Education Sector Review
Education Sector Assistance Options

USAID/INDIA

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Education Sector Review
Assistance Options for USAID

List of Acronyms :

APPEP:	Andhra Pradesh Primary Education Program
BRC:	Block Resource Center
CEO:	Chief Executive Officer
CII:	Confederation of Indian Industries
CRC:	Cluster Resource Center
DIET:	District Institute of Education and Training
DOE:	Department of Education
DOEE:	Department of Elementary Education
DPEP:	District Primary Education Program
ECCD:	Early Childhood Care and Development
ECCE:	Early Childhood Care and Education
EGS:	Education Guarantee Scheme
EMIS:	Educational Management Information System
FICCI:	Federation of Indian Chambers of Commerce and Industry
GDP:	Gross Domestic Product
GWIT:	Global Workforce In Transition
ICDS:	Integrated Child Development Services
IGNOU:	Indira Gandhi National Open University
IIM:	Indian Institute of Management
IIT:	Indian Institute of Technology
ITI:	Industrial Training Institute
LABS:	Livelihood Advancement Business School
LJ:	Lok Jumbish
Min HRD/ Ministry of Human Resource Development	
MHRD:	Ministry of Human Resource Development
NGO:	Non Governmental Organization
NCERT:	National Council of Educational Research and Training
NIEPA:	National Institute of Educational Planning and Administration
NPE:	National Policy on education
NVTS:	National Vocational Training System
NFHS:	National Family Health Survey
PRI:	Panchayati Raj Institution
SC:	Scheduled Caste
SCOPE:	System of Community-based Primary Education
SK:	Shiksha Karmi
SSA:	Sarva Shiksha Abhiyan
ST:	Scheduled Tribe
UEE:	Universalization of Elementary Education
UPBEP:	Uttar Pradesh Basic Education Program

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With apologies to anyone who has been inadvertently omitted.

Introduction and Executive Summary

Introduction

The Report on Education Assistance Options for USAID India was prepared for USAID India under Task Order OUT-HNE-801-00-00078-00, contracted through The Mitchell Group (1816 11th Street N.W., Washington, DC 2001, http://www.the-mitchellgroup.com

The Report was prepared by a Review Team of Norman Rifkin (Team Leader), Frank Method and Ranjana Srivastava, in close coordination with the Office of Social Development of USAID/ New Delhi, particularly Carla Barbiero (Office Director), Renu Jain and Nalin Jena.

The Education Sector Review is one of several strategic reviews being undertaken as part of the Mission's development of a new multi-year Strategy. The Team was tasked to review the entire education sector in India in order to assist USAID India in identifying opportunities in the education sector, both ongoing and new, and to make recommendations for possible inclusion in the new multi-year Strategy.

The Team was tasked to review (as Task One) the basic education scenario in India in terms of India's achievements in the sector, adequacy/inadequacy of policy measures, financial and institutional resources, planning and management systems. As part of this review, the Team was asked to briefly comment on other donor activities and strategies, identify gaps and opportunities and make suggestions on USAID's possible role.

In addition, the Team was tasked with reviewing the Sarva Shiksa Abhiyan (SSA) as a mechanism for funding Basic Education and to review options for:

- The elimination of child labor through education
- The provision of quality education to urban disadvantaged children
- Capacity building of public and private providers to promote girls' education
- Decentralization and related capacity building for local planning and management of education
- Possible roles for information technology in promoting basic education goals.

Further, the Team was tasked to assess the potential for building and/or strengthening linkages between higher education and technical training institutions in the U.S. and India.

For each of the above areas of review, the Team was tasked with assessing ways to focus programs and to increase impact in areas of cross-cutting themes. Specifically, the Team was tasked with looking at possibilities for geographic focus, concentrating on one or two states and/or urban areas. The Team was to review gender factors and discuss how new initiatives could affect the status of women. And, the Team was asked to review modalities for implementing the recommended activities and generally for doing business in the education sector.

For each of the areas recommended for activities, the team was asked for recommendations on minimum and maximum funding levels, the most appropriate means of contracting or otherwise arranging for necessary services and/or goods and for measures and indicators of impact.

Methodology

The Team began work on September 27, 2001, with a desk review of materials collected by The Mitchell Group from USAID/India and other sources. Rifkin and Method met with USAID, World Bank and Department of Labor Officials, reviewed additional materials obtained from these entities as well as from the Mission, and developed workplans for the review. Based in New Delhi, Dr. Srivastava reviewed statistical materials and recent documentation and worked to identify key people, organizations and institutions for the Team's work in India. The Mission provided outstanding support in identifying materials, people and institutions and in preparing other background materials on mission strategic planning priorities and existing programs. In addition, the staff of USAID/OSD provided significant, substantive input on a variety of issues pertaining to the education sector. Their collaboration is much appreciated.

Rifkin and Method arrived in New Delhi Saturday October 27. The Team had 18 workdays (including weekends) to conduct the review and prepare a draft report for discussion with USAID. This included two Indian holidays and one US holiday, as well as three days of field visits to States. Given the very short time with which to conduct the review and prepare the draft report, the team relied heavily on input of key people and on written documentation and reports. Fortunately, the Mission was very helpful in arranging interviews and facilitating access to available documentation. The available documentation was quite extensive and statistically detailed. The interviews with key NGOs and with major donor entities were both candid and remarkably consistent on most issues of policy, technical concerns and program priority.

Rifkin and Srivastava visited Andhra Pradesh (Hyderabad) and Karnataka (Bangalore); Method and Jain visited Chattisgarh ((Raipur)). This included visits to schools and NGO programs, to District administrative offices, to a District Institute of Education and Training and to several training programs as well as meetings with State education officials. The Team also met in Delhi with key people from other States, such as the Principal Secretary of Education from Madhya Pradesh.

In New Delhi, the Team met with Government Officials including the Joint Secretary for Education and the Director General of the Ministry of Labor as well as key advisors at other levels such as the Director of the Center for Policy Research. The Team met with education staff and senior representatives of most major funders and international organizations, including World Bank, UNDP, UNESCO, UNICEF, The European Union and DFID, as well as with staff of major NGOs including CRS and CARE India. The Team met with staff of the National Institute of Educational Planning and Administration (NIEPA), the Indira Gandhi National Open University and the Commission for Collegiate

Education. The team also met with private sector entities, including corporations, private foundations associated with key industries (e.g. Dr. Reddy Foundation and Azim Premji Foundation) and representative entities such as the Federation of Indian Chambers of Commerce and Industry (FICCI) and the Confederation of Indian Industries (CII).

A draft report was presented to the mission and discussed with mission staff on November 16 in a very substantive 2-hour meeting chaired by the Deputy Mission Director. On the basis of this meeting, their own judgments on missing pieces, and written comments received subsequently from the mission, the team had an additional 4-6 workdays to prepare this final report on the review mission, dated December 6, 2001.

Summary of Report, with Recommendations:

The Report is organised beginning with a statistical and historical review of education in India. This is followed by an overview of the strategic context, including positive trends as well as remaining problems and challenges. The third section sketches three general scenarios for assistance, and suggests that USAID assistance planning should assume that all three will go forward and that a comprehensive strategy will address elements of all three. In Sections IV (Strategic Options for Out-of-School Children and Youth) and V (Strategic Options for Improving Elementary Education, with sub-sections on improving quality and on systemic reform and decentralisation), the options for USAID participation in these three scenarios are reviewed, with a summary for each.

Section VI reviews options considered but not recommended and Section VII reviews the options recommended. Three possible levels of assistance are discussed one at $3-5 million p.a one at $5-8 million p.a. and one at $18 million plus p.a. -- the higher level assuming ESF or other windfall funding availability), with specific recommendations for LOE and priorities at each level.

A draft Strategic Objective is provided (Section VIII), with suggestions for Intermediate Results. This SO and the associated IR.'s are consistent with the recommendations made previously for program strategy and emphasis.

Activity sheets are provided in Section IX for each recommended activity. For each activity, the Team provides a problem statement and rationale and a description of the proposed intervention, with detail on estimated funding requirements, 5-year objectives, potential US and Indian partners, design issues and cautions on possible implementation concerns. Recommended activities, with Activity Sheets, are: Out of School Children; Youth and Employment; State and District Management Systems; Local Planning and Assessment; Professional Support; Sector Support for SSA

A set of additional areas for possible programming is included as part of Section VII, but with less detail than for the recommended activities. These are activities meeting Team judgements as to strategic need but which appear to be outside the range of activities that can be supported at the expected programming levels. These include: planning for upper elementary and secondary education capacities; activities supporting work on tolerance,

civic education and conflict prevention; support for additional elements of SSA with cross-cutting impact, such as handicapping conditions, building design or increased use of IT to support innovation at the secondary level; other support for knowledge exchange on teacher education, curriculum and materials development.

Summary of Recommendations:

Program Level One: approximately $3-5 million p.a.

- about $2.5 million p.a., continuing existing NGO programs, but with more geographic concentration in the seven Northeast Districts of Karnataka (or a similar concentration elsewhere).
- $300k-$500k p.a. in support of professional exchanges and institutional linkages
- $100,000 p.a. to support workforce diagnostic activity and exploration of possible linkages of employers and training institutions, some of which may mature as fundable program possibilities in later years.
-

Program Level Two: in the order of $5-8 million p.a. (building on Level One

- $1 million p.a., increasing to $ 3-5 million in years 2-5 in support of improvement of information systems, data-based planning and management systems for SSA, possibly including IT elements in support of such systems.
- $500 thousand plus p.a. in support of local participation in education assessment, planning and management, possibly including micro-grants through local NGOs in support of local education initiatives.

Program Level Three: $18 million plus p.a. (includes Levels One and Two)

- $10 million p.a up to $20 million p.a. for sector (program) support of SSA implementation in selected Districts in targeted States. $20 million p.a. would be sufficient to support work in 12-15 districts, making it possible for USAID to focus GOI resources in lagging Districts in Chattisgarh and Karnataka; $10 million would be sufficient to support work in one State.
- N.B. a sector support strategy should be complemented with most of the elements included in Levels One and Two, including those focused on out-of-school children and youth, those supporting local participation and those supporting professional development and knowledge exchange. Some provision will also be required for baseline studies and for monitoring over the implementation period.

Review of Education in India

Achievements and Gaps in Basic Education

India's basic education scenario has changed drastically over the past decade notwithstanding the underlying challenges and unfinished agendas of the central and state governments. The overall literacy rates increased by 13% –from 52% in 1991 to a little over 65% in 2001– a major shift in the country's literacy status. For the first time the absolute number of illiterates over a decade has perceptibly declined. There is a significant decrease in the male-female literacy gap in the rates as well as in the inter-state disparities -- 19 of the 34 states and union territories have more than 60% literate persons in 2001 as compared to just 8 states in 1991. Similarly, only 6 states today as compared to 20 in 1991 have female literacy rate of less than 50%.

There has been considerable improvement in the availability and quality of primary schools. About 94% of the country's rural population have access to primary schooling facilities within one kilometer. The average annual growth rates of primary and upper-primary schools during the nineties were 1.51% and 3.02% respectively- a marked improvement from 1.2% and 2.2% respectively over the eighties. Basic education policies and programs in the recent years have gone beyond the mere emphasis on numbers to focus on quality concerns, education of girls and the disadvantaged, need for peoples' involvement and decentralized educational management. Enrollment growth rates that remained virtually static during the early nineties increased considerably during the mid-nineties. Many states undergoing educational reforms witnessed annual compound growth rates of 5.5% or more during the past five years. The relative share of girls' enrollment to total enrollment at primary level has increased to 43.6% in 2000 as against only 28% during 1950**.** Similarly, the over-all drop-out rates have significantly declined from 70% to less than 40% indicating the growing interest of parents in enrolling their children, especially girls, in schools and retaining them there. The number of teachers has increased seven-fold. Most recent surveys (NFHS-II-1999) indicate that nearly 79% of the 6-14 age-group children–the official age group for elementary schooling– are currently attending school, as compared to about 70% in 1995. Gross enrollment rates at the primary level in many states are considerably higher than 100%. The progress in these indicators reflects the success of school enrollment campaigns as well as the increased parental demand for education.

While challenges still remain, the above accomplishments are the result of significant reforms initiated since the mid eighties with increased resources and stronger policy commitments for achieving basic education for all children and adults in the age groups 6-14 and 15-35 years respectively. The National Policy on Education (1986) reaffirmed its resolve to ensure universal elementary education along with its efforts towards total literacy. Both national and international developments in the early nineties helped lay the ground for a special thrust towards universal primary education. As the international community reaffirmed its commitment to assist the developing world in achieving the basic education for all children and adults at the World Conference on Education in Jomtien, the gaps affecting access to and the quality and efficiency of basic education in

India became more apparent. For the first time, national thrust for promoting primary education with external support became politically possible and the central and state ministers of education established basic guidelines for the use of external funding.

The Policy review of 1992 called for further efforts towards reconstruction of primary education and provided a framework for translating policy into action. The central government played a strategic role in financing, guiding and developing policies and programs along with the respective state governments. Further amendments to the Constitution of India (73rd and 74th) mandated decentralized management of several developmental activities including primary education through local self-government bodies called the *Panchayati Raj Institutions* (PRIs). The recent 93rd Amendment to the Constitution has made education a fundamental right of every child in the age-group 6-14 years. The age-group 0-6 years is being covered under a Directive Principle of the Constitution. The recent policy reforms and constitutional amendments are suggestive of a growing political will and national commitment to the achievement of universal elementary education objectives. Also, the various developments in the nineties led to a very active collaboration of an unprecedented nature between the government of India, the state governments and the external donors on the one hand and the private and non governmental sector including the civil societies on the other.

There is strong evidence to suggest that policy reforms of the nineties through projects supported from external donors (Shiksha Karmi, Lok Jumbish, Bihar Education Project, Uttar Pradesh Basic Education Project, and Janshala) have resulted in increased access, retention and quality of primary education. The District Primary Education Program (DPEP) has been particularly important, becoming the single largest program of primary education reform covering half the country's districts. Comparative studies of enrolment trends in DPEP and non-DPEP districts for instance reflect favorable trends towards attainment of near perfect gender equity (defined as gender equity index of more than 95%) in 21 of the 42 districts studied, with another 16 districts within the range of 85 to 90. The index of social equity for scheduled caste children went up to more than 95% in all districts; in respect of scheduled tribe children, the equity index was more than 90 in 20 districts. Regular enrollment drives conducted in Uttar Pradesh have resulted in 23% increase in girls' enrollment during 2000-2001. The enrollment rates have started to stabilize in states like Kerala, Tamil Nadu and Karnataka due to declining population and improved intake rates of the official school age population. Improvement is also visible in the internal efficiency of primary educational systems. For example, the retention rates in Madhya Pradesh that were about 48% prior to the implementation of the project improved to about 84% over a period of three years. This was in large part due to the provision of Education Guarantee Scheme (EGS) and alternative schools within the project districts. Similarly, there has been a seven-fold increase in the enrollment of children through schools taken over by the Shiksha Karmi project in Rajasthan. DPEP alone provided more than 10,000 normal primary schools and 56,000 alternative schools covering more than 2 million children besides conducing 20, 000 bridge courses. There also are positive trends in learning achievement levels in language and mathematics in various project states particularly for the early grades of primary education.

Many qualitative developments in the states are now becoming perceptible. As recent joint review reports of the donors and the government of India indicate, the collaborative efforts of the states, center, and non-governmental organizations have resulted in more child friendly materials and revisions in curricula and textbooks. Many teachers now seem ready to become more reflective and independent about further improvements in their teaching. As states have developed alternative delivery systems that serve the needs of the disadvantaged communities, improvements are also extended for more difficult to reach groups. Much of this has been possible due to the establishment and functioning of the state support systems such as the Cluster Resource Centers (CRCs), Block Resource Centers (BRCs), District Institutes of Education and Training (DIETs) and state resource institutions that have all developed their capacity to support teaching and learning.

However, there is equally strong recognition among the states and the center that the task has only begun for them. While much has been accomplished, only the preparatory tasks for improving teaching and learning have been completed. Further efforts are still needed to achieve progress in program objectives of retention, completion and student achievement. The organizational infrastructure of CRCs, BRCs, DIETs and state level institutions is operative if not yet fully effective. Innovations across states and districts in different approaches to school construction, provision of learning materials, textbooks, curriculum revisions and teacher development, alternative delivery mechanisms provide examples of what to do in specific contextual settings. More collaboration is needed with non-governmental resource agencies and civil societies to strengthen the capacities of the existing institutions for developing teacher friendly and community friendly monitoring and evaluation mechanisms.

Accomplishments seem substantial only in relation to the prevailing situation in the country at the time of the initiation of the projects. The systems suffered from a number of limitations:

- paucity of schooling facilities in rural and remote areas;
- inadequate and unusable infrastructure;
- teacher absenteeism was high;
- teaching competence, motivation and performance were at low levels;
- textbooks, syllabi and curricula were outdated, inappropriate and required major revisions to allow for children's self paced and activity-based learning.
- Community linkages were weak and the statutory framework for their involvement in planning and management of primary education was non-existent.
- Financial resources provided by central and state governments were insufficient to undertake major qualitative improvements.

Even with several developments witnessed in states, inter and intra-state disparities in achievement of over-all objectives continue to prevail. The pace of reforms in districts differs. More disparities are apparent in phase-I and latter phase districts covered through the projects. By and large, relatively slow increases are evident in the latter phase districts as compared to those covered during the first phase of respective projects. In addition, for the country as a whole, glaring disparities are also evident between project and non-

project districts resulting in accentuated regional disparities. About half the states and districts in the country still remain untouched by any primary education reform.

There are additional tasks to be completed in project districts in respect of reaching the hardest to reach children in the primary age group. While joint review missions note progress on all fronts, there are pockets of deprivation. States have not been able to completely address the problem of out-of school children. In many cases, demand for education suffers on account of private costs of education. Household costs of schooling remain high in both project and non-project areas, which inhibit a large section of economically and socially deprived parents from sending their children, especially girls, to schools. Over-all trends in states indicate the need for formulating additional strategies to address the hardest to reach children. Many states (including the higher performing ones such as Andhra Pradesh and Karnataka) have identified their out-of-school children and are addressing their educational needs through residential camps and transitional courses with the help of non-governmental organizations and the civil societies. Reinforcement courses are formulated for mainstreaming such children into regular schools. Governmental and private support to education has provided relief to many parents who can ill afford to bear the costs of educating their children. However, such efforts are limited and need to be further up-scaled to bring the out-of-school children back to schools and provide them with meaningful skills and education.

The internal efficiency of elementary education in the country leaves much to be desired. Overall trends indicate that about half of the cohort enrolling in grade 1 is able to reach grade 5, and less than a third reach grade 8. Although the situation in many project districts is better, there is no consistent mechanism yet established in states to understand and improve internal efficiency issues.

There are other issues relating to understanding and use of information bases for improved planning and management at all levels. There is no doubt that information on in- and-out-of school children is now becoming increasingly available in many states through the household surveys and micro planning exercises initiated by them (AP, MP, Rajasthan, UP, West Bengal) and states are monitoring students' enrollments and attendance. The EMIS developed through the projects have helped in many ways to understand their educational status, identify gaps and plan for their further improvement. Most states have also extended the system to the non-project districts as well, replacing their manual system of data collection and analysis. However, there still remain many gaps. There continues to be a lack of age-related accurate data in almost all states. There is almost no collection of reliable data on school completion rates except in one state (Tamil Nadu). Information on quality inputs and processes is generally lacking. States like AP, Assam, Madhya Pradesh, West Bengal and Karnataka are working towards collecting this information through village records, school records, cohort studies, and other special surveys and studies initiated by them. Yet, there is no institutional mechanism to take care of their information needs for monitoring and planning for both quantitative expansion and qualitative development of elementary education. The states are building upon their existing EMIS systems with the help of national organizations and the non-governmental sector to cater to their varying information needs. There is greater

need felt among the states to improve capacities of their staff for planning and management at all levels. Including capacity for collection of reliable data, use of data, and data analysis and interpretation particularly at the village, cluster and school level (sub-district levels) for improved school based management.

Tasks Ahead:

Approaches to achieve the goal of universal elementary education (UEE) in the years to come will have to measure the magnitude and complexity of the task. Improving the quality of secondary and higher levels of education is equally important.

Elementary Sub-Sector:

For the elementary sub-sector, the central government plans to achieve UEE goals through the implementation of *'Sarva Shiksha Abhiyan'* (SSA), the preparatory action for which has already begun. The 'Framework' document of SSA sets out the broad parameters for providing central assistance to the states, and sets an outer limit to the achievement of UEE targets. It allows them, however, sufficient flexibility to prepare their district perspective plans and strategies based on thorough diagnosis of their area specific and context specific needs. However, it also recognizes 'community-based planning processes' as essential elements of planning and management and encourages partnerships with non-governmental organizations and civil societies in formulating and executing their program interventions.

The program is built upon the experience of many successful donor projects in the country. It is recognized as a significant step towards achieving the UEE targets in partnership with states with a time frame of ten years, especially for those states and districts that have remained untouched by any reforms so far. In order to strengthen partnership with states, it not only provides a wide convergent framework for the implementation of many elementary education schemes but is also seen as a program of budget provision for states for strengthening their vital areas to achieve UEE. For instance the financial assistance to states is based on 85:15 sharing arrangement for the first five years, with a major share to be borne by the center. This assistance will gradually decline over the next fifteen years to arrive at a sharing arrangement of 50:50 between the states and the center.

Nevertheless, the success of any strategy for UEE will depend largely on the quality of the planning processes that warrant emphasis on a wide range of economic, cultural and social issues that need to be addressed simultaneously. This will warrant recognition of the fact that 'business as usual' approach in states will not work. Such an approach will require the need for taking a more strategic view, which recognizes the central importance of education in the elimination of poverty and social discrimination and gives appropriate policy and resource priority to realizing the targets of universal elementary education in the country. This becomes even more important in the context of the commitment of the state and central governments to meet the challenges effectively.

Integrated Approach:

An integrated approach to basic education would require a focus on improving the nutrition, health, adult literacy and pre-school education status of the disadvantaged sections of the population. Such an approach gains importance considering the fact that more than half the children in 1-5 year age group in rural areas in India are undernourished, with girls suffering the more severe malnutrition. In spite of many reforms, the Infant Mortality Rate has stagnated at 72 per thousand for several years and about one-third of the school-going age children (6-14 years) are still out of school. Moreover, the progress of Early Childhood Care and Education has been quite dismal despite growing emphasis towards its provision. The present coverage through ICDS and other government and non-government organizations is only about 18.8% of the child population, which is grossly inadequate in relation to its projected need for the 3-6 years olds. The provision of Rs. 5 million per district within the centrally sponsored scheme of SSA is also considered inadequate by states for their relatively larger districts. Health, nutrition and ECCE remain important components of UEE strategy facilitating in widening the life opportunities of the poor. Literacy and acquisition of new skills are important for the elimination of poverty and for enabling the poor to reap the potential benefits of globalization. While improvements in literacy rates are significant, the magnitude of 296 million illiterate men and women and the existing male-female gap of almost 22 percentage points continue to indicate that the constitutional assurance of freedom and equality for women in India is still far from being fulfilled. The gender gap in literacy remains an enormous barrier to sustainable development. Intensive effort is still needed on all fronts through special measures to priorities women's issues especially the social subordination and discrimination practiced on them to ensure their survival, protection, self-esteem and development of children especially the young adolescent girls.

Focus on Out-of-School, Working and Urban Deprived Children:

Despite significant achievements in elementary education enrollments, about 59 million children are estimated to be currently out-of-school. These comprise mostly the SC/ST girls, working children, disabled children, children in difficult circumstances, religious minorities and the urban deprived. As per projections made by DOE, MHRD as part of exercises for the tenth plan, the enrolment at primary and upper primary levels will need to grow at average annual growth rates of 2.5% and 6% respectively– as against the current rates of 1.7% and 2.5%– requiring almost twice to thrice the level of current effort to bring children back to school and retain them there. The existing school places will need to be increased further to provide a school in every habitation. As of present more than 100,000 habitations are still without schools within walking distance of a kilometer despite increased access of schooling facilities in rural areas. Strategies to address the problem of hard to reach groups will require stepping up partnerships with governmental and non-governmental organizations and civil societies in reducing poverty, making education affordable, improving the quality of education, and expanding the access to schooling. NGOs that have already established a foothold in the community

will require being encouraged to take up innovative projects for the working children as well as for those living in difficult circumstances.

A hitherto neglected group so far has been the urban deprived children, as the major reforms have tended to concentrate in the rural areas. Estimates reveal that about 15 million urban deprived children are either out of schools or receive poor quality of education through government or local body schools. Studies have also shown that around 25% of the children from the poorer sections are not yet enrolled. Other categories of children at risk include juvenile delinquents, and children of prisoners, victims of disasters, orphans, and children at risk of HIV/AIDS, disabled and refugee children who receive little or no protection form the state and are abused and discriminated against. Girls are at more risk than boys are as they are prematurely married off and burdened with early motherhood. Addressing these groups of children will require a better understanding of the urban sub-sector. The approach to urban planning will need to be anticipatory. This is one area that is not sufficiently addressed by any reform program in elementary education. The available data- bases are weak. Barring a few private initiatives in selected states (such as those by MV Foundation, Reddy Foundation, WIPRO, and local NGOs) and Joint UN interventions under 'Janshala' in some cities, education of the urban deprived- both children and adolescents- remains a neglected area of educational intervention. Successful private initiative will need to be up-scaled and new strategic interventions formulated to address the growing problems of urbanization. In addition, there is the need to develop reliable databases on a 'whole-city' basis, strengthening of capacities of urban local bodies, youth clubs and institutions in preparation, execution, and monitoring of holistic plans of UEE.

Offsetting Educational Costs and Restructuring Incentives

Even though elementary education is said to be 'free', poor parents continue to incur relatively large proportions of their incomes on the education of their children. High costs of schooling and inadequate resources on part of the states to finance essential provisions for children (such as uniforms, text-books, transport and incidental expenses, school development fee, examination fee, etc.) are found to act as major deterrents to universal enrollment and retention of children in schools, especially of those from economically poor and socially backward households. The current system of provision of incentives by states suffer from a number of limitations and give rise to parental discontent on account of lapses in quality, and timely and adequate distribution, as government's own evaluations, besides those conducted by independent organizations including UNICEF, reveal. If elementary education is to become a fundamental right in actuality as the new Amendment to the Indian Constitution suggests, then states' commitment to free education will need to remain undiluted and 'free education' cannot continue to be interpreted simply as 'free tuition.' This will have further implications for states for reviewing household costs and assessing ways of offsetting them wherever required. It will also require an in-depth review and restructuring of the spending patterns of central and state governments in general, and of incentives, in particular. Up-scaling of successful private initiatives will further be required to minimize costs for parents and redistribute them among the suppliers of education. But most of all, it will require

strengthening the capacities of states in micro financing on the one hand, and in upgrading skills in reviewing, monitoring, executing developmental plans and regulating the private initiative, on the other.

Expansion of Upper-Primary:

Another point of concern is the slow pace growth of the upper-primary stage of education in India in respect of almost all the important indicators of access, retention and quality. This is due, in part, to the major concentration of reforms geared towards the primary sub-sector. The increases in enrollments and transition rates of the primary stage of education have led to an upsurge in the demand for expansion and for revamping of the upper-primary stage of education. A holistic reform process emerges as an important agenda to be pursued by the national and state governments.

The reform process will thus require not only the expansion of the sub-system in terms of additional school places and access but also enhanced retention and quality of school systems. Major reforms will be necessitated in the areas of curriculum and text-book development, class-room teaching and learning processes, development of supplementary teaching-learning materials, institutional arrangements and plans for in-service and pre-service training of upper-primary teachers, in addition to the reforms in the structure and management of education. A World Bank study has identified several gaps in understanding of the upper-primary system and has considered the various implications for the programs of expansion, enhanced quality, and improved management and efficiency of the system. Experience of DPEP suggests that several of these need to be investigated carefully.

While the expansion and quality improvement of the upper-primary sub-system constitutes a major element of the reforms under the SSA, this will require active collaboration and partnerships with several actors and stakeholders –both governmental and non-governmental.

Institution Building and Decentralized Management:

The NPE proposed decentralization as the fundamental requirement for improving the efficiency and effectiveness of educational planning and management and for creating a meaningful framework for accountability. New legislation has been adopted in the country to provide for the changed framework to operate effectively. States have gone for a much closer collaboration and involvement of communities. The shift in management strategies requires a large effort to train and continually support the educational bodies constituted at the local levels under both the urban local governments and the PRIs. The local bodies so far have played virtually no role in raising and mobilizing local resources for education and other developmental programs. In many states, Peoples' Acts have been formulated, but meaningful strategies are yet to be developed for strengthening capacities in financial management, micro financing, local level monitoring and regulatory skills to adequately respond to the changed circumstances facing the economy in general and the education sector in particular.

Resource Base:

Over-all public expenditures on education in nominal terms have improved over the past five decades (from Rs. 1.1 billion in the early fifties to more than Rs. 400 billion in the late nineties). More than 50% of the budgetary resources for education are spent on elementary education alone. The rates of growth and the relative priority accorded to education on the one hand and elementary education on the other have not matched the rising needs and requirements of the system.

There is no doubt that education in India is largely a state-funded activity. States have been allocating more than 50% of their budgeted education expenditures on elementary education. Most of the states' budgeted expenditures are for maintaining the on-going schemes (called the 'non-plan' or 'committed expenditure'), leaving little for new and 'developmental' activities. Moreover, the states' share in total funding for education reflected a declining trend during the late seventies and the eighties (from 93-95% to 85%). The Constitutional Amendment of 1977, which gave concurrent status to education, helped the central government in assuming a larger role for schemes of national importance. This legalized a situation that already existed in practice. The role of the center in strategic decision making and in providing financial assistance to states through centrally sponsored schemes has now increased over the years to about 66% of the total plan funds for education. The states' budgetary resources for education have increased. However, the elementary education sub-sector continues to remain under-financed in relation to its projected needs.

A World Bank study indicated that availability of resources for primary education at the past trend rate would be sufficient to cover only 80% of its financial needs. An Expert Group constituted by the government (which formed the basis for projecting SSA requirements) concluded that the allocation of 6% of GDP for education would provide not only for the requirements of UEE including quality improvement, but would take care of the financial requirements of other levels as well (particularly the secondary and higher stages of education). There have been several reiterations of the commitment of the government to raise this proportion to 6% since the revision of the education policy in 1986 but the reality is far removed from this target.

The proportion of GDP spent on education has stagnated during the nineties and even declined marginally from 3.65% (1991) to 3.48% during the late nineties. Similarly, the proportion of GDP spent on elementary education by center and states collectively has also declined marginally (from 1.57% to 1.37% respectively). In the absence of externally provided assistance, it is estimated that the proportion would have declined even more sharply to 1.35%. Moreover, the states' education share in their total budgets (plan and non-plan funds) has remained virtually constant averaging around 20-25% of their respective state budgets. Thus the main problem is of providing additional resources to education as the competing needs and demands of other developmental sectors tend to affect the relative priority accorded to education on the one hand, and to elementary

education on the other. Reforms in the basic education sector require that the proportion increase to at least 6% of the GDP.

Another issue relates to the restructuring of the spending pattern of available UEE funds. Experience shows that about 95% of the total state government budgets are spent on salaries leaving extremely low proportions for qualitative developmental needs. Improving access, retention and quality in elementary education across all states and districts require strategic interventions in mobilizing community demand, strengthening teacher quality and resource institutions, ensuring strict monitoring and periodic evaluations, and building capacities in decentralized planning and management. The demands of SSA require that increased resources be made available for education sector on the one hand and for the elementary sub-sector on the other.

Considering the fact that the finance of the state governments has deteriorated precipitously in the past decade, fiscal corrections are needed at the level of the center and the states, resulting in substantial improvements in macro-economic priority accorded to education/ elementary education. There is sufficient scope for sectoral restructuring of public educational expenditures in India favoring expenditures at the margin. Evidence from DPEP and other externally aided projects reveals that it is possible to restructure the spending pattern in favor of quality inputs. This however, raises the issues of sustainability of external funds as well and calls for intensive efforts by states and local governments to initiate measures for internal resource mobilization both by attracting additional resources and by improving the internal efficiency of education. Additional resource mobilization by states will require to be supplemented by efforts to improve the quality of spending to initiate cost effective measures for meeting UEE requirements. Minimizing wasteful expenditures, restructuring incentives, and improving internal efficiency of educational systems are other ways of releasing additional resources. There is a strong case also for cost recovery of education for levels beyond the elementary. This again calls for building capacities in strengthening quality and internal efficiency, local resource mobilization and financial planning and management including those in local level monitoring and evaluation.

Issues in Secondary Education:

The success of SSA, even if partial, will throw up challenges of an unprecedented nature for the secondary sub-sector with strong pulls for both quantitative expansion and qualitative improvement. The capacity of the system will have to considerably expand to accommodate the projected 65 percent (from a mere 27 percent as of present) of the relevant age cohort of students for the secondary level (aged 14-17 years) over the next two decades as current exercises undertaken for the tenth plan indicate. This will require a strong focus on the development of futures perspective, as no articulated policy yet exists in India for its qualitative change to match global competitiveness. This issue will become more critical in the context of economic liberalization and globalization demanding higher quality of manpower for production, business and service sectors on the one hand and for meeting the qualitative needs of the higher education sub-sector on the other. This further suggests the need for improvements in the processes and outcomes

of secondary education as the current pass rates at this stage, though differ among states, are extremely low and average around 45%. As secondary education is the single largest source of educated work force in the country, it will need to be qualitatively strengthened to be responsive to the needs of both higher education and the employment market. One of the most significant weaknesses of the system in the past has been the existence of a weak and dysfunctional linkage between education and the world of work. This will require detailed examination and policy support for its reconstruction so as to be responsive to the future needs of the higher education system as well. Preliminary studies will be required to develop and strengthen the information base in addition to encouraging regional analyses of the demand and supply situations of additional school places. The greatest pressure in the coming years will be on redefining the role of the secondary sub-sector consistent with the long-term social and economic development of the country.

The seriousness of the intent of the government and the academicians to this issue is reflected in the fact that the process of national consultation for building a collective vision for the next two decades has already begun in the country. In addition to the need for developing alternative quantitative scenarios leading to the universalization of secondary education in a phased manner, one critical area of reform that emerges is the management of its quality. A reform process will entail development of detailed qualitative perspectives and vision for restructuring the educational goals, curriculum, textbooks, teacher/learner environment, and classroom processes. It also will require greater emphasis on student evaluation and holistic development of students, with special emphasis on teacher quality. The issues of administrative reforms, institutional building and systems' efficiency on a sustainable basis and strengthening capacities of school administrators for school-based management are other areas that require to be suitably addressed in a comprehensive manner. Educational management information system that is considered critical to any scientific planning and management is at present conspicuous by its very absence at the secondary level. In sum, there is a compelling need to design a comprehensive plan for promotion of secondary education integrating educational development and manpower needs on the one hand and provide for decentralized decision making and autonomy to institutions on the other.

Issues in Higher and Technical Education

Similarly, in the wake of the changed global circumstances, the provision of quality higher education has become essential for India's survival to benefit from, and contribute to, the global knowledge-based economy. While a good base of more than 250 universities (including institutions deemed to be universities) and 11,000 colleges spread throughout the country enroll more than 7.5 million students, India compares poorly with some of the most advanced, and even the fast developing, countries of the world. As of present, only 6 percent of the relevant age group population for university level courses (17-23 year old) is enrolled in higher education institutions as compared to much higher percentages in many developed countries of the word. The growth of higher education enrolment in the country has declined consistently over the past five decades (from 12 to 13 percent in the sixties and the seventies to about 4.5 percent since the early eighties). A

main reason for this has been the relatively low proportions of plan budgets made available to this sub-sector during the past three successive five- year plans (from 25% to 16% and subsequently to 8%) on account of the emerging priorities of the elementary sub-sector. Considering the critical role of higher education in socio-economic development of nations, further expansion of the system is no longer a matter of choice. The much-needed expansion and diversification, however, does not seem feasible without the active participation of the private sector. Ensuring private initiative in higher education will help in achieving partially the desired expansion of up-to 15 percent of the required age-cohort that is considered desirable for the country as per recent vision and perspectives developed for the growth of higher education during the next two decades as part of exercises initiated for the tenth plan. Three southern states of India (AP, TN and Karnataka) have provided a model of encouraging private initiatives in higher education, which account for almost one-third of the total enrolment in higher education institutions. The government has given a clear indication of its intention to encourage private initiatives. This, in turn, warrants greater regulation and quality assurance of educational standards and the development and strengthening of such capacities among the administrators, an area not yet sufficiently addressed by the national planners.

Similarly, higher technical institutions require strengthening their links with industry. While premier institutions like the six Indian Institutions of Technology (IITs) and an equal number of Indian Institutes of Management (IIMs) in the country play a leadership role in technical and managerial manpower development, provision of quality education and conduct of research in new and emerging areas, a large number of state run degree level institutions-nearly 500 engineering and technology colleges- are in need of modernization and enhancement of their functional efficiency. Moreover, nearly 2000 Polytechnics imparting diploma level courses to 12^{th} grade pass school leavers are in need of dealing with issues of obsolescence- of machinery, courses and human resources- in order to improve the external efficiency of products, and thereby, of the educational systems at large.

The growing Indian economy, which is currently in the process of relocating itself to face the challenge of globalization, will require a high degree of professionalism from its prospective graduates and researchers. For this, the use of advanced new information communication technologies, creation of virtual academic structures to ensure quality in teaching and conduct of research, and improvement of academic support elements will emerge as the principle thrust areas. While efforts are already on to integrate information technology in the curricula to provide a competing edge to the graduates, this will necessitate sustained support. Furthermore, the adult and continuing education will need to be redefined and further widened to establish the link with business and society. While the graduates of higher technical and management institutions such as the Indian Institutes of Technology and Indian Institutes of Management are rated exceedingly high and are comparable with the best in the world, the diploma and degree level technical institutions including the polytechnics and regional and state colleges of engineering will need to continuously restructure their courses to meet the demands of the industrial sector. Quality assessment of various institutions will emerge as another important area of sustained reform. Thus, while quality, access, relevance and accountability form the

main pillars of the overall reform process, the system calls for appropriate changes in the governance and management of education. Such changes need to be brought about not only at the state and national levels but the institutional level as well to allow for greater degree of flexibility and autonomy in experimenting with new innovations and initiatives. Management reforms will have little meaning unless supported by adequate information systems to provide appropriate inputs in policy and planning.

Donors in Education

Externally Assisted Projects: Similarity and Differences (What the Donors are Doing)

The external funding in the elementary sub-sector is a comparatively recent phenomenon, which emerged mainly as a consequence of the economic crisis of the late eighties and the structural adjustment policies of the government in the early nineties. The external support is within the framework of the Social Safety Net that was launched to protect the vulnerable but important social development sector. Prior to this, the external assistance in education was confined to higher, technical and managerial sub-sectors, resulting in the establishment of agricultural universities, IITs, and IIMs mostly in collaboration with US agencies during the decades of the sixties and the seventies.

Three major donors in the elementary sub-sector during the late eighties included the British ODA , the Swedish International Development Agency (SIDA) and the Government of Netherlands. The former two supported state specific programs of assistance in primary education (such as the Andhra Pradesh Primary Education Project-APPEP- supported by ODA and the Shiksha Karmi project in Rajasthan supported by the SIDA) and the latter financed the women's empowerment project called '*Mahila Samakhya'*. The decade of the nineties, however, witnessed a number of external donors-both bi-laterals and multi-laterals, also a post Jomtien phenomenon. The multi-laterals included the UN bodies, the World Bank and the ADB and the bi-laterals included donors such as the EC, DFID, SIDA, NORAD, HIVOS, Netherlands and Japan.

Currently, four major donors- the World Bank, the European Commission, UK's DFID and the Government of Netherlands- support the largest program of assistance- that of District Primary Education Program (DPEP). In addition to DPEP, five UN agencies-UNICEF, UNDP, UNESCO, UNFPA, and ILO- are supporting GOI's program of Janshala, a post DPEP program. As to the nature of assistance provided by them, the UN agencies and bilateral donors assist in the form of grants, whereas the World Bank provides concessional loan assistance through the IDA. The central and state governments implementing programs of assistance provide matching contributions in cash and kind within the mutually agreed patterns of assistance, and the terms and conditions agreed with the funding agencies.

The similarities and differences in approaches of the donors are clearly reflected in the design and focus of their programs of assistance. While an overview of the externally assisted primary education projects is provided in annex 1, briefly, all agencies share the broad objectives and strategies of NPE (1986) and follow similar criteria for selection of

districts and blocks within states for strategic and programmatic interventions. The different donors' focus has been on all major aspects of elementary education though some donors emphasized one aspect more than the others did. But a point of major difference has been on account of coverage-both strategic and geographic- within states.

The bilateral' assistance for pre-DPEP projects was confined to relatively smaller geographic areas at sub-district levels-usually-blocks. With DPEP, their areas of operation have widened- their support to primary education is holistic in terms of both strategic interventions and geographic coverage within states' districts. The donors within DPEP thus have the advantage of addressing comprehensive systemic issues in addition to the strategic interventions for generating demand and strengthening the quality of primary education. However, the UN agencies supporting Janshala continue to limit their size of effort and areas of intervention. Thus, the various agencies outside of DPEP differ slightly in their approach and focus though they share the basic objectives of UEE as defined in NPE –1986 (see annex).

The World Bank has the biggest program of assistance for education exclusively at the level of lower primary education under DPEP. The Bank's UP Basic Education Project was the first IDA investment in basic education in India financed by an IDA credit of US $165 million. The other projects under DPEP (phase-I and II) approved in 1994 and 1996 respectively provided for IDA credit of US $180 million and 425 million covering 35 districts in nine states of India. Additional districts and states have also been supported in the third phase of DPEP. In addition to the basic education projects, the Bank supported two technical education projects in 28 states/union territories during the past ten years. The projects have recently come to a close and have strengthened the Industrial training Institutes and Polytechnics resulting in expanded modern sector training opportunities for secondary school leavers, with special focus on women. The Bank's latest initiative has been in the sector wide program of assistance for education. An education sector review was undertaken in two states: AP and Karnataka as a preparatory activity for the identification of an education reform program extending from primary to higher education. The sector assistance program of the Bank, including its intended support of US $ 5 million for support under SSA, does not seem to have found acceptability with the government.

The European Commission's assistance is largely concentrated in the state of Madhya Pradesh. The Commission has recently signed an agreement with the Government of India lending its support to the recently launched program of SSA. European Commission's support under SSA is to the elementary education sub-sector as a whole rather than concentrating on a specific focus. It is likely that most of its resources will support the upper-primary sub-sector in addition to supporting primary education in some of the non-project areas. However, the EC support of Euros 200 million is considered to be appropriate for supporting about 15 districts as informed by the Joint-Secretary of Elementary Education, DOEE/ MHRD.

DFID concentrates on four states mainly: AP, MP, Orissa and West Bengal by supporting the additional districts in the former three states and all the DPEP districts in the latter. Some of the districts in Rajasthan are also being supported separately under the Shiksha

Karmi project. DFID generally pursues an integrated approach to poverty eradication and human resource development and has recently started promoting sector programs in the area of health, education and livelihood development. Recently it has shown interest in the area of technical education; initial talks held with states have been mainly exploratory in nature. DFID has supported many new initiatives within DPEP in its participating states such as extending monitoring and evaluation through EMIS to all 'out of school' children, improvement of data bases in West Bengal, strengthening school based information systems, and linking early childhood education to primary education and supporting adult literacy programs with income generating activities in its project states.

UNICEF's efforts are primarily in the area of girls' education. Gender has been a cross cutting theme in all its programs during the past decade and has been addressed through various initiatives such as micro planning, joyful learning, Meena Campaign, Bihar Education Project, Girls' education project in Barabanki (UP), etc. Other programs of assistance include support to Lok Jumbish (Rajasthan), MV Foundation (AP and Karnataka), Nalli Kali (Karnataka), and the Primary Education Enhancement Project (PEEP) initiated in three states of Bihar, Maharashtra and Delhi with assistance from AUSAID. UNICEF's child protection interventions along with other UN agencies provide second chance learning to children in ten states of India. UNICEF is not a direct partner in DPEP but has played a catalytic role by innovating, demonstrating and letting others upscale its various supported initiatives including the ones as Shikshak Samakhya, Bihar Education Project and DISE (District Information System for Education developed with its financial support under DPEP). UNICEF is also one of the partners in DPEP Joint Review Missions held bi-annually in DPEP states and districts. Its current projects also include imparting life skills to young adolescent girls for which preparatory action has begun.

All agencies supporting DPEP agree that component wise support to elementary education projects in states under SSA would jeopardize the coherence of implementation as well as the possibility of coordination among the various donors. Geographically focused support by various agencies as in DPEP seems to be the preferred option of the external agencies supporting DPEP elementary education project.

II. Overview of Strategic Context

Central to the proposed strategy is that under several levels of resource availability, including possible substantial ESF or other windfall resources, USAID has multiple options for strengthening education in India. USAID programs will be supportive of and complementary to a large scale basic education reform and restructuring initiative already underway in India. The Sarva Shiksha Abhayan (SSA) or "Basic Education for All" national program shows early signs of being very successful. USAID has an opportunity to help India implement and consolidate this national basic education program.

USAID's strategic choices for achieving education sector impact are between two linked sets of priority tasks:

- one is support for better *internal efficiency* through *qualitative improvement* and restructuring of the basic education systems through the elementary level, and increasingly at the secondary level;
- the other is support for continuing efforts to improve *external efficiency and access to education* by (a) addressing the needs of out-of-school children and youth; and (b) strengthening linkages among schools, training providers and employers.

The two sets of priority tasks should be viewed as complementary, not as alternative choices. Improving the quality and capacities of the basic schooling systems now will ease the problems of out-of-school youth and adolescents over the next decade, help reduce child labor and improve workforce productivity as well as local governance. Addressing the needs of the out-of-school youth and adolescents today will help reduce the social pathologies, missed opportunities, social costs and lack of participation that inhibit the functioning of large scale social services and effective local development efforts today.

In later sections the team will review possible packages of assistance addressing both sets of priority tasks, at different levels of funding availability and depending on choices the mission makes on geographic focus. At each level the team will consider options for supporting the implementation of the SSA school reforms as well as

- targeted basic education activities addressing the needs of out-of-school youth;
- activities linking basic education systems more effectively to the secondary and higher levels, and;
- activities that are targeted toward youth and employment, particularly which link the schools and training providers more effectively to the job market(s);
- In the process, there are opportunities to address specific concerns for the education of girls and women, exploitative child labor and trafficking and HIV-AIDS awareness. The team will analyze these options and make ranked recommendations.

Supporting Success: The moving train scenarios:

It is possible to describe the education situation in India as one of huge problems, deep-rooted inequity, wide disparity of opportunity by gender, geography, caste and class, with inadequate resources, bureaucracies resistant to change and other descriptors suggesting that without fundamental reform and restructuring the scenario for successful assistance initiatives in this sector is very difficult. In fact, the team saw editorial opinions to the effect that the education systems were not only grossly inadequate but also declining in some respects from the capacities of earlier periods. These opinions were reflected in comments heard in initial interviews at the Mission and elsewhere.

The team does not share this negative view of the prospects for India's education future. There are huge problems, to be sure, as well as substantial inequity and disparity, serious resource constraints and much resistance to change. There also is underway the largest, most systematic and systemic and perhaps the most carefully prepared sector-wide basic education restructuring and reform program ever attempted anywhere in the world. It is uneven and under-resourced, but it is unquestionably underway and will be one of the most powerful dynamics shaping India for the next decades. This dynamic is not just in terms of education services and opportunities. It also is in terms of decentralized governance and accountability, district and municipality planning, the roles and rights of women and others not fully included at present, demographic trends, workforce characteristics, communications capacities and demands for connectivity, civil society engagement and the self-help and self-organizing abilities of people at all levels to address endemic social, environmental and community development tasks.

Sarva Shiksa Abhiyan (SSA), the expanding national program for universal basic education, builds on the experience of the District Primary Education Program (DPEP). DPEP, launched in 1994/95 with coordinated support through the World Bank and most major donors, already is showing modest but significant evidence of improvement. In the districts targeted under DPEP (248 Districts, about half the total), gross and net enrollment is up, dropout is down, and gender disparities are narrowing. Under SSA, these reforms are being extended to all Districts in all States. Basic education now includes grades 5/6-8 (upper primary) which were not treated by DPEP. Planning responsibility is shifting to the state and district levels and there is increasing emphasis on capacity building at these levels to handle these new responsibilities.

Much more is needed. Reforms and capacity improvement are only beginning in many states and have reached only half the districts. However, there is no reason to doubt that the programs will be extended nationwide. The policy guidance is sound and there is explicit priority for activities improving education opportunities for girls and women, for scheduled castes and tribes and for under-served areas. The constructive and responsive approach for USAID is to view the situation as the early stages of a success that will most likely accelerate and spread over the next decade.

Further, as the successes at the elementary education level begin to be more widespread they will flow upward to the secondary level, to technical and vocational education, to

university and other tertiary education and to the demand for continuing education and learning in the workplace. Strategies to address the increasing, changing and diversifying demands for education at these other levels will be among the most urgent tasks of future decades. These "problems of success" already can be seen.

Positive Trends:

- The SSA provides a convergent framework for implementation of elementary education schemes, making coordination possible within a widely understood and transparent framework. The framework also facilitates a wide range of partnerships among the center, states, NGOs, the private sector and community-based organizations.

- The DPEP provides for bi-annual joint reviews of the program by government and donor representatives. The agencies seem to be satisfied with the mechanism as it provides for detailed interaction with the state and national teams responsible for planning and implementing the program. The joint teams undertake State and District visits, and submit their collective report with a set of recommendations for further action to the DOEE/MHRD in the form of an 'aide-memoire'. In addition, the informal meetings and discussions with state and central government officials have helped create a better understanding of the complex issues in states and in influencing state specific strategies and policies.

- Until quite recently, neither primary nor secondary schools have provided curricula that reflect the real needs of the economy. This is slowly changing. Although technical and vocational schools have had weak links to industry, some parts of the business community have been supportive of experimental efforts to strengthen their links to secondary schools. In Andra Pradesh, the Secretary of education seems ready to evaluate and re-enforce successful efforts. Technical schools (Polytechnics, Industrial Training Institutes and Regional Engineering Colleges) have weak links to industry, and are slow to change curricula.

- There is movement in some states toward use of competency-based curricula at the elementary level, with both instructional modules and assessment instruments for each skill level. These approaches (for example the "Joy of Learning" curriculum supported by UNICEF and others), are compatible with more interactive and child-centered pedagogies as well as multi-grade instruction in small community schools such as those under the Education Guarantee Scheme (EGS). They also are compatible with media-assisted strategies supporting specific topics with modularized micro-lessons and teacher support focused on specific competencies and multi-grade instruction strategies.

- Decentralization is well underway, with plans to increase and reinforce participation in micro planning, school management and assessment/monitoring down to the community level and the individual schools. This includes the Panchayat Raj institutions, school management committees, village education

committees, parent/teacher associations, mother/teacher associations, Tribal Autonomous Councils and other mechanisms. Most of these have mandated participation of women as well as of designated minorities and parents. Increasingly, these local mechanisms include oversight of teachers and some roles in allocating local budgets. There are many roles for local NGOs in supporting such participation and local mobilization. Weaknesses of these mechanisms include:

- they are least well developed in the non-DPEP areas, including urban areas;
- many of the local participants have little education or literacy or specific training in skills of negotiation and representation;
- Local organizations have few discretionary resources with which to work.

- With international and private sector support, NGOs such as the MV Foundation, the Reddy Foundation, WIPRO (Azim Premji Foundation), Cini Asha, CREDA and others, have made important strides in bringing a wide variety of out-of-school children into school through village mobilization, bridge courses and other innovative approaches. They are rapidly increasing the demand for education, particularly for girls. However, in view of the size and diversity of India's school age population, much remains to be done. Most importantly, the central government seems to be learning from NGO activities, and implementing successful programs on a national scale.

  Most NGOs appear committed to strategies of supporting alternative and second-chance basic education opportunities for children and adolescents as part of the overall objective of achieving universal education. Non-formal education for adults continues to be supported with more functional objectives and lifeskills content. However, strategies for children and adolescents, including strategies addressing child labor, now focus mainly on creating second-chance opportunities for schooling equivalence, and for return to mainstream education where possible.

- The databases for education planning, management and monitoring/assessment are getting better – more complete and accurate, with information necessary for trend analysis at the state and district levels. This is particularly true for the DPEP districts (about half the total). Problems remain in:

  - extending the EMIS systems to the rest of the districts under SSA;
  - developing technical and managerial capacities to understand and use the data effectively at the district level and below;
  - ensuring participation and transparency at the block and community levels;
  - extending the information systems to include other contextual and non-school factors, and;
  - working out technical issues of comparability across states and districts.
  - There also is a need to increase use of IT for managing these data systems, particularly at the district and block levels.

Problems and Challenges:

- India's education system must cope simultaneously with the challenges of managing rapid growth in terms of resources, teacher supply, physical capacities and the challenges of restructuring associated with decentralization, participatory planning and management of local schools. Costs to parents are high and will need to be better managed.

- There are many successful public and private sponsored efforts to bring out-of-school children into formal schools, but this has created supply issues, whereby in some areas, there are insufficient numbers of schools, teachers, materials and supplies. In some States, Kerala, for example, private schools are providing significant additional access.

- Access to education continues to be uneven, both among states and within states, with intrastate inequities of increasing concern. Large groups of marginalized children continue to have no access to school. . Despite improving physical school access, non-school factors continue to affect enrolment. Some children are kept from school in order to work, often in hazardous industries or to assist with household work. Unfortunately, many of these children are girls, who hold the key to reproductive health, education and livelihood of future generations. Though there is progress in ensuring initial access for girls in the lower grades, this increases the need to ensure places at the upper grades and to address factors that contribute to early dropout.

- Only about half of the cohort enrolling in class one reaches class 5, and less than a third reach Class 8. This is an indicator of poor quality education. Persistence through Grade 8 is related to expectations of access to lower secondary, and to success at that level, which is key to further educational development. Pass rates at Grade 10 differ from State to State, but are generally very poor. According to the Director of Technical Education, in Andhra Pradesh the 10^{th} grade pass rate is at 44 percent.

- Parents and community leaders often do not perceive the available schools to be sufficiently relevant to their cultural and social circumstances to justify the household investments. Decentralization along with more child-centered and competency-based pedagogies should help with this. Additionally, more attention is needed to other knowledge systems, to community participation in design and implementation of local education and to community education and learning outside the schools.

Youth and Employment

Unemployment and underemployment are major problems in India, and becoming worse due to the current economic climate. The problem is deep, complex, difficult to generalize and differs from State to State. It is clear, from all those interviewed, that with a few small exception like the Reddy Foundation LAB school there are few linkages between schools and employers. Expectations of Industry (which include much more than technical or vocational skills) generally are not being met by the schools. There appears to be a "movement toward quality" in this tight job market wherein workers with higher levels of skills are displacing lower level skilled workers in low level jobs.

There is a need to dramatically increase formal and informal linkages among government, industry and schools in order to assess whether schools and training providers are responding to the changing needs of the conventional and new economies. It is important to note that a good deal of training is being provided directly by employers or industries. The operators of the Sheraton Hotels, for example, operate a comprehensive hotel management training school in Goa. We were told by WIPRO that most large IT companies provide much of their own training. The team sees this as a positive trend, but wonders whether the schools are preparing students with the kinds of affective and life skills that will enable them to benefit maximally from specifically targeted technical training. At a lower level we learned there is a National Vocational Training System (NVTS) in India, which runs training and training apprenticeships throughout the country for eighth grade leavers. There are 4200 ITI's and craft schools. 1600 are State run and the remainder are run by the private sector. According to the Director General for Training and Employment in the Ministry of Labor, only 5 percent of the entire workforce are skilled. Much of the workforce consists of (i) the informal sector and (ii) persons who have learned their trades very informally on the job.

In 1990, the U.S. Secretary's (Labor) Commission on Achieving Necessary Skills (SCANS) (http://www.scans.jhu.edu) identified the critical workplace competencies and foundation skills necessary to succeed in the workforce of a high performance economy. Employers, labor representatives, educators and others worked together to identify skills and performance criteria for an economy in which everyone gained. A key result was the finding that workplace competencies and foundation skills were at least as valuable in the workplace as the more firm-specific and industry-specific technical skills. Technical skills and knowledge of specific technologies and their applications are increasingly acquired after employment, with employers playing direct roles in workforce training and productivity improvement. Such partnerships of employers, educators, labor leaders and analysts of employment, investment and technology trends have been key to productivity improvements in the workplace, increasing equity of opportunity in the workplace and improving external efficiency of education and training systems in the U.S. over the decade since the initial SCANS Report. Such partnerships, diagnostic work and training strategies are not prominent or systematic in India today. An initiative by USAID to strengthen such partnerships and strategies would be a highly cost-effective means of supporting improvement in both employment practices and education and training practices.

The team examined the problem of external efficiency[1] at the level of secondary school and at the level of various types of technical training institutions. The team met with officials of Secondary, Technical and Higher Education in Hyderabad and in Bangalore to explore the dimensions of the problem and how the region's educational institutions relate to the job market. We also discussed the problem of unskilled, unemployed youth in the 13-17 year range with the leadership of several non-government organizations who are sponsored by major private sector companies and have a unique perspective on the problem. We met with the Director General for Training and Employment at the National Ministry of Labor. Finally, we discussed the problem of youth unemployment and the role of schools with both FICCI and CII, which are the Indian equivalents of the Federation of Chambers of Commerce to get Industry's point of view.

All of those interviewed, agreed that it would be extremely useful for the U.S. to finance a workforce diagnostic process, exploring the linkages among the employment pool, market conditions and policy environment, educators and training providers, and employers. FICCI, in fact, developed a similar proposal for assistance from the EC, which unfortunately was not funded. The diagnostic would focus upon those industries and service sectors that are likely to become the engines of economic and job growth. The workforce diagnostic team would make recommendations to improve the responsiveness of the system at several levels, including secondary, polytechnic and Junior College. The study team would recommend whether US/Indian partnerships at the Junior College level can have impact at the State level or above; if so, where, and in what disciplines. Although Indian Technical Education is in need of reform, we will refrain from making recommendations in this regard until the workforce diagnostic exercise has taken place.

From 1992 –1997, USAID financed a linkage between Sinclair University (and an expanded consortium of Community Colleges in the U.S.) and the Center for Vocational Education in Madras. The purpose was to improve the quality of vocational training by reducing the mismatch between the supply and demand for skilled workers. Although the activity appears to have been reasonably successful, it was limited in scope and had only local impact. The partnership did not appear to affect policy change at the State level

Higher Education

Higher Education in India is imparted through 221 universities, 16 Central and the remainder under State jurisdiction. In addition, there are 10,555 colleges in the country. There are an additional 40 "Deemed-to-be Universities." Accreditation and maintenance of standards in higher education is the responsibility of the University Grants Commission. There are four autonomous research organizations in India, for historical and philosophical research and also for humanities, the social sciences and the natural

[1] External Efficiency, simply put, measures the extent to which a school or training provider meets the needs of the community in terms of the output of the school. Have school leavers been given the skills and attitudes needed to serve as productive members of society?

sciences. There is also National Council of Rural Institutes, for rural development and the Indira Ghandi Open University (IGNOU), which was visited by our team.

Tertiary Education constitutes 13.1% of public expenditure on education in 1997, which is down from 15.3 percent in 1986. It has further deteriorated to 8% during the Ninth Plan (1997-2002). This decline is appropriate, as percentage expenditure in primary education has increased over that period, and we have the growth of an active private sector in tertiary education.

There is a long history of cooperation between India and the United States in Higher Education, beginning in the late 1950s with collaboration on agricultural research. This activity was expanded in the 1960s to other fields of science and education. The India Institute of Technology, Kanpur, an internationally renowned institute for technical education and research, was set up with U.S. cooperation. Punjab Agricultural University, Ludhiana, in collaboration with Ohio State University, played a pivotal role in India's green revolution. The National Council for Educational Research and Training (NCERT) –an apex body for education was established with American collaboration. We have also noted several years of collaboration with Sinclair Community College and the CCID group in the section on youth and employment.

There are many other milestones in U.S.- India cooperation in science and technology, that are far too numerous to cite from 1974 –2000, in broad ranging disciplines from vaccine development to advanced electronics.

It has been noted by the Agriculture team that assistance to Indian Agricultural Institutions using the U.S. land grant model was extremely successful, but could benefit further by continued exchanges, particularly in research. This team has not had the opportunity to assess this need, and feels unable to recommend assistance within the higher education sub-sector at the present time. As in the U.S., Indian Universities are relatively autonomous. If USAID contemplates assistance in the area of higher education (not including Junior Colleges), it should generate a separate study, on this subject, perhaps by the National Academy of the Sciences, the National Science Foundation or the Fund for the Improvement of Post –Secondary Education (FIPSE)

Food Aid. Worldwide, food aid that is used to benefit education has had mixed results. Generally, there is some agreement, if not consensus, that the provision of cooked meals to children has been more beneficial than food distribution. USAID has developed a "best practices" paper on the subject of food aid for education. Principal recommendations are cited below. Food Aid should be targeted in such a way as to achieve at least some of the following:

- Improve enrollment and attendance and reduce dropout rates for all students.
- Improve school participation of girls and other vulnerable groups
- Address health and nutrition deficiencies, including short term hunger
- Provide psycho-social support
- Improve learning outcomes
- Address short-term household food security.

III <u>Scenarios for Assistance:</u>

Three scenarios will play out over the next decade:
(i) the responses to out-of-school children and youth, as measured by success in getting children back to mainstream education and youth prepared for the workforce;
(ii) the improvement of quality and internal efficiency, as measured by successful completion rates at each level; and
(iii) the expansion of mainstream capacities through systemic changes and capacity improvements at the state and district levels, as measured by net enrolment at each level;

Crosscutting all of these must be attention to the education of girls and young women, awareness of HIV-AIDS and basic lifeskills. Promising programs exist for each of these strategic tasks and there are options for USAID participation at different levels of assistance. These scenarios are not mutually exclusive. In fact, they are complementary and if resources permit USAID should participate in all three.

- **<u>Scenario one: Improved Access and relevance</u>**: There will remain a set of difficult-to-reach populations with special needs, populations missed or excluded by the current systems, and populations vulnerable to HIV/AIDS, trafficking, exploitative child labor and other pathologies. Particular attention is needed toward adolescents and young adults, particularly girls and young women. Mainstream efforts alone will not be able to accommodate the needs of children who have opted out of the system. Alternate education channels, such as bridging programs, enable children to catch up and re-enter the mainstream. There are several promising NGO programs addressing these needs, including several with which USAID is already engaged.

  The populations of particular concern include:
  1. Girls 6-14
  2. Urban deprived children
  3. Children with disabilities
  4. Child laborers
  5. Rural areas with concentrations of Scheduled Tribe/ Scheduled Caste populations.

  The programming areas of particular concern include:
  6. Village Mobilization to enroll all children in school.
  7. Bridge courses and hostel programs for children needing second- or third-chance opportunities to return to mainstream education.
  8. Literacy training that is specifically targeted toward female adolescents and young adults.
  9. Education and/or training of adolescents in the 13- 17 age group, particularly girls.

The team feels that distinctions and strategic choices among the various underserved groups of children are less important than is the goal of getting all children into quality formal day schools and keeping them there. Many children will fit more than one category of need; for each, the objective should address specific needs so that children can resume either mainstream education or the equivalent in some form of continuing education and skills training. [See Section IV for discussion of programming screens for out-of-school initiatives]

- **Scenario Two: Improving quality and completion rates:** There are a variety of initiatives underway to improve quality of education, with emphasis on ensuring those enrolled stay in school, that teachers have both technical support and supervision (and are relieved of other responsibilities that limit their teaching time) and that pedagogic materials and curricula reflect local needs (language, locally relevant activities) as well as more effective instructional approaches.

  Particularly promising are efforts to improve physical school capacity in the smaller villages, to move toward competency-based and modularized curriculum with parallel efforts to support teachers in multi-grade schools, and to use media (CD-ROMs, TV/video) to support education (limited applications to date, but increasing interest).

  The priority tasks for improving quality as measured by persistence and promotion rates appear to be the improvement of physical capacity for primary and upper elementary education, along with systematic planning and modeling to anticipate the demands for education at the upper primary and secondary levels over the decade.

  There are existing multi-donor mechanisms for supporting local planning and these mechanisms can be used to provide some direct support for local efforts to improve schools, with oversight by local NGOs and/or by District education authorities.

  There are a variety of suggestions for additional instructional objectives and for additional content on specific lifeskills, HIV-AIDS awareness, tolerance and conflict prevention, civic education and other topics. These may be areas of interest for USAID, particularly as they are crosscutting interest of relevance to other strategic objectives. . The main caution is that teachers are seriously over-burdened with other extra-curricular and non-teaching tasks as well as difficult classroom conditions and the curriculum is already crowded. For example, with the introduction of English, primary school teachers will be expected to handle three languages by Grade 3, plus all the other content topics. The team recommends a cautious approach to any curriculum or content interventions, which will have to be large enough to include teacher education, team building and field support as well as assessment, research and materials development

components and sustained enough to monitor progress over at least a 3- to 5-year period.

As an initial response for any areas of extra-curricular interest, USAID is advised to utilize one of the central project mechanisms (e.g., the successor to Learn Link) to field a team to work with state level educators to assess possible applications of interactive media (TV/radio) in support of teacher education and in-service support, with a particular focus on the teaching environment in rural communities and in multi-grade schools.

- **Scenario Three: Systemic Reform, Decentralization and Localization:** The Sarva Shiksa Abhayan process will be the centerpiece of India's effort to achieve universal basic education objectives. USAID should not expect to influence the overall shape, policy framework or direction for the SSA. This "train" has already left the station, and the GOI is driving it as fast as its resources permit. These initiatives are real. As they accelerate, they will require increasing resources, systematic efforts to improve planning and management capacities at the district and community levels, and increased attention to quality factors at the upper elementary and secondary levels. Programs addressing the main reform effort will have to work financially and programmatically within the SSA framework. As stated above, however, there are ways to assist in more targeted ways with specific aspects of capacity improvement, planning and management systems and professional support of these capacities.

IV. Strategic options for out-of-school children and youth:

Rationale for focusing on out-of-school children and youth:

Under any plausible scenario for improving school capacities and quality over the next decade, India will have significant numbers of children out-of-school and significant numbers of adolescents and young adults without sufficient education and skills training to function fully and effectively in the changing society and in the wage economy. These adolescents and young adults are among the most vulnerable and exploited, in every respect. Children not in school are in most cases working, either in homes and family enterprises or in various forms of non-household labor, often under hazardous conditions. The children without access to schools today will be the under-educated youth and adults of tomorrow. Addressing the needs of out-of-school children and of adolescents and young adults is one of the most direct ways of achieving social, institutional and economic impact; the team recommends activities responding to these needs as a first priority for any USAID program of assistance in the education sector. In fact, the team recommends assistance for such activities even if the decision is not to develop an education sector program as such. These are the target populations for a wide range of strategic objectives -- reducing child labor, addressing vulnerability to trafficking, HIV-AIDS awareness, and other critical lifeskills as well as the integration of services, mobilization of local communities and expanding the participation of young leaders, including girls and women and other target groups. This section addresses children of primary school age and also of secondary school age, although the interventions for each age group will differ.

Background and discussion:

Whereas approximately 18 million Indian children are working for wages instead of being in school, the total number of out of school children 6-17, according to the 2001 census, is in the order of 59 million. This is considerably below previous estimates of upwards of 110 million working children. Nonetheless this is an extremely large number. USAID has a history of working with PVOs, international organizations and NGOs engaged in many of the above priority activities. *We interpret this section of our review to be a validation or re-validation of the impact and benefit of USAID's efforts to date in this respect.*

According to a 1998 GOI study, about 2 million women are engaged in commercial sex work, out of which 500,000 are below the age of 18. India is a country of origin, transit or destination for internationally trafficked women and children. Young girls and boys are sold into sex-trade, sweatshops, construction, begging and domestic labor. Physical and sexual abuse is common. In India, victims of trafficking tend to belong to SC/ST and OBC groups. NGO's working on trafficking report that the age of victims is declining, because customer demands are increasing for younger girls and boys that are perceived to be AIDS free. High supply states for trafficking are Andhra Pradesh, West Bengal, Maharashtra and Tamil Nadu. Other risk areas are Bihar, Rajasthan and Uttar Pradesh.

The team visited several sites to observe bridge schools, and to meet with people on the ground. Bridge schools accommodate children who have either dropped out of school and want to return, or who have never been to school at all. With 9-15 months of intensive study in a residential environment, nearly all of the children, mostly girls, catch up with their age group and enter mainstream schools. For those who require it, continued counseling is available. We visited the MV foundation bridge schools in Andra Pradesh. The MV foundation has initiated a non-negotiable charter of basic principles for emancipation of child laborers which states that:

- All children must attend formal day schools.
- Any child out of school is a child laborer
- All work/labor is hazardous and harms the overall growth and development of the child.
- There must be total abolition of child labor
- Any justification perpetuating the existence of child labor must be condemned.

Not all NGOs subscribe to all of these principles, but all NGOs and the Government of India agree that full time education for all children is a basic human right. UNDP and the Institute for Human Development (HID) convened a national workshop Nov. 8-9 2001 involving the full spectrum of NGOs, GOI and international organizations concerned with working children. This was attended by USAID/OSD as well as by team members. One of the central elements of the "Non-Negotiable Strategy" endorsed by the workshop is that no strategy addressing child labor is likely to be successful without a vigorous effort to ensure school access for all children.

The team also visited the Reddy Foundation's program in Andhra Pradesh which (i) provides bridge programs to prepare young (elementary school age) out of school children in urban areas for entry into the formal school system, and (ii) Livelihood Advancement Business Schools (LABS). LABS are targeted toward adolescent youth in the 13-17 plus age group who have done 10 years of formal schooling, with or without a pass. LAB schools satisfy industrial demand by matching the requirements of industry to the needs and talents of youth. Students are given not only practical skills, but are trained in assertiveness, leadership, teamwork and communication. English language training is stressed. Reddy Foundation bridge schools, which are run in partnership with the Police, are enjoying extraordinary success, with 100% of the children entering formal day schools and performing at reasonable levels. The Reddy Foundation is unique in that its funding is largely derived from the Indian private industrial sector.

In both of the programs cited above, children were visibly happy, totally engaged in learning, and motivated to stay the course in school.

The team also met with officials of the Azim Premji foundation, which is funded by the CEO of WIPRO, which is India's equivalent of Microsoft. The Azim Premji foundation functions in 4,000 villages in Karnataka and in 500 villages in Andhra Pradesh. It is planning expansion into Bombay and other States. In addition to social mobilization, the

Azim Premji Foundation, which advocates IT as a motivational tool, focuses its efforts upon school quality through competency based instruction and evaluation. It works with communities to set realizable targets and carefully monitors the achievement of these objectives. It too, offers elementary level bridge programs combined with interventions that are targeted toward village schools in both urban and rural areas.

In partnership with the ILO, the U.S. Department of Labor participates in and contributes to the International Program on the Elimination of Child Labor (IPEC). The IPEC model uses research, analysis, and social mobilization through NGO's and goal setting. It focuses upon the worst forms of "hazardous" child labor, and functions within MinHRD reform structures.

What all of these NGOs and many others have in common, is that they seek not to generate and perpetuate themselves, but to strengthen the MinHR's ability to improve access and retention through social mobilization and quality improvement. The MinHR, at National and State levels has demonstrated a high level of receptivity to NGO efforts. It is obvious to this team, that Indian NGOs in the education sector are strong, significant agents of change and reform. Most of the NGOs that we interviewed were adequately funded to achieve their current program, but indicated that much more remains to be done and they could do more if additional funding were made available.

In view of the effectiveness, efficiency and credibility of India's NGO community, we will recommend a continuation and expansion of those activities that seek to provide access of underserved minorities to schools. Furthermore, the NGO community has been successful in influencing the Central MinHR to include NGO village mobilization work as an integral part of MinHR planning and strategy. Having said this, the team realizes that it has set out a large laundry list of target populations. The following screens should be helpful in selecting among possible beneficiary groups.

Seven Screens for out-of-school activities:

Rather than attempt to discriminate among feasible program responses and attach priority to various underserved groups of children, we recommend as the ***first screen***, that the Mission focus its efforts *geographically*. Priority should be to areas where there are high numbers of *child workers*; where there are large *gender* discrepancies in the education system, where *trafficking* is common, or where there are large numbers of *educationally deprived* children.

A ***second screen*** to be used in site selection is the *receptivity* of State and local officials to the innovations being offered by the NGOs in any given area. If the government is not open to the maintenance and replication of activities that have been evaluated and found to be successful, sustainability will be compromised and USAID should look elsewhere.

A ***third screen*** for geographic site selection is the past performance and *credibility of the principal NGOs* functioning within an area. Those NGOs that are sponsored by large,

well known private firms (Reddy, Premji etc.) tend to have better access to State government planners, thereby encouraging sustainability.

A ***fourth screen*** should be to assess whether there is *potential synergy* with other USAID activities in a given area. Where results in the education sector can serve the objectives of a health, or urban development activity.

A ***fifth screen*** relates to *tolerance*, understanding or other contemporary values within a region. Activities that support emerging leaders and responsible support groups for out-of-school youth can help create resilient community dynamics. This is a sensitive area, and should be treated as such.

A ***sixth screen*** should assess whether there is a *paucity of donor assistance* in the area. This is for three reasons:

- because we wish to collaborate with regions that are most in need;
- because donor activities require large devotion of time on the part of government staff at all levels;
- because replication and sustainability of donor activities will require staff and resources, both of which may be limited.

A **seventh screen** is to consider targeting areas where there are complementary child labor activities that are financed by the U.S. Department of Labor. The team feels that *it makes sense for U.S. agencies to work collaboratively* and establish synergy whenever possible, especially since the efforts of the DOL reflect an important congressional concern.

This team was able to visit only three States. According to Mission respondents, Karnataka seems to fill most of these criteria. The Education secretary and her staff are most concerned with the fact that 1.5 million children are out of school and that 60 percent of that total are in seven Districts. Karnataka has a mix of high performing districts with relatively poor and poorly educated districts with high rates of child labor exploitation, and other concerns. Bangalore is a high tech city with large pockets of deprived, uneducated children who are out of school. Child labor rates in Karnataka are extremely high and the incidence of HIV/AIDS is on the rise. Unlike Andhra Pradesh, Karnataka is not flooded with donor assistance. If the Mission decides to look beyond Karnataka, we recommend that it apply the selection criteria cited above.

Implementation modes: USAID has a choice of two modes of implementation:

- It can enter into a bilateral agreement with the Government of the State of Karnataka to mount an education activity that will respond to Karnataka's expressed desire for collaboration in the establishment of competency based learning and assessment techniques, curriculum development, village mobilization, teacher training and English language training.

- USAID can enter into a tripartite grant agreement with the government through an established PVO or NGO to implement programs that will bring out of school

children into the formal system, as well as to offer literacy training to at-risk adolescent girls and career oriented training to low income young adults in the 13 – 19 year age group. This is the current approach.

In the first mode, a bilateral agreement with the State, USAID would be primarily addressing "supply" or "quality" issues. In the second mode, an NGO grant, USAID would be addressing "access" and "demand" issues. Both are needed. However, since the MinHR is already addressing supply and quality issues through the DPEP and SSA initiatives, the recommendation of the team is that USAID engage in village level mobilization. This will expand upon successful efforts to enable Karnataka's 1.5 million out of school children in seven Districts to gain access to schooling by working through a U.S. PVO or through an established Indian NGO. One advantage of the PVO/NGO mode is that management and reporting will be handled by the NGO whereas in a bilateral project type mode, USAID would need to contract for such services or add staff to do it in-house. Additionally, were USAID to seek to enter into a bilateral agreement with the State level government, it would have to go through the Central MinHR, which might prove difficult. The MinHR no longer wishes to encourage "project" support, preferring sector support through direct buy-ins to SSA. The disadvantage of working through an intermediary NGO is that management and transaction costs can amount to 29 percent or more, of the total grant.

External Efficiency and Unemployed Youth:

As stated in earlier sections, growing unemployment, particularly youth unemployment is a major problem and becoming worse. The team has concluded that the problem is complex and does not lend itself to quick fixes. It requires careful study and deep involvement of all stakeholders in the employment cycle. We will therefore recommend that USAID consider a research analysis along the lines of the workforce diagnostic. In our detailed discussions, all agreed that it would be extremely useful for the U.S. to finance a workforce diagnostic process exploring the linkages among the employment pool, market conditions and policy environment, educators and training providers, and employers. The workforce diagnostic team would make recommendations to improve the responsiveness of the system at several levels, including secondary, technical, polytechnic and Junior College. The study team would recommend whether US/Indian partnerships at the Junior College level can have impact at the State level or above; if so, where, and in what disciplines. This study should lead to an activity that will create much better linkages among training providers, employers and the employment pool. The team recommends that the study be undertaken nationally but limited to certain sectors and industries. If this is seen as too broad in scope, in view of the enthusiastic response from the Education Secretary, and the problems facing the workforce in Bangalore, we would recommend that this type of diagnostic be undertaken in Karnataka. Hyderabad, which rivals Bangalore for leadership in the IT Industry, and Chattisgarh, are proposed alternate sites for this type of diagnostic. Hyderabad and Chattisgarh are suffering from massive underemployment and unemployment, and the Director of Technical Education in Hyderabad was particularly enthusiastic about the need for such a diagnostic.

This workforce diagnostic could be carried out under a buy-in to the upcoming GWIT (Global Workforce in Transition) project. The study would identify Indian institutions that might be susceptible to partnerships with occupation oriented U.S. community colleges, or other such collaborative activities.

Private Education

Three types of private schools are found in India: Private Unaided (PUA), Private Aided (PA) and Religious, Caste and Linguistic. Many of the latter, which include Christian, Hindu and Islamic schools, are aided. These schools run the gamut from excellence to barely acceptable. Although there is a process for private schools to be recognized, most do not bother. The process is cumbersome. It is in the urban areas where PUA schools are most common. In Urban India, 51% of the total increase in elementary education has been in PUA schools. In rural areas, only 18 percent of the growth in elementary education was in PUA schools. It has been argued that USAID should support private education because of the high cost of public schooling. According to Indian Government (MinHR) data, private schooling is very much more expensive than schooling in government schools. Even private aided schools where fees are supposed to be kept at a nominal level manage to get fairly high fees from their pupils. NCAER data shows that the costs of aided schools are much closer to those of government schools. Whereby the average expenditure in PUA schools (Rs 893) was more than double that for government schools (Rs 346) the expenditure for PA schools was a moderate Rs 411.

Private schools are a normal response to rise in demand for education combined with a fall in quality of government schooling. The "Probe" survey found that parents were disillusioned, cynical, hostile and helpless about the lack of infrastructure, shortage of teachers and teacher negligence, absenteeism or lack of accountability in government schools. 50% of the schools visited in the survey had no teaching activity going on. The GOI MinHR is well aware of these findings and is determined through SSA, to improve access to and quality of elementary education, even in the poorest communities. It is facile to suggest that USAID support private education because government schools are dysfunctional. The poor continue to rely upon the massive government system to deliver education. This team believes that there is more hope in working to improve and expand public education than to develop alternative systems. Having said this, the team also believes that the interaction among private schools and the government system needs further study. This team did not have adequate time to research this complex issue.

Literacy training

Uneducated female adolescents tend to marry and bear children early in age. Whereas experimental programs such as the LABS schools can accommodate female adolescents with some education background, many have none. The correlation between women's education and lower fertility, child mortality and other social development indicators is well established, and there is evidence to show that there is a high level of female mortality among teenage mothers. As has been shown, there is massive attrition in the

school system, especially among females, and a relatively high number of female adolescents have never learned to read and write. The Mission should consider mounting literacy-training programs for female adolescents and young mothers in their target zones. Results from literacy training are short term and will directly and indirectly support Mission objectives in reproductive health.

Summary of recommended options to improve access and external efficiency

- Develop an omnibus vehicle to deliver targeted support to the NGO community to expand ongoing efforts to bring out of school elementary school age children within a region into the formal, day school system. Focus on very specific target groups such as child laborers and/or SC/ST children and girls in an effort to get at the poorest and most neglected segment of the population.
- Provide support to NGOs to develop secondary level programs such as the Reddy Foundation's LABS schools to reach vulnerable children in the 13- 17 age group and to give them hope and opportunity for employment
- Provide Literacy training to female adolescents and young adults where the content is specifically targeted toward appropriate issues.
- Undertake a comprehensive workforce diagnostic within, focusing upon the nature of the linkages between training providers and employers. The study would examine not only in-school training options, but also the informal training provided on-the-job. The study would focus not only on technical and vocational training, but also upon the life skills that are required when youth enter the job market.

We believe that all of the above are viable options for USAID support. *We further believe that the first three options can be combined and implemented within a single umbrella PVO grant* that will provide funding to successful regionally based NGOs to further their work insofar as it coincides with USAID's objectives. The team believes that the scaling up and geographic concentration of activities to enroll out of school children is a high ranked option. It will have major people level impact upon as many as 1.5 million children in seven Districts of Karnataka who are currently denied an education.

The team also believes that the problem of youth unemployment is a time bomb. In view of the complexity of the issues, we believe that the Mission can make a major contribution and possibly gain significant leverage from other donors, by funding a workforce diagnostic study to be followed by targeted activities. This is a second ranked activity within this section.

V. Strategic Options for Improving Elementary Education:

Rationale for focusing on the School Systems:

Over the medium- to long-term, the key to reducing the numbers of poorly educated and out-of-school children and youth, and the associated social, economic and health problems, is the expansion of the mainstream public school systems. This is the only way to provide education opportunity for all children on a sustainable basis at reasonable standards of quality, efficiency, equity and success for all children.

Options for improving school capacities are reviewed here as two linked sets of strategies: options for improving quality, as measured by persistence and completion rates, and; options for improving systems capacities, as measured by effective administrative decentralization, technical capacities at the District level and local participation in education planning, assessment and administrative oversight.

Other aspects of curriculum and materials development, pedagogic reform and extra-curricular content are important, but are given less strategic emphasis in terms of the priorities for universalizing opportunity and supporting decentralization.

The SSA initiatives will be among the largest public sector initiatives in India over the next decade, and will be powerful factors in shaping decentralization, local participation and local administration across the sectors. Thus, assistance to facilitate implementation of the SSA reforms will have impact well beyond education on other aspects of public administration, local governance, social and economic participation. The main caution is that it will be necessary to make a substantial commitment to these reforms.

Support for quality Improvement:

Quality is defined under SSA by the rates of school persistence, promotion and transition to the next levels as well as by the measured achievement at each level. There are serious problems of early grade repetition and dropout, due in part to costs to the household and to demand factors, especially for poor children, for girls and for rural children. However, the main constraints appear to be poorly motivated and often absent teachers, lack of instructional materials and physically inadequate school facilities. Though much of this is a matter of constrained resources, it also is a matter of poor allocation of resources, in part due to lack of local analytic and planning capacity, to little discretionary room for innovation locally and to lack of local oversight by parents and community leaders able to assess their own needs and articulate their priorities to education administrators.

- Support of local participation in assessment, planning and management is perhaps the most cost-effective and sustainable means of articulating the demands for improving schools, providing oversight to ensure teachers teach and promised budgets are actually met and generally for assessment of needs and strategic responses at the community level.

- The priority for direct investment to improve quality should be to improve physical capacity in the smaller villages and targeted communities in lagging districts. The quality of the school facilities is key to ensuring that poor children and other targeted populations (especially girls) can participate fully and successfully. At present there are some compensatory schemes such as the Education Guarantee Scheme (EGS), and an expanding number of private and grant-aided schools. These augment the capacities of the states and districts to provide public school education, but leave many districts and communities with substandard schools, often lacking adequate water and sanitation as well as adequate teaching space. There are opportunities to work through local societies and municipal authorities to address some of these needs.

- At the expected levels of funding and program management capacities a direct investment in teacher training or curriculum and materials development is not recommended. However, there are ways to facilitate idea exchange, joint research and other collaboration through linkages with specialized centers and organizations in the U.S. Several of those interviewed expressed interest in such exchanges on an institutional basis as well as among professional peer networks.

- Any investment in curriculum, materials development, teacher training or other pedagogic reforms should be large enough to support a comprehensive approach, sustained for at least 5 years and complemented with programs of research, assessment and knowledge building. Small pilot projects are not recommended.

- There are options (and some interest) for additional content and school activities related to lifeskills, including HIV/AIDS awareness, tolerance and conflict prevention, economics education and workforce orientation, civic education and other topics. Any activities in these areas should be attempted first at scale (i.e. not as "pilots" or "experiments") but in limited areas for which local participation in design as well as careful monitoring and documentation can be arranged, preferably through Indian entities. A caution is that local teachers already are heavily burdened with a wide range of non-teaching tasks. Care must be taken to provide support and to integrate any new tasks with other school requirements. These activities could be supported through central project mechanisms.

- The priority for use of IT to improve quality is to explore the use of TV, radio and other media (not networked computers dependent on connectivity, which currently is very limited for rural areas) first to support teachers and second to support experimentation with new models of secondary education. A central project mechanism can be used to support the initial assessment and design work.

Summary of Recommended Options for Improving Quality

First priority should be to assist local participation in assessment, planning and management in each State and District in which USAID engages. One of the objectives

for such support is to help the communities make plans for local infrastructure improvement (particularly schools) and either make effective demands on public authorities for school improvement and maintenance funding, or devise other strategies for improving and maintaining the local schools. The team discussed the possibility USAID may wish to include some modest funding to pump-prime this process. However, the funds required are very small ($100-$500 per school) and USAID would not want to manage such funds directly. Further, USAID should not substitute grant funds for the responsibilities of local governments.

A program managed through local NGOs is recommended, closely coordinated with State and District education officials. USAID also could partner with the international organizations for local support strategies modeled on the SCOPE or Janshala Program (see discussion under options for improving systems, following sub-section). Total funding would depend on the number of Districts and communities targeted; At the level of effort of the Janshala Program, $500 thousand p.a. would be sufficient to support local planning initiatives in 12-15 districts. Up to twice this level could be used.

A second priority should be to support idea exchange and collaboration in the assessment of selected bottleneck problems such as the design of cost-effective small school models, strategies for supporting tolerance and conflict prevention through the schools, use of IT to support teachers, use of media to support HIV-AIDS awareness. To the extent possible, these should be supported as linkages between Indian working groups, professional and specialized programs and counterpart groups and entities in the U.S. and not as technical assistance programs or pilot projects and design teams for subsequent assistance initiatives. Even knowing that such collaboration is likely to lead to proposals for funded activities, it is important that any such initiative come from Indian entities and be presented to other funders, as well as GOI and other Indian partners, as well as to USAID. After refinement of areas in which such exchanges and collaboration would be developed, USAID could most easily implement this through an RFA process, possibly with the intermediation of a central project mechanism. Estimated LOE for collaboration would be $50,000 p.a. per topics, assuming non-salary costs only and two-year grants. On this basis, 6-8 areas of professional exchange could be supported at $300 thousand to $400 thousand p.a. [See below for a parallel recommendation with respect to planning and assessment methodologies, EMIS systems and other areas for professional exchange on education systems and systems management. These could be combined as one exchange initiative]

Strategies supporting systemic reform of basic education:

The most cost-effective option for obtaining large scale and sustainable impacts is to support the systemic reforms of the SSA program. However, there are few good options for supporting this large-scale and multi-faceted national reform with small-scale efforts or gap-filling strategies. It would be possible to make effective use of large-scale support on a sector support basis if substantial funds become available through ESF or other windfall scenarios. It also is possible to support some aspects through programs focused on specific states; however, these need to be relatively generic and not overly projectized,

given the MinHR's and DEA concern for ensuring that the SSA program is supported as a whole.

There appear to be three main options for supporting education reform on a systemic basis:

- support for local participation in decentralization;
- sector support for the SSA package as a whole, concentrating geographically on Districts in one or two States;
- cross-cutting assistance focused on selected technical capacities, information systems or design issues

Support for local participation in SSA implementation

Among those consulted by the Team, there was near-universal agreement that the key dynamic driving the overall SSA reforms is the decentralization to the State and District levels, and further to the community level. At the community level there are a variety of mechanisms for local participation in assessment and planning, and most schools have some form of school committee as well as parent-teacher and mother-teacher associations. There was not time or opportunity for the team to examine these mechanisms in detail. However, it appears generally agreed that:

- a) there are small but promising examples of microplanning with substantial community participation and innovative assessment and mapping techniques suitable for low-literacy communities;
- b) experience is very uneven, with some mechanisms existing only on paper;
- c) support for training and other capacity building of these local planning and management/oversight mechanisms would be well utilized and welcomed by local authorities.

Several of the NGOs indicated interest in working at this level. CARE in Chattisgarh was particularly articulate on the need to proceed slowly, helping the community decide for itself what it wants and how it wants to proceed – facilitating and supporting, but not forcing the pace or trying to achieve predetermined designs or responses.

The strong recommendation of the team is that any intervention look first for ways to support local participation in the assessment and planning processes and then, reflecting such participation and assessment, look for ways to provide support for small scale innovations, managed as locally as possible. A partial mechanism exists under the Joint GOI-UN System of Community-based Primary Education (SCOPE), now known as the Janshala Program. The interventions focus on mobilizing communities and empowering them to manage the existing schools and demand alternative arrangements for education where adequate schools do not exist. It supports a wide range of local initiatives and community self-assessment activities, encouraging local approaches to child-centered and gender sensitive education, early childhood and disabilities education. This program is supported in 139 rural blocks and urban slums in 10 cities in 9 states (Andhra Pradesh, Chattisgarh, Jharkhand , Karnataka, Madhya Pradesh, Maharashtra , Orissa, Rajasthan

and Uttar Pradesh). USAID could develop a joint program with the international organizations through an MOU process, building on the existing program, or it could model the Janshala program as part of new trilateral programs developed in the additional geographic areas on which USAID decides to focus.

Sector support of SSA

Sector support would be welcome and well utilized. It would need to be at a substantial level to be determined depending on availability of ESF or other "windfall" funds, conditioned on established baseline and joint review processes, public expenditure reviews and other sector conditionality. The Ministry has indicated it expects most assistance to be coordinated with the Central programs and that it is not interested in negotiating projectized assistance as part of SSA. .

USAID could provide funding to support SSA implementation in a significant number of districts, concentrated in one or two states. This would require an initial baseline study, an assessment of state resource utilization and fiscal commitments to education, arrangements for USAID participation in the multi-donor Joint Review process, and other provisions for monitoring and reporting. $10 million p.a. would be the minimum level of participation in the overall SSA program. The team proposes a level of at least $20 million p.a. (assuming funds are available at this level) and higher levels could be considered at a later stage assuming satisfactory performance in implementing the initial commitment. The level of $20 million would be sufficient to support work in 12-15 districts, to be determined (estimated based on the number of districts covered by the EU commitment to SSA support). . Effectively, this would make it possible for USAID to focus its funding on the lagging districts in two states such as Karnataka and Chattisgarh

If this option is taken, TA funding sufficient to support the above analytic and monitoring tasks and to provide modest support is needed for information systems planning and idea exchange. This will require $500 thousand to $1 million ($100-200 thousand annually) additional to funds provided for other forms of idea exchange, management systems improvement and planning capacities.

Cross-cutting support for selected components of SSA

Another systemic support option is to work within the policy and management framework of SSA but offer to underwrite a substantial part of one of the functions or tasks nationwide or for selected States. This could be assistance with information systems and the use of IT to facilitate networking, user groups and relation to other databases and analytic tasks. It could be some discrete input such as local school capacity, perhaps keyed to areas that are disaster prone and in which attention to specific design features and building codes might mitigate disasters. It could be systematic research and experimentation keyed to a priority task on the medium-term horizon, such as devising a cost-effective and qualitative model for upper elementary and lower secondary for the smaller villages in which multi-grade approaches, unconventional staffing and support and some use of IT to support education appears to be needed. It

could be some sustained effort to assess the epidemiology of conditions for the handicapped, to support policy dialogue on the options for mainstreaming these children or otherwise ensuring basic education opportunities and supporting significant efforts to put such options into practice in a number of places. It also may be possible to focus at the state and district level on assessment and planning for future education needs, including the scenarios for provision of upper primary and lower secondary and possibly including support for selected modeling and experimentation toward the development of more cost-effective and gender-sensitive delivery systems.

These, and other crosscutting options, are attractive in many ways as they enable USAID to address strategic needs that are of priority interest to GOI as well as to USAID constituencies. However, they also would be staff intensive and perhaps management intensive. Further, the government would prefer to work within the SSA process as a whole and not break out discrete functions as separate projects. Each of these topics would require a substantial period of planning and assessment and technical exchange as well as difficult discussions with Government. Project support for such functions may be more agreeable if part of a larger commitment to sector reform. Such projectized activity would require some level of TA contracting, though it may be possible to arrange this through one of the central contract mechanisms and/or a MOU with other USG entities. It also is likely that a partnership could be developed with other international organizations (UNDP, UNICEF, UNESCO, UNFPA). The team is supportive of this option, but at a lower level of effort than the first option, possibly $1 million p.a. initially and $3-5 million p.a. from year 3 onwards.

At a more modest level, USAID could have some impact through support for idea exchange and professional collaboration, linking selected Indian institutions and specialist networks with U.S. and international counterparts in symmetrical, collaborative relationships, possibly including reciprocal visits and support for conferencing on ongoing exchange on areas of mutual interest, supported through RFA processes. This could be included under the same mechanism as is proposed above for quality exchanges, except that the commitment for national level collaboration would have to be somewhat larger than for an effort focused on one or two states. A level of perhaps $100 thousand p.a. for two years of non-salary costs is suggested for each area of exchange and collaboration, thus perhaps $300 thousand p.a. for a minimum of two years. See discussion under quality strategies above.

Support also could include knowledge exchange through an MOU with NCES or NCERI or FIPSE or other specialized programs of Dept of Education or BICSE (NAS/NRC) or other mechanisms using RFAs to reach specialized planning capacities associated with the states such as ECS, CCSSO and the Regional Education Laboratories. Another option is to work with the international organizations (UNESCO, UNDP, UNICEF, WB, ILO, UNFPA) on planning and assessment within the framework of EFA plans of action.

Summary of Strategic Options Supporting Systemic Reform:

First priority should be professional exchange and institutional linkages in areas where Indian partners would welcome access to U.S. experience and professional collaboration on topics of mutual interest. Priority should be to data-based and research-based education planning and systems management, including the development and use of assessment instruments, modeling tools and standards-based education management approaches. The experience in managing a federal system may be of particular interest. Opportunities to interact with entities such as the Education Commission of the States, the National Governors' Association, the Council of Chief State Schools Officers and other entities may be of interest as well as the more specialized institutions and organizations. A planning level of $300 thousand annually is proposed and higher levels could be utilized. Such a program could be developed through RFA processes, with a central project as the intermediary.

Second priority should be assistance with local planning and assessment capacities, including improvement of EMIS systems, monitoring and reporting systems. This should be supported at a scale sufficient to cover all districts in the states for which USAID develops significant programs. The level of effort will depend on the number of districts. Planning should assume a minimum level of $1 million p.a. for at least 3 and preferably 5 years. This could be implemented bilaterally through a central project mechanism or through a partnership with the international organizations (UNDP, UNESCO and others and/or the World Bank) with an MOU process including provisions for supporting local NGOs able to work at the community and Panchayat level.

A third priority is to provide substantial sector support. This is an excellent opportunity to contribute to large-scale reform and substantial impact without a large project management requirement for USAID. However, it is feasible only under circumstances where USAID can foresee substantial resource availability through ESF or other windfall sources sufficient to provide $10-20 million p.a. over the next 5 years, and where USAID is able to manage the substantial task of initial program negotiations and ongoing

VI Options considered but not recommended

A) Roads Not Traveled (discarded options)

The team considered and decided not to recommend the following options. The team's thinking is summarized below. In addition, the team had to make judgments as to what level of funding is likely to be available and how complex a program the mission may wish to attempt. If higher levels of funding become available, and/or the mission accepts a higher management/technical support commitment, these judgments can be reviewed.

- **Higher education.** This is a huge topic with literally thousands of institutions and without obvious points of entry at the policy level. The team has included recommendations for professional exchange and knowledge exchange, which are likely to include university-based specialists and specialized programs. The team views favorably the recommendations for renewed faculty development and joint research initiatives under agriculture and other sectors, but does not take a position on what priority the mission might give to agricultural universities per se.

- **Technical education**. As with higher education, this is a huge topic with literally thousands of institutions and without obvious points of entry at the policy level. A key concern is the analytic and program coordination with the employing sectors and the understandings by employers of what the training institutions can and cannot do. At a later stage, the mission may wish to look further at community college options, including ways to help Indian educators access US experience and institutional models at this level and possibly to develop new linkages such as was done with Sinclair College. However, this should wait until substantial progress has been made in instituting the workforce diagnostic tasks (see activity sheet as well as discussion in text). In addition to more specific assessments of needs and training priorities, these are expected to facilitate new possibilities for coordination and collaboration between the secondary and tertiary education systems, employers and others concerned with workforce preparation and ongoing technologic adaptation and productivity improvement.

- **Targeted school initiatives for girls**. There is remarkably high awareness of the importance of increasing education opportunities for girls. There is a strong policy commitment to achieving universal education at the elementary level, and the SSA includes specific attention to gender factors at all levels, down to the local level. Gender factors were prominent in the discussions the team had, at all levels. The strong consensus is that the most cost-effective strategy is to pursue mainstream education for girls to the maximum extent possible and that the main way to accomplish this is to work within the framework of the SSA programs. The team agrees with this judgment and has not recommended targeted or separately managed support for girls' schools at the elementary level. The team has, however, included recommendations for NGO support of second- and third-chance opportunities for out-of-school girls, including bridge programs and hostel programs. The team also recommends education initiatives for adolescent girls, focusing on literacy for those

without adequate education previously and lifeskills content including HIV-AIDS awareness and awareness of trafficking issues as well as skills relevant to economic activity and other participation.

- There are significant issues of adequacy of local school facilities, including sanitation and privacy concerns and physical distance from homes (though this appears to be diminishing as a general problem). The team did not include a recommendation for local infrastructure funding, putting the emphasis first on strategies supporting local community participation in school planning, assessment and administrative oversight. USAID may wish to include funds for small local infrastructure support under selected NGO grants, but in general the emphasis should be on articulating local demand and on ensuring that public funds are allocated in response to such demands. Finally, another constraint to successful strategies of education for girls appears to be at later stages, particularly the transition from elementary to secondary. The team included recommendations for increased analysis at this level, through support for EMIS systems and modeling, and encourages exploration of new approaches to secondary education, particularly for small lower secondary schools that can be sited closer to the villages without sacrificing instructional content or quality.

- **Private Schools.** The team did not have time to examine private school provision in depth, though it was informed on the growing numbers of private school providers and the degree to which such alternative providers (both private schools and grant-aided schools) are successfully competing with the government schools in many areas, particularly in urban areas. These schools run the full range from excellent to barely acceptable. Most private primary schools in rural areas serve the near-poor rather than the poorest. The team did not identify an effective point of entry at the policy level or in terms of institutional support. Some NGOs such as CRS (MV Foundation, Reddy Foundation), are supporting significant numbers of small non-government schools (including transitional schools) targeted on needy communities. USAID may wish to provide additional support. However, the team does not recommend any large-scale subsidies and does not think private provision of regular schools is an effective means of reaching the poorest communities, the most vulnerable children, migrant populations or areas with significant SC/ST populations. However, there is scope for strengthening the 'private aided' schools (private schools enjoying government grants, mainly salaries) and exploring collaborations for strengthening teacher quality, class-room teaching-learning processes, evaluations, etc with support from NGOs. These schools have not been touched by any reforms.

- **Religious Schools.** The team is aware that there is considerable concern for the growing influence of some forms of religious education, both with regard to the concerns about extremist movements in the region and with regard to influences on the content of all education including the secular schools. These issues are sensitive and need to be discussed with great care. The team did not have time or opportunity to discuss these in sufficient depth to make firm recommendations. It does, however offer the following thoughts. First, much, perhaps most, of the religiously affiliated education in India is constructive and consistent with the overall objectives of

education for all. Second, the concern should not be framed narrowly in terms of Islamic education; there are other forms of education in India associated with other religions, and with associated political movements. Third, part of the problem is sociologic; some of the more extreme religious education providers are also providing food and shelter to children of the poorest families. Fourth, the team heard several suggestions to the effect that there is growing interest in improving the content in the religious schools, including mathematics and science. Fifth, no strategy responding to the concerns about the influence of religious forms of education is going to be successful without a vigorous effort to provide alternatives, for all, at desired levels of quality and effectiveness. A strategy supporting the achievement of SSA objectives, targeting the lagging Districts and the poorest communities is the main recommendation, particularly if it is accompanied by serious efforts to involve local parents of all sociologic and religious backgrounds in the planning and oversight of local schools and other community-based education activities.

- **Non-formal education.** The team did not recommend programs using non-formal approaches, mediated education or other or other schooling alternatives at the elementary education level. . Priority should be to universalising access to schools and to decentralization and administrative improvement at the local level. The team does, however, endorse and encourage a variety of alternative education options for female adolescents and young adults as well as alternative school models and second-chance strategies for getting out-of-school children into schools.

- **Early Childhood Care and Development.** The team considered, but ultimately did not recommend a program in this area at this time. In part, this reflects a lack of time to examine options in sufficient depth. It appears clear that much of the learning problem must be addressed in the early years, including nutrition and nurturing behaviors related to cognitive development, attention to respiratory illnesses leading to hearing loss, stunting due to helminthiasis and other debilitating conditions, iodine deficiencies and many other factors. It also is likely that much of the household decision-making related to the education expectations of children, particular children of the poorest households and girls, is made prior to enrollment in school. Finally, early childhood programs in many other contexts have proven to be an effective means of integrating services at the community level and of involving local women in program management and leadership roles. If at a later stage, USAID had resources for additional priorities, ECCD would be an excellent candidate.

B) Roads worth travelling (lower priority than recommended options)[2]

- **Planning for Upper Elementary and Secondary Education Capacities**

  Support for quantitative assessment of demand for upper primary and lower secondary and support for research and development effort to identify characteristics of upper primary and lower secondary school models necessary for ensuring persistence of girls in small villages and isolated areas. As opportunity emerges, support one or more pilot projects of small, community-based, multigrade schools at upper primary and lower secondary with new pedagogic materials and technology applications as necessary. The assessment activities require relatively modest support, and probably can be addressed within the initiatives supporting information systems, planning and management improvements. An initiative to support serious experimentation with new models of upper elementary and/or secondary education, including IT applications and curriculum changes, would require a substantial commitment of at least $500 thousand p.a. exclusive of any direct costs of the demonstration school(s).

- **Tolerance, Civic Education and Conflict Prevention**

  NGO-based activities supporting local leaders working with school-age children and youth on group activities supporting alternative decision-making, community dialogue and strategic planning for more inclusive, participative and resilient communities. Activities should support social inclusion, address issues of social intolerance and facilitate exploration of strategies to reframe potential conflicts into strategies for collaboration, conflict prevention and the development of resilient capacities. Youth leadership development and strategies for youth-led community activities and social entrepreneurship should be given priority. NGO support should include support for specific community-building activities as well as for leadership development, documentation and idea exchange with related youth initiatives in other parts of the world, including the United States. Partial models include the work of US NGOs such as The Strategy Group, the Conflict Management Group, Search for Common Ground,Civitas and The Tolerance Project.

  Activities supporting tolerance, community dialogue and other aspects of community peace building and conflict prevention could be supported with very modest funds. Most activities could be mounted on a voluntary and community mobilization basis, with very discrete roles for external specialized NGOs, mainly in observing and documenting the processes and facilitating transfer of experience from other contexts. $100-200 thousand p.a. would support a substantial effort. Larger programs including local capacity building also could be mounted.

[2] . These are viable options that the Mission may wish to consider under a changing fiscal or political environment.

Crosscutting support for selected components of SSA

A second SSA support option is to work within the policy and management framework of SSA but without sector support funding. The Mission would offer to underwrite a substantial part of one of the functions or tasks foreseen for implementation of SSA nationwide. This could be assistance with information systems and the use of IT to facilitate networking, user groups and relation to other databases and analytic tasks. It could be some discrete input such as local school capacity, perhaps keyed to areas that are disaster prone and in which attention to specific design features and building codes might mitigate disasters. It could be systematic research and experimentation keyed to a priority task on the medium-term horizon, such as devising a cost-effective and qualitative model for upper elementary and lower secondary for the smaller villages. Multi-grade approaches, unconventional staffing and support and some use of IT to support education appear to be needed. It could be some sustained effort to assess the epidemiology of handicapping conditions, to support policy dialogue on the options for mainstreaming these children or otherwise ensuring basic education opportunities and supporting significant efforts to put such options into practice in a number of places.

These, and other crosscutting options, are attractive in many ways as they enable USAID to address strategic needs that are of priority interest to GOI as well as to USAID constituencies. However, they also would be staff intensive and perhaps management intensive. They would require some level of TA contracting, though it may be possible to arrange this through one of the central contract mechanisms and/or a MOU with other USG entities. It also is likely that a partnership could be developed with other international organizations (UNDP, UNICEF, UNESCO, UNFPA). The team is supportive of this option, but at a lower level of effort than the first option, possibly $1 million p.a. initially and $3-5 million p.a. from year 3 onwards. Each of these topics, possibly excepting the funding for school capacity, would require a substantial period of planning and assessment and technical exchange and would not initially be able to make effective use of large monies. In the current MinHR environment, it is unlikely that the government would agree to this type of TA-intensive activity, particularly if it is seen as outside the sector support framework.

- **support idea exchange and collaboration** in the assessment of selected bottleneck problems such as the design of cost-effective small school models, strategies for supporting tolerance and conflict prevention through the schools, use of IT to support teachers, use of media to support HIV-AIDS awareness.
  To the extent possible, these should be supported as linkages between Indian working groups, professional and specialized programs and counterpart groups and entities in the U.S. and not as technical assistance programs or pilot projects and design teams for subsequent assistance initiatives. Even knowing that such collaboration is likely to lead to proposals for funded activities, it is important that

any such initiative come from Indian entities and be presented to other funders, as well as GOI, other Indian partners, and USAID.

After refinement of areas in which such exchanges and collaboration would be developed, USAID could most easily implement this through an RFA process, possibly with the intermediation of a central project mechanism. Estimated LOE for collaboration would be $50,000 p.a. per topic, assuming non-salary costs only and two-year grants. On this basis, 6-8 areas of professional exchange could be supported at $300 thousand to $400 thousand p.a. Other activities emerging from this process would have to be cost-estimated and considered on a case-by-case basis but are likely to require substantial additional funds.

VII. Recommendations

The team was asked to "swing wide" and assist the Mission to think through what it might do in the education sector at various funding levels. We were asked, as the Agriculture team did, to cite 'best bets." We were asked not to chip around the edges, but to suggest interventions that would have real impact. In a country as large as India, this is indeed a challenge! The education sector is much more complex than agriculture. This team did not consider activities that are specifically targeted toward the girl-child, preferring to emphasize the importance of reaching girls and women in all of the recommended activities. An exception is in the area of literacy training for adolescent girls and young mothers.. For reasons stated in the body of the paper, the team did not make recommendations on higher education, except at the Junior College level where there is a need for closer linkages to Industry. The Mission's approach to the education sector needs to pinpoint those areas where we can influence policy direction or provide assistance to large numbers of people. The activities are ranked within each funding level, and are followed by a series of possible interventions that should also be considered if USAID decides to play a major role in the education sector. These are not discarded options. They are real options but at a lower priority than those recommended.

1. **Program Level One. approximately $3-5 million p.a.**
   - The Mission can have impact at the policy level and also people level impact. At a cost of about $2.5 million per annum it can continue to collaborate with Indian NGOs in the seven Northeast Districts of Karnataka (or a similar concentration elsewhere) to reduce child labor in these regions and get most of those who are currently out of school, into school. The social impact in years to come will be enormous. An opportunity exists for collaboration with the U.S. Department of Labor's IPEC initiative which would create synergy with USAID's efforts. The disadvantage is that Northeastern Karnataka is reported to be a difficult area. Chances for success would be higher elsewhere. If the mission decides to focus in more than one state, the costs would be proportionately greater.

   - At a level of about $300k-$500k per year, in addition, the Mission can promote professional exchanges and institutional linkages in areas where Indian partners would welcome access to U.S experience and professional collaboration on topics of mutual interest. The strength of this activity is that it provides expertise through professional and institutional exchange, instead of through T.A.

     Priority would be in educational planning and systems management, including data-based planning and modeling, which would engender broad systemic impact. This should be coordinated closely with the US Department of Education **http://www.ed.gov** through programs such as the National Center for Education Statistics and the Regional Education Laboratories. There also is likely to be considerable interest in exchanges related to the management of federal systems of education such as through the Council of Chief State School Officers **http://www.ccsso.org** and the Education Commission of the States

http://www.ecs.org . There also is likely to be interest in exchanges related to the improvement of teaching of mathematics and sciences, with linkages to the US entities such as the National Council for the Teaching of Mathematics **http://www.nctm.org** , the National Science Teachers Association **http://www.nsta.org** and the Council for Basic Education's **http://www.c-b-e.org** Schools Around the World program. There are of course many other specialized organizations.

- At a first year cost of under $100,000 to be followed by two to five years at a slightly higher level, the Mission could contribute to the alleviation of youth unemployment and income generation by funding the workforce diagnostic outlined on the Activity Sheet. This diagnostic will make recommendations for a series of interventions and reforms that will support the efforts of organizations such as FICCI, CII the Ministry of Labor, the Ministry of Education and the private sector. Subsequent year funding could sponsor Community College Linkages and other efforts such as "SCANS" (**http://www.scans.jhu.ed**) to foster closer ties among training providers and industry. The strength of this activity is that it addresses a critical problem at low cost and has been strongly endorsed by all stakeholders in the employment cycle. It will enable the ensemble of donors to undertake important activities that will strengthen the workforce. The disadvantage is that, in order to have significant people level impact, the recommendations will need to be implemented. This may require resources beyond the capacity of USAID.

2. **Program Level Two: At a somewhat higher level, in the order of $5-8 million**, the Mission could increase the program commitments to:

- work within the policy and management framework of SSA to support improvement of information systems, data-based planning and management systems and the use of IT to facilitate networking among data user groups, improved transparency of data bases and interchange of education sector information with other databases and analytic tasks. Several illustrative uses for this type of IT assistance are given within the text of this paper. These, and other crosscutting options, are attractive in many ways as they enable USAID to address strategic needs that are of priority interest to GOI as well as to USAID constituencies. The drawback is that they are staff intensive, and perhaps management intensive. This option would require $1 million in the initial year, increasing to $ 3-5 million in years 2-5.
- Collaborate at the local level in assessment, planning and management that is specifically targeted toward infrastructure requirements. Ideally, this should be delivered via a competent NGO that would get communities actively engaged in demanding adequate facilities from the State. Funding sufficient to cover 12-15 Districts should be in the order of $ 500, 000 p.a. Advantages of this option is that it supports efforts to accommodate out of school children, focuses on facilities for girls, and prepares local communities for expansion into upper primary. Weakness of this activity is that it would have local or regional impact only, unless it were replicated outside of the target area.

USAID is not advised to manage directly funds to support local program initiative or to pump prime local infrastructure development. However, it may wish to include such funding in the above NGO programs and/or to discuss with UNDP and other international organizations some form of MOU partnership in which USAID made such funds available for programming within the Jamshala or SCOPE program. Such funds should be dispersed in very small increments (under $500) and should be used as catalysts and incentives for local initiatives rather than as substitutes for public funding. $50,000 p.a. per District would support a substantial number of initiatives.

3. **Program Level Three: ESF or other windfall funding, , $18 million plus.**

- Education sector support would be welcome and well-utilized. High levels of investment are required to get a seat at the table. The MinHR has indicated that it is no longer interested in projectized assistance. The team estimates that a minimum investment of $10 million p.a. is required, but $20 million p.a. is more realistic in terms of achieving impact, and being taken seriously. The level of $20 million p.a. would be sufficient to support work in 12-15 districts, making it possible for USAID to focus GOI resources in lagging Districts in Chattisgarh and Karnataka.

  Participation in the SSA would need to be conditioned on established baseline studies for the States targeted as well as for the targeted Districts, public expenditure reviews and other sector conditionality**.** Monitoring can best be accomplished through participation in the Joint Review Committee process (all major funders and GOI).

  If this option is taken, TA funding sufficient to support the above analytic and monitoring tasks and to provide modest support as needed and as requested for information systems should accompany the sector support commitment, planning and idea exchanges. This probably will require $500 thousand to $1 million ($100-200 thousand annually) additional to whatever funds are provided for other forms of idea exchange, management systems improvement and planning capacities. The team believes that USAID could get the greatest impact of any of the above options by participating in SSA. Although the train is on the move, and we would have little to say about the structure of the reform, we would have a strong voice, particularly at the State level in ancillary support activities. This option has the advantage of being quick disbursing. It would not be management intensive except insofar as the management of the accompanying T.A. and monitoring is concerned. The disadvantage of this option is that it may be difficult to disaggregate results indicators in conventional ways.

  N.B. If USAID does decide to participate on a sector program basis, the complementary package of activities described above under Levels One or Two would still be recommended, though perhaps at a slightly lower level of effort.

VIII. Draft Strategic Objective

Strategic Objective: At the highest level, with significant sector support, the Mission could cite, within its activity zone, and perhaps nationally, the objective of "Quality Education for All", which is the meaning of SSA.

Intermediate results would be targeted toward:

(i) Net increases in aggregate enrollment and improved retention rates within the project area, including by gender.

(ii) Net decreases in child labor in targeted Districts, and possibly at the State level.

(iii) Improved facilities for upper elementary and lower secondary at the village level.

(iv) Improved linkages among Indian and U.S. professionals and institutions.

(v) Improved external efficiency in output from secondary and technical education.

(vi) Improved management systems at the District level and below within USAID's target zones.

(vii) Increased community participation in education management and oversight, with increased mechanisms and increased roles for women in such mechanisms at the community level.

If USAID invests at lower levels, some of the IR's would still apply, but would be tied to S.O.s in other sectors such as Governance, Health or Urban Development

VII: Activities Sheets for Recommended Options

Activity Sheet: Out of School Children

Problem Area: 1.5 million children in Karnataka are Out of School.

Proposed Intervention: Education for Child Laborers, SC/ST children, urban deprived children and other marginalized groups.

Five Year Objective: To significantly reduce the number of children in Karnataka, especially girls, who are kept out of school in order to for them to work, either in a farm/household capacity or in jobs away from their homes.

Rationale: The child labor problem in India is immense and complex. According to the 2001 census, over 12 million out of 210 million Indian children ages 5-14 are working full time and are out of school. Some say that the number is much higher. Many of these are working in hazardous industries such as tanneries. Many are subject to abuse and are exposed to dangerous substances and equipment. Although the Government of India has taken action, much remains to be done. In Karnataka alone, there are 1.5 million children in the 5-14 age group who are out of school, and 60% of those are in seven Districts. Deprived children in urban areas and their parents require special attention in order to get them in school and keep them in school.

Adolescent girls need to know, at least, how to read and write in order to take better care of themselves and their children. These girls need to learn about issues concerning reproductive health, HIV/AIDS and childcare. The pay-off from this type of training of adolescent girls is relatively short term. Since adolescent female literacy training will impact directly upon the Mission's reproductive health objectives, it should consider using child survival funding for this type of activity. Finally, disadvantaged youth, in the 13 –19+ age group, need to be prepared for the world of work; not only vocational training as such, but workplace competencies and foundation skills such as teamwork, communications, leadership, etc.

Description:

In view of the fact that USAID has already sponsored a great deal of work through NGOs targeted toward out of school children, the team saw its mission, in this regard, as one of re-validating USAID's approach. Whereas the team endorses the approach, which works with Indian NGOs through intermediate grantees, we recommend USAID scale up its efforts and concentrate in one region (the seven Northeast Districts of Karnataka, and Bangalore) in order to achieve broad, pervasive impact. The criteria for the choice of this geographic emphasis are given in an earlier section.

A tripartite (USAID, NGO, State Government) umbrella grant program should be initiated which would solicit and fund efforts by Indian NGOs to deliver quality formal

and non-formal education to children who have been kept out of school in order to work. NGOs would engage in social mobilization and the sponsorship of non-formal education whereas service delivery will be via the public schools. The grant will finance community mobilization, youth centers, residential camps, and other activities as appropriate. The grantee will study and build upon other successful NGO experiences in providing three types of training and activities:

1. Community mobilization to encourage parents to send all children to school, combined with bridge programs and residential camps to accommodate older elementary level children who need to catch up with their age cohort.
2. Literacy training that is specifically targeted toward female adolescents and young adults.
3. Practical, career oriented upper secondary level training, including life skills, for urban secondary school dropouts. (cf: LABS)

The size of the grant will be elastic, depending upon resource availability. Efforts will be made to collaborate with the U.S. DOL with a view toward USAID collaboration in the management of DOL resources that are targeted toward child laborers. An amount of $500,000 per year for five years would appear to be the minimum threshold, but significantly more; close to $2.5 million per year would be needed to cover all seven neglected districts. Results would relate to USAID's level of effort. It is reasonable to expect that with input at the minimum threshold level, the school systems in the targeted Districts expect to see a net increase in lower primary in the order of 200,000 children over a five year period. At the upper level of investment, USAID could expect to enroll close to one million. In addition, we could expect that some 30,000 – 90,000 female adolescents become literate over the life of the project. Should the Mission choose to initiate literacy activities that are targeted toward adolescent females, it might consider using child survival funds. ESF is another source of possible funding.

Potential U.S partners: U.S. DOL, U.S. PVOs, Food Producers, and Private Sector Interests.

Potential Indian partners: MinHR, MinLabor, ILO, Indian NGOs, Communities, Parents.

Design Issues: Funding, Geographic Scope, Impact Measurement.

Activity Sheet –Youth and Employment

Problem area: Unemployed youth

Proposed intervention: Regionally based workforce diagnostic that will result in a fundable activity to develop and strengthen linkages among employers, the employment pool, market conditions and policy environment, educators and training providers.

Five-year objective: Significantly larger numbers of marginalized youth, particularly girls, are gainfully employed through the acquisition of skills that respond to employer demand.

Rationale: India has large numbers of youth, particularly girls, in the 14-18 year age group who have either dropped out of school or who have never been to school. According to the Director General for employment and training in the Ministry of Labor, only five percent of India's workforce is skilled. There are large numbers of students in Industrial Training Institutes and Polytechnics who have difficulty finding meaningful employment when they graduate. Most of these institutions have few ties to industry. These institutions are supply oriented and do not respond to qualitative or quantitative demand. The services sector, which is the fastest growing segment of India's economy receive little or no attention from the schools. As technologies in virtually every industry have evolved, the curricula of these institutions have remained steadfastly unchanged. Even private technical training institutions vary in quality and there are no national accreditation agencies. Increasingly, Industry is training its own workforce, but employers claim nonetheless that basic skills and attitudes are lacking. All of those interviewed, including the Director General for employment and training in the Ministry of Labor, the Secretaries of Education in Karnataka and Andhra Pradesh, and the Director of Technical Education in Andra Pradesh, the leadership of both FICCI and CII agreed that it would be extremely useful for the U.S. to finance a workforce diagnostic which explores the linkages among;

- the employment pool,
- market conditions and the policy environment,
- educators and training providers,
- employers.
-

FICCI, in fact, developed a proposal for EC assistance to undertake a similar study, which unfortunately was not funded.

Description: Unemployment and underemployment are major problems in India, and becoming worse due to the current economic climate. Responses to this problem are complex, difficult to generalize and differ from State to State. It is important to note that both urban and rural employment be examined. Links to agricultural employment and blue-collar employment are essential. In the first instance, the Mission needs to decide whether it wishes to take a National or State level approach to the problem. Both are feasible. If the latter, it needs to identify a target State (the team recommends Karnataka,

or Chattisgarh and commission a workforce diagnostic, which is linked to specific industries, to be conducted under the soon to be centrally funded, Global Workforce in Transition (GWIT) activity. This activity will provide a framework instrument with indicators and related benchmarks that can be used by USAID India to establish a descriptive baseline of the country or State. This "workforce development readiness profiler" will consist of:

- a country development typology based on level of economic development and socioeconomic stability.
- an economic profile; key economic activities, cluster groupings and their interaction with world markets.
- a sociopolitical profile to establish whether the environment is conducive to linkages between education/training suppliers and employers.
- an education and training services profile.
- a donor profile
- linkage profiles

The diagnostic itself, which builds on the profile, examines the strength, duration and depth of the linkages among the four elements and how each contributes to or detracts from the competitiveness of the sector. This diagnostic provides a methodology for systematically evaluating the degree of alignment between what the market demands, employers require, training providers offer and what the labor pool brings in terms of skill endowment. By looking at these elements, all parties can better visualize and evaluate options for improving workforce adaptability to changing requirements.

This diagnostic will make specific recommendation relative to the types of activities needed to bring training providers closer to the needs of the society. It will explore whether, and in what disciplines, U.S. Community Colleges collaborate and interact with Junior Colleges in India.

Potential U.S. Partners: U.S Junior and Community Colleges, U.S. DOL, U.S Department of Education, ILO. There centrally funded projects that can be accessed for the implementation of this activity including GWIT and the University Linkages Development Project (UDLP)

Potential Indian Partners: Regional Engineering Colleges, Polytechnics, Industrial Training Institutes, Staff of the MinHR and MinLabor, FICCI and CII.

Design issues: This activity will not be staff intensive and can be administered via a buy-in to a centrally managed activity. Cost: +/- $75,000 in year one, to be followed by slightly higher levels of investment in years 2-5 to fund University Linkages and other activities tied to closer relationships between training providers and employers. The only issue is whether to mount the workforce diagnostic nationally, or within selected states.

Activity Sheet: State and District Management Systems

Problem: Inadequate information for decentralized management

Proposed Intervention: Financial support for technical exchange and conferencing/workshops on education management information systems (EMIS) and related data-based management practices

Five-year objective: Iterative improvement of existing EMIS systems and data-based management practices in each state and district assisted by USAID, with comparability standards and common indicators sufficient for national, regional and international comparisons of education progress.

Rationale: The use of education data, and the processes of establishing agreement on what information is needed and how it is to be used, is integral to the improvement of management systems and management practices as well as to the technical assessment of education progress and areas for improvement. Getting reliable data is essential, preferably on a comparative basis and definitely in forms that are understood and used by the practitioners in the field. Without such data, and local competence to work with such data, the decentralization efforts will be slowed by the reluctance of local managers and decision-makers to take responsibility for actions they don't understand and cannot monitor and by the reluctance of central authorities to allocate funds for activities and devolve authorities when they cannot be sure the planning, management and reporting systems are in place. Academic interest in such data is of secondary concern.

Description: Three distinct but linked tasks are proposed:

- Support for technical exchange on education management systems, including EMIS systems, GIS systems (location, condition, use rates and other mapping information), data-based planning and budgeting systems, projection and modeling tools. Building on the technical exchange, plan for a series of conferences/workshops at the State level in targeted states as well as nationally and for Indian participation in relevant conferences and workshops in the United States.
- Support for analysis and assessment of data, working directly with user groups at the State and District levels, on an as-requested basis. An area of particular priority should be planning, modeling and assessment related to upper elementary and lower secondary capacities. The judgment of the team is that India will make adequate provision for carrying out improved practices, and currently is making a major investment in information systems and monitoring. For this reason, the initiative should include only limited support for TA and fieldwork related to actual data gathering, reporting and analysis at the State and District level.
- Design and implementation of IT applications, including systematic assessment of user requirements and involvement of users at the District levels and below in the

design of information systems that meet their needs in terms both of collection and of access to information.

Resources required: $600-800 thousand in years 1 and 2, rising to $3-5 million in years 3-5, depending on decisions regarding financing of IT infrastructure and implementation training in targeted districts.

- Technical exchange is estimated at $100-200 thousand p.a., including support for conferences and workshops in 2 targeted states
- Systems design, including assessments of user requirements and existing technical capacities and thorough vetting of the proposed systems at the State level and centrally will require an additional $300-400 thousand per state. Assuming two states, $600-800 thousand will be required for these tasks for at least the first two years.
- Beginning in year two and increasing in subsequent years $1.5-2 million will be required to support the implementation of an IT-supported statewide information system, depending on other financing of hardware and recurrent budget availability for salary and other support costs. On the basis of two states, at least $3 million additional will be required for years 3 to 5, assuming successful design and assessment activities in years 1 and 2.

Potential U.S. Partner(s): A) the US Department of Education http://www.ed.gov through programs such as the National Center for Education Statistics (NCES) and the Regional Education Laboratories. The UNESCO Institute of Statistics in Montreal was established with substantial assistance from NCES and other US entities, and with funding through the World Bank and other international funders. Several universities also have relevant technical expertise and international experience.

B) National organizations concerned with management at the school district and state levels (LEA and SEA functions), local and state planning, school management at the district, municipal and state levels, and the processes of coordinating policy matters, standard-setting and other tasks within a federal system. Examples include**:** the Council of Chief State School Officers http://www.ccsso.org and the Education Commission of the States http://www.ecs.org **.**

Potential Indian Partner(s): NIEPA, NCERT, State/District counterparts

Design Issues: No significant design burden for mission in Year One, but increasing complexity in later years. Initial design activities would be worked out either through a central project such as the new "Dot –info" project or through MOUs for NCES/UIS and RFA processes involving well established entities with national and international professional recognition, many with existing working relationships with Indian entities. Under an MOU, the first stage should be assessment and design, with further support contingent on GOI agreement and concurrence by State planners. From Year 2 onward, the mission will require a contracting mechanism for IT system implementation as well as a mechanism for assessment and monitoring. The latter function probably can be arranged through a central project mechanism.

Activity Sheet: Local Planning and Assessment

Problem: Lack of planning capacity at the local level.

Proposed Intervention: Support local NGOs to strengthen community-level education planning, assessment and monitoring; in the process, train and otherwise support community leaders, particularly women, in the skills of participation, negotiation and documentation.

Five-year objective: Effective community-based education committees and other local organizations in all Districts targeted by USAID, with active programs of assessment of current capacities, monitoring of current performance, planning for additional needs and articulation of the above to relevant education authorities at District levels as well as to other entities capable of supporting community initiatives. Literacy and other lifeskills and participation skills of community members increased, with effective involvement of mothers of enrolled students and other local women in the community planning and oversight organizations.

Rationale: Support of local participation in assessment, planning and management is perhaps the most cost-effective and sustainable means of articulating the demands for improving schools, providing oversight to ensure teachers teach and promised budgets are actually met and generally for assessment of needs and strategic responses at the community level. These activities support both the education sector objectives and related objectives such as civic education, democratic participation, urban as well as village governance and the empowerment of the poor, including low-income women.

In interviews at every level, and among a wide range of organizations, there was near-universal agreement that the key dynamic driving the overall SSA reforms is the decentralization to the State and District levels, and further to the community level. At the community level there are a variety of mechanisms for local participation in assessment and planning, and most schools have some form of school committee as well as parent-teacher and mother-teacher associations. There was not time or opportunity for the team to examine these mechanisms in detail. However, it appears generally agreed that:

a) there are small but promising examples of micro-planning with substantial community participation and innovative assessment and mapping techniques suitable for low-literacy communities,
b) that the experience is very uneven, with some mechanisms existing only on paper.
c) that support for training and other capacity building of these local planning and management/oversight mechanisms would be well-utilized and welcomed by local authorities.

Several of the NGOs consulted indicated interest in working at this level. CARE in Chattisgarh was particularly articulate on the need to proceed slowly, helping the community decide for itself what it wants and how it wants to proceed – facilitating and supporting, but not forcing the pace or trying to achieve predetermined designs or responses.

Description: One or more support grants to local NGOs, sufficient to provide support for all Districts targeted by USAID, and eventually to all communities in these Districts. Activities would cover training, technical support for micro-planning, statistical assessment and other documentation approaches for low-literacy communities (e.g. digital photography and other visual media), leadership development and team building. In most instances, some additional adult education will be required, including functional literacy activities related to the community participation agendas. Local planning and documentation activities would be closely coordinated with State and District education authorities, who are understood to welcome assistance at this level and to be comfortable working with and through NGOs and community associations of various kinds to obtain increased local participation in the planning, assessment and oversight processes.

One of the objectives for such support is to help the communities make plans for local infrastructure improvement (particularly schools) and either make effective demands on public authorities for school improvement and maintenance funding, or devise other strategies for improving and maintaining the local schools. The team considered, and rejected, including some modest funding to pump-prime this process. Such funds are needed. However, the funds required are very small ($100-$500 per school) and USAID would not want to manage such funds directly. Further, USAID should not substitute grant funds for the responsibilities of local governments.

Planning should assume a minimum level of at least $500 thousand p.a. initially, and $1 million p.a. by year 3, and be sustained for 5 years. This would be sufficient to support local planning initiatives in 12-15 districts, targeted in two states. This could be implemented either through grants to local NGOs, possibly with one major NGO as intermediary. An alternative is to work through a partnership with the international organizations (UNDP, UNESCO and others), modeling on the SCOPE or Janshala program, through an MOU process including provisions for supporting local NGOs able to work at the community and Panchayat level.

Potential U.S. Partner(s): One or more NGOs

Potential Indian Partner(s): State/District planning entities; local NGOs TBD

Design Issues: A more detailed assessment is needed of existing support mechanisms for local planning. This should include examination of the mechanisms for urban areas and other communities that have not benefited from support under the DPEP program. Also, consideration is needed on how best to combine the support for local education planning with other programs supporting adult education and leadership development, particularly for women.

Activity Sheet: Professional Support

Problem: Weak professional organizations; lack of professional exchange and support on a peer-to-peer basis; consequent lack of forums and space for innovations and iterative improvement of professional practice.

Proposed Intervention: Partnership grants to enable U.S. professional associations to work with Indian counterparts on topics of mutual interest, perhaps 5 initially at the level of $50-100K annually each, limited to non-salary expenditures. The assumption is that most, if not all participants in such activity would already be employed by their respective organizations and institutions.

Five-year objective: Emergence of Indian professional associations in up to five fields of mutual interest, with significant membership and active exchange among the members. Development of the same number of ongoing collaborations and information exchanges with U.S. organizations and associations. Application of improved practices in USAID assisted States related to the above areas of exchange and collaboration.

Rationale: The main alternative to centrally-directed education reform is the empowerment of organizations, institutions and ultimately individuals at other levels, down to the school and the classroom, to participate actively and iteratively in improving practice. Such engagement and assumption of direct responsibility for improving practice cannot be ordered or demanded from the top or the center. It can however be encouraged by facilitating the emergence of peer-mediated processes of exchanging knowledge and best practices. Creating space for such initiative moves the education worker from the status of state employee to that of a professional entrusted with public responsibilities. The effects on morale, professional discipline and ultimately performance may be essential to the functioning of decentralized, devolved systems.

As states and districts assume more responsibility, there will be increasing need for communication and collaboration among states and across the districts. The existence of professional associations representing a wide range of education specialists in schools and school districts across the states, counties, regions is one of the keys to the functioning of federal systems such as those of the United States.

Working with and through such associations would be the most cost-effective way to improve practice without necessarily funding the underlying project and program activities directly.

Description: Support linkages with selected U.S. professional organizations and associations through a series of small grants providing non-salary support for information and idea exchange, possibly leading to subsequent proposals for joint research and other development activities. Initially, support would be only for the exchange activities. Priority should be for linkages related to curriculum and materials development, professional support for teachers and administrators, and the centers and labs facilitating

exchange among the states and other local entities in the U.S. federal systems and decentralized state systems.

Initially, 3 to 5 linkages should be developed at a level of $50-100 thousand p.a. each for two years, limited to non-salary expenditures. Thus, a planning level of $200 thousand p.a. is proposed. The level should be maintained over the full five-year period, but with a new RFA round in Year 2 and possibly an additional set of support grants beginning in Year 3. Implementation would be through an RFA process, with facilitation through a central project TBD.

Potential U.S. Partner(s): There are perhaps two dozen significant professional associations with representation at the national level as well as state and local representation, e.g. Association for Supervision and Curriculum Development (ASCD http://www.ascd.org), National Education Association (NEA http:www.nea.org), American Association of School Administrators (AASA http:www.aasa.org), National Association of School Psychiatrists (NASP), the National Council for the Teaching of Mathematics (NCTM http://www.nctm.org), the National Science Teachers Association (NSTA http://www.nsta.org **)**, National Association of Secondary School Principals (NASSP http://www.nassp.org). and many others. There also are other specialized organizations working both with states and nationally, some of which have substantial international programs, e.g. the Council for Basic Education's (CBE http://www.c-b-e.org) Schools Around the World program.

Potential Indian Partner(s): To be determined; the U.S. entities will need to identify Indian counterparts and develop a jointly approved proposal (and vice versa)

Design Issues: Mission would need to manage an initial competitive grant process, through RFAs and central project assistance. After the initial approvals, the grants should to some extent be self-governing. It is recommended the grants be limited to non-salary expenses, both for US and Indian entities, and conditioned on joint agreements, periodically reviewed by the respective organizations.

Activity Sheet: Sector Support for SSA

Problem: Inadequate funding of India's national education reform.

Proposed Intervention: Budgetary support. For SSA reforms ($10 million to $20 million per annum for five years, or more if available through ESF or other funding allocations)

Five-year objective: Accelerate SSA reform in 12-15 districts, with significant measurable progress in terms of GER, NER, gender disparity and grade completion at grade 5 and grade 8, substantial management and planning competence at district level as indicated by community participation in education planning and assessment, increased transparency and in data-based decision-making on resource allocations.

Rationale: The most cost-effective option for obtaining large scale and sustainable impacts is to support the systemic reforms of the SSA program. However, it is feasible only under circumstances where USAID can foresee substantial resource availability through ESF or other windfall resources sufficient to provide $10-20 million p.a. over the next 5 years, and where USAID is able to manage the substantial task of initial program negotiations and ongoing monitoring through the Joint Review process and other means.

However, there are few good options for supporting this large-scale and multi-faceted national reform with small-scale efforts or gap-filling strategies. It is possible to support programs focused on specific states and districts; however, these need to be relatively generic and not overly projectized, given the MinHR's and DEA concern for ensuring that the SSA program is supported as a whole. Further, there are options for complementing the sector support by working through NGOs to support local planning and for working through professional associations to support idea exchange, institutional and professional collaboration.
SSA is the centerpiece of GOI education reform and implementation over the next decade, and (with iterative changes) probably for longer. It is remarkably well thought out, fully articulated and transparent both in its objectives and in its allocation criteria, monitoring and reporting systems. All other major funders are participating within this framework and most policy discussions are within this framework. Most activity outside SSA (e.g. secondary and technical, project support for private and alternative schooling, adolescent and adult literacy) is planned contingent on assumptions regarding the rates at which SSA will be implemented in all states and districts.

Policy decisions have been made discouraging earmarking by end-use, and to a lesser extent designations by state and district. Further, policy judgments have been made that Indian Institutions and Indian personnel operating at Indian salary levels can handle most of the implementation tasks effectively. This appears generally to be true. Though this limits the ability of USAID to be more directly involved, and/or to involve US entities more directly, it also means that the resources committed to SSA are likely to be used well, cost-effectively, for designated purposes and without significant concern for "cherry-picking" by other funders and/or playing donors against each other.

Description: USAID would provide funding to support SSA implementation in a significant number of districts, concentrated in one or two states. This would require an initial baseline study, an assessment of state resource utilization and fiscal commitments to education, arrangements for USAID participation in the multi-donor Joint Review Committee process, and other provisions for monitoring and reporting. $10 million p.a. would be the minimum level of participation in the overall SSA program. The team proposes a level of $20 million p.a. (assuming funds are available at this level); higher levels could be considered at a later stage assuming satisfactory performance in implementing the initial commitment. The level of $20 million would be sufficient to support work in 12-15 districts, to be determined (estimated based on the number of districts covered by the EU commitment to SSA support). Effectively, this would make it possible for USAID to focus its funding on the lagging districts in two states, such as Karnataka and Chattisgarh

Potential U.S. Partner(s): None, but see options for improving management systems and providing professional support and possible complementary support through NGOs.

Potential Indian Partner(s): Ministry of HR, 1 or more States and selected Districts within States (to be determined), NIEPA and other education support entities

Design Issues: No significant design issues. Requires fiscal review and baseline studies for the States targeted, as well as subsequent baseline assessments for the targeted Districts. Requires commitment to Joint Review Committee process (all major funders and GOI) as main means of monitoring progress and identifying issues for attention on ongoing basis.

If this option is taken, TA funding sufficient to support the above analytic and monitoring tasks and to provide modest support as needed and as requested for information systems planning and idea exchange should accompany the sector support commitment, planning and idea exchanges. This probably will require $500 thousand to $1 million ($100-200 thousand annually) additional to whatever funds are provided for other forms of idea exchange, management systems improvement and planning capacities.

Annex 1 Donor contributions to the Education Sector in India

Major projects initiated during the nineties included the Uttar Pradesh Basic Education Project (UPBEP) funded by the World Bank, Lok Jumbish funded by SIDA, Bihar Education Project assisted by the UNICEF, the community based primary education project called 'Janshala' begun with Joint UN Initiative, and the District Primary Education Programme (DPEP) supported by the World Bank, EC, DFID and the Government of Netherlands. In spite of many programs initiated in states, the external funding for primary education programs has remained relatively small in proportion to the over-all expenditure of the central and state government on education, although in absolute amount the funding has increased from Rs 40 million in the early nineties to approximately Rs 8,000 million in 1999-2000.

The District Primary Education Program (DPEP) remains the single largest externally aided primary education reform project in the country. APPEP was a pre-NPE project with limited scope and purpose and closed in early nineties. The other projects too, prior to DPEP, were typically state projects and varied in design but they shared the objectives and strategies of NPE (1986). With the exception of Bihar Education Project (UNICEF) and UP Basic Education Project (World Bank), the other projects were block-based and were also relatively small in coverage. BEP and UPBEP that came to a close in the nineties were comprehensive district based projects covering all areas of the project districts instead of selected blocks as in the case of other projects. Rajasthan's Lok Jumbish (LJ) and Shiksha Karmi (SK) projects supported by SIDA made important contributions to the quality of primary education and in reaching out to children from disadvantaged communities. The coverage of both these projects was small though experience gained through the projects proved valuable in development and implementation of DPEP in states.

The focus of all these projects initiated during the nineties, however, was on all major components on elementary education though some projects emphasized one aspect more than the others. The various projects emphasized strengthening of both demand and supply factors with a special focus on girls' education, strengthening of community involvement through village education committees and other community based organizations, improving teaching learning processes through in-service teacher training, development of learning materials, etc. The DPEP, initiated in 1994, built upon the experiences gained in various projects and went beyond the BEP and UPBEP projects in so far as the framework of planning was concerned. The district plans were emphasized in their own right and not as those emerging as part of the respective state plans. Many of the earlier project districts including those from Shiksha Karmi project have also been integrated with DPEP in its third phase. The DPEP at present covers about 248 districts in eighteen states of the country.

The UN Janshala program, started after DPEP, is being piloted in 9 states in the country (AP, Chattisgarh, Jharkhand, Karnataka, MP, Maharashtra, Orissa, Rajasthan and Uttar Pradesh. These are also the states that are implementing the DPEP. Five UN agencies (UNICEF, UNDP, UNESCO, UNFPA and ILO) are contributing US $ 20 million to

support the Government of India's program of universal elementary education. The coverage of Janshala initiatives, however, is small compared to the size of effort involved in DPEP. The difference is also in the unit for planning. The level of planning and implementation here is the block and the program is implemented in only selected blocks of a state (8-10). The DPEP, on the other hand, is a district based program and covers all blocks and villages in a project district. While district is taken as a unit for planning in DPEP, the various processes are initiated at the level of the villages and habitations. Janshala's 139 rural blocks and urban slums in10 cities fall in districts that are not covered by DPEP although the criteria for selection of blocks is similar to those adopted under DPEP-most blocks and cities have female literacy rates lower than national, state or district average (as per 1991 Census) and a high concentration of scheduled caste and scheduled tribe population groups. (The DPEP districts are selected on the basis of low female literacy rates as compared to national and state averages). The two projects differ in respect of the strategic areas of intervention as well. Janshala supports selective interventions with state specific focus for instance: the program supports 'bridging the learning gaps of working children through residential camps' in AP, Karnataka and Maharashtra, 'education of Muslim girls in religious schools' through restructured curriculum along the lines of regular primary schools in UP; 'education of adolescent married girls' in urban slums of Rajasthan, the 'headstart' initiative in MP and Chattisgarh with focus on strengthening the capacities of teachers and students through the use and application of computers for primary education etc. The area of operation thus is limited. On the other hand, a program like DPEP is holistic and has the advantage of simultaneously addressing comprehensive systemic issues along with other strategic interventions for generating demand and strengthening quality in primary education.