer spending leading to more refrigeration and air conditioning.
* India is one of the foremost sources of the world's biodiversity but this genetic stock is threatened. India is the primary center of origin and domestication of at least 20 important crop species including rice, citrus, sugar cane, cotton and millet. In two recent cases, Indian genetic varieties of rice and citrus saved major crops in Southeast Asia and North America. Yet genetic erosion is threatening the very survival of many of India's crops.

To address concerns about both air and water pollution, we are helping Indian firms in specific industrial sectors cut pollution with technologies and environmental services from the U.S. We are facilitating joint ventures between US and Indian companies interested in introduction and commercialization of new environmental technologies and encouraging the development of an indigenous environmental services industry.

To protect India's biodiversity, we are supporting the development of a national system of exploration, collection, preservation and exchange of germplasm, and the construction of the world' largest plant gene bank. The bank, with a capacity of 800,000 specimens, will not only preserve India's valuable plant species, but make them available to researchers and scientists around the world through the sharing of technical knowledge and expertise.

5. Target of Opportunity - AIDS Prevention and Control

Since the first AIDS case was registered in Bombay in 1986, 728 cases have been officially reported to the Government of India from 24 states and union territories. The states of Maharashtra and Tamil Nadu lead in the number of reported cases. Three quarters of the cases have acquired the disease through contact with multiple heterosexual partners. The number of officially reported cases is but a small fraction of

the actual AIDS morbidity. According to estimates based on HIV prevalence, the actual number of AIDS cases in India is likely within the range of five to ten thousand. The World Health Organization estimates that India will have between two and three million HIV infected persons and 179,000 AIDS cases by 1996 and overtake Thailand as the Asian country with the most HIV infections by the year 2000, when HIV infections may reach five million.

USAID has responded to this looming crisis by launching an AIDS Prevention and Control Program (APAC) for Tamil Nadu. Working through a leading Indian private voluntary organization, the project will implement interventions known to have a significant impact on the spread of the disease: the use of condoms, the treatment of sexually transmitted diseases, and the reduction in the number of sexual partners.

6. Democracy

The mission has not included democracy as an objective in its strategy. India is the world's largest democracy. It has dozens of parties operating in 25 different states and elections at every level from village panchayat to union government. It has an independent judiciary and a free and open press, publishing hundreds of papers in India's multiple languages.

This is not to say that the country is free from human rights abuses--abuses are noted in the State Department's recent human rights report--or has a democratic system assuring full accountability and transparency. India's democracy is vast, complex, filled with fractious politicians and complicated by a strong dynastic history, feudal relationships and a tapestry of castes, tribes, religions and languages. Not everyone is equally represented.

But Indians are proud of their democratic tradition, well aware of its weaknesses, and committed to making democracy work in perhaps the most complicated political environment in the world. The recent delegation of increased responsibility to village panchayats, the reservation of 30 percent of all seats for women, the growth of human rights and women's groups, and Supreme Court support for a strong and independent election commissioner are all signs of India's continuing efforts to improve its democracy. And because of their strong historic commitment to democratic principles, Indians are particularly sensitive to what might be interpreted as outside interference in their political process.

Recognizing this commitment and the sensitivity accompanying it, and also recognizing the complicated and multilayered nature of democracy in India, the mission does not consider this an area where our limited resources can make a significant difference.

II. Strategic Objective Narratives

1. Strategic Objective 1: Increased competition and innovation in selected sectors (housing finance, capital markets, agribusiness and power generation)

Rationale and Tactics. To achieve the Mission's sub-goal of accelerated broad-based economic growth, USAID/India's Strategic Objective 1 focuses on increasing competition and innovation in selected sectors where modest resources leverage sustainable, long-term impact: housing finance, capital markets, agribusiness and power generation. The connection between these four selected sectors and the strategic objective is briefly described below.

Nehruvian socialism left India with a policy environment and bureaucratic tradition rooted in a central belief in the government's responsibility for allocating the country's vast reservoir of land, labor and capital. That belief, together with a sense that, with its wealth of resources and its extraordinary depth of history and culture, the country could develop largely in isolation, without strong economic ties to the rest of the world, provided little room for foreign investment or the introduction of new technologies from outside. The result was an inefficient and isolated economy, stagnating from a lack of domestic or foreign competition and investment, and stifled by the lack of new technologies.

MASSIVE SYSTEMIC INEFFICIENCIES

Three examples illustrate how India's vast network of state-owned enterprises perpetuates uncompetitive behavior and why change will be difficult, given India's strong labor union tradition.

* Since passage of the Telegraph Act in 1885 (110 years ago), the Department of Telecommunications, which today employs 400,000 persons, has installed only seven million telephones; in the last four years India's informal private sector has linked up over 20 million TV sets to satellite TV programs from around the world.
* India's central bank, the Reserve Bank of India (RBI) employs 40,000 persons; Japan's central bank, which oversees a stock of money 60 times larger than India's, employs 4,000.
* Doordarshan, the state-owned, monopoly TV enterprise employs 21,000 persons to run two TV channels. Fewer than 2,000 persons could do the same job with existing technology.

Once the reform process was initiated, USAID began to provide additional technical assistance and training to support GOI policy reforms and to encourage private Indian organizations to become engaged in the reform process. We also used food aid to provide budget support and help alleviate some of the social pain caused by the GOI's stabilization program. USAID's strategy is to encourage this historic policy shift by promoting private, and private foreign, competition and investment in a few areas where modest but carefully targeted activities can have significant and lasting income generation effects. USAID targets its assistance in only four areas where the U.S. and USAID have a strong comparative advantage and relatively small investments can have strong multiplier effects on competitiveness, innovation and job creation.

In the **financial sector** USAID activities focus on India's lower income housing finance markets and private capital (debt and equity) markets, including emerging financial instruments needed to build India's massive urban infrastructure. Since the labor-intensive **agribusiness** sector has the potential to generate tens of millions of permanent jobs for lower income groups, USAID also directs carefully targeted assistance toward stimulating growth in this area. The introduction of innovative food production, processing and marketing systems have strong multiplier effects on the rural economy. Because electrical **power generation** is a primary constraint to economic growth, and because of the US private sector's very strong interest in investing billions of dollars in this sector, USAID is facilitating private and private foreign investment in this vital area.

Efforts under this strategic objective combine focussed policy dialogue with specific transactions and pilot efforts that demonstrate innovative systems (or "institutions") critical to sustained growth. By promoting innovative, market-based financial institutions, for example, USAID directs more of India's high domestic savings to competitive, private investments. By focussing on an improved policy and regulatory environment for foreign and domestic investment in the power generation and agribusiness sectors, US comparative advantage is directed to sectors critical to growth and job creation.

More specifically USAID project activities target measurable achievements in the following areas (a) increasing the number of Housing Finance Companies (HFCs) and HFC loans to lower income households; (b) increasing, through improved regulations and private capital market systems (such as an automated national clearance, settlement and depository system) the amount of private capital (debt and equity) availability to new and expanding enterprises; (c) increasing commercial financing for urban environmental infrastructure projects and the number of bonds issued by municipal and local governments; (d) increasing private (and particularly foreign) investment in electrical power generation projects; and (e) increased investment and employment in private agribusiness.

It is important to note that no new projects have been initiated under this Strategic Objective in more than a year and a half, and, because of budget constraints in the "economic growth" account, USAID is not contemplating any new "economic growth" start until FY 1997, when a new project will be launched to support the liberalization effort. In the meantime, it is imperative that USAID honor its current financial obligations and commitments under current agreements and contracts.

Donor Coordination. Since India is a large country and most bilateral donors such as the U.S. are relatively small -- USAID assistance, including $100 million in Title II, provides less than three percent of donor assistance. For this reason there is considerable reliance on donor coordination to maximize impact. The World Bank, for example, has an active portfolio of approximately 100 individual projects and has its largest (and oldest) field mission in New Delhi. Because of the size and importance of the India program to the World Bank's worldwide program, each year the World Bank carries out a full Country

Economic Memorandum analysis of the state of the Indian economy. This analysis is prepared for the annual Consultative Groups meeting in Paris organized by the World Bank and the GOI. At these meetings multilateral and bilateral donors review India's development problems and progress, coordinate assistance and make known their foreign assistance plans for the coming year. Importantly, last year, for the first time, private-sector foreign investors were invited to this GOI-World Bank organized annual meeting. The purpose was to send a signal that India was "open for business" not only for donors, as in the past, but for the far more substantial resources of private foreign investors.

Throughout the year, USAID works closely with the World Bank, the Asia Development Bank (ADB), other multilateral banks and bilateral donors to coordinate and leverage USAID's relatively modest resources. For example, the ADB provides policy-based program lending for financial sector reform and urban infrastructure projects and is also developing several loans and technical assistance packages for capital markets. USAID, therefore, worked closely with the ADB in the design of the FIRE project, and we plan a formal agreement with the ADB to collaborate during implementation of our respective capital market and urban infrastructure activities. USAID has also discussed possible soft loan financing from the ADB and equity participation by the IFC in various capital market infrastructure. Further opportunities exist with the World Bank's IFC which has recently expanded its equity investments and field office in India. Foreign portfolio investors are an important new network of potential collaborators in this areas

Performance Results. The following sections identify specific, recent performance results which support this strategic objective. The name of the activity, the funds authorized and the length, or "Life of Project" (LOP) are followed with a short description of the activity and recent accomplishments.

Housing Finance System Expansion Program [HFSEP - LOP, FY 1988-96; bilateral project of $4.3 million; $100 million in loan guarantees]. The objective of this program is to create a private, self-sustaining financial system to fund long-term shelter for a wide range of households, particularly those below the median income. USAID has supported private housing finance in India for over ten years and has assisted in the rapid expansion of registered housing finance companies. Building on past successes, this

Housing Finance System Expands Rapidly

The private sector housing finance system in India has expanded rapidly since USAID's assistance to the sector began in 1981. From only one registered housing finance company in 1979 with a loan volume of $2 million, the system has grown to include more than 270 companies and 302 branch offices with over $490 million in loans in 1992. USAID's housing guarantees, expert advice, and training have had a significant impact on developing the rules by which the system operates and have increased the availability of housing finance. Moreover, our programs have demonstrated the viability of lending to below median income households; more than 50 percent of all private housing finance company loans have gone to these households, and one quarter of all borrowers are low income families.

program, which draws on $100 million in USAID loan guarantees, provides capital through the National Housing Bank to new private housing finance companies. USAID complements the loan guarantee portion of this program by financing consultancies and training that promote the policies, regulations and systems needed for a rapid expansion of housing finance company industry. Both the guarantee and grant portions of this program are scheduled to end in FY 1996. Some of the impressive performance results of this housing finance program are provided in the text box.

PL-480 Title III Program [LOP, FY 1992-93, $48 million]. Economic restructuring can have short-term, adverse consequences which jeopardize the policy reform process. To alleviate some of this short-term dislocation caused by the GOI's stabilization effort, USAID provided India with a two-year, $48 million, Title III food aid grant ($25 million in FY 1992 and $23 million in FY 1993). The grant agreement signed with the GOI on May 28, 1992, provided India with 85,000 tons of crude, degummed soybean oil sold to the private sector in an open, competitive auction.

The project successfully provided critical balance of payments support during the early stages of the reform effort. It dampened inflation and prices of a volatile and politically sensitive staple food commodity. It helped finance various food security related, "safety net" programs (including NGO-supported activities). Perhaps the most lasting effect of the program was its support to GOI reformers who wanted the impetus to dismantle the GOI's monopoly on vegetable oil imports and remove GOI restrictions on private sector open-market operations. The program pioneered open and competitive auctions of edible oil to the private sector and thus helped deregulate the marketing and pricing of this vital staple food. The tariff on the edible oil has now been reduced from 85 percent to 20 percent, and dozens of private traders are importing edible oil on the open market. Finally, the local currency generated is being contributed to the ACE project's efforts to develop agribusiness, providing over $10 million in additional credit resources for on-lending by ACE's counterpart organization, ICICI, effectively doubling the volume of USAID-provided credit to small and medium-sized agro-industries.

Indian Private Power Initiative [IPPI - LOP, FY 1993-95; $3 million SDA]. IPPI provides technical assistance and training to State Electricity Boards and central government bodies to evaluate and process the numerous specific foreign investment proposals (including over 40 from US investors) in this sector. The project helps prepare project documentation suitable for specific international investment deals. It also carries out countrywide training on the policy, legal and regulatory framework needed to foster private investment in power. Working with the GOI to formulate appropriate policies and institutions, this project has already facilitated more than $5 billion in potential U.S. foreign investment in power generation projects in India, and many of these foreign investment agreements were signed during the recent visits to India of Secretary of Commerce Ron Brown and Secretary of Energy Hazel O'Leary.

Financial Institutions Reform and Expansion Project [FIRE - LOP, FY 1993-98; $125 million

loan guarantee funds; $20 million SDA]. There is no easy rule of thumb to measure the direct relationship of capital market investments to the creation of jobs and income, but it is clearly less expensive for Indian companies to obtain financing from private capital markets than from an ineffective and overpriced, nationalized banking system suffering from excessive government control. $10 billion in new capital was raised in 1994 through the India's capital markets, but this market remains fragile and its key institutions too weak to deal with the potential doubling and tripling in the amounts of new capital. Foreign portfolio investors (the litmus test of a market's transparency and reliability) are reluctant to invest in India because of the industry's "paperwork gridlock", archaic settlement process, and the high percentage of "bad deliveries" (i.e., trades which fail to materialize into transferred ownership of securities because of bad documentation). During the past year USAID has begun working with the Securities and Exchange Board of India (the equivalent of the U.S. SEC) to strengthen India's capital market regulations and procedures, improve transparency and put in place systems capable of dealing with the billions of dollars that could be mobilized through the capital market.

Another aspect of this capital markets development effort relates to the ability of local government to raise money for urban infrastructure through municipal bonds. Currently, municipal governments do not issue bonds, and there are simply not enough tax revenues available at these levels to meet the staggering amounts of capital needed to meet India's urban infrastructure needs. Through training, technical assistance, policy dialogue and $125 million in loan guarantees, USAID supports the development of India's long-term debt market by promoting and financing commercially viable, urban infrastructure bond issues. By helping to "pilot" a few local government bond issues or public-private (BOO, BOT) financing arrangements, USAID is helping to create a greatly needed long-term private bond market.

Since the FIRE project contractors have only recently been selected and work begun in 1995, a progress report is premature. However, previous USAID assistance in this sector demonstrates how carefully targeted assistance can leverage widespread poverty reducing effects. In 1992, USAID provided technical assistance to a group of financial engineers contemplating an Over-the-Counter (OTC) market modeled after NASDAQ O-T-C market in the U.S. This group, led by a group of young visionaries, faced unexpected technical hurdles in writing the regulations for this market and organizing the hardware and software for this (first ever in India) automated and transparent market for bond, equity and money market instruments. Five USAID-funded consultants provided needed assistance instrumental to establish India's "O-T-C", which is a now a burgeoning source of private finance for small enterprise throughout India. This effort also spawned the very recent development of a second, and much larger automated capital market, the National Stock Exchange which may eventually replace the Bombay Stock Exchange, which currently handles 70 percent of the nation's capital market transactions.

In a similar more recent targeted consultancy USAID funded for the GOI the design of a state-of-the-art, national capital market depository system to speed all capital market

transactions through electronic transfers of ownership of securities. The consultants drafted legislation that is expected to be enacted by Parliament shortly, as well as detailed regulations and technical specifications. The electronic clearance and settlement of securities exchanges will obviate the need for volumes of paperwork and the physical exchange of paper certificates between investors, and it will reduce the potential for abuse and protect investors.

Both the OTCEI and depository system consultancies are good examples of successful USAID-assisted activities that are highly leveraged to provide long-term sustainable economic growth and job creation. Last year alone, India's capital market raised $10 billion in new capital, $7 billion for private sector companies. USAID assistance in this sector will enable India to attract and allocate efficiently many times that amount from both domestic and foreign sources.

Technical Assistance Support Project [TASP - LOP, FY 1988-96, $18 million SDA]. The TASP project has funded diverse activities since its inception in FY 1988, including several incubation activities which led later to full projects. When the economic reforms began in 1991, this project became an important vehicle through which USAID supported its broader policy agenda with consultants, policy research and focused US policy training. The project promotes privatization, free-trade and increased foreign investment since there continues to be strong intellectual and political resistance to these "commanding heights" principals fundamental to a competitive and innovative policy environment.

It is difficult to quantify the impact which USAID-supported policy dialogue activities have on the reforms or poverty reduction. For example, it is difficult to measure the impact of short-term (2-3 week), policy-focused U.S. training for more than 200 mid and senior-level policy makers in the past year. It is also difficult to measure the impact of Professor Jeffery Sach's well-attended all-day, open workshop on opening the Indian economy, his several private meetings with key Cabinet Ministers, his closed-doors workshops with the GOI's principal secretaries (i.e., highest ranking civil servants in the central government), his numerous press interviews and the prolonged and intensive, nation-wide media coverage of his views on India's development policies. In the past 18 months USAID has funded 10 similar "distinguished economist" visits to India to promote privatization, freer trade, competition and innovation. A few examples of similar efforts (which have been completed recently or are nearing completion) to support the GOI reform effort include, but are not limited to, the following:

USAID Policy Analysis and Reform

At the request of the GOI in 1992 and 1993 USAID funded two feasibility studies for a Value Added Tax (VAT) system for India. These important and widely discussed studies led to a GOI decision to extend coverage of a modified VAT to include previously excluded manufacturing sectors, and, for the first time some services. The GOI also decided to shift most excise rates from specific to ad-valorem to increase buoyancy, and simplify the system by relying on invoices for value determination. Finally the GOI has announced its intention to eventually move toward a full VAT system for India.

-- USAID support of $1 million helped the Federation of Indian Chambers of Commerce and Industry to organize and conduct a series of 65 economic policy conferences, workshops and seminars throughout India and the U.S. to promote a more open, competitive economy. Numerous policy papers were prepared for each conference, wide publicity was given to each, and over 5,000 persons attended these seminars. As a mark of its success and sustainability, FICCI has obtained the financial support of private sector Indian and international enterprises to continue the effort after US assistance ceases.

-- A $225,000 cooperative agreement with the Ministry of Commerce's policy think-tank and training institute, the Indian Institute of Foreign Trade to study (in conjunction with Georgetown University) policy impediments to increasing India's foreign trade and investment flows. A recent external evaluation found that this project was instrumental in the recent GOI decision to reduce tariffs on imported capital goods. It has also been effective in establishing important long-term institutional linkages with US universities, trade policy centers and the private sector trade community.

-- A $1 million, three-year contract with the University of Maryland's project, Institutional Reform and Informal Sector (IRIS) to carry-out targeted policy analysis and organize workshops and media dissemination activities. Importantly this effort is being carried-out in conjunction with the Delhi School of Economics (DSE) and the Ministry of Finance's tax policy think-tank, the National Institute of Public Policy and Finance (NIPFP).

-- A $2 million contract with the International Executive Service Corps' Volunteer Executive (IESC) provides short-term, US consulting assistance to small and medium-sized firms to increase productivity through technology innovations. The IESC program was started in 1987 with modest funding, and under the program over 240 retired U.S. executives have provided consulting services to over 130 Indian enterprises.

Program for Advancement of Commercial Technology [PACT - LOP, 1985-95, $21 million]. The PACT project, which reaches its initial LOP in 1995 but was recently extended to focus on family planning and reproductive health, has provided a major means of linking foreign and Indian companies to commercialize new technologies. It served as an early model for venture capital in India, attracted $75 million in World Bank funding, encouraged private venture capital start-ups, and has shown a remarkable internal rate of return. A CDIE evaluation noted that "one particularly successful (activity in agribusiness) appears to provide benefits large enough to yield a 12 percent rate of return on the costs of the entire (PACT) project."

Until recently venture capital was unavailable in India. PACT helped establish its viability while orienting it to financing emerging enterprises with linkages to US firms. After several

years of implementation, ICICI persuaded the GOI to lift its restrictions on joint venture financing and set up a parallel venture capital affiliate within ICICI. The CDIE evaluation concluded that PACT demonstrated the strong demand for venture capital in India and provided the "model" which spawned a joint venture industry now growing rapidly.

Mushrooms and Joint Ventures

A $500,000 USAID supported joint venture to develop a new mushroom growing technology illustrates how USAID projects pilot innovative financial institutions that generate jobs and income for the poor. As a result of our financial contribution, the joint venture partners contributed $7 million which generated approximately 1,000 jobs in India, saved $10 million for the American partner, and will earn $75 million in net foreign exchange for India by the year 2000. This success has spurred another nine companies to launch similar activities which build around the combined factors of technology and unskilled workers.

To date 58 PACT joint ventures involving USAID contributions of $19.4 million are underway; 29 have been completed, 13 have started commercial operations and have already made over $1.2 million in payments to the PACT royalty fund which will finance future joint venture activities. Products developed which are already commercialized in the U.S. and in India include prime grade button mushrooms, an anti-cancer drug, a high performance multiprocessor system for real-time computer applications, permanent magnet alternators, software applications for PC based networks, and a component library management system for electronic design automation. Another 12 subprojects are expected to begin commercialization in 1995.

The success of this effort will now be applied to our population stabilization efforts, with a continuation of this joint venture approach to stimulate commercial innovations in population stabilization techniques.

Agricultural Commercialization and Enterprises [ACE - LOP, FY 1991-98; $20 million SDA]. USAID's agribusiness project provides loans, technical assistance and trade and investment tours to increase private (particularly U.S.) investment in the labor intensive agribusiness sector. This activity promotes improved linkages between horticultural producers and domestic and export markets to increase rural incomes and employment. It provides financial support to agribusiness and technical assistance for selected agribusinesses and agribusiness associations in lobbying and business networking. The project is implemented by the Industrial Credit and Investment Corporation of India (ICICI) with the support of an AID institutional contractor and PL-480 Title III local currency resources (generated by the FY 1992

ACE Comes up Roses

India is the second largest vegetable and third largest fruit producer in the world; yet crop losses reach 30 percent and export earnings are less than 0.4 percent of international horticultural trade. Under the ACE Project, USAID is helping two Indian companies produce 17 million roses for export to European markets. ICICI, our ACE partner, is syndicating additional agribusiness investments. The Government also realizes horticulture's potential and is offering various incentives to stimulate this industry. As with the mushroom investment, we expect a large job multi-plier as more Indian firms discover the opportunities in selling flowers to the European markets.

and FY 1993 Title III program). An illustrative example of this project's contribution to income generating exports is provided in the accompanying text box.

Expected Impact. The most dramatic impact already visible in terms of the indicators offered at the strategic objective and program outcome levels is in increased foreign direct investment, particularly in the power sector. Announcements about foreign investors interested or committing themselves to new projects in India appear almost daily. Of the $7 billion announced during Secretary Ron Brown's visit, much of it is in power. USAID's support played an important role in facilitating these agreements.

Similarly, USAID technical assistance has supported the GOI's efforts to strengthen the supervision and administration of its capital markets. Consultants helped prepare legislation now being considered by parliament and have been working with the Government on a number of policy and regulatory reforms, some recently announced like changes in the depository system, others still pending.

We also have signals from interim indicators that we are having an impact. The extent to which the business community has taken over lobbying on economic reform issues, for example, reflects the success of our own program.

But the impact of other programs has been, and will continue to be, difficult to measure. The impact of Professor Arnold Harberger's visit, for example, his extended conversations with top officials of the Ministry of Finance, the extensive coverage in the press of his views, or the extent to which study tours have influenced important participants.

Nevertheless it is expected that the combined result of the activities under this strategic objective will result within three years in: (a) an increase in the number of financial instruments mobilizing private capital resources for urban infrastructure projects; (b) a continued increase in the number of foreign direct investment approvals in power generation and agribusiness; (c) an increase in foreign portfolio investment in India; and (d) an increase in India's foreign trade as a proportion of its national income.

Within the same timeframe at the Program Outcome level, there will be: (a) measurable increases in (a) the amount of private capital (debt and equity) raised through the securities markets, particularly capital for small companies; (b) the establishment of an automated, national system of clearing and settling capital market transactions; (c) an increase in the number of commercially viable urban infrastructure projects and the number of municipal and local governments with the authority to issue bonds; (c) an increase in the number of small housing loans by recognized Housing Finance Companies and the number of private Housing Finance Companies making such loans; and (d) an increase the amount of private investment in power generation and agribusiness.

Resource Needs for SO 1 (FY 1995-1997). As the USAID project portfolio timeline (See

Figure 7) makes clear, the annual funding needs for this Strategic Objective decrease sharply after FY 98. In FY 96 and FY 97, however, $28.6 million in SDA funding will be obligated, including $2 million for a new FY 97 start economic growth start in support of economic liberalization. This $28.6 million also includes $2 million in Global resources. However, it does not include Housing Guarantee funds, nor does it include any Enhanced Credit Program resources that may become available. These levels assume that the bilateral economic growth projects will not be terminated nor will there be "stretched out" LOPs. (See Figure Six for a summary of planned obligations by Strategic Objective #1.)

2. Strategic Objective 2: Reduced Fertility in northern India

Rationale and Tactics. The Mission's subgoal of population stabilization USAID's Strategic Objective 2, "Reduced fertility in north India", will be achieved through (a) increased contraceptive use and improved reproductive health in north India, (b) increased child survival in north India, and (c) support for women's initiatives. We are already improving quality and access to family planning services in Uttar Pradesh. At the same time, we are expanding our effort in north India to include reproductive health activities and to support NGOs working on women's issues that have a direct impact on women's role and status and an indirect impact on reproductive choices. We have amended a project (PACT) to encourage technology transfer and the development of private services in family planning and reproductive health. We continue to work on increasing child survival, an issue obviously related to family planning, through food assistance programs, an NGO health project, and the improvement of quality and safety of vaccines. We expect to supplement this effort with a new child survival project in 1997.

The first program outcome under this strategic objective is to **increase contraceptive use and reproductive health in Uttar Pradesh and another northern state.** In general, USAID's population stabilization efforts focus on changing service delivery system policies and the introduction of new technologies. The current family planning program has been a top-down program based on targets with a primary focus on female sterilization. There is only minimal use of spacing family planning methods by younger women and other reproductive health services are not effectively provided. There is a clear unmet demand by nearly half of eligible couples for family planning services. The purpose of USAID assistance is to effect policy changes to provide family planning services in a much broader context of wide contraceptive choice and improved reproductive health services; increasing the role of non-government organizations in service provision, including PVOs, traditional practitioners, social marketing, private service providers, and employer programs; and by moving from a target orientation to a more user-sensitive approach based on unmet need.

To stabilize population growth in India, the high fertility rates in northern India must be reduced. To achieve this USAID's family planning efforts focus on U.P., a state with India's highest fertility rate and one so large in population that reduced fertility here alone

will have a measurable impact on the fertility rate of north India. USAID-supported family planning program innovations, introduced and institutionalized in U.P., will be replicated elsewhere in north India. To hasten this replication effect and to introduce complementary reproductive health activities to reinforce fertility impact, USAID is planning to start a second major family planning/reproductive health effort in another northern state, most probably Madhya Pradesh (M.P.) in FY 1996.

The Mission's major activity to increase contraceptive use in UP is the Innovations in Family Planning Services Project (IFPS: 1992-2002, LOP funding $225 million bilateral, $100 million G/POP) which is assisting the state to expand access to and improve the quality of family planning services through both the public and non-government service networks, with an expected doubling of contraceptive use from about 20 percent to 40 percent by the project's end. The project gives special emphasis to increased use of spacing contraceptives by younger couples, among whom fertility is highest and current family planning practice lowest. The project, signed at the end of FY 92, is currently in the first build-up phase of service capability and testing of innovative approaches. This buildup will be achieved through training in counseling, improved clinical services and follow-up to make services more client-oriented, women-friendly and to overcome current barriers from lack of knowledge and from perceptions of low quality of services. A broad buildup of private and public service capability through training, communications, education, facility improvement, and social marketing is expected to bring service outlets within reach of every rural and urban family.

The GOI is watching the progress of the IFPS Project closely and has already begun to adopt the project's emphasis on addressing the needs of younger, underserved women, especially with spacing contraceptives, a need brought into sharp focus by the recent Mission-sponsored National Family Health Survey.

The Mission has begun developing a complementary project, Expanding Family Planning and Reproductive Health Services (EXPAND), tentatively planned for the neighboring northern state of Madhya Pradesh (MP: population 70 million), to extend proven family planning experiences from U.P. and to also test and demonstrate a complementary series of reproductive health activities. The ten-year (1996-2006, planned funding: $100 million) project will address the serious risks to women associated with inadequate services for pregnancy and obstetric emergencies, infection, and abortion complications, through testing a selected range of reproductive health services, including improved and expanded family planning. These services are expected to improve women's reproductive health status and ultimately affect fertility. Initial contacts have been made with the GOI, and with OECF, a Japanese aid organization which has expressed interest in collaborating on this project. Project development will go on during 1995-96, with a project agreement to be signed in late FY 96.

The second program outcome under this strategic objective is to **increase child survival in north India.** It is well established that fertility rates are strongly influenced by infant

mortality and maternal health. The situation is particularly severe in north India, where almost 10 percent of children do not survive their first year, and some 15 percent die before the age of five.

Much of the PL 480 Title II program, managed by CARE and Catholic Relief Services supports the GOI efforts to improve maternal and child health and nutrition thereby reducing infant and child mortality rates. CARE assists India's Integrated Child Development Services (ICDS) program, the largest child survival program in the world, providing food and technical services in ten states and reaching some seven million beneficiaries daily. In order to increase the impact of the Title II program in the northern states, USAID is working with the GOI, CARE and CRS to increase the proportion of activities in these high fertility and food insecure states.

The Mission's family planning/reproductive health activities (IFPS and EXPAND) will make a strong secondary contribution to reducing infant and child mortality by increasing the interval between births, reducing the total number of births, reducing high-risk births and addressing complicated deliveries.

The Mission's Private Voluntary Organizations for Health Project II (PVOH-II) (1987-1997 funding: $20 million) also targets its PVO grants to organizations demonstrating innovative approaches to child survival, maternal health and family planning services. The project, now in the latter stages of implementation, has funded 40 PVO grants, 49 percent of which are in northern India (comprising 60 percent of total grant funds). The project, though limited in geographic scope, tests and demonstrates approaches to addressing child survival which can be integrated and replicated more broadly in other areas of the northern states.

One of the key supportive contributions to the child survival outcome is the Quality Control for Health Technologies Project (QCHT: LOP $10 million, 1992-98), which supports the creation of the National Institute of Biologicals (NIB), designed to test the efficacy and quality of vaccines and other biological products. India has no such testing facility, and has thus been unable to reliably guarantee the quality and safety of the vaccines which play such a predominant role in the national immunization program, a key component of the national child survival effort. Working with the US Public Health Service (PHS) and Food and Drug Administration (FDA), the Mission, in a joint effort with the Japanese, is building and equipping the institute, and developing a scientific program and training the Indian scientists to make the institute operational in 1998.

The mission is also planning a seven-year, $20 million project to support child survival initiatives (CSI) to begin in 1997. The project will work with NGOs, private providers (both rural and urban), employers' groups, and traditional health workers to improve and expand the selected services critical to reducing the major threats to child survival: respiratory infections, diarrheal disease, and malnutrition. It will also include key services--pre and post natal care--to women which affect child survival and women's health. The

project will focus on selected districts in north India, build on experience from the PVOH II, IFPS and EXPAND projects and will coordinate closely with the World Bank and UNICEF child survival/safe motherhood initiatives ongoing in those areas.

The third program outcome under this strategic objective is to **empower women.** The speed with which India is able to achieve a stable population is also affected by the role and status of women. The diminished status of women is reflected in the declining ratio of females to males, 929 females to every 1,000 males, and the statistics for female infanticide, abortions and dowry deaths. It is also reflected in the rampant neglect of women's health needs and the burden of their continuing battle to meet the basic needs for food, fuel, shelter, and sanitation for their families. Again, the situation in north India is particularly difficult. The literacy rate for women in Uttar Pradesh, for example, is 24 percent, and the majority of girls in U.P. are still not attending school.

As mentioned in our 1994 Strategy, CARE continues to explore ways to increase women's control over their productive and reproductive lives. The Mission will continue to look for means to support CARE's new directions. Similarly, CRS is looking at how successful approaches in their women's empowerment and girl's education programs in southern India could build on their Title II food program infrastructure and access to some of India's most underprivileged populations.

The Mission is proposing an OYB transfer to Global to improve women's status by strengthening NGOs in north India working on women's leadership, female literacy/girl's education, microenterprise and environmental health. The GOI has increasingly acknowledged the importance of NGOs in service delivery and community mobilization; a growing number of NGOs are working on women's issues and programs for women. We have asked Global and the Asia Bureau to help us design and launch a program (WIN) to support women's initiatives which will complement our work on family planning, reproductive health and child survival, by improving the role and status of women and increasing their power to make decisions affecting their lives and families. It will also work at the national level with NGOs involved in research and training on policy issues relating to women's rights and status. Its purpose is to build a constituency of organizations supporting an improved role for women, particularly in the north. As a first step, we have already completed a study on girl's education and, with Global assistance, are in the process of looking at approaches to microfinance.

Important to its success will be our ability to provide support directly to the NGOs. Under current policies, the GOI does not allow donors to use bilateral funds for direct support to NGOs, and past projects such as the AIDS project, IFPS, and PVOH II have encountered serious difficulties in trying to provide bilateral assistance to NGOs through a government ministry. The GOI does allow foreign NGOs, however, to provide subgrants to local NGOs registered with the GOI. Thus, we are proposing that Global funds be used initially to provide funding, through a US PVO, to Indian NGOs. Once the program is underway, we will explore with the GOI the possibility of providing additional, bilateral

funds to the US NGO, while continuing the activity through an OYB transfer.

Donor Coordination. Donor coordination is a key element in the Mission population and health program. In population, cooperation has grown significantly in the past two years with the establishment of the population donors forum, whose membership includes the World Bank, UNFPA, UNICEF, the British ODA, most of the other bilateral donors, and a selection of the key NGOs involved in population programs. We work closely with these donors in planning new activities, evaluating current work, and in sharing experiences. Recently, for example, USAID presented to the forum the findings of the National Family Health Survey (NFHS), which have far-reaching implications for the policy and plans of all the donors and the national program. Mission staff have participated on World Bank teams, and our cooperating agencies (CAs) are currently involved in the Bank population policy review. USAID and Japan's OECF currently jointly fund the QCHT Project, and we are seeking further collaboration on the proposed EXPAND Project. We coordinate closely with the Bank's population and education activities, and with UNICEF's Child Survival/Safe Motherhood (CSSM) Project to assure complementarity and to avoid duplication.

The Mission has also reactivated an Interagency Donor Nutrition Group so that issues such as enhanced impact and improved targeting of Title II resources for ICDS are coordinated with World Bank, World Food Programme, UNICEF, and SIDA policies. Mission staff are also members of an Interagency Women in Development group and a large Interagency NGO group.

We are working with other donors to define the directions for post-Cairo approaches and to demarcate priorities for our common interest in population, reproductive health and child survival. We are also working to develop consensus on major policy and implementation issues to raise with the GOI.

Performance Results. Significant progress has been made in initiating IFPS project assistance and in laying a firm foundation for project implementation and program impact. During 1993-95, an autonomous state level implementing agency was established, staffed, and is functioning as the initiator, facilitator and funding source for both public and private sector activities under the project. Global Bureau support arrangements for technical assistance from CAs were established (Note: all technical assistance to the project, a critical element in introducing innovative approaches and technology, is provided by G/POP through $100 million set aside for the ten-year implementation period. Currently, eight CAs are supporting key components of the project). With CA support, the project implementing agency has completed baseline surveys, initiated preparation of district implementation plans, and has begun the first phases of service delivery training, communication, and research activities. Specific results include: 1500 private doctors trained in family planning counseling and services; community-based contraceptive distribution networks established in two districts; grants for service delivery and community outreach given to ten NGOs; an NGO training center established and NGO

staff trained in various aspects of service delivery; a state-of-the-art performance disbursement evaluation system has been designed to monitor improvements in access, quality and demand over the next ten years.

In the 1995-97 period, a substantive acceleration of service capacity buildup will occur, including: a 25 percent expansion of contraceptive outlets through the implementation of the expanded social marketing program; 3,000 private doctors trained in family planning counseling and services; at least 5,000 village level private providers trained to provide family planning information, counseling, supplies and referral; employer based service programs established in several industrial areas; a medical center training program for government doctors established to raise service quality; 60 master trainers giving regular courses; 500 government doctors trained in clinical methods; 1,000 government nurses and auxiliary nurse midwives trained in counseling, improved clinical skills and follow-up.

During 1993-94, the PVOH-II project made 20 grants, and in 1995-97, all of the grantees will complete their activities under the project.

The QCHT project has experienced significant progress. In the past two years (93-94), in collaboration with the Japanese, land for the National Institute of Biologicals has been procured, access routes and site preparation have been completed, and construction of some units is now under way. Designs for the key research units and animal testing facilities are in the final stage, and plans and arrangements for equipment procurement have been drafted. Scientific staff have been recruited. A temporary facility has been procured and is under renovation to permit some limited testing services before the full institute opens in 1998. In 1995-97, most of the remaining work of the project will be completed. The scientific strategy and plans for selecting and testing vaccines and other biological products will be finalized. All of the key scientists will be recruited and hired, and they will be trained in special programs arranged by the USFDA and USPHS. All buildings on the permanent site will be near completion and equipment installed in preparation for opening in 1998.

Performance of India's PL 480 Programs.

As a result of the PL-480 Title II program, more than seven million children and pregnant and lactating mothers eat a highly nutritious supplement provided by CARE and CRS every day. The program is increasingly being targeted to the most food insecure populations and areas of India. The Indian government, for example, has agreed to make the politically-difficult decision that the CARE Title II program will be phased out completely from the three states of Gujarat, Maharashtra, and Karnataka by 1996 so that more resources can be targeted in the needier northern states. Using PL480 Section 202(e) strengthening grant funds, CARE is working now with GOI counterparts to improve the capability and quality of the Integrated Child Development Services Scheme in the northern Hindi-speaking states so that an expanded nutrition supplementation component can reinforce the health and preschool education components of this program.

In 1994 USAID and CARE conducted a major external impact evaluation of the CARE Title II program. Among the important findings were:

- a reaffirmation that the ICDS has substantial potential for improving the health and nutritional status of the vulnerable poor;

- children in the ICDS program were better nourished than those who are not in the program, and children under three years of age in the CARE-supported ICDS appeared less malnourished than in non-CARE blocks and had much better immunization rates;

- where CARE provided supplementary food in conjunction with ancillary health and nutrition interventions funded through monetization of Title II food, the potential impact on nutrition status was higher; and

- GOI and CARE need a stronger focus on action and impact rather than only on delivery of inputs.

Building on the evaluation findings, CARE is designing a ten-year Integrated Health and Nutrition Program and developing a monitoring and evaluation system to measure the impact of their program on the health and nutrition of village women and children. This program will be funded by monetizing a part of CARE's Title II commodity.

CRS has also made significant progress in targeting their program to food insecure populations. Seventy-five percent of the beneficiaries in the CRS Title II program are now scheduled castes and tribes (25 percent over their Operating Plan target). CRS has also raised the number of girls in their school feeding programs to over a third of all recipients. CRS Title II food has increased agricultural production in a sustainable and environmentally sound manner, making 14,000 acres arable through food-for-work programs last year. More than 200,000 women and children have participated in creative community organization and maternal and child health programs. CRS has used PL480, Section 202(e) strengthening grant funds to enable 42 percent of their counterparts to comply completely with management and accountability system criteria, a commendable feat when we appreciate that these social service organizations work for low salaries in some of the most remote and underserved areas of India. CRS will continue to train their counterpart and operating partner staff and are now developing an impact monitoring and evaluation system that will measure improvements in health and nutrition knowledge, immunization rates, and eventually nutritional status.

Expected Impact. The IFPS Project is operating under a Performance-Based Disbursement (PBD) system, whereby USAID payments are made against achievement of benchmarks, rather than conventional input financing. Because of this, project implementation focuses on results, or the achievement of agreed-on benchmarks linked to project goals. Further, systems of monitoring performance indicators, and for

measuring behavior change and fertility impact are in place, which will permit assessment of project impact and progress towards the population outcomes and strategic objectives. The first of these systems, PERFORM (Project Evaluation Review For Organizational Resource Management), will measure changes in service availability and quality, and client family planning use and behavior. The National Family Health Survey (NFHS), first done in 1992, will be repeated with IFPS funding in 1997, providing documentation of family planning and health behavior change, and fertility and health impacts both in northern India and the rest of the country.

In the first phase, a 25 percent increase in access to and use of family planning services is projected over the next three years in districts of Uttar Pradesh, covering a population of 17 million. There will be improvements in service quality and client information. Specifically, state training facilities will be upgraded by training 500 medical officers and 60 percent of the field workers in improved family planning service provision, counseling and referral. In addition, there will be a broad increase in non-government services providers, to include 100 percent of all rural practitioners, 1200 traditional birth attendants, and community health workers covering 10 percent of the population in six districts. In addition, 3000 private doctors will be trained and equipped to provide non-clinical, and where appropriate, clinical services throughout the state.

The additional trained service providers will provide a substantial increase in the quality and use of services. This includes a 50 percent increase in the proportion of family planning clients receiving counselling and follow-up visits. There will also be in place a communications strategy with a large multi media program and social marketing network aimed at increasing demand for family planning information and services.

During the next year, we expect to make continued progress in targeting food assistance to the most needy Hindi-speaking parts of north India and to the most vulnerable children there. By continuing to provide food to seven million children and pregnant and lactating mothers through the CARE and CRS programs, the program will continue to reduce levels of malnutrition. Following-up on recommendations from the CARE evaluation, CARE will be refining its program and designing its ten-year Integrated Health and Nutrition Program. Measurement of the impact of both CARE and CRS programs is being incorporated into monitoring and reporting systems for both NGOs, which will enable program reporting on nutritional levels and changes in knowledge, attitude and practices relating to nutrition and health

By the end of this year, the new women's initiative (WIN) activity will be underway. (See NAD in annex.) By the end of this action plan, it will have established a mechanism for ongoing support to NGOs working on women's issues and grants will have been made to groups working on income, leadership, environmental health and literacy. Early in the activity, the lead US PVO will establish a system for reporting on progress under the project and measuring impact of activities against intermediate indicators relating to the broader objective of reduced fertility in north India.

Resource Needs for SO 2 (FY 1995-97)

Resource needs levels to achieve SO #2 reflect the two major thrusts of our program. First, the major projects -- Innovations in Family Planning Services (IFPS), USAID's largest population project, and the Title II food program in north India -- require large bilateral resources to achieve the population and child survival outcomes. The FY 96 Expanding Family Planning and Reproductive Health Project (EXPAND) will also require substantial bilateral funds in the 1996-97 period. In addition, (1) because the nature of our projects is to inject new technology, service approaches, research and worldwide experience to improve the programs and (2) because the Indian government has been reluctant to spend bilateral funds on expatriate TA, we have built into these projects major components of support from the Global cooperating agencies (CAs). As mentioned earlier, the Global support is integral and critical to the projects, as for example, in the IFPS ProAg, Global (then R&D/Pop) committed $100 million for the ten-year project lifetime. Our child survival and women's status outcomes are similarly linked to Global-funded technical assistance from current projects such as BASICS, Mothercare, Omni and Data for Decision Making. We cannot emphasize enough the importance of these Global resources in achieving program outcomes, not only in 1995-97, but in the longer term.

In FY 95 $23 million bilateral and $11.2 million in Global Bureau resources are programmed. In FY 96 and FY 97 the bilateral needs increase to $25 million and $29 million respectively for IFPS, the new EXPAND, WIN, PACT/POP and the new Child Survival Initiative project. In addition at least $12.7 million will be needed each year from Global Resources. (See budget tables for project-by-project Global Bureau details.)

3. Strategic Objective 3: Environmental Protection Increased in Targeted Sectors

Rationale and Tactics. USAID/India's Strategic Objective 3 ("Protect the Environment in Targeted Sectors") is a necessary condition to achieve the Mission Goal of "Sustainable Development in India" and the sub-goal, "Protect the Environment". The strategic objective also includes elements whose achievement will enhance environmental protection for the wider global community.

Improved environmental conditions have a direct impact on the quality of life for all people, but especially for the poor. Developing countries like India are often faced with an untenable choice between employment and environmental degradation, at least in the short term. Well-conceived aid projects, including policies and technologies, can help provide the investment climate necessary to insure that economic development and environmental protection proceed in harmony. However, USAID recognizes that India's environmental problems are profound, and USAID directly managed resources are limited. To achieve maximum impact in concentrated areas and sectors, USAID focuses on three program outcomes for which its funds and its influence provide significant environmental

gains. Within those focused outcomes, USAID combines bilateral and global project activities with intensive networking and active policy dialogue with Indian public and private sector. USAID also coordinates its activities with other donor organizations and the U.S. private sector to leverage our impact far beyond its face value.

The first program outcome is **increased energy productivity in selected power utilities and related service industries**. Greater productivity translates to more energy available at a lower cost with less pollution. The productivity of Indian energy generation, transmission, distribution and use is low; India produces about half of the amount of energy which developed countries produce using the same amount of resources. Decreasing the amount of energy required for production (i.e., being more productive throughout the energy system) has immediate economic and environmental benefits. Less energy would be required per unit of output - lowering costs and decreasing the pollution load per unit of energy and output.

The second program outcome is **improved air and water quality at selected industrial sites and municipalities**. Major Indian cities, by almost all measures of air pollution, rank among the most polluted in the world. Although multiple pollution sources are involved, USAID experience in working directly in collaboration with a broad spectrum of industries allows the Mission's environmental program to develop viable solutions to industrial air quality problems. Water quality is abysmal for almost all Indians due to poor management of sewage and unavailability of potable water. USAID, through RHUDO support, will enable selected municipalities to strengthen their capacities to finance, operate and maintain basic urban services.

The third program outcome focuses on the most important biodiversity conservation issue for India's great variety of plant resources, **increasing the availability of germplasm.** India is one of the great world centers for biological resources. This globally important treasure is threatened by the dual pressures of population growth and rapid industrialization. A minimal investment now to preserve examples of India's rich lode of plant species, some of which are threatened and endangered, yields remarkable returns for India and the U.S. by enhancing the ability of both countries' scientists to combat plant diseases and improve the quality of hybrids.

The tactics and specific activities that USAID employs to deliver results under this strategic objective are described below.

The following projects are focused on increasing energy productivity in selected power utilities: the Energy Management, Consultation, and Training (EMCAT) Project, the Program for Acceleration of Commercial Energy Research (PACER) Project, the India Private Power Initiative (IPPI), the Greenhouse Gas Pollution Prevention (GEEP) Project, the U.S. Asia Environmental Partnership (USAEP), and several Global Bureau projects are all working to increase energy productivity in selected power utilities.

Indo-U.S. Clean Coal Research

USAID is sponsoring an Indo-American research consortium of private firms and national laboratories to develop an advanced coal benification demonstration plant to supply the needs of India's power sector. This demonstration project will wash more than 200 tons of coal per hour and supply the output to a nearby Indian power plant. The coal will have an ash content of 45 percent before washing and only 25 to 30 percent after processing. Data generated will prove the economic benefits of this environmentally-sound technological advance - washed coal will weigh less to transport, produce higher heat value, and produce significantly less flyash emissions. Private investments in power generation in India will be strongly enhanced by the provision of such cost-efficient and environmentally-friendly technologies.

EMCAT technical assistance and training promote power sector systems improvements by assisting the Power Finance Corporation's work with the State Electricity Boards (SEBs), the public utilities which deliver the vast bulk of power in India. The EMCAT Project aims to shift the emphasis of Indian policy makers from expansion of generation capacity to efficient management of power sector infrastructure. A second EMCAT component works with the Industrial Development Bank of India to encourage more efficient energy use.

PACER provides conditional grants for development of technologies in renewable energy generation, advanced coal conversion generation, and energy efficiency to get them to the point of commercial viability. IPPI catalyzes and sustains power sector reforms by increasing awareness of international best practices in independent power development through the provision of technical assistance and training. The GEEP Project, launched in FY 95, will improve global and national environmental conditions through technical assistance and investment support for improving the efficiency of coal-fired power generation and accelerating investment in bagasse cogeneration.

The USAEP activities are extremely useful contributions in very specific areas such as promoting coal beneficiation to lower environmental and economic costs associated with India's power generation using India's high-ash coals, disseminating U.S. renewable energy technologies, and supporting Indo-U.S. business-to-business contacts in expanding energy service companies. Global Bureau projects train Indians in many energy sector areas directly related to the Mission strategy. They also support expansion of commercial investments in renewable energy technologies and reform in the legislative and regulatory framework for renewable energy development.

USAID is also achieving air and water quality improvements in selected industrial sites through its bilateral projects, as well as cooperative programs with USAEP and Global bureau activities. The Trade in Environmental Services and Technologies (TEST) Project is market-driven, responding to the pollution-related needs of Indian industry with limited technical assistance, business match-making, and partial investment funding. Indian and U.S. studies identified critical technology gaps which the TEST Project views as potential markets for the growth of the Indian environmental protection industry. The project then catalyzes joint ventures that Indian businesses form with U.S. companies, as well as technology sales, to provide products which fill these niches.

The Financial Institutions Reform and Expansion (FIRE) develops the environmental infrastructure finance system that supports the development of municipal water, waste water and solid waste treatment and disposal services and systems. Technical and capital assistance and training will develop local level public and private sector capacity to finance, operate and maintain environmental infrastructure. It will also demonstrate that municipal services can be developed on a commercial basis and financed through innovative debt instruments in selected states in India. USAEP support for training and travel facilitates the exchange of environmental experts and the launching of investments. A proposed, new FY 96 bilateral project, the Environmental Protection Initiative (EPI), will build on the achievements of these programs by working directly with industry apex organizations and leading financial intermediaries to make the impact of their activities more environmentally sustainable.

A Market Mechanism for Cleaner Air

Under USAID's Trade in Environmental Services and Technologies (TEST) Project, an Indian company recently entered into a joint venture with an American manufacturer of a variety of air pollution control equipment. This equipment has diverse applicability and wide acceptance in cement, steel, power and chemical industries and the estimated Indian market at this time is $60 million. Facilities will be set up in India to respond to the demand for the design, supply, installation, initial operation and maintenance of different types of air pollution control equipment ranging from air filters and electrostatic precipitators to scrubbers. The equipment will decrease emissions of sulfur dioxide, nitrogen oxide, total suspended particulate, and other pollutants. By facilitating this joint venture relationship, USAID has established a self-sustaining market mechanism which will contribute to cleaner air in India, with benefits to the wider global community.

The third program outcome, increased germplasm availability, is being achieved through the Plant Genetic Resources (PGR) project, which is assisting the construction of a genebank facility which will have a capacity of 800,000 specimens. This facility will not only preserve valuable plant species, but also makes them more readily accessible to researchers and scholars. This Project is funding many exchanges between scientists and is already producing breakthroughs in crop protection and food production through the sharing of technical knowledge and expertise.

Donor Coordination. USAID's achievement of environmental protection in targeted sectors is being directly coordinated with all the major donors. In particular, the energy sector programs of both the Asian Development Bank (ADB) and the World Bank (WB) are closely aligned with the policy, institutional, and technological dimensions of the USAID environment and energy program. The ADB and WB environmental pollution prevention and control programs, as well as environmental technology cooperation are also complementary with USAID's activities. Coordination with other bilateral donors permits an exchange of information on programs in order to synergize with their activities. USAID initiated an informal annual donor meeting to discuss environmental projects which has been held twice during the last two years. Projects like GEEP have been designed to take advantage of previous work by the World Bank and others. EPI and FIRE will complement Asian Development Bank projects in the field of energy efficiency and

municipal environmental service finance and management. For environment and energy technology and policy initiatives, a model is evolving for USAID/India to provide well focused technical assistance programs in conjunction with loan programs and financial support in the same area from multilateral donor agencies. Another model is also being tested related to urban environmental infrastructure that features the strengthening of local government in municipal finance and the role of women in environmental management.

Performance Results. USAID/India's methodology is to launch catalytic programs of technology and information exchange and investment promotion with its Indian partners (government, industry, and NGO's), all of whom must participate with their own financial, material, and human resources, to achieve the strategic objective of increasing environmental protection in targeted sectors.

Improved efficiency in the power sector means that India will generate more power without a corresponding increase in pollution. Programs such as the model Plant Life Assessment study carried out recently by EMCAT at a power plant built by USAID in the 1960s have contributed to the steady increase in capacity utilization among Indian power plants since 1990. Plant Load Factor, one of the indicators under the first program outcome, the average has increased from 53 percent in 1990 to 61 percent in 1994. As a result of USAID work, several Indian and U.S. partners have signed joint ventures to institutionalize and privatize an industry to service and rehabilitate older power plants. Under the PACER Program, USAID financed a pilot project to exploit coal bed methane (CBM), a valuable but hazardous resource contained in coal mines. Methane is the most powerful greenhouse gas, twenty times more dangerous in exacerbating global warming than carbon dioxide. Normally in India, methane is vented from coal mines into the atmosphere, a process that leaks this greenhouse gas. USAID is helping introduce a technology that will use the gas to generate power. CBM is now being commercially exploited; widespread adoption of this practice is converting a potential global and national hazard into a clean new energy resource.

USAID/India energy and environmental programs related to the first program outcome have contributed to more than $5.5 billion of US investment in the power sector catalyzed by IPPI. U.S. power companies are developing five large, efficient, and environmentally sustainable power projects in the states of Maharashtra, Andhra Pradesh, Tamil Nadu, Karnataka, and Orissa. In each instance, IPPI assisted the GOI to formulate the policies and develop the institutions necessary for these projects to reach financial closure and construction and provided crucial, hands-on assistance to the relevant state utilities to help them understand the contractual, engineering and financial aspects of private power.

EMCAT helped launch of the National Bagasse Cogeneration Program and was influential in persuading the Indian states of Maharashtra and Tamil Nadu to adopt remunerative prices for cogenerated power. USAID's efforts led to India-wide adoption of pricing and policy incentives that now encourage investment in renewable cogeneration. The GEEP Project will accelerate bagasse cogeneration expansion in order to make the maximum

impact on renewable energy growth while minimizing greenhouse gases released. Global and national environmental benefits will be achieved as India exploits its 7,000 megawatt bagasse cogeneration capacity.

For Program Outcome Two, (improved air and water quality at selected industrial sites and municipalities), USAID projects are promoting a cultural shift among businessmen which extends far beyond the projects assisted. The environmental impact of industrial activities is beginning to be taken into account by the people most qualified to deal with it in a cost-effective manner: namely, the entrepreneurs and private and public sector executives who are the backbone of the Indian economy. Under the TEST project, an Indian company recently entered into a joint venture with an American manufacturer to produce a variety of air pollution control equipment. This equipment has diverse applicability and wide acceptance in the cement, steel, power and chemical industries. The current estimated Indian market for such products is $60 million. The joint venture will be setting up facilities in India to respond to the demand for the design, supply, installation, initial operation and maintenance of different types of air pollution control equipment ranging from air filters and electrostatic precipitators to scrubbers. The equipment will decrease emissions of sulfur dioxide, nitrogen oxide, total suspended particulates, and other pollutants. A side benefit of this joint venture is the establishment in India of a constituency that receives direct financial benefits from better enforcement of clean air laws. Sulfuric acid recovery is another niche industry which is taking off due to a TEST joint venture and promises to have widespread benefits in converting the environmental threat posed by emission of this substance into an economically useful product.

The FIRE project is promoting policy change in seven states which helps build capacities for local government management of environmental infrastructure. The project supports and refines the capacity of key financial intermediaries to work with municipalities to identify and develop commercially viable projects; it provides leverage through $125 million in USAID Housing Guarantee to bring an additional estimated $500 million from the capital market, private investors, and local governments; and it develops municipal governments' finance capacity to sustain project operation, maintenance and expansion.

Related to the third Program Outcome, increasing the availability of germplasm through PGR, ensures that the world will continue to benefit from India's remarkable biodiversity for years to come while increasing agricultural yields and decreasing the need for environmentally unsustainable fertilizers, herbicides and pesticides. The PGR Project has already carried out two joint Indo-US expeditions to identify and collect germplasm for mutual exchange. In the U.S., scientists collected jojoba, an oil-yielding plant suitable for desert and semi-arid regions in India, and sunflower germplasm, an important oil seed. In India, scientists collected cucumber and melon germplasm, both significant US crops. The collected germplasm may help to significantly enhance vegetable oil production in India and to enhance resistance to diseases, such as downy mildew, common to vegetables widely grown both in India and the United States. The project is further

establishing collaborative research programs between the two nations. The transfer of technologies relative to the identification of plant viruses and the characterization of diversity and stability have resulted in the diagnosis of viruses affecting important fruit crops, including peach, apricot, plum, cherry almonds, and melon.

Expected Impact. USAID/India environmental programs will maximize beneficial and sustainable environmental and energy impacts through leveraging and networking. While our targets are ambitious, they are achievable and logical results of successful Mission projects and their multipliers. Influenced by the USAID environmental program, by the year 2005, greenhouse gas emissions per unit of power generated should decline by 20 percent. As much as 35 percent of total power generation capacity will utilize "clean" technologies such as wind, photovoltaic, mini-hydro, advanced coal conversion, and biomass. Plant load factor in power plants -- a measure of capacity utilization -- will improve by 15 percent. Over 7,500 MW of power will be exported to the grid from highly efficient cogeneration operations. At more than fifty industrial sites, emissions and effluents will be reduced by over 10 percent. In seven states, urban environmental infrastructure policies will be in place to demonstrate how local governments and the capital markets can generate resources and expand management skills to provide environmental management services. Specific demonstration projects in four to six cities will prove the efficacy improvements in solid waste treatment, sewage treatment, and water service cost recovery.

IPPI exemplifies how a program with limited resources can be extremely effective in benefitting the people of India while promoting an Indo-U.S. energy partnership. High efficiency and environmentally sound private power projects will spur industrial growth, raise the standard of living for those located within their service area, improve prospects for education for local children, and generally improve the overall quality of life in the these five states. Sustainable employment opportunities will be created via the development of these reliable sources of energy.

Resource Needs for SO 3 (FY 1995 -97). For FY 95, funding for the activities mentioned in this action plan total $32.8 million. This includes $19 million for the GEEP Project, which is counted as part of the US contribution to the pilot phase of the Global Environmental Facility. It also includes $1.6 million of required US-AEP funds; and $900,000 of Global Bureau resources. For FY 96, $16.1 million is proposed for all activities covered by this action plan and $13.5 million is projected for FY 97. These levels include $1 million of Global resources in each fiscal year.

4. Target of Opportunity: HIV/AIDS Prevention and Control

Rationale and Tactics. Since the first case was reported in May 1986, 728 cases of AIDS have been officially reported from 24 States/Union territories of India. However, current estimates of HIV positive cases are conservatively estimated at 1.5 million. From

the trend of transmission now apparent, it is estimated that by the year 2000 AD about five million Indians will be infected by HIV, and the number of AIDS cases will exceed one million. Surveillance information indicates that except in Manipur, where HIV transmission has been due to needle use by drug abusers, in the rest of the country the transmission is largely through the heterosexual contacts.

USAID has responded to this looming crisis by launching a $10 million AIDS Prevention and Control (APAC) Project for the state of Tamil Nadu, one of the three or four key centers of HIV/AIDS transmission. The project complements the GOI's National AIDS Control Program, operational since 1987 and strengthened in 1992 with a soft loan of $ 84 million from the World Bank.

Working through private voluntary organizations and other private sector groups, APAC will attempt to change the behavior of those most likely to be infected or to infect others. Commercial sex workers, their clients and STD patients will be provided with information, counselling, and services to increase their use of condoms, reduce the number of their sexual partners, and treat STDs. The profile of AIDS and its spread suggests that such changes in behavior can result in significant reductions in its growth.

APAC's focus on a single state will ensure impact. Tamil Nadu was chosen because it has shown a rapid increase in the rate of infection of HIV among high risk groups but also has a strong tradition of NGO involvement in public health. Prostitution in Tamil Nadu, not as overt and organized as in Bombay, is more representative of other Indian cities and towns; therefore, models of intervention developed for Tamil Nadu will be applicable to the rest of India.

The APAC project was designed as a seven-year activity, and the Project Agreement was signed in September 1992. Project start-up, however, was delayed for two years when the GOI proposed an unacceptable change in the terms of the ProAg. During 1993-94, USAID continued to negotiate with the GOI to find an approach acceptable to both parties. When agreement was reached, the Mission extended the Project PACD from September, 1999 to March 2002 to provide the project with the full seven years of implementation time originally envisaged, and signed a Tripartite Agreement with the Government of India, USAID and Voluntary Health Services (VHS), the Madras-based PVO which will implement the project.

Donor Coordination. There are two major mechanisms for ensuring coordination between donors. The APAC Project Management Committee includes the Director of the Tamil Nadu State AIDS Society and a representative of the National AIDS Control Organization (NACO). This ensures coordination between APAC activities and the activities of the National AIDS Control Program. At the national level, NACO also holds quarterly "AIDS Donor Meetings" to share information and coordinate efforts of all donors working on AIDS.

The only other donor with AIDS prevention activities in Tamil Nadu is the Ford Foundation with which USAID coordinates closely to ensure compatibility of activities.

In working with NGOs, and PVOs, APAC will ensure that full information is provided by all NGOs on activities undertaken with donor funding and that no duplication occurs. Since the APAC project, at $10 million, is a relatively large amount for a single state, donors have agreed that they will for the most part, fund activities in states other than Tamil Nadu.

Progress/Expected Impact. Since the project only began implementation in CY 1995, there is limited progress to report. However, in 1995-97, the following activities will occur: (a) VHS will recruit project staff and build up its capacity to act as lead PVO; (b) the Project Management Committee, already established, will decide on the major implementation strategies for the project; (c) the implementing agency, VHS, will identify institutions and individuals capable of providing technical support for community-based programs in HIV/AIDS/STD prevention and orient them to APAC's technical approaches; (d) VHS will streamline the process for the receipt and approval of proposals. Private sector and voluntary organizations that can be involved in community based prevention programs will be identified and familiarized with ways in which to incorporate AIDS prevention activities into their on going programs; (e) VHS will make at least 20 large and medium grants to PVOs for prevention programs; and (f) VHS will commission at least three behavioral research studies. By FY 1997, the project involving at least 25 PVOs in Tamil Nadu's major cities, will have begun HIV-AIDS prevention activities with high risk groups, thus substantially extending current efforts by just four or five NGOs operating chiefly out of Madras. The project will also ensure that truckers on major truck routes and sex-workers in major cities of Tamil Nadu have access to high quality STD services, including education for behavior change and condom promotion.

The project will be instrumental in reducing the sexual transmission of HIV and a reduction in the rate of increase of HIV seroprevalance. This will be accomplished by a 15 percent increase in condom sales per year through private retail outlets and a network of NGOs.

Resource Needs for Target of Opportunity (FY1995-97). Over the next three years the Mission will need to obligate an additional $2.3 million to this project. In addition the Mission will require about $900,000 of technical assistance from AIDSCAP out of Global Bureau funds.

III. Resource Requirements

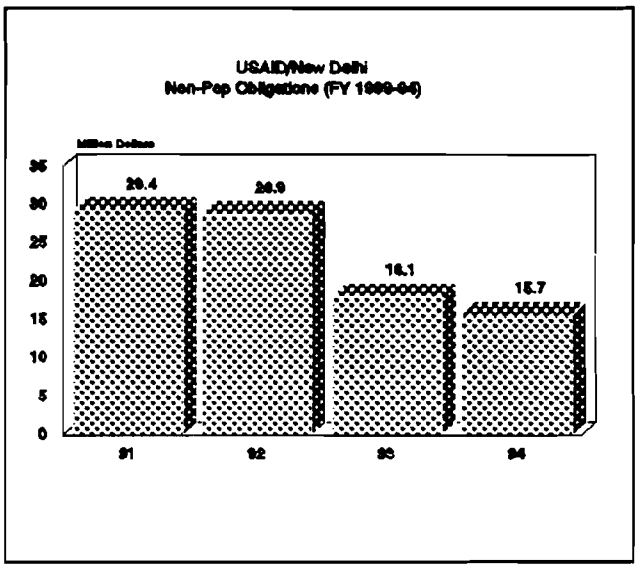
1. Program Resource Requirements by Strategic Objective

The following describes the Mission's funding requirements from all sources (i.e., bilateral, Global Bureau, regional funds, PL 480 and Housing Guaranty) by strategic objective for FY 1995, FY 1996 and FY 1997 . The budget tables and portfolio time-line chart that immediately follow this narrative summarize these requirements.

Recent Trends

USAID/India has moved from a situation in FY 1991 when the project portfolio was relatively "resource rich" to one of cash flow problems beginning in FY 1993 that limited projects' abilities to commit funds in a timely manner. This squeeze is the combined result of excessive earmarking, dwindling OYB funding levels, the severe cutback of economic growth funds, and the sudden absence of Mission authority to reobligate funds into projects with mortgages and implementation rates that can absorb the funds. For example, in FY 93 and FY 94, the Mission deobligated approximately $13 million, but we were authorized to reobligate less than one million dollars. In FY 94 no reobligations were permitted at all.

Simultaneously, the Mission's non-pop funding levels were reduced from $29 million in FY 92 to $15.7 million in FY 94 (almost a one-half reduction in two years). Severe cuts in the budget (both in new obligating authorities and reobligation authorities) have effectively reduced USAID/India's non-population assistance levels in FYs 1993 and 1994 to about half the levels in FYs 1991 and 1992. This trend must be stemmed, if not reversed in order to meet US Government obligations under current bilateral agreements and US Government contracts with private sector entities and NGOs.



To meet these agreements, USAID has made every effort to incrementally fund our various obligations, but the FY 95 funding crunch forced us to reconsider whether we should stretch out the lives of several projects or terminate them altogether. We concluded that, while we do not want to terminate existing projects, we also do not want to stretch out the lives of these activities, since to do so demoralizes project implementors and increases up the cost of the projects without increasing effectiveness.

Because of this funding crunch, the Mission did not begin any new projects in FY 94 which required non-pop/non-GEF funds, and it does not intend any new starts in FY 95. Also, the funds constraint precipitated an intensive, project-by-project analysis of each project's current and projected fiscal data, including disbursement, expenditure and commitment levels. These, and subsequent financial reviews in early FY 1995, concluded that the current FY 95 OYB level of $18 million (i.e., bilateral, non-pop/non-GEF funds) falls $6.3 million short of projected obligation requirements on a commitment basis. With an FY 96 non-pop OYB level of $28 million as mentioned in recently provided CP levels, this shortfall would remain at about the same level through 9/30/96.

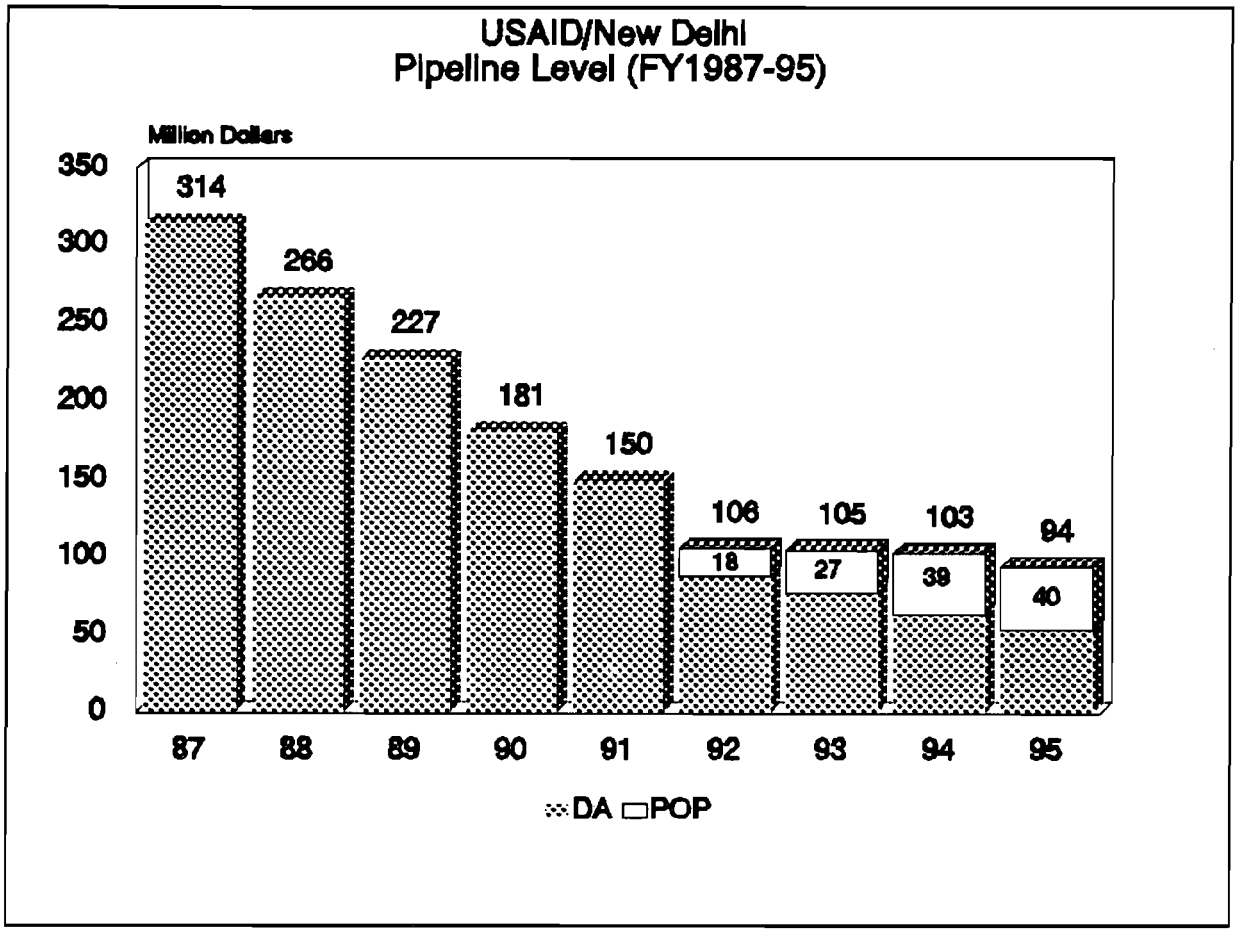
The following table presents USAID's immediate FY 95 commitment projections based on this project-by-project financial analysis. The first column lists the balance of uncommitted funds in the project; column two lists the commitments planned in FY 95; column three provides the required obligations to cover projected commitments (i.e., $24 million); column four provides probable project obligations in FY 95 at an OYB level of $18 million; and column five highlights the unmet needs.

[Non-Pop/Non-GEF Project Funding Requirements in $ 000]

Project Title	Uncomm. Balance 9/30/94	FY 95 Planned Commit.	FY 95 Oblig. Requir.	FY 95 OYB Level	Surplus (Deficit)
PACER	3,246	3,746	500	500	0
EMCAT	2,122	9,581	7,459	7,459	0
PGR	54	1,154	1,100	1,100	0
QCHT	932	2,100	1,200	900	(300)
TEST	1,959	9,500	7,600	2,200	(5,400)
TASP	3,131	4,031	900	600	(300)
CTD	873	1,700	1,000	1,000	0
ACE	2,381	4,000	1,800	1,500	(300)
FIRE	2,519	4,949	2,430	2,430	0
HSG. FIN.	1,346	1,846	500	500	0
PACT	288	288	0	0	0
TOTAL:	18,851	42,895	24,489	18,189	(6,300)

A traditional pipeline analysis of the budget shortfall is a flawed basis upon which to make budget allocation decisions since it does not take into account the need to commit funds in advance for many of our projects which are implemented by the private sector banks. Nevertheless, our budget review included such an analysis for the 11 projects mentioned above. According to these projections, as of September 30, 1995, the above projects will have expended approximately 80 percent of their obligations (assuming an FY 95 OYB of $18 million), leaving a pipeline of about $30 million, or less than $3 million per project.

The Mission projects that the 9/30/94 Mission-wide pipeline of $103 million will drop to $94 million by 9/30/95 including $40 million in population funds, $17 million in newly (FY 1995) obligated GEF resources, $30 million in the above 11 projects and the rest in other health projects. (See chart). The population fund pipeline is expected to decline more rapidly during FY 97-98 when expenditures accelerate under the IFPS and PACT/POP projects.



FY 1995 - FY 1997 Resource Needs by Strategic Objective

USAID/India's estimated FY 1995 SDA level totals $73.2 million, including $12.3 million in Global field support funds, $1.6 million in Regional funds, $22 million in population funds, $19 million in GEF funds, and $18.2 million in bilateral non-pop/non-GEF funds. (The $19 million GEF includes $9.5 million carry-over from FY 94.) The Mission's planned FY 1996 and FY 1997 SDA levels of $70 million in each year (which is based on recent CP levels) includes $15 million in Global field support funds during each fiscal year. In addition, the Mission estimates an annual level of $97 million (including ocean freight) during FY 1995-

97 for the PL 480 Title II program, and Housing Guaranty drawdown levels of $60 million each for FY 1995 and FY 1996 and $50 million for FY 1997. Figures 5, 6, and 7 which follow provide the details of the projected budget needs.

Strategic Objective 1. - For this strategic objective the Mission's SDA funding level totals only $6 million for FY 1995, $15 million for FY 1996 and $13.6 million for FY 1997. The increase from $6 million in FY 1995 to $15 million in FY 1996 is in response to the shortage of funds experienced by the projects in this S.O. during the past three years. The planned FY 1996 and FY 1997 levels also include $1 million in Global resources in each fiscal year. The projections include Housing Guaranty program actual drawdowns of $60 million in both FY 1995 and FY 1996 and $50 million in drawdowns in FY 1997.

Although this strategic objective is consistent with the Agency's objectives, and no one disagrees that only through economic growth and job creation willIndia be able to reduce its poverty levels, economic growth funds have been increasingly difficult to secure. Because of these budget pressures, unless current trends are reversed, no new economic growth starts are planned for FY 96. However, USAID plans to start a new project (Sustaining Economic Liberalization) under this S.O. in FY 1997.

Strategic Objective 2 - Under this strategic objective the SDA level approved for FY 1995 is $34.1 million, including $11.2 million in Global sources. The planned levels are $37.7 million for FY 1996 and $41.2 million for FY 1997. These levels include $12.7 million in Global sources in each fiscal year. In addition to the large family planning project (IFPS), the Mission plans to initiate new population stabilization activities during FY 1995 (PACT/POP), FY 1996 (EXPANDand WIN) and a Child Survival Initiative (CSI) in FY 1997.

The bilateral resource levels for attaining this strategic objective are consistent with our performance targets for the three-year planning period. However, the Global Bureau field support funds need to increase about 20 percent above current levels for the next few years to realize the expected projects' outcomes.

Strategic Objective 3 - Under this strategic objective, the Mission's SDA funding level totals $32.8 million in FY 1995, $16.1 million in FY 1996 and $13.5 million in FY 1997. These levels include $900,000 of Global Bureau field support in FY 1995 and $1 million each in FY 1996 and FY 1997. The FY 1995 level consists of $19 million of the GEF funds and also contains $1.6 million of Regional support funds for the US-AEP project. No Regional resources have been allocated in the CP for US-AEP in FY 1996 and FY 1997.

In order for the bilateral resource levels for the three-year planning period to be consistent with project needs and performance targets, bilateral resource levels need to be expanded by about $5 million in each fiscal year. An environmental resource crunch could adversely affect the proposed FY 1996, $50 million new start (Environmental Protection Initiative).

Target of Opportunity: HIV/AIDS - For this target of opportunity, the Mission plans SDA funding levels of $300,000 in FY 1995, $1.2 million in FY 1996 and $1.7 million in FY 1997. The entire FY 1995 level, and $300,000 each of the FY 1996 and FY 1997 levels, are for Global Bureau field support needs.

The -20 percent +5 percent Scenarios for FY 1996 and FY 1997

If our FY 1996 and FY 1997 SDA levels were reduced 20 percent below the planning level of $70 million, USAID's ability to achieve the objectives set forth in this action plan would be limited.

The FY 1996 obligations under S.O.1 would decrease by 25 percent, and under S.O.2 and S.O.3 they would decrease by about 20 percent each. In FY 1997 S.O.1 obligations would be reduced by 15 percent, S.O.2 obligations by 17 percent and S.O.3 obligations by 37 percent. Figure 6(c) presents a preliminary set of projections under the -20 percent scenario.

In principle USAID is opposed to stretching out projects beyond their planned LOPs, because it often increases costs without necessarily increasing effectiveness. However, this policy will be examined on a case-by-case basis. Assuming no stretched-out LOPs, a 20 percent cut-back would result in several projects ending on time but with a portion of their authorized LOP costs (mortgage) remaining unobligated. For example, the five-year TEST project would end with a mortgage of $6.2 million on 9/30/97. TEST is one of the Mission's most successful environmental technology transfer projects, and such a cutback would put a severe crimp in our environmental strategy. The seven-year ACE project, which will not end until 9/30/98, will be left on 9/30/97 with a mortgage of approximately $5 million, and it is unlikely that this mortgage would be brought down entirely in the last year of its LOP (i.e. FY 98). The five-year FIRE project, like ACE, also ends on 9/30/98, and, in a 20 percent cut scenario, it will be left with a mortgage of $3.2 million on 9/30/97. This would limit achievement of two vital components of the financial sector strategy: capital market reform and urban environmental infrastructure development. Such a drastic 20 percent cut would also deprive the Mission of crucial technical assistance to be provided by Global Bureau resources, particularly for the population portfolio; instead of a total of $15 million in Global Bureau funding, only $12 million is programmed under this -20 percent scenario.

An increase of five percent in funding above the planning level would help the Mission (a) augment its Global resources, particularly for the population, health and environment projects; and (b) complete non-population projects without stretching their lives. A substantial portion of this increment would be absorbed in the planned FY 1996 new starts (EXPAND, WIN and EPI). Figure 6(d) presents preliminary allocations under the +5 percent scenario.

2. Program Management Requirements

Throughout the years, one thing has remained constant: the continuing need to "downsize", "rightsize" and "do more with less". India's program is one of USAID's largest in Asia, yet it has one of the smallest "big Mission" USDH staffing patterns. Over the past eight years, our USDH staff has declined from 26 in 1987 to 15 in 1995. (This 15 excludes two staff for the RHUDO office which covers all of South Asia.). As the American staff have declined, we have come to rely increasingly on Foreign Service National employees. Unfortunately, rigidities in the US Government's personnel system prohibit us from providing competitive wages for our professional level FSNs and better utilizing this cost effective human resource pool.

USAID/New Delhi believes it can live with a straight-line of our USDH FTE levels, despite the growth in the overall program and the complexity of our projects such as the increased role of the Global Bureau project activities. It will be very difficult, if not impossible, however, if the OE dollar level is straight-lined for three consecutive years. As India continues to open its economy to outside investment, foreign businesses have opened offices in New Delhi and greatly inflated housing market prices. When renewing leases, we are finding that increases of 100 percent are on the low side. This situation is also resulting in substantial wage increases for our FSNs. The proposal by the IG to relocate auditors to New Delhi from Singapore, if finalized, willfurther increase the workload and expenses of the Mission's staff offices. Recent cuts in OE have already forced us to stretch out our non-expendable property (NXP) replacement program and react to, rather than anticipate, upcoming needs. Without some relief on the OE side, we would have little choice but to reduce the amount of travel and oversight required to adequately monitor our projects and consider not filling positions coming vacant during the next two years. This would be penny-wise and pound foolish for a country of this size and need, where travel costs are high to maintain even a minimal level of oversight. Such cutbacks would surely open the Mission and the Agency to criticism from both internal auditors as well as outside parties and damage the Mission's ability to monitor and document its performance indicators.

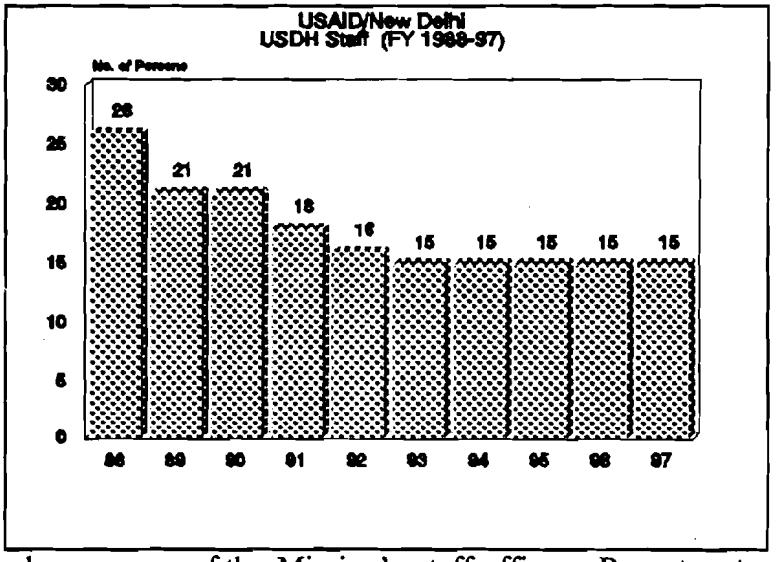


Figure 5(a)

Figure 5

FUNDING BREAKOUT BY STRATEGIC OBJECTIVE
USAID/INDIA
($000)

Strategic Objective 1: Increased Competition and Innovation in Selected Sectors (Housing Finance, Capital Markets, Agribusiness and Power Generation)

Funding Category	FY 1995	FY 1996	FY 1997
Sustainable Development Account:			
Economic Growth	3,900	10,700	10,650
Population			
Environment	2,130	4,300	2,970
Democracy			
Sub-Total Sustainable Dev.	6,030	15,000	13,620
Economic Support Funds			
P.L. 480			
Title II			
Title III			
Other (e.g., Housing Guaranty)	60,000	60,000	50,000
Grand Total	**66,030**	**75,000**	**63,620**

Figure 5(b)

FUNDING BREAKOUT BY STRATEGIC OBJECTIVE
USAID/INDIA
($000)

Strategic Objective 2: Reduced Fertility in North India

Funding Category	FY 1995	FY 1996	FY 1997
Sustainable Development:			
Economic Growth	1,997	3,700	4,700
Population	32,150	34,000	36,500
Environment			
Democracy			
Sub-Total Sustainable Dev.	34,147	37,700	41,200
Economic Support Funds			
P.L. 480			
Title II	96,970	96,970	96,970
Title III			
Other (e.g., Housing Guaranty)			
Grand Total	**131,117**	**134,670**	**138,170**

Figure 5(c)

FUNDING BREAKOUT BY STRATEGIC OBJECTIVE
USAID/INDIA
($000)

Strategic Objective 3: Environmental Protection Increased in Targeted Sectors

Funding Category	FY 1995	FY 1996	FY 1997
Sustainable Development Account:			
Economic Growth			
Population			
Environment	32,759	16,100	13,500
Democracy			
Sub-Total Sustainable Dev.	32,759	16,100	13,500
Economic Support Funds			
P.L. 480			
Title II			
Title III			
Other (e.g., Housing Guaranty)			
Grand Total	**32,759**	**16,100**	**13,500**

Figure 5(d)

FUNDING BREAKOUT BY STRATEGIC OBJECTIVE
USAID/INDIA
($000)

Target of Opportunity: HIV/AIDS

Funding Category	FY 1995	FY 1996	FY 1997
Sustainable Development Account:			
Economic Growth	250	1,200	1,680
Population			
Environment			
Democracy			
Sub-Total Sustainable Dev.	250	1,200	1,680
Economic Support Funds			
P.L. 480			
Title II			
Title III			
Other (e.g., Housing Guaranty)			
Grand Total	**250**	**1,200**	**1,680**

Figure 5(e)

ALL RESOURCES TABLE
USAID/INDIA
($000)

Funding Category	FY 1995	FY 1996	FY 1997
Sustainable Development:			
Economic Growth	6,147	15,600	17,030
Population	32,150	34,000	36,500
Environment	34,889	20,400	16,470
Democracy			
Sub-Total Sustainable Dev.	73,186	70,000	70,000
Economic Support Funds			
P.L. 480			
Title II	96,970	96,970	96,970
Title III			
Other (e.g., Housing Guaranty)	60,000	60,000	50,000
Grand Total	**230,156**	**226,970**	**216,970**

OBLIGATIONS BY STRATEGIC OBJECTIVES - FY 1991 TO FY 1997

USAID/NEW DELHI

($000)

Figure 6(a)

Project Title (Number - PACD)	Actual FY 1991	Actual FY 1992	Actual FY 1993	Actual FY 1994	Estimated FY 1995	Proposed FY 1996	Planned FY 1997	Mortgage 9/30/97
S.O. 1: Increased Competition and Innovation in Selected Sectors								
FIRE (386-0531 - 9/30/1998)	0	0	1,300	800	1,400	4,000	3,800	700
FIRE (386-0531 - 9/30/1998) (Environment)	0	0	700	500	1,030	3,000	2,270	500
HSG. FIN. (386-0526 - 9/30/1996)	0	1,000	1,100	500	200	200	0	0
HSG. FIN. (386-0526 - 9/30/1996) (Environment)	0	0	0	700	300	300	0	0
TASP (386-0515 - 9/30/1996)	1,000	3,000	2,230	2,300	800	300	0	0
ACE (386-0521 - 9/30/1998)	5,000	2,200	0	1,000	1,500	4,400	3,650	2,250
IPPI (OYB Transfer to G - 9/30/1995)	0	0	3,000	0	0	0	0	0
PACT (386-0496 - 7/31/1995)	3,176	990	3,300	0	0	0	0	0
CTD (386-0507 - 6/30/1998)	1,000	0	0	1,300	200	800	200	0
CTD (386-0507 - 6/30/1998) (Environment)	0	0	0	0	800	1,000	700	0
SEL (386-NEW - 9/30/2002)	0	0	0	0	0	0	2,000	18,000
Global Field Support	n.a.	n.a.	336	0	0	1,000	1,000	n.a.
Sub-Total (Sustainable Dev. Acct.)	10,176	7,190	11,966	7,100	6,030	15,000	13,820	21,450
Housing Guaranty - Actual Drawdowns	25,000	0	0	0	60,000	60,000	50,000	30,000
PL 480 Title III Program	0	25,000	23,000	0	0	0	0	0
Sub-Total S.O. 1	35,176	32,190	34,966	7,100	66,030	75,000	63,820	51,450
S.O. 2: Reduced Fertility in North India								
IFPS (386-0527 - 9/30/2002)	0	20,000	10,000	19,241	15,050	13,000	15,000	132,709
EXPAND (386-0536 - 9/30/2006)	0	0	0	0	0	4,000	5,000	41,000
PACT/POP (386-0496 - 7/31/2000)	0	0	0	0	7,000	3,000	1,500	8,500
PVOH-II)386-0511 - 8/31/1997)	300	3,200	0	0	0	0	0	0
QCHT (386-0514 - 9/30/1998)	1,000	0	0	0	900	3,000	2,000	2,400
WIN (OYB Transfer to G - 9/30/2001)	0	0	0	0	0	2,000	3,000	5,000
CSI (386-NEW - 9/30/2002)	0	0	0	0	0	0	2,000	18,000
Completed Projects	4,930	0	0	0	0	0	0	0
Global Field Support (POP)	n.a.	n.a.	4,679	9,025	10,100	12,000	12,000	n.a.
Global Field Support (Health/Nutrition)	n.a.	n.a.	1,140	741	1,047	700	700	n.a.
Sub-Total (Sustainable Dev. Acct.)	6,230	23,200	15,819	29,007	34,097	37,700	41,200	207,609
PL 480 Title II Program (Incl. Freight)	101,300	100,690	97,578	99,269	96,970	96,970	96,970	n.a.
Sun-Total S.O. 2	107,530	123,890	113,397	128,276	131,067	134,670	138,170	207,609
S.O. 3: Environmental Protection Increased in Targeted Sectors								
GEEP (386-0534 - 9/30/2001)	0	0	0	0	19,000	0	0	0
EMCAT (386-0517 - 3/31/1997)	4,000	3,157	0	2,384	7,459	4,000	1,000	0
PACER (386-0494 - 8/31/1997)	0	2,291	2,500	2,209	500	0	0	0
TEST (386-0530 - 9/30/1997)	0	4,200	2,000	1,500	2,200	8,100	7,000	0
PGR (386-0513 - 9/30/1997)	3,400	4,500	0	2,500	1,100	400	0	0
EPI (386-0538 - 9/30/2003)	0	0	0	0	0	2,600	4,500	42,900
Completed Projects	6,000	0	0	0	0	0	0	0
Global Field Support	n.a.	n.a.	969	1,705	900	1,000	1,000	n.a.
Regional (USAEP) (499-0015)	0	0	200	305	1,600	0	0	n.a.
Sub-Total S.O. 3 (Sustainable Dev. Acct.)	13,400	14,148	5,669	10,603	32,759	16,100	13,500	42,900
Target of Opportunity (HIV/AIDS)								
APAC (386-0525 - 3/31/2002)	0	2,120	1,200	(1,000)	0	900	1,380	5,400
Global Field Support (Health)	n.a.	n.a.	202	0	300	300	300	n.a.
Sub-Total (Sustainable Dev. Acct.)	0	2,120	1,402	(1,000)	300	1,200	1,680	5,400
ΧΟΥΝΤΡΨ ΤΟΤΑΛ (ΣΑΑ, ΠΛ 480, ΗΣΓ. ΓΥΑΡΑΝΤΨ):	156,106	172,348	155,434	144,979	230,156	226,970	216,970	307,359
OF WHICH SUSTAINABLE DEVELOPMENT ACCOUNT TOTALS:	29,806	46,658	34,856	45,710	73,186	70,000	70,000	277,359

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Figure 6 (b)

USAID/NEW DELHI
EXPENDITURES BY STRATEGIC OBJECTIVES - FY 1991 TO FY 1997
'($000)

Project Title (Number - PACD)	Actual FY 1991	Actual FY 1992	Actual FY 1993	Actual FY 1994	Estimated FY 1995	Proposed FY 1996	Planned FY 1997
S.O. 1: Increased Competition and Innovation in Selected Sectors							
FIRE (386-0531 - 9/30/1998)	0	0	0	200	2,000	2,200	2,000
FIRE (386-0531 - 9/30/1998) (Environment)	0	0	0	176	1,547	1,800	1,500
HSG. FIN. (386-0526 - 9/30/1996)	0	15	612	700	600	1,073	0
HSG. FIN. (386-0526 - 9/30/1996) (Environment)	0	0	0	431	565	304	0
TASP (386-0515 - 9/30/1996)	956	2,149	3,874	3,741	4,836	1,945	0
ACE (386-0521 - 9/30/1998)	0	107	2,343	1,300	5,000	2,500	4,500
IPPI (OYB Transfer to G - 9/30/1995)	0	0	0	2,000	1,000	0	0
PACT (386-0496 - 7/31/1995)	3,358	2,153	2,610	3,761	4,005	0	0
CTD (386-0507 - 6/30/1998)	693	319	1,278	1,000	1,600	1,200	700
CTD (386-0507 - 6/30/1998) (Environment)	0	0	0	270	200	800	1,100
SEL (386-NEW - 9/30/2002)	0	0	0	0	0	0	0
Completed Projects	884	1,636	(82)	(58)	0	0	0
Global Field Support	n.a.	n.a.	336	0	0	600	1,000
Sub-Total (Sustainable Dev. Acct.)	**5,891**	**6,379**	**10,971**	**13,521**	**21,353**	**12,422**	**10,800**
Housing Guaranty - Actual Drawdowns	25,000	0	0	0	60,000	60,000	50,000
PL 480 Title III Program	0	25,000	23,000	0	0	0	0
Sub-Total S.O. 1	**30,891**	**31,379**	**33,971**	**13,521**	**81,353**	**72,422**	**60,800**
S.O. 2: Reduced Fertility in North India							
IFPS (386-0527 - 9/30/2002)	0	0	0	9,500	20,000	25,000	30,000
EXPAND (386-0536 - 9/30/2006)	0	0	0	0	0	0	3,000
PACT/POP (386-0496 - 7/31/2000)		0	0	0	500	3,000	4,500
PVOH-II)386-0511 - 8/31/1997)	311	482	1,176	1,224	2,950	2,500	1,346
QCHT (386-0514 - 9/30/1998)	0	0	485	412	2,000	2,500	3,000
WIN (OYB Transfer to G - 9/30/2001)	0	0	0	0	0	0	1,000
CSI (386-NEW - 9/30/2002)	0	0	0	0	0	0	0
Completed Projects	12,843	13,530	4,307	974	0	0	0
Global Field Support (POP)	n.a.	n.a.	4,679	9,025	7,000	8,000	9,000
Global Field Support (Health/Nutrition)	n.a.	n.a.	1,140	741	700	900	1,000
Sub-Total (Sustainable Dev. Acct.)	**13,154**	**14,012**	**11,787**	**21,876**	**33,150**	**41,900**	**52,846**
PL 480 Title II Program (Incl. Freight)	101,300	100,690	97,578	99,269	96,970	96,970	96,970
Sun-Total S.O. 2	**114,454**	**114,702**	**109,365**	**121,145**	**130,120**	**138,870**	**149,816**
S.O. 3: Environmental Protection Increased in Targeted Sectors							
GEEP (386-0534 - 9/30/2001)	0	0	0	0	2,000	5,000	8,000
EMCAT (386-0517 - 3/31/1997)	0	182	1,196	2,275	3,530	4,000	4,000
PACER (386-0494 - 8/31/1997)	496	1,084	1,339	2,614	4,000	5,000	1,947
TEST (386-0530 - 9/30/1997)	0	0	256	2,084	5,560	8,660	8,440
PGR (386-0513 - 9/30/1997)	240	1,130	3,321	4,651	5,200	2,000	1,130
EPI (386-0538 - 9/30/2003)	0	0	0	0	0	0	2,000
Completed Projects	32,383	23,714	923	0	0	0	0
Global Field Support	n.a.	n.a.	969	1,705	700	900	1,000
Regional (USAEP) (499-0015)	0	0	0	41	1,000	600	0
Sub-Total S.O. 3 (Sustainable Dev. Acct.)	**33,119**	**26,110**	**8,004**	**13,370**	**21,990**	**26,160**	**26,517**
Target of Opportunity (HIV/AIDS)							
APAC (386-0525 - 3/31/2002)	0	0	0	0	1,000	1,500	2,000
Global Field Support (Health)	n.a.	n.a.	202	0	200	250	300
Sub-Total (Sustainable Dev. Acct.)	**0**	**0**	**202**	**0**	**1,200**	**1,750**	**2,300**
COUNTRY TOTAL (SDA, PL 480, HSG. GUARANTY):	**178,464**	**172,191**	**151,542**	**148,036**	**234,663**	**239,202**	**239,433**
OF WHICH SUSTAINABLE DEVELOPMENT ACCOUNT TOTALS:	**52,164**	**46,501**	**30,964**	**48,767**	**77,693**	**82,232**	**92,463**

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Figure 6(c)

USAID/NEW DELHI
OBLIGATIONS BY STRATEGIC OBJECTIVES - FY 1991 TO FY 1997 AT FY 1996 LEVEL MINUS 20 PERCENT
($000)

Project Title (Number - PACD)	Actual FY 1991	Actual FY 1992	Actual FY 1993	Actual FY 1994	Estimated FY 1995	Proposed FY 1996	Planned FY 1997	Mortgage 9/30/97
S.O. 1: Increased Competition and Innovation in Selected Sectors								
FIRE (386-0531 - 9/30/1998)	0	0	1,300	800	1,400	3,000	3,600	1,900
FIRE (386-0531 - 9/30/1998) (Environment)	0	0	700	500	1,030	2,300	2,170	1,300
HSG. FIN. (386-0526 - 9/30/1996)	0	1,000	1,100	500	200	200	0	0
HSG. FIN. (386-0526 - 9/30/1996) (Environment)	0	0	0	700	300	300	0	0
TASP (386-0515 - 9/30/1996)	1,000	3,000	2,230	2,300	600	300	0	0
ACE (386-0521 - 9/30/1998)	5,000	2,200	0	1,000	1,500	2,500	2,800	5,000
IPPI (OYB Transfer to G - 9/30/1995)	0	0	3,000	0	0	0	0	0
PACT (386-0496 - 7/31/1995)	3,176	990	3,300	0	0	0	0	0
CTD (386-0507 - 6/30/1998)	1,000	0	0	1,300	200	800	200	0
CTD (386-0507 - 6/30/1998) (Environment)	0	0	0	0	800	1,000	700	0
SEL (386-NEW - 9/30/2002)	0	0	0	0	0	0	1,500	18,500
Global Field Support	n.a.	n.a.	336	0	0	800	800	n.a.
Sub-Total (Sustainable Dev. Acct.)	**10,176**	**7,190**	**11,966**	**7,100**	**6,030**	**11,200**	**11,770**	**26,700**
Housing Guaranty - Actual Drawdowns	25,000	0	0	0	60,000	60,000	50,000	30,000
PL 480 Title III Program	0	25,000	23,000	0	0	0	0	0
Sub-Total S.O. 1	**35,176**	**32,190**	**34,966**	**7,100**	**66,030**	**71,200**	**61,770**	**56,700**
S.O. 2: Reduced Fertility in North India								
IFPS (386-0527 - 9/30/2002)	0	20,000	10,000	19,241	15,050	10,000	12,000	138,709
EXPAND (386-0536 - 9/30/2006)	0	0	0	0	0	3,000	4,000	43,000
PACT/POP (386-0496 - 7/31/2000)	0	0	0	0	7,000	2,500	1,500	9,000
PVOH-II)386-0511 - 8/31/1997)	300	3,200	0	0	0	0	0	0
QCHT (386-0514 - 9/30/1998)	1,000	0	0	0	900	3,000	2,000	2,400
WIN (OYB Transfer to G - 9/30/2001)	0	0	0	0	0	2,000	3,000	5,000
CSI (386-NEW - 9/30/2002)	0	0	0	0	0	0	1,500	18,500
Completed Projects	4,930	0	0	0	0	0	0	0
Global Field Support (POP)	n.a.	n.a.	4,679	9,025	10,100	9,600	9,600	n.a.
Global Field Support (Health/Nutrition)	n.a.	n.a.	1,140	741	1,097	560	560	n.a.
Sub-Total (Sustainable Dev. Acct.)	**6,230**	**23,200**	**15,819**	**29,007**	**34,147**	**30,660**	**34,160**	**216,609**
PL 480 Title II Program (Incl. Freight)	101,300	100,690	97,578	99,269	96,970	96,970	96,970	n.a.
Sun-Total S.O. 2	**107,530**	**123,890**	**113,397**	**128,276**	**131,117**	**127,630**	**131,130**	**216,609**
S.O. 3: Environmental Protection Increased in Targeted Sectors								
GEEP (386-0534 - 9/30/2001)	0	0	0	0	19,000	0	0	0
EMCAT (386-0517 - 3/31/1997)	4,000	3,157	0	2,384	7,459	4,000	1,000	0
PACER (386-0494 - 6/31/1997)	0	2,291	2,500	2,209	500	0	0	0
TEST (386-0530 - 9/30/1997)	0	4,200	2,000	1,500	2,200	5,200	3,700	6,200
PGR (386-0513 - 9/30/1997)	3,400	4,500	0	2,500	1,100	400	0	0
EPI (386-0538 - 9/30/2003)	0	0	0	0	0	2,600	3,000	44,400
Completed Projects	6,000	0	0	0	0	0	0	0
Global Field Support	n.a.	n.a.	969	1,705	900	800	800	n.a.
Regional (USAEP) (499-0015)	0	0	200	305	1,600	0	0	n.a.
Sub-Total S.O. 3 (Sustainable Dev. Acct.)	**13,400**	**14,148**	**5,669**	**10,603**	**32,759**	**13,000**	**8,500**	**50,600**
Target of Opportunity (HIV/AIDS)								
APAC (386-0525 - 3/31/2002)	0	2,120	1,200	(1,000)	0	900	1,330	5,350
Global Field Support (Health)	n.a.	n.a.	202	0	250	240	240	n.a.
Sub-Total (Sustainable Dev. Acct.)	**0**	**2,120**	**1,402**	**(1,000)**	**250**	**1,140**	**1,570**	**5,350**
COUNTRY TOTAL (SDA, PL 480, HSG. GUARANTY)	156,106	172,348	155,434	144,979	230,156	212,970	202,970	329,259
OF WHICH SUSTAINABLE DEVELOPMENT ACCOUNT TOTALS:	**29,806**	**46,658**	**34,856**	**45,710**	**73,186**	**56,000**	**56,000**	**299,259**

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Figure 6 (d)

USAID/NEW DELHI
OBLIGATIONS BY STRATEGIC OBJECTIVES - FY 1991 TO FY 1997 AT FY 1996 LEVEL PLUS 5 PERCENT
($000)

Project Title (Number - PACD)	Actual FY 1991	Actual FY 1992	Actual FY 1993	Actual FY 1994	Estimated FY 1995	Proposed FY 1996	Planned FY 1997	Mortgage 9/30/97
S.O. 1: Increased Competition and Innovation in Selected Sectors								
FIRE (386-0531 - 9/30/1998)	0	0	1,300	800	1,400	4,500	4,200	0
FIRE (386-0531 - 9/30/1998) (Environment)	0	0	700	500	1,030	3,000	2,570	0
HSG. FIN. (386-0526 - 9/30/1996)	0	1,000	1,100	500	200	200	0	0
HSG. FIN. (386-0526 - 9/30/1996) (Environment)	0	0	0	700	300	300	0	0
TASP (386-0515 - 9/30/1996)	1,000	3,000	2,230	2,300	600	300	0	0
ACE (386-0521 - 9/30/1998)	5,000	2,200	0	1,000	1,500	5,400	4,900	0
IPPI (OYB Transfer to G - 9/30/1995)	0	0	3,000	0	0	0	0	0
PACT (386-0496 - 7/31/1995)	3,176	990	3,300	0	0	0	0	0
CTD (386-0507 - 6/30/1998)	1,000	0	0	1,300	200	800	200	0
CTD (386-0507 - 6/30/1998) (Environment)	0	0	0	0	800	1,000	700	0
SEL (386-NEW - 9/30/2002)	0	0	0	0	0	0	2,000	18,000
Global Field Support	n.a.	n.a.	336	0	0	1,000	1,000	n.a.
Sub-Total (Sustainable Dev. Acct.)	**10,176**	**7,190**	**11,966**	**7,100**	**6,030**	**16,500**	**15,570**	**18,000**
Housing Guaranty - Actual Drawdowns	25,000	0	0	0	60,000	60,000	50,000	30,000
PL 480 Title III Program	0	25,000	23,000	0	0	0	0	0
Sub-Total S.O. 1	**35,176**	**32,190**	**34,966**	**7,100**	**66,030**	**76,500**	**65,570**	**48,000**
S.O. 2: Reduced Fertility in North India								
IFPS (386-0527 - 9/30/2002)	0	20,000	10,000	19,241	15,050	14,000	15,000	131,709
EXPAND (386-0536 - 9/30/2006)	0	0	0	0	0	5,000	6,000	39,000
PACT/POP (386-0496 - 7/31/2000)	0	0	0	0	7,000	3,000	2,000	8,000
PVOH-II)386-0511 - 8/31/1997)	300	3,200	0	0	0	0	0	0
QCHT (386-0514 - 9/30/1998)	1,000	0	0	0	900	3,000	2,000	2,400
WIN (OYB Transfer to G - 9/30/2001)	0	0	0	0	0	2,000	3,000	5,000
CSI (386-NEW - 9/30/2002)	0	0	0	0	0	0	2,000	18,000
Completed Projects	4,930	0	0	0	0	0	0	0
Global Field Support (POP)	n.a.	n.a.	4,679	9,025	10,100	12,000	12,000	n.a.
Global Field Support (Health/Nutrition)	n.a.	n.a.	1,140	741	1,097	700	700	n.a.
Sub-Total (Sustainable Dev. Acct.)	**6,230**	**23,200**	**15,819**	**29,007**	**34,147**	**39,700**	**42,700**	**204,109**
PL 480 Title II Program (Incl. Freight)	101,300	100,690	97,578	99,269	96,970	96,970	96,970	n.a.
Sub-Total S.O. 2	**107,530**	**123,890**	**113,397**	**128,276**	**131,117**	**136,670**	**139,670**	**204,109**
S.O. 3: Environmental Protection Increased in Targeted Sectors								
GEEP (386-0534 - 9/30/2001)	0	0	0	0	19,000	0	0	0
EMCAT (386-0517 - 3/31/1997)	4,000	3,157	0	2,384	7,459	4,000	1,000	0
PACER (386-0494 - 8/31/1997)	0	2,291	2,500	2,209	500	0	0	0
TEST (386-0530 - 9/30/1997)	0	4,200	2,000	1,500	2,200	8,100	7,000	0
PGR (386-0513 - 9/30/1997)	3,400	4,500	0	2,500	1,100	400	0	0
EPI (386-0538 - 9/30/2003)	0	0	0	0	0	2,600	4,500	42,900
Completed Projects	6,000	0	0	0	0	0	0	0
Global Field Support	n.a.	n.a.	969	1,705	900	1,000	1,000	n.a.
Regional (USAEP) (499-0015)	0	0	200	305	1,600	0	0	n.a.
Sub-Total S.O. 3 (Sustainable Dev. Acct.)	**13,400**	**14,148**	**5,669**	**10,603**	**32,759**	**16,100**	**13,500**	**42,900**
Target of Opportunity (HIV/AIDS)								
APAC (386-0525 - 3/31/2002)	0	2,120	1,200	(1,000	0	900	1,430	5,350
Global Field Support (Health)	n.a.	n.a.	202	0	250	300	300	n.a.
Sub-Total (Sustainable Dev. Acct.)	**0**	**2,120**	**1,402**	**(1,000**	**250**	**1,200**	**1,730**	**5,350**
COUNTRY TOTAL (SDA, PL 480, HSG. GUARANTY):	**156,106**	**172,348**	**155,434**	**144,979**	**230,156**	**230,470**	**220,470**	**300,359**
OF WHICH SUSTAINABLE DEVELOPMENT ACCOUNT TOTALS:	**29,806**	**46,658**	**34,856**	**45,710**	**73,186**	**73,500**	**73,500**	**270,359**

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USAID/NEW DELHI

Figure 6(e)

RESOURCE ALLOCATION PLAN - FY 1991 TO FY 1997

PL 480 FOOD AID GRANT PROGRAM

($000)

Program	Actual FY 1991	Actual FY 1992	Actual FY 1993	Actual FY 1994	Estimated FY 1995	Proposed FY 1996	Planned FY 1997
PL 480 TITLE II							
Commodity Cost	75,100	71,910	69,372	70,856	71,941	71,941	71,941
Shipping Cost	26,200	28,780	28,206	28,413	25,029	25,029	25,029
TOTAL	101,300	100,690	97,578	99,269	96,970	96,970	96,970
PL 480 TITLE III							
Commodity Cost	0	22,213	20,604	0	0	0	0
Shipping Cost	0	2,787	2,396	0	0	0	0
TOTAL	0	25,000	23,000	0	0	0	0

USAID/NEW DELHI

Figure 6 (f)

RESOURCE ALLOCATION PLAN - FY 1991 TO FY 1997

GLOBAL FIELD SUPPORT PROGRAM

($000)

Project No.	Project Title	Actual FY 1991	Actual FY 1992	Actual FY 1993	Actual FY 1994	Estimated FY 1995	Proposed FY 1996	Planned FY 1997
S.O. 1: Increased Competition and Innovation in Selected Sectors								
499-0009	Regional Agribusiness Project (RAP)			0	0	0	200	200
940-0014	Financial Sector Development Program			177	0	0	400	400
940-0015	Institutional Reform and Informal Sector			55	0	0	200	200
940-0404	Institute for Contemporary Studies			104	0	0	200	200
	Sub-Total S.O. 1	n.a.	n.a.	336	0	0	1,000	1,000
S.O. 2: Reduced Fertility in North India								
Population Projects:								
936-3023	Demographic and Health Survey III			0	0	500	500	500
936-3024	Population Technical Assistance			0	27	200	200	200
936-3030	Strategies for Improving Serv. Delivery			296	945	650	750	750
936-3031	FP Trng. for Paramedical, Aux. and Commun			883	771	0	0	0
936-3035	Population Policy Initiatives			227	215	0	0	0
936-3038	FP Logistics Management			91	0	100	100	100
936-3044	Contraceptive Research & Dev.			0	0	100	100	100
936-3045	Training in Reproductive Health II			325	197	0	0	0
936-3069	JHPIEGO			0	154	770	670	870
936-3046	Resources for the Awareness of POP Inputs			992	1,978	2,000	2,200	2,200
936-3068	Asso. for Vol. Surgical Contracep. Program			0	335	450	850	850
936-3051	Contraceptive Social Marketing III			0	250	1,000	1,000	1,000
936-3052	POP Communication Services II			987	1,037	1,100	1,300	1,300
936-3056	Promoting Financial Investment & Transfer			0	88	0	0	0
936-3057	CCP			0	1,540	0	0	0
936-3058	Cooperative for American Relief Everywhere			0	10	0	200	200
936-3059	Access to FP Thru Women Management			667	1,358	1,820	1,720	1,720
936-3060	Evaluation of FP Program Impact			101	27	0	600	600
936-3054	Michigan Fellows			0	93	110	110	110
936-3072	Prime			0	0	500	500	500
936-3078	Policy			0	0	1,000	1,000	1,000
936-5966	BRF/Maternal Health			0	0	0	0	0
936-5968	Technologies for Child Health			110	0	0	0	0
	Sub-Total (Population)			4,679	9,025	10,100	12,000	12,000
Health/Nutrition Projects:								
936-5966	BRF/ Maternal Health			0	5	80	0	0
936-5991	Data for Decision Making in the Health Sector			748	586	567	200	200
936-6006	Basic Support for Inst. Building			0	0	100	200	200
936-5116	Vitamin A for Health			300	145	0	0	0
936-5117	Women and Infant Nutrition			92	5	0	0	0
936-5122	Opportunities for Micronutrient Malnutrition			0	0	300	300	300
	Sub-Total (Health/Nutrition)	n.a.	n.a.	1,140	741	1,047	700	700
	Sub-Total S.O. 2	n.a.	n.a.	5,819	9,766	11,147	12,700	12,700
S.O. 3: Environmental Protection Increased in Targeted Sectors								
936-5547	Forestry Fuelwood Research and Development			60	15	0	0	0
936-5559	Environmental Pollution Prevention			0	35	50	50	50
936-5730	Renewable Energy Application & Training			90	55	100	0	0
936-5734	Energy Training Program			0	152	600	500	500
936-5737	Biomass Energy Systems Technology			140	80	100	0	0
936-5738	Private Sector Energy Development			260	570	50	0	0
936-5743	Energy Efficiency Project			419	798	0	0	0
936-5746	Commercial Application of Renewable Energy Technology			0	0	0	450	450
	Sub-Total S.O. 3	n.a.	n.a.	969	1,705	900	1,000	1,000
Target of Opportunity (HIV/AIDS)								
936-5972	AIDS Technical Support			202	0	300	300	300
	TOTAL - GLOBAL:	n.a.	n.a.	7,326	11,471	12,347	15,000	15,000

Note: 1. Actual data for Global Bureau Field Support for FY 1991 and FY 1992 are not available.

2. Global Bureau Field Support data for FY 1993 represents estimated expenditures per State 20070.

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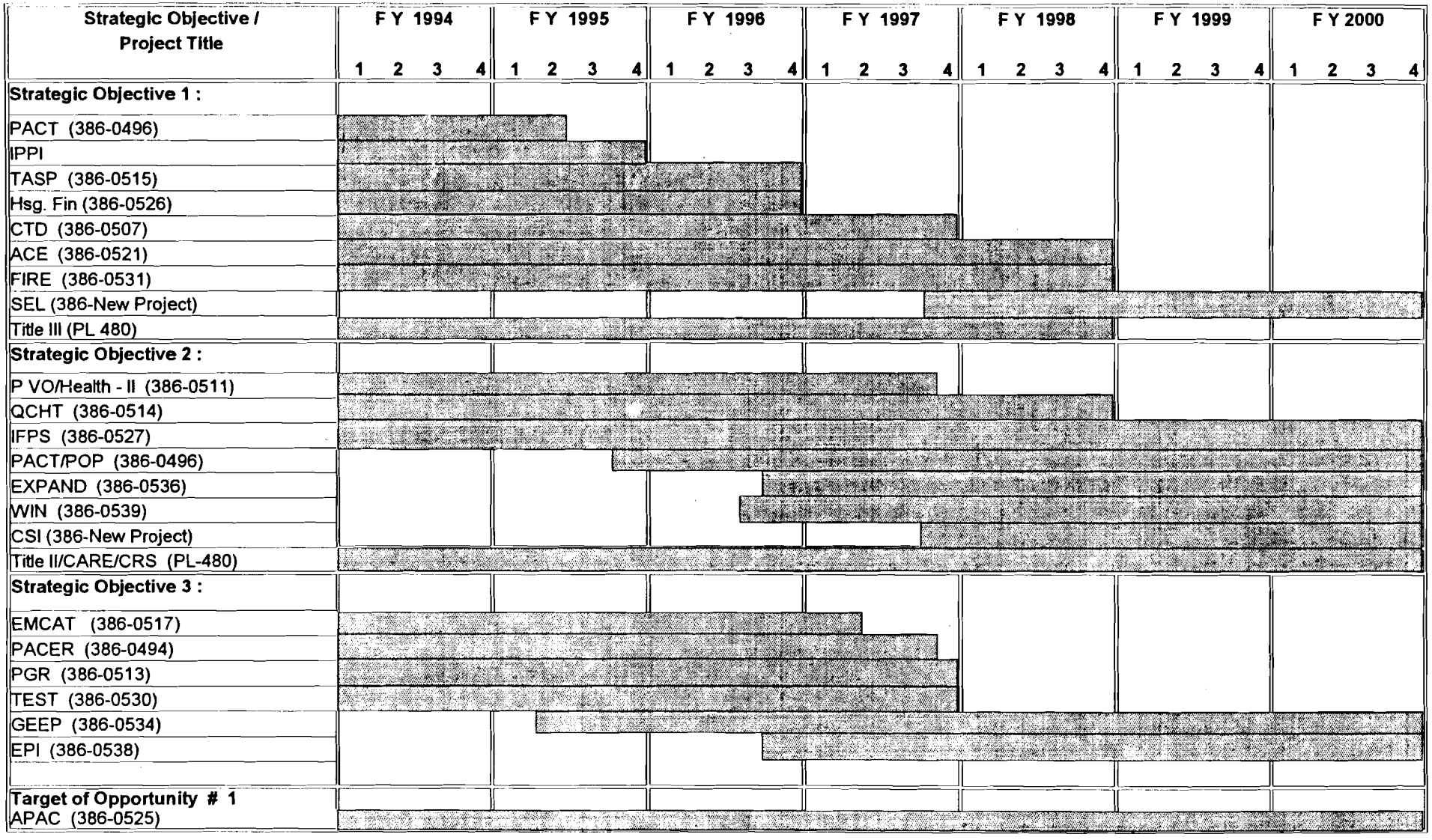
USAID/NEW DELHI
' OBLIGATIONS BY STRATEGIC OBJECTIVES - FY 1991 TO FY 1997 AT FY 1996 LEVEL MINUS 20 PERCENT
($000)

Project Title (Number - PACD)	Actual FY 1991	Actual FY 1992	Actual FY 1993	Actual FY 1994	Estimated FY 1995
S.O. 1: Increased Competition and Innovation in Selected Sectors					
FIRE (386-0531 - 9/30/1998)	0	0	1,300	800	1,400
FIRE (386-0531 - 9/30/1998) (Environment)	0	0	700	500	1,030
HSG. FIN. (386-0526 - 9/30/1996)	0	1,000	1,100	500	200
HSG. FIN. (386-0526 - 9/30/1996) (Environment)	0	0	0	700	300
TASP (386-0515 - 9/30/1996)	1,000	3,000	2,230	2,300	600
ACE (386-0521 - 9/30/1998)	5,000	2,200	0	1,000	1,500
IPPI (OYB Transfer to G - 9/30/1995)	0	0	3,000	0	0
PACT (386-0496 - 7/31/1995)	3,176	990	3,300	0	0
CTD (386-0507 - 6/30/1998)	1,000	0	0	1,300	200
CTD (386-0507 - 6/30/1998) (Environment)	0	0	0	0	800
SEL (386-NEW - 9/30/2002)	0	0	0	0	0
Global Field Support	n.a.	n.a.	336	0	0
Sub-Total (Sustainable Dev. Acct.)	**10,176**	**7,190**	**11,966**	**7,100**	**6,030**
Housing Guaranty - Actual Drawdowns	25,000	0	0	0	60,000
PL 480 Title III Program	0	25,000	23,000	0	0
Sub-Total S.O. 1	**35,176**	**32,190**	**34,966**	**7,100**	**66,030**
S.O. 2: Reduced Fertility in North India					
IFPS (386-0527 - 9/30/2002)	0	20,000	10,000	19,241	15,050
EXPAND (386-0536 - 9/30/2006)	0	0	0	0	0
PACT/POP (386-0496 - 7/31/2000)	0	0	0	0	7,000
PVOH-II)386-0511 - 8/31/1997)	300	3,200	0	0	0
QCHT (386-0514 - 9/30/1998)	1,000	0	0	0	900
WIN (OYB Transfer to G - 9/30/2001)	0	0	0	0	0
CSI (386-NEW - 9/30/2002)	0	0	0	0	0
Completed Projects	4,930	0	0	0	0
Global Field Support (POP)	n.a.	n.a.	4,679	9,025	10,100
Global Field Support (Health/Nutrition)	n.a.	n.a.	1,140	741	1,097
Sub-Total (Sustainable Dev. Acct.)	**6,230**	**23,200**	**15,819**	**29,007**	**34,147**
PL 480 Title II Program (Incl. Freight)	101,300	100,690	97,578	99,269	96,970
Sun-Total S.O. 2	**107,530**	**123,890**	**113,397**	**128,276**	**131,117**
S.O. 3: Environmental Protection Increased in Targeted Sectors					
GEEP (386-0534 - 9/30/2001)	0	0	0	0	19,000
EMCAT (386-0517 - 3/31/1997)	4,000	3,157	0	2,384	7,459
PACER (386-0494 - 8/31/1997)	0	2,291	2,500	2,209	500
TEST (386-0530 - 9/30/1997)	0	4,200	2,000	1,500	2,200
PGR (386-0513 - 9/30/1997)	3,400	4,500	0	2,500	1,100
EPI (386-0538 - 9/30/2003)	0	0	0	0	0
Completed Projects	6,000	0	0	0	0
Global Field Support	n.a.	n.a.	969	1,705	900
Regional (USAEP) (499-0015)	0	0	200	305	1,600
Sub-Total S.O. 3 (Sustainable Dev. Acct.)	**13,400**	**14,148**	**5,669**	**10,603**	**32,759**
Target of Opportunity (HIV/AIDS)					
APAC (386-0525 - 3/31/2002)	0	2,120	1,200	(1,000)	0
Global Field Support (Health)	n.a.	n.a.	202	0	250
Sub-Total (Sustainable Dev. Acct.)	**0**	**2,120**	**1,402**	**(1,000)**	**250**
COUNTRY TOTAL (SDA, PL 480, HSG. GUARANTY):	156,106	172,348	155,434	144,979	230,156
OF WHICH SUSTAINABLE DEVELOPMENT ACCOUNT TOTALS:	**29,806**	**46,658**	**34,856**	**45,710**	**73,186**

Figure 7

USAID/INDIA PORTFOLIO TIMELINE



Annex A

February 13, 1995

Program Performance Monitoring System
USAID/India

I. Overview of the Strategy and Performance Monitoring System

With nearly one billion people, India is the world's largest democracy. It now is emerging as a growing economic as well as political power in Asia. The government's move to open India's economy began in 1991, and greatly improved its chances to deal with massive poverty. In the transition to a market economy, however, India faces profound challenges in providing food, jobs, medical services and infrastructure for its burgeoning population. The USAID program, which concentrates on economic growth, family planning, and environmental protection provides benefits to both the U.S. and India and strengthens the US's relationship with the most important nation in South Asia.

Its per capita annual income of less than $300, gives India the world's greatest concentration of poverty, more than one third of the world's extreme poverty. There is more extreme poverty and food insecurity in India than in all of Asia combined, including China. The level of extreme poverty in India is five times that of Latin America, including the Caribbean. Yet, with natural resources, a well-developed industrial base, a diversified agricultural sector, and a growing middle class of more than 100 million, India has the potential to achieve rapid, broad-based growth and to reduce substantially its level of poverty.

The stabilization and structural reforms initiated by the Government of India (GOI) in 1991 recognized that its past development policies failed to produce broad-based growth and poverty reduction. These policy reforms, which continue today, have proved pivotal in restoring macro-economic stability and mark India's most serious sustained attempt since Independence in 1947 to open its centrally-planned, state-dominated economy.

But India's massive population and environmental challenges threaten gains from these reforms. India's population doubled in the last thirty years, and in just the past decade, the population increased by 170 million -- more than the total population of Japan. USAID's program, which includes the Agency's largest population project and a major P.L. 480 Title II development program, responds to these challenges and to the opportunities presented by the reform process.

USAID's program is consistent with the U.S. government's objective of promoting equitable, sustainable development in the world's poorest countries. It addresses pressing transnational problems of population growth, environmental degradation and HIV/AIDS, while promoting policies and institutions appropriate for sustained economic growth. Recognizing that the U.S. has an array of resources that can help India reduce poverty, USAID selectively targets its assistance at three strategic objectives:

- Accelerate broad-based economic growth through increased competition and innovation in selected sectors (housing finance, capital markets, agribusiness and power generation).

- Stabilize India's population growth by reducing fertility in north India. This will be accomplished by (a) increasing contraceptive use and reproductive health in Uttar Pradesh and another northern state; (b) increasing child survival in northern India; and (c) empowering women to have greater control of their productive and reproductive lives.

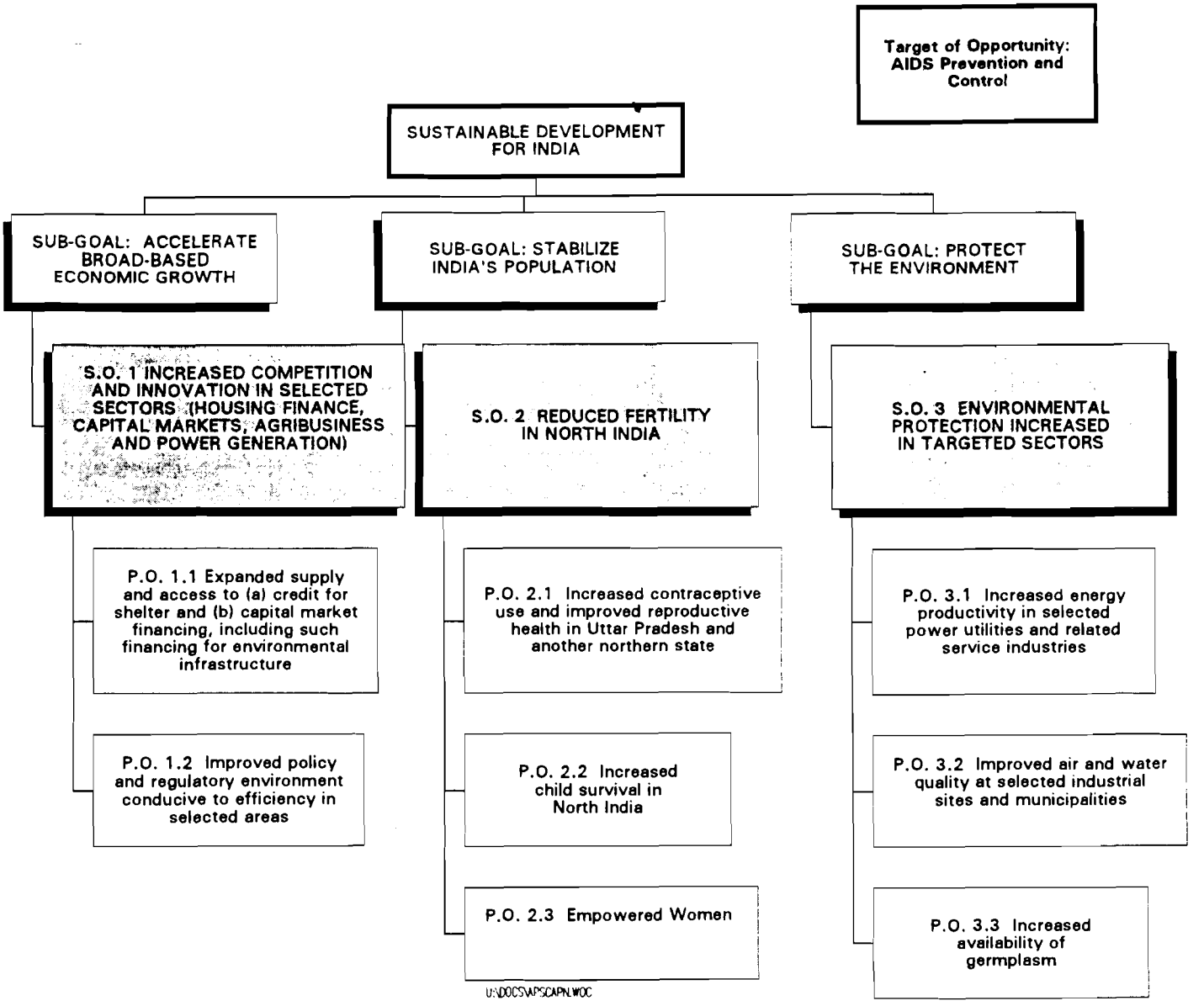
- Protect the environment by increasing energy conservation and productivity; improving environmental conditions in selected industrial areas and protecting biodiversity.

The internal logic used in developing the Objective Tree (see next page) flows from the approved USAID strategy and Action Plan. Each strategic objective and its supporting program outcomes complement the other strategic objectives, and the Mission's strategy document articulates this complementarity.

Upon approval of the strategy in early 1994, the Mission began an intensive exercise to refine the strategy and to construct a "performance results" measurement system. The Mission was assisted in this effort by a five-person PRISM consultant team which worked with Mission personnel for three weeks. The report which resulted from this effort was reviewed in Washington and later refined in an October, 1994 report. This effort, in turn, was reviewed during the "Managing for Results" workshop in Bangkok in November, 1994. The following report reflects the feedback received at that workshop and subsequent discussions within USAID/New Delhi.

b2

STRATEGIC FRAMEWORK OBJECTIVE TREE
USAID/INDIA



b3

II. Strategic Objective #1: Increased Competition and Innovation in selected sectors (housing finance, capital markets, agribusiness and power generation)

Permanent reductions in poverty will come about only through sustained growth. In a country the size of India, with deeply entrenched policy distortions which restrict competition and innovation, the benefits from modest improvements in these areas can have a widespread impact on poverty alleviation. This argues strongly for an economic growth strategy that targets policies and project opportunities with strong multiplier effects. While the size and complexity of the Indian economy makes measurement of the directly attributable results difficult, the certainty of associated impact is strong. For this reason, "accelerate broad-based economic growth", is designated as a sub-goal, and it appears as such on the Objective Tree presented on the chart on the previous page.

After reviewing the activities and plans that fit under this sub-goal, it became clear that since inefficiency and low productivity characterize most sectors of the Indian economy, broad-based economic growth must be based on two interlocking concepts which form the core of this strategic objective: increased competition in the allocation of resources and greater innovation in the use of those resources.

These concepts are consistent with the themes of economic restructuring and market liberalization which are central to the Mission's strategy and central to the GOI's reform effort. According high priority to these two principles to stimulate poverty-reducing economic growth is also consistent with the observations of numerous development economists and management consultants such as Arnold Harberger, Jeffery Sachs, Anne Krueger, Helen Hughes and Michael Porter who have visited India in the past year. All have observed that many of India's past and current internal and external policies have acted as powerful barriers to competition, innovation and economic freedom, and this has thwarted India's economic growth and poverty reduction potential.

USAID further narrowed this strategic focus to key sectors and institutions successfully. The strategic objective is therefore **to increase competition and innovation in the selected sectors (housing finance, capital markets, agribusiness and power generation).**

Supporting this strategic objective are two program outcomes that directly support market competition and innovation in two critical areas of finance. Each PO is qualified to describe planned impact and results at a level commensurate with USAID's current and planned resources.

To help the reader understand which projects or program components support the program outcomes, the Objective Tree that follows includes a list of individual project activities that contribute to each program outcome. The Objective Tree for SO#1

includes a total of fourteen (14) indicators, including four (4) for SO#1 and ten (10) for the two POs. Performance indicators with baseline and target data are provided in the accompanying tables.

Strategic Objective Indicators

Strategic Objective #1 is to **increase competition and innovation in selected sectors (housing finance, capital markets, agribusiness and power generation).** The indicators for this economic growth SO include measures that capture the openness, competitiveness and degree of innovation taking place in the economy. Foreign investment and trade flows directly contribute to competitiveness and technological innovation and several USAID-funded activities directly contribute to these objectives. The system therefore tracks the increases in foreign direct investment approvals, foreign institutional investment and the proportion of foreign trade to national income. Under the POs the system also tracks foreign direct investment in the energy and agribusiness sectors. Each of these SO indicators is affected by the Program Outcomes and USAID projects that support them. Data sources, baseline data start dates and their values, and target end dates and value are presented in the chart that follows this narrative.

Program Outcome Indicators

Program Outcome 1.1 is to "Expand the supply and access to (a) credit for shelter, and (b) capital market financing, including such financing for environmental infrastructure." The indicators for this PO measure increases in (i) the number of small housing loans made each year; (ii) the number of Housing Finance Company branches established; (iii) the amount of private financing available to publicly traded firms through private debt (bond) and equity markets; (iv) the increased access of the predominantly labor intensive, smaller enterprises to private capital markets; and (v) private financing for environmental infrastructure. Target values, data and sources are presented in the charts which follow.

The set of indicators to measure progress toward achievement of **Program Outcome 1.2** (i.e. Improved policy and regulatory environment conducive to market efficiency in selected areas) includes measures of specific, key policy improvements as well as measures of sector specific policy environment. For example, if the private sector's share of the additional power being generated is increasing at a rapid and accelerating rate, it is fairly clear that the policies are in place to encourage this trend toward competitiveness and innovation. Although used as a measure of innovation, foreign direct investment in the energy sector is another measure of improvement in the policy environment in this sector. A direct measure of an improved policy/regulatory environment is an increased number of local governments with the authority to issue bonds to finance their burgeoning urban environmental infrastructure needs. If the nation's securities industry and the GOI successfully establish national clearance,

settlement and depository systems, it will be evidence that the necessary policies, legislation and appropriate regulatory framework have been established. Another policy change that will vastly improve India's capacity for increasing competition and innovation is the reform of its tariff structure, which is currently one of the highest and most protective in the world.

ECONOMIC GROWTH STRATEGY OBJECTIVE TREE

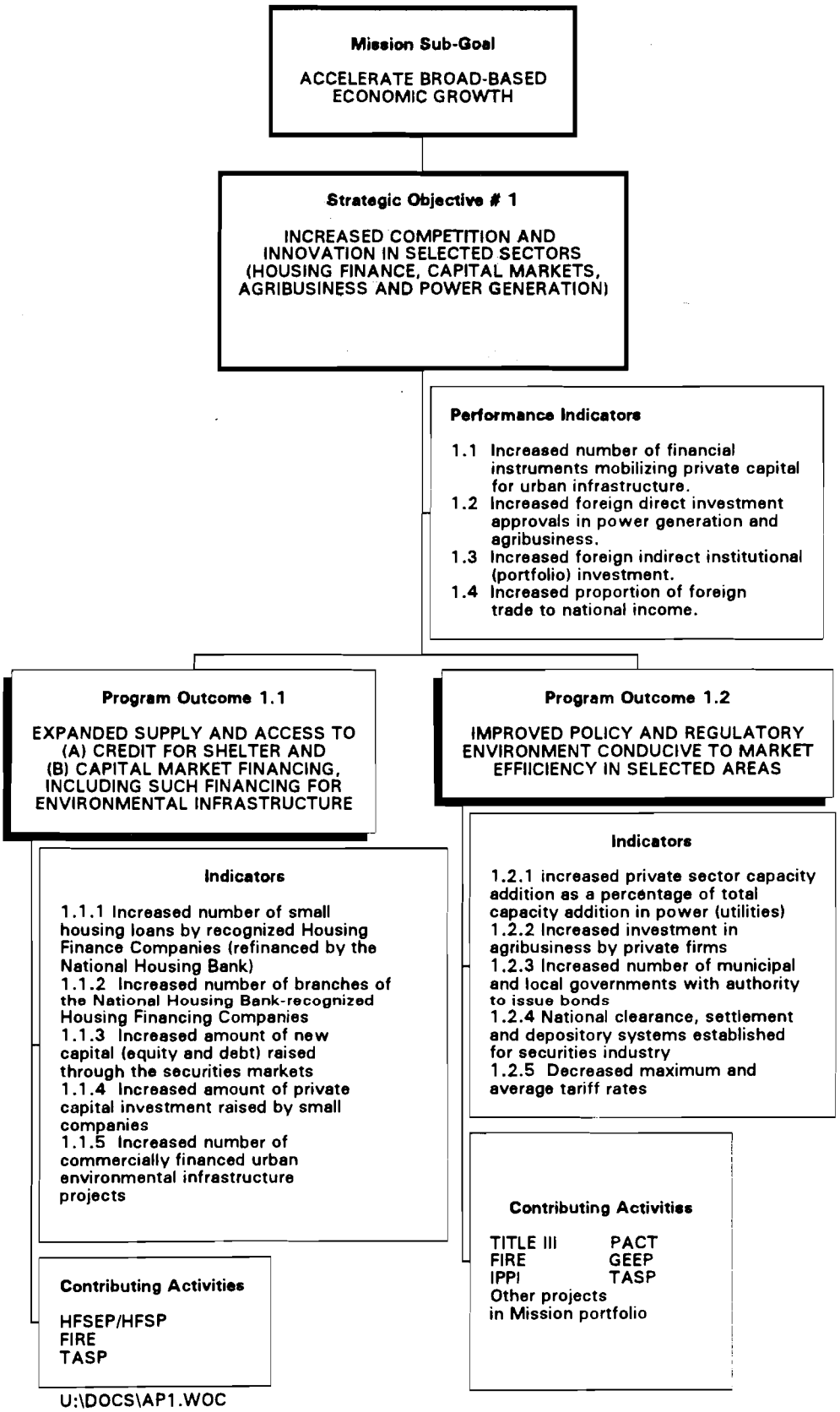


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TABLE SO1: **INDICATORS FOR STRATEGIC OBJECTIVE NUMBER 1**

STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR: DEFINITION AND UNIT OF MEASURE	DATA SOURCE/S, METHOD/FREQUENCY	BASELINE DATA START DATE/VALUE	TARGET END DATE & VALUE	RESPONSIBLE OFFICE
S.O. 1:					
1. Increased competition and innovation in selected sectors (housing finance, capital markets, agribusiness and power generation)	1.1 Increased number of financial instruments mobilizing private capital for urban infrastructure.	RHUDO Frequency: Annual	1994 - 0 -	1997 5	PRO
	1.2 Increased foreign direct investment approvals in power generation and agribusiness.	Newsletters of the Secretariat of Industrial Approvals, Department of Industrial Development, GOI Frequency: Annual	1991 Rs.5.3 billion	1998 Rs.100 billion	PRO
	1.3 Increased foreign indirect institutional (portfolio) investment.	India Investment Center Newsletter Frequency: Annual	1992/93 US$1.8 billion	1998/99 US$5 billion	PRO
	1.4 Increased proportion of foreign trade to national income.	Annual Economic Survey, Ministry of Finance. (The proportion is obtained by dividing the total value of merchandise imports and exports by Gross Domestic Product.) Frequency: Annual	1989/90 15%	1997/98 20%	PRO

PROGRAM OUTCOME	PERFORMANCE INDICATOR	DATA SOURCE/ METHOD/FREQUENCY	BASELINE DATA START DATE/VALUE	TARGET END DATE & VALUE	RESPONSIBLE OFFICE
1.1 Expanded supply and access to (a) credit for shelter and (b) capital market financing, including such financing for environmental infrastructure	1.1.1 Increased number of small housing loans by recognized Housing Finance Companies (refinanced by the National Housing Bank)	National Housing Bank - status reports Frequency: Annual	Number as of 3/31/92 91,631	Number as of 3/31/98 500,000	RHUDO
	1.1.2 Increased number of branches of the National Housing Bank-recognized Housing Financing Companies	National Housing Bank-unpublished status reports Frequency: Annual	Number as of 3/31/91 102	Number as of 3/31/98 400	RHUDO
	1.1.3 Increased amount of new capital (equity and debt) raised through the securities markets	Annual Reports of SEBI, the Ministry of Finance and/or CMIE Economic Outlook Frequency: Annual	1990/91 Rs.96.8 billion	1998/99 Rs.500 billion	PRO
	1.1.4 Increased amount of private capital investment raised by small companies	OTCEI Annual Reports; New capital raised by OTCEI Frequency: Annual	1992/93 Rs.72.8 million	1998/99 Rs.500 million	PRO
	1.1.5 Increased number of commercially financed, urban environmental infrastructure projects	Annual Reports of ILFS and SEBI verified by RHUDO Frequency: Annual	1994 - 0 -	1998 5	RHUDO

PROGRAM OUTCOME	PERFORMANCE INDICATOR: DEFINITION AND UNIT OF MEASURE	DATA SOURCE/S METHOD/FREQUENCY	BASELINE DATA START DATE/VALUE	TARGET END DATE & VALUE	RESPONSIBLE OFFICE
1.2 Improved policy and regulatory environment conducive to market efficiency in selected areas	1.2.1 Increased private sector capacity addition as a percentage of total capacity addition in power (utilities)	Annual Report of Ministry of Labor	1990	1998	
		- Est. number of jobs created in factories per year	0.101 million	0.300 million	PRO
	1.2.2 Increased investment in agribusiness by private firms	- Annual Reports of Ministry of Food Processing Agricultural Processed Foods Export Development Authority (APEDA) and the Reserve Bank of India (RBI). Frequency: Annual	1991 To be determined	1997/98 To be determined	EEE
	1.2.3 Increased number of municipal and local governments with authority to issue bonds	Annual Reports of SEBI Frequency: Annual	3/31/94 3	3/31/98 15	RHUDO
	1.2.4 National clearance, settlement and depository systems established for securities industry	Annual Reports of SEBI Frequency: Annual	1994 No enabling legislation	1997 Enabling legislation enacted; System established	PRO
	1.2.5 Decreased maximum and average tariff rates	Budget documents of the GOI Frequency: Annual	1990 (a) 400% (b) 87%	1997 (a) 40% (b) 25%	PRO

III. Strategic Objective # 2: Reduced Fertility in Northern India

USAID's three program outcomes under the SO will result in reduced fertility in selected northern states in order to assist India reduce its population growth to a level consistent with sustainable development. The first two, increasing contraceptive use and child survival, are presently being implemented through several projects, and the third, activities to further empower women, is being planned.

Performance indicators with baseline and target data are provided in the accompanying tables.

Strategic Objective Indicators

In order to measure progress toward meeting **the strategic objective (reduced fertility in north India)** the Mission plans to monitor fertility rates in selected states in north India. This will provide a benchmark assessment of the long-term impact of USAID's family planning and child survival activities. We will track the two, high-fertility states in north India. Fertility rates for these states will be obtained through India's National Family Health Survey. The baseline for 1992 is available now, and the next survey will be conducted in 1997.

Program Outcome Indicators

Program Outcome 2.1, "Increased Contraceptive Use and improved reproductive health in Uttar Pradesh and another northern state, is dependent upon several assumptions:

- Consistent support for FP provided by GOI/GOUP, including budgetary support and an increase in resources being channelled through private sector providers.
- The GOUP, GOI, and other state governments replicate successful models of public and private FP delivery developed by USAID assisted institutions.
- GOUP and GOI systems respond to performance-based disbursement concepts included in the Innovations in Family Planning Services Project.

The Innovations in Family Planning Services Project (IFPS) is the Mission's principal vehicle for increasing contraceptive use. It is being implemented in Uttar Pradesh, the most populous state in India and one where fertility rates are highest. Principal indicators used to track the progress of the project are: change in contraceptive prevalence rates; the proportion using non-terminal methods; the proportion of users serviced by non-governmental providers; and the change in contraceptive use among younger couples (from age 15-29). These indicators are derived from the National Family Health Survey (1992) which will be repeated every five years.

The IFPS project is based on a client oriented approach to service delivery, focusing

whenever possible on various measures of unmet need for contraception. Studies have suggested that when the extent of unmet need is satisfied among a population, the total contraceptive use that results often exceeds centrally-planned family planning targets. IFPS interventions are planned to fill the service gaps of the largely government-run family planning program in Uttar Pradesh, by involving NGOs as well as other sectors, and by examining the array of potential channels of service provision. The project aims to eventually enable eligible couples in UP to have full access to quality family planning services. This goal is supported by increased efforts to raise awareness of family planning through information, education, and communication programs.

In addition to the PRISM results monitoring system, the Mission developed a 10-year performance based disbursement framework for IFPS which contains many sub-objectives, performance indicators, and benchmarks which will be tracked to measure progress and enable disbursement of project funds. Specific performance indicators are presently being field tested. The indicators will track both the clients' access to and perception of services as well as the capacity of the system to provide access to quality services.

The Mission is also proposing a new, ten-year project, probably in Madhya Pradesh to begin in FY 96. It will introduce into Madhya Pradesh, another northern Indian state, successful approaches for improved family planning services developed under the IFPS project and other selected reproductive health services.

The Mission's primary intervention under Strategic Objective Two is the IFPS Project, although the major reproductive health project proposed for Madhya Pradesh and a smaller women's empowerment project in other north India states are planned for FY 96. As these efforts develop, along with other smaller projects, new indicators of reproductive health and women's empowerment will be added to the PRISM results monitoring system.

Program Outcome 2.2 is "Increased Child Survival in north India." Increasing the probability of survival to age five has been shown in many settings to contribute to a reduction in fertility rates. The long-term impact of USAID assisted activities which reduce child mortality is based upon the following assumptions:

-- GOI maintains (and preferably increases) resources for Integrated Child Development Services (ICDS) centers and primary health centers in northern states.
-- Adequate levels of Title II food commodities continue to be available.
-- GOI buffer grain stocks are sufficient to take care of monsoon failure.
-- Public and private institutions replicate models developed and tested by USAID funded projects.
-- GOI implements its commitment to channel 20 percent of its health funds through

non-governmental organizations.

-- USAID develop a new child survival initiative to begin in FY 97.

Increases in child survival will be measured through four indicators. The first two, child and infant mortality rates in the appropriate states, are direct measures of child survival. Both will be tracked to enable the Mission to assess the impact of activities which target different age groups. The greatest impact should be reflected in decreasing infant mortality rates, but immunizations and feeding programs which affect older children should be reflected in the under five mortality figures.

Nutritional status will be tracked in order to monitor the impact of the Title II feeding programs. The Mission is reviewing the availability and appropriateness of data from the National Nutrition Monitoring Bureau. The Mission will use nutritional status figures from the 1993-94 National Family Health Survey financed by USAID as a baseline. This survey covered 22 states and a sample that represents 99 percent of India's population and included nearly 90,000 respondents. This valuable survey will be updated in 1997 to provide progress data on nutritional status. An evaluation of the PL-480 Title II program has been conducted, and the two U.S. PVOs, CARE and CRS, are beginning to analyze which indicators they can use to measure the results of their feeding programs in India.

Immunization rates at USAID assisted sites in selected northern states will also be monitored, reported periodically and compared with state rates at five-year intervals.

Performance indicators of child survival will be desegregated by sex as much as possible, because they provide an important indicator of sex discrimination in the treatment of children.

The indicators for the Program Outcome 2.3 will be developed during the design of the WIN project.

POPULATION STRATEGY OBJECTIVE TREE

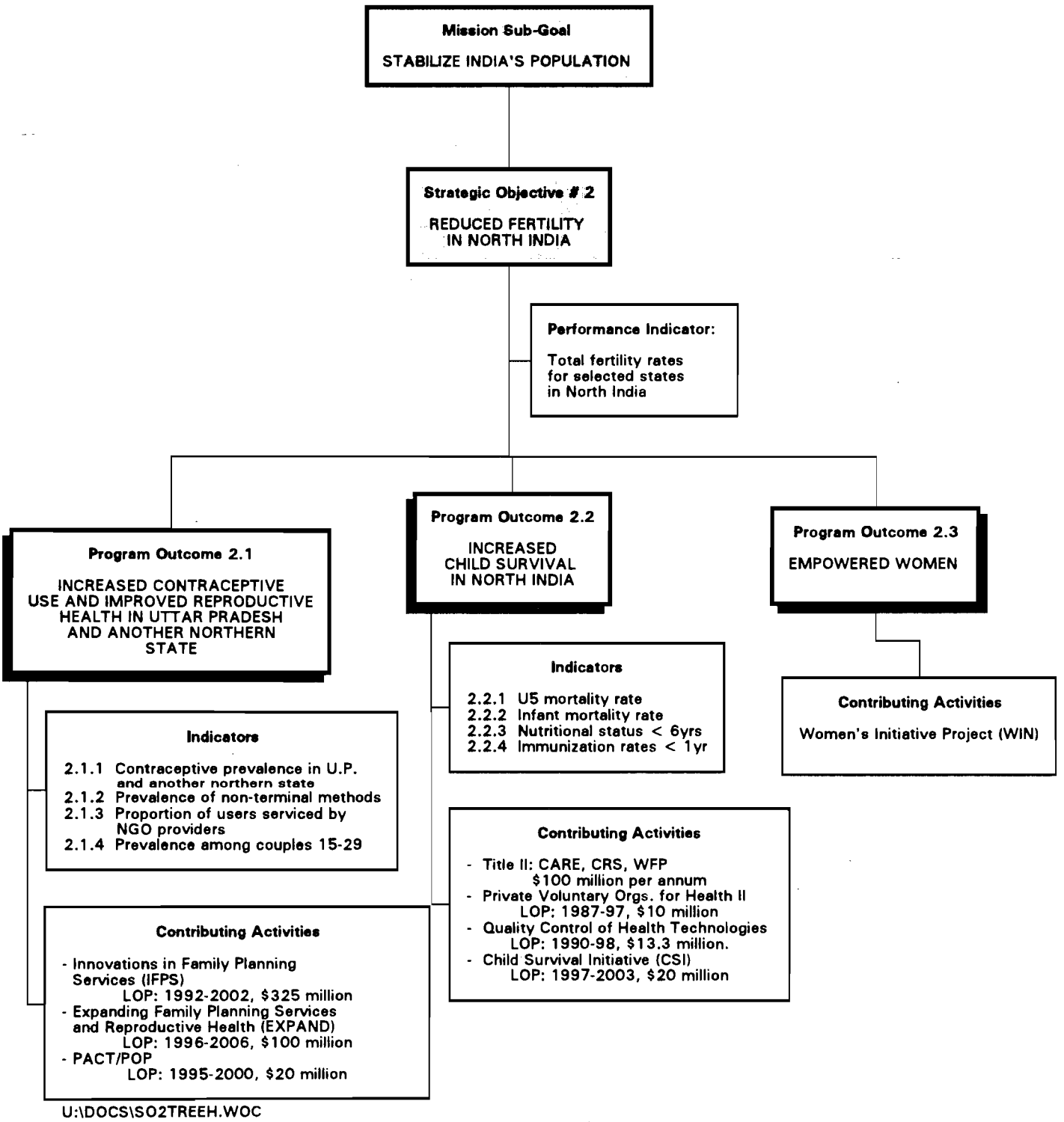

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Table SO 2: **INDICATORS FOR STRATEGIC OBJECTIVE NUMBER 2**

STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR: DEFINITION AND UNIT OF MEASURE	DATA SOURCE/S, METHOD,FREQUENCY	BASELINE DATA START DATE / VALUE	TARGET END DATE & VALUE	RESPONSIBLE OFFICE
S.O.2: REDUCED FERTILITY IN NORTH INDIA	TOTAL FERTILITY RATES FOR SELECTED STATES IN NORTH INDIA	NATIONAL FAMILY HEALTH SURVEY. STATES: U.P., M.P. OR RAJASTAN.	1992: UP 4.8 M.P. 3.9 1993: RAJASTHAN 3.6	2001: U.P. 3.9 M.P. 3.0 RAJASTHAN 2.7	OFFICE OF POPULATION, HEALTH AND NUTRITION. (PHNO)

STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR: DEFINITION AND UNIT OF MEASURE	DATA SOURCE/S, METHOD, FREQUENCY	BASELINE DATA START DATE / VALUE	TARGET END DATE & VALUE	RESPONSIBLE OFFICE
P.O.2.1: INCREASED CONTRACEPTIVE USE AND IMPROVED REPRODUCTIVE HEALTH IN UTTAR PRADESH (U.P.) AND ANOTHER NORTHERN STATE	2.1.1: INCREASE IN CONTRACEPTIVE PREVALENCE: % OF WOMEN AGED 15-49 YRS. USING MODERN CONTRACEPTIVE METHODS	NATIONAL FAMILY HEALTH SURVEY IN U.P. (INDIA'S DHS) SAMPLE SURVEY IN U.P. EVERY 5 YEARS.	1992: U.P = 18.5% (OF WHICH 63% IS STERILI-ZATION) M.P. (TO BE DETERMINED)	2001: U.P. = 40% M.P. (TO BE DETERMINED)	PHNO
	2.1.2: PREVALENCE OF NON-TERMINAL METHODS	NATIONAL FAMILY HEALTH SURVEY.	1992 U.P. = 29% M.P. (TO BE DETERMINED)	2001: 50% U.P. = 50% M.P. (TO BE DETERMINED)	PHNO
	2.1.3: PROPORTION OF USERS SERVICED BY NGO PROVIDERS	NATIONAL FAMILY HEALTH SURVEY.	1992 U.P. = 25% M.P. (TO BE DETERMINED)	2001: U.P. = 50% M.P. (TO BE DETERMINED)	PHNO
	2.1.4: PREVALENCE AMONG COUPLES 15-29	NATIONAL FAMILY HEALTH SURVEY.	1992 U.P. = 5% M.P. (TO BE DETERMINED)	2001: U.P. = 20% M.P. (TO BE DETERMINED)	PHNO

* IMPROVED REPRODUCTIVE HEALTH INDICATORS WILL BE DEVELOPED DURING THE DESIGN OF THE EXPAND PROJECT

STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR: DEFINITION AND UNIT OF MEASURE	DATA SOURCE/S, METHOD,FREQUENCY	BASELINE DATA START DATE / VALUE	TARGET END DATE & VALUE	RESPONSIBLE OFFICE
P.O.2.2: INCREASED CHILD SURVIVAL IN NORTH INDIA	2.2.1: "UNDER -5 MORTALITY RATE'. MORTALITY RATES IN SELECTED STATES IN NORTH INDIA	NATIONAL FAMILY HEALTH SURVEY, EVERY 5 YEARS. SAMPLE SURVEY WITH SEX DISAGGREGATED DATA.	1992: UP 141 ORISSA 131 1993: MP 130 BIHAR 128 RAJASTHAN 103 (SEX DISAG.DATA TO COME IN FINAL STATE REPORTS).	2000: UP 113 ORISSA 105 MP 104 BIHAR 103 RAJASTHAN 81	PHNO
	2.2.2 INFANT MORTALITY RATE. NUMBER OF INFANT DEATHS PER 1000 LIVE BIRTHS IN SELECTED STATE IN NORTH INDIA	U.N. SYSTEM REPORTS (UNICEF, IBRD) ANNUALLY. NFHS, EVERY 5 YEARS WITH SEX DISAG. DATA	1992: 83 INFANT DEATHS PER 1000 BIRTHS NFHS: 1992 UP 100 ORISSA 112 1993: MP 85, BIHAR 89, RAJASTHAN 73 (SEX DISAG. DATA TO COME IN FINAL STATE REPORTS).	2000: UP 85 ORISSA 95 MP 73 BIHAR 75 RAJASTHAN 62	PHNO

STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR: DEFINITION AND UNIT OF MEASURE	DATA SOURCE/S, METHOD,FREQUENCY	BASELINE DATA START DATE / VALUE	TARGET END DATE & VALUE	RESPONSIBLE OFFICE
	2.2.3: PERCENTS OF MALES AND FEMALES <6YRS. CLASSIFIED AS MODERATELY OR SEVERELY MALNOURISHED BY NNMB ANTHROPOMETRIC MEASURES AND NFHS MEASURES.	NATIONAL NUTRITION MONITORING BUREAU(NNMB) ANNUAL SURVEYS NFHS SURVEYS WITH SEX DISAG. DATA EVERY 5 YEARS	1990: MODERATE: 44% SEVERE: 9%	2000: MODERATE: 38% SEVERE: 5%	FOOD FOR DEVELOPMENT OFFICE
	2.2.4: PERCENT OF MALE AND FEMALE CHILDREN < 1 YR. WHO ARE FULLY IMMUNIZED AS PER EPI SCHEDULE AT USAID ASSISTED SITES	PVOH II BASELINE STUDIES IN THEIR AREAS 1991-93 WITH SEX DISAG. DATA. PVOH II RECORDS. ANNUALLY	1991-93: 30% - 60%	1997: 70%	PHNO
P.O. 2.3: EMPOWERED WOMEN (PLANNED)	TO BE DETERMINED				

IV. Strategic Objective 3: Environmental Protection Increased in Targeted Sectors

USAID/India's environmental program addresses most elements of the Agency's environmental mandate, concentrating particularly on loss of biological diversity and global climate change. Besides covering these global environmental issues, the Mission approach centers on strategic areas in which it can have a significant impact within the medium term and which are priorities within India. In consultation with private and public sector groups, USAID adopted **a strategic objective focused on environmental protection in targeted sectors**. The targeted areas are (a) power utilities and related service industries, (b) improved air and water quality at industrial sites and municipalities, and (c) plant biodiversity.

Performance indicators with baseline and target data are provided in the accompanying tables.

India is the world's fifth largest (and second fastest growing) source of greenhouse gas (GHG) emissions in the world, and the power sector is the single greatest contributor of these emissions. GHG and other pollutants are also emitted by industries and landfills and burning of unsorted solid waste. Mission programs zero in on these issues by promoting power sector efficiency and reform while assisting commercialization of new environmental technologies.

India is the center for origin of at least 20 commercial crops and numerous other plant species of potential commercial value. The maintenance of indigenous germplasm, as well as germplasm from other national and world centers, is vital for genetic research in India. Preservation and exchange of germplasm contributes to maintenance of biodiversity at a global level. To preserve India's rich plant resources and to advance India's role in the international arena of plant biodiversity, USAID is assisting India in establishing a well-managed system that will provide the world's largest genebank. It is intended to serve as a regional center for southern Asia with global outreach.

At the program outcome level, USAID seeks to obtain the following results: **increased energy productivity in selected power utilities and related service industries; improved air and water quality at selected industrial sites and municipalities; and increased availability of germplasm.** (The objective tree for SO3 appears on a subsequent page.)

The first two results (program outcomes) will occur at specific sites, which will be determined by market-oriented approaches. The strategy encompasses attention to sustainability by developing linkages between private sector firms, particularly joint ventures, and potential investors in cleaner environmental technologies.

Strategic Objective Indicators

Achievement of the strategic objective will be measured by three indicators. The **first indicator**, "CO_2 Emissions Per Unit of Electricity Generated," serves as a means to directly evaluate improvements in the level of emissions in India of the most important greenhouse gas. Based on historical capacity additions and announced planned additions, it has been estimated that India will add 50,000 MW of new generating capacity by 2004. The target level is based on the assumption that new plants will have emissions close to those from similar plants in the US. Existing nonretrofit Indian plants are likely to continue to emit at current levels. Thus, given 80,000 MW currently installed capacity, of which 25 percent is expected to be retrofit with improved equipment, it is assumed that 60,000 MW would emit 1.24 kg/kwh while 70,000 MW (50,000 MW new capacity and 20,000 MW retrofit) would emit 0.884 kg/kwh, for a combined average of 1.04 kg/kwh.

The **second indicator**, "Percent of Power Generated by Clean Technologies," directly assesses an area in which USAID programs are expected to have a large impact. "Clean technologies" are defined as advanced coal combustion technologies (integrated gasification combined cycle (IGCC), pressurized fluidized bed combustion (PFBC), CO_2 absorption technologies, regenerative use of greenhouse gases, retrofitted NO_X and SO_X controls) and renewable sources of energy exclusive of large hydroelectric projects. Renewable and qualifying low emissions technologies include wind, biomass, natural gas based cogeneration, solar, and mini-hydro projects. Because it is likely that program impact will only be felt towards the end of the assessment, only half of the anticipated 50,000 MW of capacity addition will be "clean", with 25 percent of existing plants retrofit to new technologies. Thus, (25,000 + 20,000)/130,000, or 35 percent.

The **third** indicator will protect biodiversity. On the biodiversity side, the target for germplasm accessions assumes that the physical storage capacity associated with the PGR project is fully utilized within three years of construction. A critical assumption here is that current rules and regulations for international exchange of plant germplasm are maintained.

USAID also anticipates issuing periodic progress reports that will summarize current Indian environmental statistics to show overall trends. Where appropriate, regional and sectoral breakdowns and data determining the amount of influence USAID programs have on a particular indicator will be presented. The conclusions section of the report will assess whether USAID programs are on target or need to be modified.

Much of the data needed to produce such reports is already generated as a result of program operations. For example, the Greenhouse Gas Pollution Prevention (GEEP) Project, which will begin in late FY 95, contains a detailed work plan for monitoring and evaluation, while the Plant Genetic Resources (PGR) Project issues a quarterly progress report and will establish an interactive database. Other data will be obtained from outside sources. USAID is playing an important role in increasing the availability

and quality of environmental statistics in India. For example, the Mission intends to work closely with government ministries, particularly the recently established National Informatics Center, which may become a repository for environmental data from several government agencies. Also the GEEP-funded Center for Power Efficiency and Environmental Protection (CenPEEP) may be an important partner in this process. USAID officials will familiarize themselves with the data collection procedures of organizations relied upon for key inputs, such as the Center for Monitoring the Indian Economy (CMIE), to assure that information cited in their publications is reliable.

Program Outcome Indicators

A summary of the program outcomes, their indicators and additional information is provided in Table SO3. The Objective Tree lists the projects and activities which contribute to achievement of each of the program outcomes.

The **first program outcome, increased energy productivity in selected power utilities and related service industries,** addresses new and existing plants. An increase in energy output without an increase in the amount of input will be measured by changes in the plant load factor (PLF, known as "availability" in the US electric utility sector), since existing capacity is not fully utilized. The target should take into account the achievable maximum of existing plants versus the operating standards for new plants. Assuming that overall plant capacity will increase 67 percent by 2004, that current plants are incapable of exceeding an average of 65 percent PLF, and that new plants will operate at no less than 85 percent, the maximum attainable in 2004 would be slightly more than 70 percent.

The use of heat generated to produce power (known as cogeneration) is another means of increasing productivity. Improvements in this category will be measured using megawatts of cogeneration capacity installed in the sugar industry as an indicator. It is estimated that at least 3,800 MW of potential cogeneration exists in the sugar industry, with the all India total perhaps twice that of the sugar industry. If most of the sugar potential is realized, and cogeneration becomes common in other industries, 7,500 MW should be an attainable goal.

Kilowatt hours billed as a proportion of kilowatt hours generated is used as a measure of service industry system efficiency improvement, and, thus, sustainability. Currently some 30 - 50 percent of the power generated is not paid for due to technical losses and theft. The Energy Management Consultation and Training (EMCAT) Project provides constant access to power industry experts with access to detailed information on billing, revenues, and line losses.

The **second program outcome** is improved air and water quality at selected industrial sites and municipalities. On the industrial side, as selected industrial sites install new

equipment, changes in the volume of pollutants emitted will be monitored. Changes will occur among selected municipalities in regards to processing solid waste and treatment of sewage and water. The volume of water billed annually as a proportion of the water treated annually among selected municipalities serves as an indicator of the sustainability of water treatment improvements. Current baseline data will be obtained from the National Institute of Urban Affairs and the Ministry of Urban Development. Both institutions will continue to contribute national level statistics, while project documents will account for changes in treatment rates in USAID assisted localities.

Increased capacity for the storage of germplasm is **the third program outcome**. The PGR project officer will work with the National Bureau of Plant Genetic Resources to monitor construction progress and increases in the system's capacity to store germplasm accessions.

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ENVIRONMENTAL STRATEGY OBJECTIVE TREE

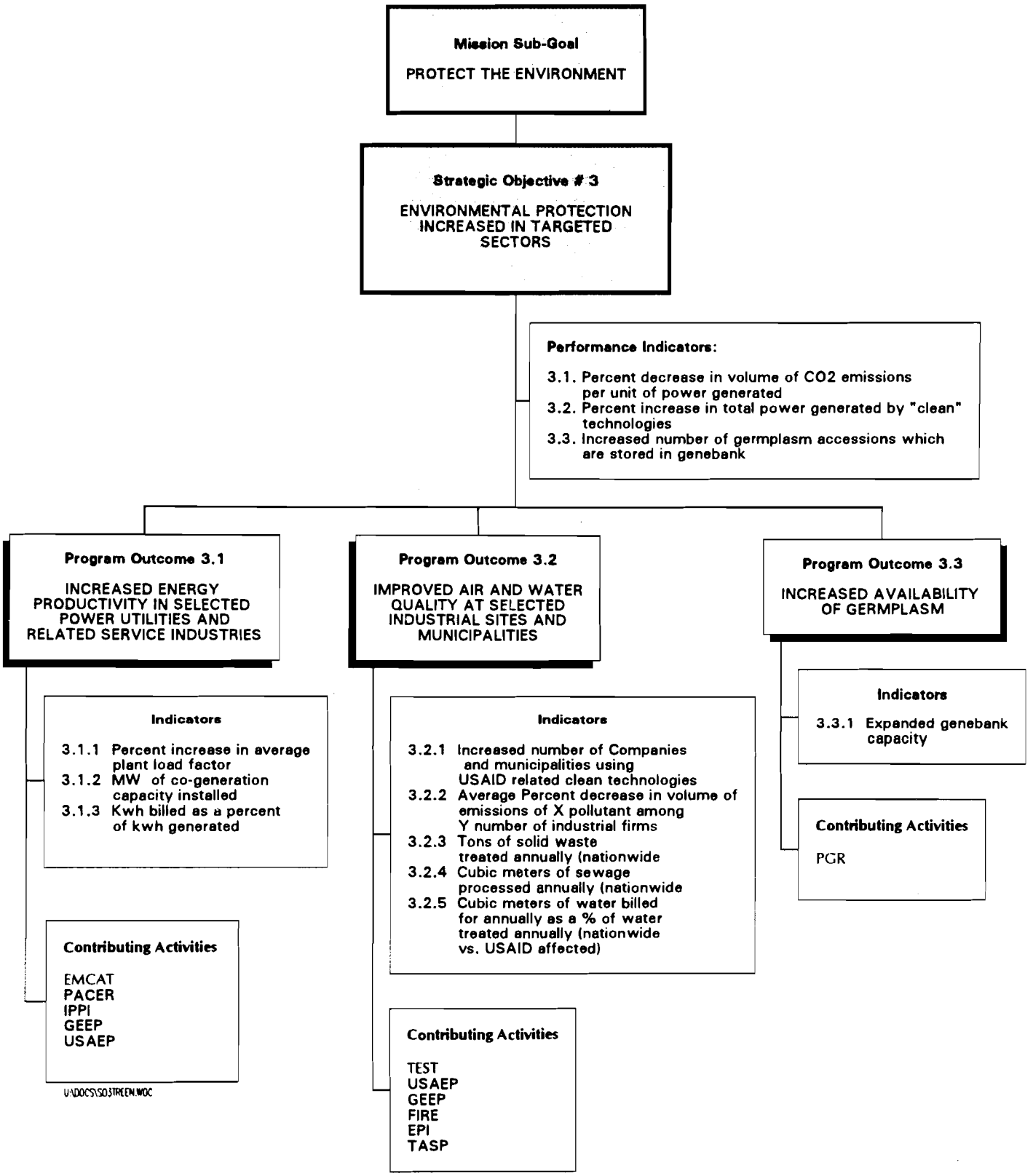

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Table SO 3: **INDICATORS FOR STRATEGIC OBJECTIVE NUMBER 3**

STRATEGIC OBJECTIVE:	PERFORMANCE INDICATOR: : DEFINITION AND UNIT OF MEASURE	DATA SOURCE/ S METHOD/FREQUENCY	BASELINE DATA START DATE/VALUE	TARGET END DATE & VALUE	RESPONSIBLE OFFICE
S.O.3:					
Environmental Protection Increased in Targeted Sectors	3.1. % decrease in volume of CO_2 emissions per unit of power generated.	MOEF and World Bank statistics for emissions data; CMIE, Ministry of Power (MoP) for total power generated; reported annually.	1993-4 1.24 kg/kwh	2004 1.05 kg/kwh; 20% decrease	EEE
	3.2 % increase in total power generated by "clean'" technologies.	Total power generated will be obtained from CMIE, MoP; USAID will continuously update a list of qualifying projects, supplemented by an annual survey of utilities and MoP.	1994 negligible; 200 MW of wind planned	2004 50% of new capacity, with 25% existing capacity retrofit; 35% of total	EEE
	3.3 increased number of germplasm accessions which are stored in genebanks.	NBPGR publishes quarterly newsletter updating numbers of accessions; up-to-the-minute statistics can be obtained from interactive database.	1994 176,000	2000 800,000	EEE

PROGRAM OUTCOME	PERFORMANCE INDICATOR: DEFINITION AND UNIT OF MEASURE	DATA SOURCE/ METHOD/FREQUENCY	BASELINE DATA START DATE/VALUE	TARGET END DATE & VALUE	RESPONSIBLE OFFICE
3.1 Increased Energy Productivity in Selected Power Utilities and related service industries	3.1.1. % increase in average plant load factor.	CMIE ststistics corroborated by annual survey of at least 10 Indian utilities, including NTPC; reported bi-ennually.	1993-4 61% PLF	2004 70% PLF 15% increase	EEE
	3.1.2. MW of co-generation capacity installed.	USAID will report bi-annually on SEB initiatives which facilitate cogeneration; each SEB will be surveyed to determine extent of cogeneration within its service territory; epex industry associations will also be contacted to determine extent of cogeneration activity among members.	1994 0 MW	2004 7,500 MW	EEE
	3.1.3. kwh billed as a % of kwh generated.	Expected revenues as indicated by the SEB tariff structure times total power generated will be compared with actual revenue received; reported bi-annually.	1992-3 may be as low as 50%	2004 75%	EEE

PROGRAM OUTCOME	PERFORMANCE INDICATOR: DEFINITION AND UNIT OF MEASURE	DATA SOURCE/S METHOD/FREQUENCY	BASELINE DATA START DATE/VALUE	TARGET END DATE & VALUE	RESPONSIBLE OFFICE
3.2 Improved Air and Water Quality at Selected Industrial Sites and Municipalities	3.2.1 increased number of companies and municipalities using USAID related clean technologies.	USAID will create and maintain a list of technologies supported; the composition of industries and pollutants affected will be reportad every two years.	1994 6 joint ventures signed	2000 at least 25 joint ventures and 1 municipality using US environmental technologies	EEE & RHUDO
	3.2.2 average % decreaae in volume of emissions of X pollutant among Y number of industrial firms.	Each USAID-funded firm will obtain baseline data from companies it assists on specific pollutants addressed by the services provided, with changes in emissions monitored twice a year. USAID will devise a standard reporting form and compile the results every two years.	1994 project launch;6 firms involved to date	2000 decrease of at least 10% in emissions and/or effluents at a minimum of 50 firms	EEE
	3.2.3 tons of solid waste treated annually (nationwide vs. USAID affected).	Municipalities assisted by USAID will provide requisite data to RHUDO every six months. RHUDO will aggregate the data and present annual statistics.	1994 RHUDO to provide as projects are identified	2000	RHUDO
	3.2.4 cubic meters of sewage treated annually (nationwide vs. USAID affected).	Municipalities assisted by USAID will provide requisite data to RHUDO every six months. RHUDO will aggregate the data and present annual statistics.	1994 RHUDO to provide as projects are identified	2000	RHUDO
	3.2.5 cubic meters of water billed for annually as a % of water treated annually(nationwide vs USAID affected).	Municipalities assisted by USAID will provide requisite data to RHUDO every six months. RHUDO will aggregate the data and present annual statistics.	1994 RHUDO to provide as projects are identified	2000	RHUDO

PROGRAM OUTCOME	PERFORMANCE INDICATOR: DEFINITION AND UNIT OF MEASURE	DATA SOURCE/S METHOD/FREQUENCY	BASELINE DATA START DATE/VALUE	TARGET END DATE & VALUE	RESPONSIBLE OFFICE
3.3 Increased Availability of Germplasm	3.3.1 Expanded change in genebank capacity.	USAID site visits to NBPGR facility. Quarterly progress reports.	1988 180,000	1996 800,000	EEE

New Activity Description

Expanding Family Planning Services and Reproductive Health (EXPAND 386-0536)

Project Number	:	386-0536
Funding Source	:	Bilateral OYB
Funding Level	:	To be determined during the design based on consultations with the GOI and Government of Japan (GOJ)
LOP	:	FY 1996-2006
Year of Obligation	:	FY 96
National Budget	:	USAID $100 million ($50 million bilateral, $50 million USAID/W); GOJapan/OECF $25 million; GOI $50 million

I. BACKGROUND AND PURPOSE

One of USAID/New Delhi's core strategic objectives is to help India stabilize its rapid population growth. The EXPAND Project **goal** supports these efforts to achieve a stable population through a wide variety of interventions including the promotion of women's reproductive rights. The project **purpose** is to reduce fertility rates and to improve women's health in selected areas of northern India. Through an interlinked set of interventions, USAID proposes to achieve increased use of family planning services and improve other reproductive health services such as - prenatal, delivery and post-natal care, prevention and management of reproductive tract infections and sexually transmitted diseases, women's nutrition and reduction of unsafe abortions and their complications. These interventions are intended to lead to improved women's health and a consequent reduction in fertility.

The EXPAND Project, building on USAID/India's extensive experience in family planning and mother and child health, will promote selected interventions to address the most pressing reproductive health needs to achieve the greatest impact.

The EXPAND Project will:

1. Introduce to additional areas in northern India successful approaches for improved family planning services developed under the Innovations in Family Planning Services Project (IFPS) in Uttar Pradesh.

2. Complement improved access and quality of family planning services with other select reproductive health services, particularly for women, including safe pregnancy services; prevention and management of reproductive tract infections and sexually transmitted diseases; prevention and management of complications of unsafe abortion; and, improvement of women's nutritional status.

USAID views the EXPAND Project as complementary to the IFPS Project which allows further expansion of the family planning program, as well as more focused efforts in other reproductive health interventions so critical to women's health. The project is considering a focus on Madhya Pradesh, a state with 70 million people. Successful components of the IFPS Project may be applied state-wide, while other demonstration efforts bringing together reproductive health interventions may be applied on a more limited basis in select districts. Since most districts have an average of two million people, even these efforts willbe quite large scale over time producing significant impact. Further refinement of geographic reach and the program components will be determined through discussions with the Government of India (GOI) and the Government of Japan (GOJ) during the design phase of the project.

II. RELATIONSHIP TO MISSION STRATEGIC OBJECTIVES, AGENCY POLICY AND HOST COUNTRY PRIORITIES

The EXPAND Project directly addresses the Agency's goal of stabilizing world population growth, protecting human health and empowering women. It also contributes to the Mission's strategic objective of stabilizing population growth in India by reducing fertility and empowering women to have greater control over their productive and reproductive lives. By developing and applying relevant and effective interventions and improving family planning services (particularly spacing methods) as part of a wider range of reproductive health care, the project willcontribute not only to the health of mothers and their children, it will also strengthen the linkage between good reproductive health and fewer and better timed pregnancies. This project builds on the GOI Child Survival/Safe Motherhood initiative now underway in a number of States, and addresses many of the areas of need outlined in the recently-released National Population Policy Draft now being reviewed in Parliament.

III. THE PROBLEMS TO BE ADDRESSED

The project addresses two major interlinked problems facing northern India: the rapid population growth and serious state of women's reproductive health in that region.

Although the average Indian family size has declined from 5.5 to 3.5 children over the last 20 years, with a parallel mortality decline, the national population rate has been relatively constant at the high level of 2%, adding 18 million persons a year. Current projections suggest India's population will surpass 1.0 billion around the turn of the century and become the largest country in the world around 2045 and ultimately stabilizing at near 2.0 billion late in the 21st century. Clearly such growth in absolute number of population impedes social and economic development and the improvement of welfare of the population, especially in the northern Hindi-belt States where the situation is most acute.

India's 140 million women of childbearing age (15-44) bear a heavy burden of mortality and morbidity associated with their reproductive lives. The average woman in northern India has four to five children, from six or more pregnancies. Of the world's half million maternal deaths from childbearing causes, one quarter are Indian. With five pregnancies, an average North Indian woman faces a one in thirty chance of dying in childbirth during her lifetime.

There are 26 million births in India each year, but also an estimated 6 to 7 million induced abortions - one for every four births. In some states, there are 5 to 8 abortions for every ten births. Only about 600,000 abortions - less than half the annual number in the US - are performed by trained, authorized practitioners. Most are performed by untrained, high-risk illegal practitioners. An estimated 15-20 percent of all maternal deaths, as well as serious infection and trauma, result from these unsafe, illegal abortions.

- Only a little over a third of couples practice modern family planning in India, and less than a quarter in the populous northern states. Over eighty percent of those practicing are sterilized - mostly women, and use of non-terminal spacing methods is minimal. Consequently, although most women are married by age 25, (average marriage age is 19 for India, 17 in the northern States) few under this age practice family planning, in part because of the lack of access to or availability of spacing contraceptives. Most surveys indicate a widespread expressed desire of women to delay or end their childbearing though they are not currently practicing family planning. There is clearly a substantial unmet need for both temporary and permanent family planning services. In states such as Kerala and Tamil Nadu, where fertility has reached replacement levels, as well as in other parts of the country, recent studies suggest that abortion - primarily unsafe illegal abortion, is the major method of spacing contraception.

- An estimated 70 percent of women suffer from iron deficiency anemia, placing them and the fetus at serious risk during pregnancy.

- A number of studies in pre-natal clinics suggest that reproductive tract infections, including sexually transmitted diseases (STDs) are very high, impacting on both women's health and fetal development, and negatively affecting contraceptive use.

In summary, a large proportion of Indian women are locked into a debilitating cycle of multiple pregnancies, maternal death and morbidity, and loss of children. The burden of reproductive morbidity and mortality adversely affects their health and survival, and greatly limits their opportunities for a productive role in society. The lack of an adequate package of reproductive health services in both public and private sectors is largely responsible for the high abortion rates, the high mortality/morbidity from complications of unsafe abortions and obstetric emergencies, the low effective demand for family planning services, and widespread reproductive tract infections. The situation is most acute in the large northern states.

IV. TYPES OF INTERVENTIONS AND EXPECTED RESULTS

The project will work with appropriate institutions and providers in both the public and private sectors to test selected, cost-effective reproductive health interventions in one of the large, Hindi-belt states of northern India. The private sector will include, but not be limited to, practitioners of Western and Indian systems of medicine, private voluntary organizations, cooperatives, the commercial sector and social marketing networks. The project will focus on serving younger couples who are at the highest risk. The types of interventions may include:

- Improved family planning services, including expanded availability and choice of spacing contraceptive methods;

- Priority reproductive health service approaches for:

    - reproductive tract infection screening, diagnosis and treatment;
    - abortion prevention (through quality spacing family planning services);
    - treatment of abortion complications;
    - iron supplementation during pregnancies;
    - detection and effective treatment of high risk pregnancies and of obstetric emergencies;
    - health education of adolescents and young women.

Successful testing and replication of effective interventions will potentially result in:

- reduced incidence of unsafe abortion, and its associated maternal mortality through improved access to quality family planning services;
- reduced maternal mortality/morbidity resulting from complicated deliveries/obstetric emergencies through improved first referral services;
- reduced incidence of female reproductive tract infections and expanded service capability to diagnose and treat them;
- reduced iron deficiency in pregnant women;
- increase family planning practice, particularly an increase in the proportion of couples using spacing methods; and
- reduced number of unplanned/unwanted births and improved spacing of births.

V. KEY STAKEHOLDERS, PARTNERS, BENEFICIARIES AND PARTICIPATION PLAN

The primary beneficiaries of the project are young women and women of childbearing age who face a range of serious risks and unmet health/family planning needs. But, because of their nature, project interventions will also benefit the children and families of the women served. The key stakeholders and potential partners in the project are the GOI and state governments, which have major responsibility for service provision, and the selected government and non-government institutions and agencies which serve rural and

urban women - and who willbe identified as project partners during project development.

Plans for identifying appropriate partners and building participation are already underway. USAID has supported the recently completed National Family Health Survey (NFHS) in almost all Indian states, through home interviews with a representative sample of about 90,000 of the type of women the project will serve. This survey provides a very broad profile of attitudes, beliefs, behaviors and needs which willguide more intensive interaction and analysis during project design. Mission staff have sought to become familiar and interact regularly with women's service and activist groups, and willinvolve them regularly as project development proceeds. The Center for Population and Development Activities (CEDPA), which plays a major role in expanding NGO participation in the current IFPS project, has a broad network of CEDPA-trained women leaders and NGOs which willbe drawn on. Finally, with the new constitutional amendment on local government (Panchayati Raj) which mandates election of women to 30% of the village, urban and district councils, the project will investigate the potential opportunities this expanded empowerment willprovide to serving women's health needs.

VI. OTHER DONOR INVOLVEMENT

Each of the project outcomes is predicated on improving the technical capability of providers in both government and private health facilities, improving diagnostic and treatment capabilities, improved facilities, equipment and supplies. Building, equipping and supplying physical facilities to address the major reproductive health needs are potentially an expensive investment, and this is one of the reasons that these problems have resisted solutions. In the early project conceptual stage, Japan's Overseas Economic Cooperation Fund (OECF) expressed interest in joining its resources with USAID's in the EXPANDProject under the "Common Agenda". OECF, subject to a formal GOI request and GOJ concurrence, may offer support for infrastructure development, diagnostic and treatment equipment, vehicles and supplies that would be needed to effectively implement project interventions. USAID, through its strong network of central technical cooperating agencies, would provide support for technical planning, selection of intervention programs, training and other technical assistance, research, monitoring and evaluation. During project development, and in discussions with the GOI, the potential for joint support for EXPANDwillbe investigated. This would not be the first joint Japan/US project in India: the ongoing Quality Control for Health Technologies Project (QCHT), which is establishing a National Institute of Biologicals, is a productive example of such collaboration.

Most donors involved in health and population in India have now shifted emphasis to reproductive health. The World Bank, UNFPA and UNICEF have substantial involvement through their support for Child Survival/Safe Motherhood initiatives in a number of states, and are intensifying their plans to expand reproductive health activities. The British Overseas Development Agency (ODA) and the Danish International Development Agency (DANIDA)have articulated new reproductive health strategies and are already planning

EXPAND LOGICAL FRAMEWORK

PROJECT ELEMENTS	INDICATORS	DATA SOURCES	MAJOR ASSUMPTIONS
GOAL: To reduce fertility and improve reproductive health.	- TFR reduced by 25%. - Improved reproductive health Index **	- NFHS	
PURPOSE: To reduce reproductive morbidity and mortality and decrease fertility in the state of Madhya Pradesh through improvement of selected reproductive health services and improved, expanded family planning services.	- Maternal mortality rate decreases by ___%. - Incidence of reproductive tract infections decreased by __ % - Increase in spacing contraceptive use by 100% - Decrease in estimated abortion rates	- NFHS - Project reports - Service statistics	

** Index will be composed of several indicators which will be formulated during PP design.

OUTPUTS: 1. Improved selected public and private family planning services including: a) improved access to service; b) improved quality of services; and c) increased demand for services			
2. Selected reproductive health tested and replicated to include: a) screening, diagnosis and treatment of reproductive tract infections; b) abortion prevention (through quality spacing family planning services) and approaches for treatment of abortion complications; c) improved iron supplementation for pregnant women d) improved detection and effective treatment of high risk pregnancies and obstetric emergencies; e) improved health education for adolescents and young women	____% in women screened and treated for RTIs. ____% decrease in abortion rate ____% decrease in iron-deficient anemia		

INPUTS: 1. Personnel TA Local staff/consultants 2. Local Costs* 3. Commodities 4. GOI/State/Private Sector Contribution			

New Activity Description

Environmental Protection Initiative (EPI 386-0538)

Project Number	:	386-0538
Funding Source	:	Bilateral OYB
Funding Level	:	$50 million
LOP	:	FY 1996-2003
Year of Obligation	:	FY 96

I. BACKGROUND AND PROBLEM

India's population, projected to reach the billion mark by the end of the century, is already the world's fifth most important (and second fastest growing) source of green house gas (GHG) emissions. While a nascent sense of an economic turnaround exists, no such change in environmental protection has emerged. To date, fiscal incentives have been relatively expensive to administer and pollution control measures have been weakly enforced. Facing low risk on non-conformance, entrepreneurs have not invested in, nor have financial institutions lent for, pollution control equipment or prevention methods which many believe would not show acceptable rates of return.

Can accelerated industrialization and rational ecological stewardship coexist? Several discrete commercial innovations sponsored by on-going Mission projects, e.g. Trade in Environmental Services and Technologies Program (TEST), Program for the Acceleration of Commercial Energy Research (PACER), and the Program for Advancement of Commercial Technology (PACT) permit an optimistic response. Success from these projects include the commercial development of a technology that uses the "black liquor" effluent of small paper mills to produce valuable caustic soda and energy, instead of pollution; a process which could also help protect in-situ bio-diversity (e.g., Dandeli, the largest wildlife sanctuary in the Western Ghats, has been badly degraded by such effluent). Adapted technologies also permit the cogeneration of electricity from sugar cane bagasse, diversifying income sources in this industry, as well as helping meet the galloping demand for energy and reduce GHG emissions. Another innovation, water hoods in copper smelters, is transforming sulfur dioxide into costly sulfuric acid and finally, a medium size company designing ozone-preserving refrigeration has attracted global companies to their patents. These lesson's learned also teach that pollution prevention will work in Indian industry.

PROJECT GOAL AND PURPOSE - EPI supports one of the four areas identified by USAID as critical to sustainable development, specifically the mandate expressed in the strategic statement: Protecting the Environment: USAID's Strategy "As appropriate, USAID-supported programs will target objectives such as: Reducing industrial...environmental degradation through adoption of pollution prevention strategies and pollution control systems in industry..." In June 1994, the Agency issued Global

Climate Change: The USAID Response, A Report to Congress. in response to the request made by the Senate Appropriations Committee. This document frames, and is supported by, EPI actions.

The goal of this project is one of the strategic objectives in USAID/India's Strategic Framework, FY 1994-2000: "Environmental Protection." The purpose of EPI is to prevent air pollution through the accelerated commercial application of **clean** technologies, waste **minimization** and energy **conservation** (CMC) by the industrial sector. EPI supports (i) pollution prevention and GHG reduction and (ii) transfer of clean technology and training, including energy conservation--two of the three functional areas identified by the Mission's Environmental Strategy.

II. RELATIONSHIP WITH STAKEHOLDERS

A. HOST COUNTRY PRIORITY. The June 1993 Indian National Report to the United Nations Conference on Environment and Development (UNCED) summarizes the host country environmental priority: "India will have to leap-frog over wasteful and polluting technologies and go to technologies which are most environmentally sound, and are based on maximizing recycling and efficient use of resources - practices which are inherent in India's traditions." EPI will support the objectives guiding India's Environment Action Program, 1993 as well as "its commitment to popular participation as the means for giving a sharper and discernible focus to existing programs in the areas of conservation and environmental protection."

B. OTHER DONORS. Donors agree that their efforts will yield results if and only if, they succeed in mobilizing additional resources for environmental protection from national and international sources and enforcement improves. Pollution prevention has not yet been specifically addressed by the donor community in a systematic fashion. Selected programs include:

1. Multilateral Donors. The World Bank (WB) has recently launched the second phase of an industrial pollution control project now extending to ten states. The Asian Development Bank (ADB) has increased lending for clean fossil energy, renewable energy and energy efficiency investments. The European Union is currently working to strengthen environmental monitoring capacity in Delhi and will sponsor activities in clean technology transfer, waste minimization, and industrial pollution control. The United Nations Development Program (UNDP) helps access Global Environment Facility (GEF) resources on GHG and assists the National Productivity Council/Delhi with its well received, albeit modest, waste minimization pilot program "From Waste to Profits."

2. Bilateral Programs. Japan has pledged $1.2 billion for 94-95, mostly for energy projects but also for environmental activities. Germany assists Central and State Pollution Control Boards to enhance their technical capacities. Norway and

Denmark collaborate on environmental pollution monitoring and training. The Dutch assist on the Ganga and the Yamuna Rivers Action Plans, and support research on industrial applications for non-polluting alternative fiber sources such as jute.

C. INDUSTRIALSERVICE CENTERS (ISC). Several excellent ISCs support Indian industry. These include: Ahmedabad Textile Industry Research Association, (ATIRA)in textiles, the Central Leather Research Institute (CLRI), the Small Paper MillOwners Association, and the Jute Research Organization. By improving their technology commercialization and management, as well as their promotional activities, these organizations have the sectoral base required to pursue EPI objectives and to continue this work with their own resources beyond the project assistance completion date (PACD).

D. PARTICIPATION. Negotiations between the U.S. Government, and the Minister of Environment and Forestry (MOEF) have begun towards establishing an Indo-U.S. Common Agenda for the Environment (CAE). EPI's objectives coincide well with Indian priorities for sustainable and accelerated development, as embodied in the CAE. Further, the NGOs, business associations, financial intermediaries and working groups that have been consulted for this NAD believe that, notwithstanding public discussions involving the GOI, the industrial sector, business associations and donors, much remains to be done in developing a pollution prevention business culture and in making enforcement work. These EPI potential partners, already favorably impressed by USAID's success in the energy sector, would also like to have our continued support in pollution prevention.

E. INTRA/INTERAGENCY COLLABORATION. The EPI concept and instruments have been discussed with senior officials from the Environmental Protection Agency, who have endorsed a constructive collaboration between EPA and this pioneering effort. Experts from the United States-Asia Environmental Partnership (USAEP) and several globally funded projects have made valuable contributions to EPI's design.

F. During the design phase, USAID will continue to consult with these stakeholders to identify pragmatic options in one-on-one consultations, focus groups, small workshops, and review of discussion papers. These recommendations and USAID policies and guidance will define the EPI project.

III. TYPES OF INTERVENTION

A. PROJECT METHODOLOGY. The project rests on three concepts: Use Clean technology, Minimize waste, and Conserve energy (CMC). EPI's thrust will be to promote win-win solutions helping both to improve profitability and the environment. During the intensive review, five highly air polluting industrial sub-sectors willbe selected as the core for project interventions. The project will foster four incentives for industrial pollution prevention: regulations, trade, public image and improved profitability. EPI will

reduce toxicity levels in these industries by: (i) enforceable regulations adapted to India's setting through support to specialized agencies and policy making networks; (ii) enhancing demand for pollution prevention measures through assistance to "green" NGOs and cooperating business associations; and (iii) improving industrial response to pioneering eco-friendly technologies through financial, managerial and institutional tools.

EPI benefits from the systematic integration of lessons learned from previous projects in the nascent environmental field. By selecting the best tools in our portfolio and those found in other USAID activities (e.g. USAEP), and applying them to the new, and relatively uncharted territory of pollution prevention, the Mission will maximize the possibilities of project success. Equally important, EPI will target resource mobilization for project objectives from Indian and U.S. sources, the private sector and other donors.

B. PROJECT ELEMENTS. EPI has two elements: (1) Promotion of **Clean** Technology, Waste **Minimization** and Energy **Conservation** (i.e. CMCP), and; (2) CMC Trust. An NGO or Apex Business Association (ABA), will implement the CMCP while a financial intermediary (FI) will manage the Trust.

1. CMC PROMOTION. Identifies and markets CMC, particularly those with strong air-pollution abatement effect. Analysis of the most effective tools used by our project portfolio and by the United States-Asia Environmental Partnership (USAEP), has identified five components for this element.

a. Pollution Prevention Policy Forum. The implementing organization will pursue policy analysis and dialogue that improve pollution prevention fiscal coverage and enforcement. The Indo-US CAE will provide policy themes. High-profile speakers will address Indian political, business and technical leaders on regulations and practices promoting technologies protecting air quality. Selected states and/or cities will receive support to enact and enforce rational pollution prevention regulations.

b. Study Tour Fellowships. The study tours will focus on the mastery of specialized skills (e.g. bio-recycling) or the application of management instruments (e.g. Total Environmental Quality Control). Financial and insurance professionals will learn techniques for the analysis of pollution related risks. The study tours, like the rest of the project, will promote Indo-U.S. business linkages.

c. Indo-U.S. Technical Collaboration Fund. A technical assistance firm will access U.S. and Indian know how to assist on the policy, manage a distinguished speakers program in industrial pollution prevention, provide trouble-shooting assistance at the plant level, assist Indian firms producing and/or marketing CMC goods and services, support Indo-U.S. eco-business linkages, streamline risk assessments and provide overall U.S. support to project implementing organizations. Additionally, the project will draw on US Private Volunteer Organizations specialized in hands-on technology transfer.

d. Eco-Empowerment and Technology Adaptation Grants.

i) Technology Adaptation Grants. EPI's grants to ISCs will promote the accelerated adaptation of CMC, the use of commercial information bases by their members and address damage caused to the habitat by their members. USAID/India has identified the accelerated introduction of electrical vehicle (EV) technology as a valid effort towards the long term reduction of GHG emissions. Assistance willbe given to foster EV and battery adaptive research and commercial prototype production and demonstration.

ii) Eco-Empowerment Grants. Green movement NGOs willbe strengthened in their outreach capacity, their understanding of industrial needs and solutions, their local and international networking, and their role as leaders in the positive dialogue among community, regulatory agencies and polluting enterprises.

e. Business Linkages and Exchanges Facility. EPI willcost-share initial contacts in the CMC field between Indian and American entrepreneurs and their associations. Beneficiaries will include firms that manufacture, service or market environmental goods and services.

The implementing organization will coordinate EPI implementation with other U.S. organizations and donors. The Mission plans to coordinate project design and/or implementation with US-AEP (e.g. business exchange, training) and EPA as well as with WB and ADB-funded activities. EPI may support parallel financing (e.g. business exchanges and U.S. training) to multilateral projects. USAID has already been approached by ADB on this collaboration. A high priority will be assigned to fostering Indo-US linkages through assistance from complementary sources.

2. CMC TRUST.

A financial intermediary willextend credit to pioneering ventures through a project-funded CMC Trust. It willapply risk sharing tools successfully introduced by our project portfolio (e.g. conditional grants) to induce the market to take the maximum risk it can bear, while at the same time helping the industrial community overcome financial hurdles arising from pioneering new technologies as well as from information gaps and other market imperfections.

It is expected that, once a technology has been demonstrated to be commercially viable, such technology will receive no further assistance, and project efforts will turn to its intense commercialization. Investment mechanisms available through the Global Bureau (e.g. Enhanced Credit Facility) or from other USG sources (e.g. Overseas Private Investment Corporation, the U.S. Export-Import Bank) as well as potential private financing from other emerging sources (e.g. Joint Implementation (JI), Framework Convention on Climate Change) willbe analyzed during the intensive design phase.

The funds assigned to the Trust will form the principal for an endowment to the implementing organization. After the PACD, the FI will continue to manage the Trust and will transfer the net interest earned to this organization to partially cover the costs incurred by the CMCP program.

IV. PROJECT RESULTS

EPI will reduce GHG emissions, particulate matter, and other toxic effluents and help create a pollution prevention mind set among trend-setting Indian managers. Assuming a continuation of the economic liberalization process, and no global depression, the present value of the damage avoided to health, security, climate, and resources--discounted over twenty years at India's 13 % current long term interest rate--GDP/94-95 projected at $290 billion--will probably fall in the $800-1,000 million range. More rigorous estimates, especially on costs caused by climatic change, will be projected during the design and updated during the project.

End of Project Results:

- Assuming a continuation of the liberalization process, a stable political process in participating states and cities, and no global depression: a 5:1 mobilization of investments (i.e. $250 million); annual Indo-US trade values in clean technologies averaging $40 million. We anticipate that CMC technologies will form part of more than five billion dollars invested in traditionally polluting industries, and pollution by selected industrial sub-sectors will be thirty percent lower than they would be without this project.

- More than 2,000 firms will have received technical assistance or business linkages/exchanges and over 1400 Indian participants would have benefitted from training tours. Assuming a continuous demand expansion for their clients, the Industrial Service Centers will have marketed ten improved technologies. Projecting an upward pressure on oil prices and increased investments in commercial energy, a total of 2,000 EVs will be on the road.

- More than 15 local green NGOs will have prepared policy and enforcement proposals. Two states and three cities (affecting over 150 million people) will have significantly improved their pollution prevention design, monitoring and enforcement mechanisms. Over 20 percent of the firms in selected industrial sub-sectors. will be using pollution prevention management tools such as Total Environmental Quality Management, risk assessment, and pre-investment environmental audits.

V. MANAGEMENT COST

USAID/INDIA has the staff in place to supervise and manage project implementation. The

project willbe housed in the Environmental Enterprise Section (EES) of the Environment, Energy and Enterprise (EEE) Office. EES is directed by a senior FSN with ample experience in both project management and environmental work. He is aptly assisted by a new Deputy Chief. EEE has three direct hire professionals, who total over 80 years of experience in finance, industrial development, environment and/or project implementation, and eight highly qualified FSN professionals. During the first three years of project implementation, EPI willfund a consultant, with strong marketing skills, specialized in U.S. CMC sources. The Mission expects that EPI willreceive support from Global Bureau projects and USAEP, as well as from pollution prevention activities sponsored by other federal and state agencies (e.g. EPA and the Department of Energy).

VI. PROJECT DESIGN/RESOURCES/ANALYTICAL WORK FOR PP

EPI design willbegin upon approval of the NAD as a joint USAID/India-USAEP venture. A four person team willbe fielded with specialists in technology, policy, management and project design. A total of 28 U.S. consultant weeks is envisioned for an intensive design and review. The Mission willcomplement this team with local specialists in environment, finance, NGOs, and policy. Among its regular design responsibilities, the team willaddress the following questions:

a) Are the GOI and enough state governments, as assumed, interested in pollution prevention technologies? Willthe pertinent authorities (e.g. MOEF and the Central/State Pollution Control Boards) endorse this project? Willthe GOI allow USAID to award a direct grant to the implementing NGO/ABA?

b) How will EPI's reliance on creative financing affect the selection of the financial implementing entity? What measures must be followed to ensure sustainability?

c) Should the project address primarily air pollution or should water pollution/hazardous waste be also included? What management and investment issues willarise at the plant level if EPI only pursues air pollution control?

c) USAID/India prefers to work directly with the poor in EPI. Is the work with smaller industries manageable? Should the project target poverty alleviation and employment impact in the Indian context (e.g. employment intensive, cost effective CMCs)?

d) How could USAID/India integrate USAID/W resources into its pollution prevention program? How should EPI activities support, and be supported by, USAID/W, EPA, DOE and other Federal and/or state agencies?

VII. DESIGN SCHEDULE AND COSTS.

Completed NAD 01/95

Mission Review and Approval	01/95
Washington Review and Approval	03/95
Design scheme with USAEP completed	04/95
NAD discussed with the GOI	04/95
Participatory activities initiated	04/95
Design team selected	05/95
Request from GOI received	06/95
Team Arrives	08/95
Draft Completed	10/95
PP Completed	12/95
PP Authorized	01/96
Obligating Document signed	02/96
RFP issued	03/96
Grant awarded to Lead NGO/ Trade Association	03/96
First tranche disbursed to FI	03/96
Offerors' Proposals Submitted	04/96
Offeror selected	06/96

COST

FY 95 & 96 Mission Design	$ 175,000
USAEP	In Kind

VIII. DELEGATION OF AUTHORITY

Following NAD review and approval by USAID/W, it is recommended that the USAID/India Mission Director be delegated the authority to approve and authorize the project.

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New Activity Description

Women's Initiative (WIN-OYB Transfer)

Project Number	:	OYB Transfer
Funding Source	:	USAID/W, Global Bureau
Funding Level	:	$10 million over 5 years
LOP	:	Five Year
Year of Obligation	:	FY 96

I. BACKGROUND AND PURPOSE

This New Activity Description introduces an activity to be funded through an OYB transfer to support women's initiatives in North India by technical assistance, grants and training for non-governmental organizations working on issues affecting the role and status of women.

India faces a continuing population crisis. With nearly one billion people, India has doubled its population in the past 20 years and, assuming current growth rates, will reach more than two billion before stabilizing in 2088.

The implications of this growth are staggering. India already has 450 million people living below the poverty line; millions of people live in cities built for thousands; infrastructure is frayed or non-existent; pollution is growing and natural resources are threatened. The problem is worst in the northern states with the highest birth rates, the scarcest resources, and poorest social services.

To speed the transition to a stable population requires improved quality of, and access to, family planning services and better reproductive health. It also needs a transformation in the role and status of women.

Many women in India, particularly in the Northern Hindi-speaking belt, are uneducated, poor, and lack access to services. Most are formally unemployed; many never leave their homes or villages. They bear not only the burden of repeated pregnancies, child rearing and home-making, but are also often the major bread-earners. In spite of their critical economic contribution to family life, their status in the family and in society is extremely low.

The diminished status of women is reflected in the declining ratio of females to males -929 females to every 1,000 males -and in the statistics for female infanticide, abortions and dowry deaths. (1991 census figures for certain villages are as alarming as 463 females per 1000 males). It is also reflected in the rampant neglect of women's health needs which severely undermines their ability to function and their position as valued, active individuals. One quarter of the half million, annual maternal deaths from childbearing

complications worldwide are Indian.

Prevalence of low birth weight, (an indicator of inadequate maternal nutrition and health care during childhood, puberty and pregnancy), in India is 33% in India. (The comparable figure for China is 9% and 16% for Ethiopia.)

On average, about one-third of the families in India's rapidly-growing cities live in slums and informal settlements. The lack of service infrastructure in slums causes severe environmental and sanitation problems. Muddy roads, overflowing gutters, inadequate water supply, poor sanitation facilities and mounds of garbage cause these slums to become the foci of seasonal epidemics of diarrhoea, typhoid, cholera, malaria and recently plague. Women must cope both economically and physically with inadequate infrastructure and services, often in degrading and unhealthy circumstances.

Although it is widely accepted that education, particularly for girls, correlates strongly with lower infant mortality, lower fertility rates, improved health and hygiene, increased agricultural productivity and broad-based economic growth, female education in India has not been supported vigorously. Nearly 63% women are illiterate; female literacy in the north, Uttar Pradesh and Madhya Pradesh at 24% and 25% respectively, is even lower than the low national average of 37%. A revealing indicator of gender inequality or gender gap is female literacy as a percent of male literacy - this figure for India is 55%. Even though the Indian Constitution calls for free and compulsory education for children through age 14, in U.P., the majority of girls in this age group still are not attending school.

This gender inequality leaves women vulnerable to discriminatory and abusive practices running the whole gamut from bride burning for dowry to authoritarian treatment from husbands or intimidation by in-laws. More than 60% of Indian women do not participate in decision-making which affects their lives and future and the majority of poor women are not aware of their legal rights.

Existing social and economic forces such as lack of community structures and leadership to promote change, lack of access to non-exploitative financial resources, and lack of social networks to foster self-esteem dispossess poor women of a command over their lives.

GOAL AND PURPOSE - The goal of WIN is to increase women's participation in fundamental decisions affecting their reproductive lives.

The purpose of WIN is :

1) To build a constituency on women's issues by strengthening the body of Indian NGOs working in Uttar Pradesh and Madhya Pradesh, in the areas of women's leadership, literacy, microenterprise, and environmental health. It will also work at the national level with NGOs that are involved in research and training on policy issues relating to women's rights and status.

2) To complement the Mission's family planning and reproductive health interventions with an intervention designed to improve the role and status of women in Uttar Pradesh and Madhya Pradesh.

II. RELATIONSHIP TO MISSION STRATEGY, AGENCY POLICY AND HOST COUNTRY PRIORITIES

Stabilizing population growth is at the heart of the Mission's strategy in India. The Mission currently is supporting a $325 million Innovations in Family Planning Systems Project in Uttar Pradesh and has in design a $100 million reproductive health project for Madhya Pradesh. WIN is designed to complement work being done under these two projects, by addressing aspects of the population equation relating to women's status and role and influencing the ability of women to make informed decisions on family size. It directly addresses Agency goals of stabilizing world population growth and empowering women.

In addition to its direct impact on population issues, improvement in women's status is a theme that cuts across the Mission's other two strategic objectives of accelerating broad-based economic growth and protecting the environment. Experience in India as well as other countries has shown that more substantive involvement of women in managing community affairs improves prospects for improved environmental management as well as sustained economic growth. Support to NGOs that focus on women's roles and issues -- notably health, microenterprise, and leadership issues -- is consistent with new host country priorities and will have a powerful synergistic effect on key components of the Mission strategy.

WIN will also support efforts to respond to needs outlined in the recently released National Population Policy Draft now being reviewed in the Indian Parliament. While India was one of the first countries in the world to have a family planning program and has a body of law stoutly defending equality of women, implementation of policies and regulations in these areas has been weak. It is ironic that although there are several individuals and organizations, both within and outside the government, who recognize the urgent need to have solid programs addressing population or women's issues, neither are consistently pursued priorities of the Indian government.

III. POLICY AGENDA AND STRATEGY

Traditionally, in spite of the existence of several thousand active NGOs, the Indian government has considered itself the primary vehicle of development in social sectors. Recent changes in this philosophy, whereby the government is beginning to acknowledge the mobilization role of NGOs, offer exciting opportunities to support women's initiatives more directly and efficiently.

The Indian Prime Minister has issued an NGO Action Plan encouraging NGOs to act as agents of social change in addition to their more traditional role of providing services. Both NGOs and donors are organizing themselves to take advantage of this positive policy environment for streamlining funding mechanisms and developing integrated, grassroots interventions.

Another opportunity to do innovative work on women's status issues is provided by the recent amendments to the Indian Constitution which have made it mandatory that 30% of all members and 30% of all Chairpersons of Panchayats (village level, elected, self-government bodies) willbe women. Ifthe 800,000 women about to enter this new arena are equipped to take advantage of this opportunity, their involvement represents an important forum for women to participate in the management of community and government resources so that they can benefit equitably from social and economic development.

The Mission can draw on considerable USAID experience in advancing the range and responsibility of women's roles in local government to support the implementation of this Constitutional mandate.

IV. RELATIONTO OTHER DONOR ASSISTANCE

The Mission has recently completed an informal exercise of visiting all the leading bilateral donors in India and discussing their current and planned development activities with respect to women. Three major facts that emerged from these discussions are:

- Only two other bilateral donors, Japan's Overseas Economic Cooperation Fund (OECF) and the British Overseas Development Agency (ODA) are currently supporting population activities in India. (Of the multilateral donors, the World Bank is supporting major population initiatives in India.)

- While all major donors are seized with the issue of the low status of women, none of them (except Ford Foundation) have programs that specifically address it. Most donors are conducting gender assessments and then attempting to mainstream WID issues in their regular programs.

- The funding relationship between GOI, donor agencies and Indian NGOs is fluid with several donors negotiating funding mechanisms that allow them to work directly and more efficiently with Indian NGOs both within and outside bilateral budget agreements.

From these discussions the Mission has concluded that:

- There is an unmet gap in the area of direct support to NGOs working on women's initiatives and USAID is well-placed to pioneer an approach that forges linkages between family planning and women's empowerment activities.
- WIN would provide a timely opportunity to explore alternative funding mechanisms for NGOs that are more efficient than the regular bilateral channels.
- All the donors are eager to coordinate efforts amongst themselves to support indigenous NGOs in various sectors and WIN could stimulate this collaborative effort.
- There is no current mechanism for Indian NGOs to exchange experiences and information and thus highly successful NGO programs for women in some states or districts are not adapted to NGO activities in India's northern Hindi-speaking belt including states such as U.P. and M.P.

V. TYPES OF INTERVENTIONS AND RESULTS ANTICIPATED

WIN will support NGOs to improve the status of women through interventions in the areas of women's literacy/girls' education, leadership and community development, environmental health, income, and women-oriented policy issues. Assistance will be limited to the high fertility, high illiteracy, low income states of U.P. and M.P., except, in the policy area which will have a national focus.

The types of interventions or issues may include:

- Funding and technical support to innovative pilots in the selected focus areas;
- Efforts to bring about sharing of NGO experiences in different states;
- NGO capacity building related to development and implementation of higher impact projects, management techniques, survey and evaluation methods;
- Technical assistance on techniques for community mobilization/leadership and training to enhance women's ability to participate in local institutions and governance (in WIN project areas);
  and
- Research and dissemination of results on specific women's policy issues.

Expected results of the project include:

- NGO programs in the areas of microenterprise lending, literacy, environmental health and Panchayati Raj leadership which have measurable results such as

increased enrollment of girls in schools, increased income for poor women, and increased contraceptive prevalence rates;
- Participation by women in a wider and increasingly responsible range of roles in local government;
- A heightened awareness of gender constraints and testing of effective methods to address them;
- Development of linkages between population stabilization and community organization/women's groups initiatives;
- Better sectoral coordination between NGOs working in the selected areas of intervention;
- Coordination between donors, indigenous NGOs and local government departments on women's projects.

One task of the design team willbe to suggest some quantitative indicators which would reflect an improvement in women's status and participation in decision-making as a result of WIN assistance.

VI. MANAGEMENT COSTS AND STRATEGY

The development strategy for WIN involves three distinct stages:

- The Mission will ask Global Bureau to begin in FY 95 an action design effort through an add-on grant to an umbrella U.S. PVO already implementing a cooperative agreement or grant from Global with a scope of work that includes the areas defined for WIN interventions.

- If performance justifies expanded activity in FY 96, the Mission will request expansion of the Grant or Cooperative Agreement, through an OYB transfer.

- In subsequent years of this five-year effort, the activity willcontinue with Mission funds. Whether these funds willbe handled bilaterally or through an OYB transfer to Global would depend on the Mission's reaching agreement with the GOI on direct bilateral support to Indian NGOs.

Proposals from eligible Indian NGOs in U.P. and M.P. willbe reviewed and sub-grants sanctioned and monitored by the U.S. PVO. The Mission willprovide overall policy and strategy guidance.

The U.S. PVO would already have an office in India and would need support to hire a full time Women's NGO Coordinator.

Mission oversight for this activity will be the responsibility of the Mission Women in Development Officer working in collaboration with the intersectoral Mission WID Committee.

Since the Global Bureau willprovide all the funds for this initialactivity, the involved offices and centers (WID, PHN, PRE, G/ENV and Human Capacity Development) would need to plan management time and technical support.

VII. DESIGN AND ANALYTICALWORK TO BE COMPLETED FOR WIN START-UP

The Mission requires a design team to develop WIN in March/April 1995.

Design issues that need to be addressed by a design team to ensure that WIN achieves it's intended impact include:

1. Geographic Focus: Should WIN try to start simultaneously in two huge states (Uttar Pradesh and Madhya Pradesh) or restrict initial efforts to Uttar Pradesh?

2. Sectoral Focus: How narrowly should the project be focussed? Do we stop at leadership, literacy/girl's education and policy or extend to environmental health and microenterprise since they contribute significantly to a woman's control over her productive and reproductive life?

3. Demand: how many organizations are there that would be interested in participating and what is their absorptive capacity.

4. What is the possibility of moving beyond just funding activities (a transactional approach to social services) to supporting truly replicable projects or projects likely to have major policy or attitudinal impact? How would this impact be quantified?

VIII. TIMETABLEAND RESOURCE REQUIREMENTS FOR PREPARING PP

The Mission plans to begin work on the WINactivity design with a design team by March-April 1995. The Mission willneed substantial Global and Asia Bureau involvement in the development of WIN, both with respect to technical issues and the mechanics of managing and funding the activity.

$150,000 from population PD&S funds are currently available for WIN activity design.

The design team should be led by an expert on umbrella NGO projects and must include a women's literacy expert, girls' education expert, an expert familiar with successful interventions to foster women's leadership in the project areas, an expert on women's entrepreneurial activities, an expert on community sanitation and development and someone from Global Bureau who would have a role in managing WIN. The Mission will look to the Global and Asia Bureaus, and WID Advisors to help put together the design team.

PROPOSED WIN ACTIVITYDESIGN SCHEDULE:

NAD draft complete, Mission review/clearance		1/95
NAD review/clearance by Global and Asia Bureau		2/95
USAID/W review and clearance of WIN	3/95	
Design team arrangements in place		3/95
Design document completed by consultants		5/95
Design reviewed by Mission		6/95
Amendment or new agreement reviewed by Global/Asia Bureau		7/95
Agreement authorization		8/95
Global Grant amendment completed		9/95

IX. DELEGATION OF AUTHORITY

Following USAID/W review and approval of the NAD, it is recommended that the USAID/India Mission Director be delegated the authority to approve and authorize the project.

X. ASSUMPTIONS

There exist a sizeable number of capable NGOs in U.P. and M.P. that are involved in the five selected sectors and there is a funding/technical assistance gap that such a program can address.

CPS ASSESSMENT CHECKLIST

Note: These illustrative criteria are drawn from Agency and Bureau guidance on setting and monitoring program strategies.

STRATEGIC OVERVIEW

Criteria	Comments
1. Country program strategy conforms to Agency and Bureau policies, strategic priorities, and strategy implementation guidelines. 2. Analyses underlying country program strategy proposals for addressing key problem areas are sound, particularly as concerns probable results of activities relative to the Agency's poverty reduction, access/participation and gender directives. 3. Risks implicit in proposed strategy are assessed as they bear on the feasibility of proposed strategy. 4. CPS objectives match client country's expressed needs and absorptive capacity in priority areas, and political commitment of host government is demonstrated. 5. Strategic priorities selected reflect: participation of development partners in determining areas to be addressed and delivery mechanisms; USAID's comparative advantage and experience; complementarity with activities of other development actors; a good probability that program approaches will effect anticipated outcomes.	

COUNTRY PROGRAM OBJECTIVE TREE

Criteria	Comments
Strategic Objectives 1. SOs together with targets of opportunity set direction for selection and design of all assistance activities to be carried out in strategy period. 2. SOs are concise statements of RESULT that is a significant contribution to host country development objectives. 3. SOs are measurable. 4. SOs are pegged to highest level of Mission's manageable interest: --USAID resources essential to fulfillment of this objective in strategy timeframe. --Important elements outside Mission control captured as critical assumptions. --USAID can plausibly associate its interventions with results achievable in 5-8 years. --Number and scope of assumptions linking POs to related SOs are reasonable and SO is not constrained by assumptions too great in number and/or too risky. 5. Special interests/targets of opportunity are feasible. 6. SOs pursue clear strategy that is consistent with Agency and Bureau priorities. 7. SOs are unidimensional -- i.e., have a single purpose and direction.	

Criteria	Comments
8. Describe people-level impact as appropriate. Program Outcomes 1. are concrete, near-term results that can be attributed to USAID's own activities. 2. are measurable. 3. are critical to the achievement of SOs and, taken together with other program outcomes, is adequate to show significant impact on the SOs. 4. can be monitored and reported on at regular intervals. 5. are achievable in 3-5 years 6. aren't constrained by critical assumptions that are too great in number and/or too risky. 7. are logically consistent to SOs they support. 8. are unidimensional. Indicators 1. Measure progress as directly as possible-- i.e., proponents and skeptics would agree that the indicator is a valid measure. 2. Show the size of the problem as well as the portion that USAID is tackling.	

Criteria	Comments
3. Have significance for a wide audience. 4. Are practical and cost-effective to measure. 5. Provide a measure that can be related to the magnitude of USAID's investment. 6. Are disaggregated where possible -- i.e., specify the target population or geographic area covered. 7. If measurement process were duplicated, same result would be achieved. TARGETS 1. Establish reasonable markers for quantitative and qualitative results 2. Identify beneficiary population 3. Indicate timeframe for achieving anticipated results.	

ACTION PLAN

Criteria	Comments
1. Anticipated and actual impact in selected priority areas justifies strategic choices.	
2. Activities outlined in program action plan are feasible instruments for attaining POs and SOs.	
3. Resource levels needed to support program and activity implementation are (a) justified, and (b) likely to be provided in the current budget environment; i.e., realistic given program funding, and FTE/OE realities.	

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