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Overcoming Inequality: why governance matters

Country–Agency Relationship in Development Cooperation: An Indian Experience

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India's experience with DPEP and SSA shows that it is possible for countries to constructively engage agencies for mutual benefit. What comes out clearly is that for beneficial constructive engagement, exercise of sustained leadership is a precondition. Leadership is required for developing a promising sectoral programme, for bringing to bear on the interactions with agencies superb negotiation skills, and for getting one's act together. Leadership emanates from the *will* and *ability* complementing each other. What further comes out loud and clear is that agency coordination cannot be viewed in isolation, and is a subset of the overall coordination that is required for effective delivery of the programme.

The Paris Declaration commends hold great promise for improving the engagement of countries and agencies for their mutual benefit. However for that promise to be fulfilled, countries as well as agencies have to collectively *will* that the promise becomes a reality. It is imperative that each one of them should make concerted and determined efforts to bringing about far reaching changes in their systems and procedures, organisational behaviour, and individual behaviour of their functionaries. Further, it is necessary to embrace a more expanded vision of capacity building that would include the capacity of the countries to negotiate better as well as the capacity of the agencies to deliver support in accordance with the new modalities and the new ethics of development cooperation. The praxis of technical cooperation should change such that it enables countries to pro-actively acquire the skills and competencies needed to enhance their capacity than passively receive whatever the agencies choose to supply.

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Abbreviations

ADB	Asian Development Bank
AP	Andhra Pradesh
APPEP	Andhra Pradesh Primary Education Project
bn.	Billion
BRC	Block Resource Centre
CABE	Central Advisory Board on Education
CRC	Cluster Resource Centre
CSS	Centrally Sponsored Scheme
DANIDA	Danish international Development Agency
DBS	Direct Budget Support
DEA	Department of Economic Affairs, Ministry of Finance
DEEL	Federal Department of Elementary Education and Literacy, carved out of DOE in 2000-01.
DFID	Department for International Development, the United Kingdom
DIET	District Institute of Education and Training
DISE	District Information System for Education
DOE	Federal Department of Education
DPEP	District Primary Education Programme
DSEL	Federal Department of School Education and Literacy, successor to DEEL after Secondary Education was tagged on to DEEL in 2006
EC	European Community
ECCE	Early Childhood Care and Education
EFA	Education for All
EMIS	Education Management Information System
FMP	Manual for Financial Management and Procurement
FMR	Financial Management Reports
GOI	Government of India
ICDS	Integrated Child Development Services
ICT	Information and Communication Technologies
IDA	International Development Association [Part of the World Bank]
JRM	Joint Review Mission
MHRD	Federal Ministry of Human Resource Development
MOU	Memorandum of Understanding
MP	Madhya Pradesh
MDG	Millennium Development Goals
MS	Mahila Samakhya
NCERT	National Council of Educational Research and Training
NCG	National Core Group
NDC	National Development Council
NGO	Non-Governmental Organisation
NIEPA	National Institute of Educational Planning and Administration
NPE	National Policy of Education, 1986
NUEPA	National University of Educational Planning and Administration [formerly NIEPA]
OBC	Other Backward Communities
ODA	Overseas Development Agency, the precursor of DFID
PBA	Programme-Based Approach
PRSP	Poverty Reduction Strategy Paper

Rs.	Indian Rupees
SC	Scheduled Caste
SCERT	State Council of Educational Research and Training
SK	Shiksha Karmi
SIDA	Swedish International Development Cooperation Agency
SSA	<i>Sarva Siksha Abhiyan</i>
SSN	Social Safety Net Sector Adjustment Program
ST	Scheduled Tribe
SWAp	Sector-wide Approach
TLC	Total Literacy Campaign
TSG	DPEP Technical Support Group
UEE	Universal Elementary Education
UP	Uttar Pradesh
USAID	United States Agency for International Development
WEC	Ward Education Committee [in urban areas]

Country -Agency Relationship in Development Cooperation:
An Indian Experience

Background Study for the 2009 EFA Global Monitoring Report

R. V. Vaidyanatha Ayyar¹

This paper sets out the author's perceptions of the Paris Declaration on Aid Effectiveness², and offers an account of India's experience in universalising elementary education through a programme approach.³ This paper draws upon the author's own experience in federal and State governments in India, inputs provided by key officials, and functionaries of agencies that have been supporting India's pursuit of Universal Elementary Education [UEE], and the project documents in the public domain. Part I sets out the author's perceptions of the Paris Declaration, and brings out the salience of the Indian experience. Part II outlines the salient features of the federal setting, and financing of elementary education. Part III describes the salient features of DPEP and SSA; it also outlines how the new relationships with agencies and States that DPEP had ushered have matured over years, and have come in handy for SSA to briskly forge ahead. Part IV offers some conclusions.

I. New Lamps for Old

A: The Categorical Imperatives of the Paris Declaration

Over the sixty odd year history of development cooperation, there have been quite a few normative frameworks for cooperation; the latest is the Paris Declaration on Aid Effectiveness. Analytically, it would be useful to distinguish between the technical and

¹ The author is a former Secretary to GOI, and is currently Visiting Professor, Centre for Public Policy, Indian Institute of Management, Bangalore, India. During 1990-96, he was Chief of the Bureau of DPEP, Elementary Education, and Planning and Policy in the DOE, GOI. As such, he was closely associated with the revision in 1992 of the NPE and its POA; his charge also included the country's relations with UNESCO, and externally funded projects. He was the "focal point" in DOE for the development of DPEP and "donor" coordination. In July 2006, he led the Fourth Joint Review Mission of SSA. He can be reached at rv_yahoo@yahoo.com. In writing this paper, the author tried to be a participant observer; however, in spite of his best efforts, the narration is neither definitive nor perhaps objective; the narration is likely to be 'his story' rather than history. The author would like to gratefully acknowledge the assistance he received from Ms. Shanti Jagannathan by way of information, Ms. Vrinda Sarup, Director General, *Sarva Shiksha Abhiyan* Mission by way of information and comments on the draft paper, and from Ms. Sajitha Bashir, Mr. Keith Hinchliffe, Ms. Anna Haas, and Ms Abby Riddell way of comments on the draft paper. However, the author alone is responsible for the views expressed, and for any errors of judgement or fact in the paper.

² *Paris Declaration on Aid Effectiveness: Ownership, Harmonisation, Alignment, Results and Mutual Accountability*, March 2, 2005. <http://www.oecd.org/dataoecd/11/41/34428351.pdf>.

India is not one of the 'participating countries' of the Paris Declaration on Aid Effectiveness. 'However, the Government of India leads in all matters related to external assistance flowing into the country, aiming for clear alignment of donor programmes with national priorities.' Asian Development Bank. 2006. *How can programmatic assistance enhance country leadership of the development agenda? -The case of Sarva Shiksha Abhiyan in India*. Asian Regional Forum on Aid Effectiveness: Implementation, Monitoring and Evaluation. <http://www.adb.org/Documents/Events/2006/Aid-Effectiveness/country-papers/IND-education-swap.pdf>.

³ Elementary education is an expression used in India; it covers two stages: primary (Classes I-V) and upper primary (Classes VI-VIII).

behavioural aspects of the Paris Declaration; however, these two aspects are complementary and interdependent. The technical modalities relate to the delivery of the support⁴ such as development of national development strategies through broad consultative processes, translating national development strategies into prioritised results-oriented operational programmes, alignment, harmonisation, managing for results, and mutual accountability. Enforcing the Paris declaration would require switching from the traditional project based approach to a policy and program based approach.⁵ The behavioural aspects of the Paris Declaration, which may be called the ethics of development cooperation, would comprise the obligation cast on the recipient country [hereafter referred to as country] to ‘exercise leadership in developing and implementing their national development strategies through broad consultative processes’, and the complementary obligation cast on the development agency [hereafter referred to as agency] to ‘respect partner country leadership and help strengthen their capacity to exercise it.’

The new ethics of development cooperation goes far beyond the long-acclaimed principle of country ownership. To use the much-touted imagery of the country being in the driver’s seat, country ownership does not necessarily require the country to drive the car of development partnership. A country is reckoned to be in the driver’s seat even if it comes to like and willingly accept the destination and route chosen by the development partners [driver]. In contrast, the new ethics would require the country itself to choose the destination and route, and further to drive itself. If its driving skills are deficient it should pick up the requisite skills ; in the interim it may allow the development partner to drive strictly in accordance with its preferences; however, it should be willing to fire the driver should the driver fail to comply with its preferences or fail to teach driving skills. Correspondingly, the new ethics would require the agencies to willingly let the country to be in the driver’s seat, and, if need be, to instil in the country the necessary competence and motivation. Tokenisms like putting the country in the driver’s seat as chauffeur would not do. All in all, the Paris Declaration calls for far reaching changes in the country-development agency relationship, akin to those brought out by the Gender Revolution. What is required is the transformation of the generally asymmetric, patriarchal relationship into one of equal partnership, if not a partnership in which the country is the senior partner. The transformation of the country-agency relationship has a vital bearing, among others, on program design and implementation, policy dialogue, capacity development, and technical cooperation. To say the least, the

⁴ If development cooperation is to be wholly informed by the Paris Declaration, the vocabulary of development cooperation should shed archaic expressions like ‘donor’ and ‘aid.’ Implicit in the popular expressions ‘donor’ and ‘aid’ is an asymmetric relationship between the providers of technical and financial support on the one hand and the recipient country on the other. Such an asymmetric relationship is not in keeping with the spirit of partnership that is now central to development cooperation. The term ‘donor’ is wholly inappropriate for multilateral financing institutions, which are banks that lend resources and expect repayment of the resources lent. From a historical perspective, the word “donor” is generally inappropriate for bilateral agencies as such usage ignores the contribution that colonies made in the colonial era to the development of the metropolitan countries. Again, from a contemporary perspective the word “donor” is inappropriate in that it ignores global interdependency. Many problems of developed countries can be resolved only by their assisting the developing countries to meet their development challenges, e.g., global warming, immigration etc., Expressions like ‘development agency’ and ‘development partner’ are more appropriate than “donor,” and ‘ support’ than ‘aid.’ The sooner the archaic expressions are given up the better it is for true development partnership. This paper conforms to the recommended usage.

⁵ Tommasi, Daniel. 2007. *Options for SWAps*. 2nd Africa Region Education Capacity Development Workshop “Country Leadership and Implementation for Results in the EFA FTI Partnership”, Tunis, Tunisia, December 3-6. <http://www.fasttrackinitiative.org/library/moduleIIIcoordination.pdf>.

attitude⁶ of ‘I know the solutions for your problems’, and of ‘disregarding or undermining the government capacity and systems’ is no longer appropriate. If gender or race relations are a pointer⁷, it would take a great deal of effort to change attitudes. One cannot emphasise enough the importance of determined and concerted efforts to bring about the desired changes in the organisational culture and operating procedures of agencies as well as their functionaries in the headquarters as well as in the countries. Conversely, government of the country and its functionaries should make determined and concerted efforts to change their attitudes and behaviour towards agencies and their functionaries; external support should be seen not as an end in itself but a potential means to the country’s development. The question is not what the country should do in regard to policy, strategy, program, governance structures and procedures ‘for the donors to buy into it,’ but what it should do in its own interest⁸.

The semantics, modalities and good practices of PBA, SWAp, as well as of different financing patterns have been much discussed in literature.⁹ The essence of that discourse is captured by two overarching guiding principles: first, ‘one country, one strategy, one process’¹⁰; second, the country should be the owner-driver. What these two principles together mean for primary education is that *ideally*:

- There should be a coherent national policy which lays down the goals and objectives;
- There should be a single well-considered national strategy for achieving the policy goals and objectives;
- There should be a single well-designed national programme for implementing that strategy;
- There should be well-designed modalities of implementing that programme;

⁶ Yizengaw, Teshome. 2006. Government–Donor Relations in the Preparation and Implementation of the Education Sector Development Programs of Ethiopia. Background Study for the *EFA Global Monitoring Report 2007*.

⁷ Senator Obama’s campaign speech, *A More Perfect Union* [March 18 2008], vividly and poignantly brings out the anger and hatred that still linger in American race relations even four decades of affirmative action. <http://www.msnbc.msn.com/id/23690567/>.

⁸ Boesen, Nils. and Dietvorst, Desiree. 2007. *SWAPs in motion: Sector wide approaches: From an aid delivery to a sector development perspective*. Joint Donors’ Competence Development Network www.train4dev.net Riddell studied the perceptions of field functionaries of development agencies regarding the new modalities of support. In some countries, it would appear that the Paris Declaration is not well known within the governments that governments are not genuinely interested in the idea of SWAp, and that governments do not seriously think through their developmental and funding needs. Riddell, A. 2007 b. The new modalities of aid to education: the view from within some recipient countries. Background paper for *EFA Global Monitoring Report 2008*.

A country could be wary of SWAp as it might feel that it is easier to deal with agencies individually than with a consortium of agencies [which is a coalition of like-minded agencies with an agreed agenda and program]. In reality, however, the bargaining power of a country may not be lower in dealing with the coalition if it can harness the fault lines that are intrinsic to any coalition, and the inter-agency rivalry that no discerning observer can fail to notice in any country. And further, even in the absence of pooled funding by agencies, a country faces a loose coalition of agencies in that agency functionaries regularly meet in ‘donor’s clubs’, and informally exchange information and insights about the country, and the shared information gives them an edge in their separate interactions with the country.

⁹ OECD. 2005. *Budget Support, Sector Wide Approaches and Capacity Development in Public Financial Management, DAC Guidelines and Reference Series, Harmonising Donor Practices for Effective Aid Delivery*. Paris. (<http://www.oecd.org/dataoecd/53/7/34583142.pdf>).

¹⁰ This one of the guiding principles of Education for All -Fast Track Initiative [EFA-FTI]. Van Roemburg, Rebekka [Co-Chair of Steering Committee, EFA-FTI]. 2007. *Understanding the FTI Partnership*. PowerPoint Presentation, Capacity Development Workshop “Country Leadership and Implementation for Results in the EFA FTI Partnership,” Cape Town, South Africa, 16 July.

- There should be well-designed national systems of reporting, budgeting, financial management and procurement
- The policy, strategy, programme, implementation modalities, systems and procedures should emerge from due deliberation, and consultation with all stakeholders;
- Agencies should support that programme only, and no other;
- Agencies should adopt national systems of reporting, budgeting, financial management and procurement, and
- Agency coordination is not an isolated activity, but a subset of the overall coordination of the activities that together encompass the programme being supported by the agencies.¹¹

It has been said that in a federal polity like Pakistan with multiple layers of government and interests, adoption of the new modalities has to be ‘at least a two-way street, if not a multiple lane superhighway’. There would be several impediments arising from ‘differing interest and commitment of different parties, donors, federal and provincial government, districts, schools and community stakeholders, private educational service providers, NGOs and external partners’. For substantial progress to be made, ‘there needs to be movement in several directions along such a super highway: creating a common vision that is shared across levels, that is appropriately contextualised for the different provinces and, indeed, districts.’¹² What has been said of Pakistan is of equal relevance to many countries, particularly federal polities. However, the movements are not likely to be smooth, as the metaphor of super highway would suggest; on the contrary, the movements would have to traverse rugged, contested terrains strewn with land mines. With almost everything that ought to be done, be it policy, or strategy, or programme, or modalities of implementation, or organisational change¹³, or recasting agency-country relationship, there could be sharp differences on what is to be done; even if there were to be agreement on the *what*, there could be differences on the *how*. The differences arise not only because of competing ideas but also from the rather difficult-to-reconcile conflicting ideologies and interests. The interests could be either individual or organisational, or, as is often the case, both.

Decision-making in the face of competing ideas and conflicting interests is a high-action drama with a plot that ‘takes numerous twists and turns before the final curtain call,’ and with ‘long drawn out episodes when it appears that all is lost, when the unpredictable happens.’¹⁴ And further, it is not a single act play but a seemingly unending saga. It is said

¹¹ Boesen et. al., *SWAPs in motion*. op. cit.,

The author used to say that DPEP was ten percent of his job, and that within DPEP agency coordination was just ten percent.

¹² Riddell, 2007 a.

¹³ For a comprehensive treatment of the politics of organizational change and capacity development, see the following publications of DANIDA, Ministry of Foreign Affairs of Denmark:

- Boesen, Nils. Christensen Peter F., and Ole Therkildsen. 2002. *Capacity Development Evaluation Step 1: Contributions to an Analytical Framework*.
- Boesen, Nils. and Ole, Therkildsen. 2004. *Capacity Development Step 3: Draft Methodology for Evaluation of Capacity Development*.
- Boesen, Nils. and Ole, Therkildsen. 2004. *Capacity Development Step 4: Between Naivety and Cynicism - A Pragmatic Approach to Donor Support for Public-Sector Capacity Development*.
- Boesen, Nils. and Ole, Therkildsen. 2005. *A Results-Oriented Approach to Capacity Change*

These publications can be downloaded from the Ministry’s website.

¹⁴ Kailash, K.K 2007. Middle Game in Coalitional Politics. *Economic and Political Weekly*, January 27, pp. 307-317.

that ‘it ain’t over till it is over,’ but it is more accurate to say that ‘it ain’t over even after it is over.’ The fact that an agreement is secured does not mean that it is a secure agreement and that, like a *mantra*, it is self-enforcing without any extraneous effort. Securing leadership in the design and development of a programme is only part of the challenge, for it is necessary to sustain the leadership in implementation. Managing a partnership is not a discrete event that ends with the conclusion of an initial agreement on substantive issues and relationship. It is a continuous process with unending contests about the interpretation of specific provisions and their application to a specific situation, maintenance of the relationships as originally envisaged, and response to unforeseen events. In the unending saga of partnership, the ‘middle’ is as important as the beginning. . It is not given to governance to traverse super highways devoid of any friction. Statecraft of a high order is needed to reconcile the differences and reach an agreement in the first place. And further, statecraft of a high order is equally required to enforce the agreement in letter and spirit. Even with statecraft of a high order, there is no guarantee that every conflict is resolved, and much less that it is resolved to the satisfaction of all concerned or in a manner that is ‘rational’. ¹⁵ Important elements of the statecraft are a good understanding of the process and politics involved strategic thinking, negotiation, communication and media management, coalition building and conflict resolution skills¹⁶.

B: Capacity Development

The Paris Declaration necessitates far-reaching changes in the praxis of capacity development and technical assistance. There is much discussion in literature of the capacities that countries need to develop if they are to effectively adopt a programme-based approach to development. However, the literature on and practice of capacity development do not adequately address three important aspects of capacity development vital for the practice of the Paris Declaration by agencies and countries. The first aspect, which is often missed out in the discourse on capacity development, is the capacity that countries need to acquire for exercising leadership in agency coordination, and for fulfilling the obligation that the Paris Declaration casts on them of providing ‘clear views on donors’ comparative advantage and on how to achieve donor complementarity at country or sector level’. Agency coordination is essentially a process of negotiations¹⁷, and as in any negotiations *knowing the other*¹⁸ is a cardinal principle. The asymmetry in the relations between countries and the agencies that one often notices is partly derived from the asymmetry in the knowledge each side has of the other. In order to constructively engage the agencies, key functionaries in ministries responsible for the engagement should not only have deep sectoral knowledge but also

¹⁵ One has no option but to play the game with the cards one is dealt with. As the British historian, Sir Michael Howard, often remarked: "We make war as we can, rather than as we should." What is said of war applies equally to policy and other conflicts outlined in this paper. Hastings, Max. 2008. Up Against 'the Finest Soldiers in the World'. *New York Review of Books*, Vol. 55, No. 5, April 3.

¹⁶ The statecraft required steering one’s policy preference through the Scylla of competing ideas and Charybdis of conflicting interests is explored by the author in his forthcoming book being published by Pearson (India). Ayyar, Vaidyanatha, R.V. 2008. *Navigating the Public Policy Domain: A Primer on Policy Process and Politics*.

¹⁷ This theme is elaborated in Ayyar, Vaidyanatha, R.V. 2007. *Donor Harmonization and Alignment- Organizing to Take Leadership: The Experience of India*. 2nd Africa Region Education Capacity Development Workshop “Country Leadership and Implementation for Results in the EFA FTI Partnership”

Tunis, Tunisia, December 3-6. <http://www.fasttrackinitiative.org/library/moduleIIIcoordination.pdf>.

¹⁸ “If you know the enemy and know yourself, you need not fear the result of a hundred battles. If you know yourself but not the enemy, for every victory gained you will also suffer a defeat. If you know neither the enemy nor yourself, you will succumb in every battle.” Sun Tzu. *The Art of War*. Translated from the Chinese by Lionel Giles. <http://www.chinapage.com/sunzi-e.html>.

proficiency in cross-cultural negotiations [a rare skill in ministries other than those of foreign affairs, and those dealing with international finance and trade relations], and a good understanding of the structure, operations, operational styles and mind-sets of agencies, and of inter-agency rivalry. Sectoral knowledge and negotiation skills are relatively easier to acquire; they are also more likely to be covered by technical assistance offered by agencies. *Knowing the other* is likely to remain a critical gap in the capacity of many countries to exercise the leadership that the Paris Declaration expects from them. Countries need to fill this gap through systematic documentation of and reflection on their experiences of interacting with agencies. Regional and South-South cooperation can supplement their efforts. There is also a role for an ‘honest broker’ like the UNESCO.¹⁹ Institutional mechanisms can be put in place either by regional bodies like the Association for Development of Education in Africa [ADEA] or by UNESCO or by both. These mechanisms could facilitate the sharing of experiences by countries of their interaction with agencies, setting up of repositories of the relevant documents, and dissemination of good practices of agency coordination. Such regional mechanisms can also facilitate sharing of experiences of developing and implementing PBA/SWAp, joint development of systems and procedures, joint capacity development, joint training, and collaborative pursuit of sectoral objectives and goals such as those of EFA. Quite a few countries of a region [eg., Francophone African countries] share inherited administrative structures and procedures. Joint development of the systems and procedures by a group of such countries might be more effective than individual development because of possible economies of scale and scope. The whole can often be more than the sum of the parts; the resources that such countries can together pool might be larger and more balanced than the resources they individually possess. Further, harnessing technical assistance for joint capacity development might lower the transaction costs. Thus, the regional level can be an important additional locus for capacity development and technical assistance.

The behavioural aspects of capacity development by countries cannot be emphasised enough. What comes out from the historical experience is that capacity development is substantial only where it is a country preoccupation and not just an agency preoccupation, and only when, as with Meiji Japan, contemporary China or India, technical assistance is perceived to be not *receiving* from ‘donor’s’ expertise for specific tasks but as *acquiring* technical resources to develop one’s own capacity to do specific tasks.²⁰ Countries should realise that it is necessary to adapt comparative experience with discernment. Context, particularly the institutional and political context, is so important that what is promising avenue in one country could as well be a blind alley in another. The praxis of technical cooperation should change such that it enables countries to pro-actively acquire the skills and competencies needed to enhance their capacity than passively receive whatever skills and capacities the agencies choose to supply.

The literature as well as practice of capacity development gives the impression that inadequate capacity is more of a problem for the countries than for the agencies. This

¹⁹ Riddell sees a role for an honest broker to broaden government-led approaches, and to facilitate the inclusion in SWAps of stakeholders like NGOs and private educational service providers. UNESCO seems to be an obvious choice as it is the UN’s technical agency for education, is not a ‘donor’, and has always taken a sector-wide view of education. However, some agencies feel that UNESCO is too often too closely aligned with governments to play this more independent, leavening role. However, the putative proximity of UNESCO to governments is unlikely to affect its role as an honest broker for filling the critical gap in the capacity of countries to *know the other*. Riddell, A. 2007 b. The new modalities of aid to education: the view from some development agencies’ headquarters. Background paper for *EFA Global monitoring Report 2008*.

²⁰ Ayyar, Vaidyanatha, 2007. op. cit.,

impression is not borne out by facts. It would appear²¹ that not all agencies are equally enthusiastic about SWAp and the Paris Declaration, and that not all agencies have changed their systems and procedures so that they totally align with the new modalities and ethics of support delivery. Further, it would appear that many agencies have not adequately recognised that far-reaching change is not a frictionless process, and that in large bureaucracies not all welcome change. And further, it would appear that in the countries, there is not enough clarity among all the agency functionaries as to what SWAp exactly is, and how they ought to function differently in a SWAp programme. Needless to say, not all agency functionaries in the countries are equally willing to let the country exercise leadership. Balancing the requirements of the Paris Declaration and concerns about accountability and ‘corruption’ poses dilemmas that are not easy to resolve, and cannot be wished away. Agencies strongly committed to the Paris Declaration have been making determined efforts to appropriately modify their systems and procedures, and to train and orient their functionaries. This practice should be emulated by all agencies. There is need for a greater appreciation of the fact that the Paris Declaration requires far reaching changes in organizational culture and individual behaviour, and it is in the nature of these changes to be tough challenges. Agencies need to identify and address their own capacity needs with the rigour and determination they expect from the countries.

There are two other aspects which need to be addressed if the agencies are to deliver support in accordance with the Paris Declaration. First, the emphasis on monitoring the Paris Declaration through the chosen indicators and a quantitative survey²² seem to miss out altogether the behavioural changes that are central to effective implementation of the Declaration. The indicators and quantitative survey need to be complemented by an appropriate qualitative survey of the changes in behaviour of countries and agencies. Secondly, the efforts being made by agencies to harmonise arrangements and procedures at the country level need to be complemented by similar efforts at the regional and headquarters

²¹ Author’s perception arising from his participation as a resource person in three workshops on capacity development. Two of these were organised by the World Bank at Cape Town [July 2007] and Tunis [December 2007] to improve the capacity of African countries to achieve EFA. These two workshops were attended by governmental functionaries of seventeen African countries, and functionaries of ten agencies working in these countries. The third was an in-house workshop organized by EC at Hanoi [October 2007] for its functionaries working in social sectors in fifteen Asian countries.

Riddell’s study [2007 b] brings out that agencies differ considerably in their willingness to move away from the conventional project support to SWAp. ‘Like minded agencies’ like those of the Nordic countries, the Netherlands and the United Kingdom as well as the European Commission have been strong advocates of the new modalities. Some are still ‘wedded to attributable project finance’ as contribution to the ‘common pot’ would lower their visibility. The USAID has one more reason for its reluctance to move briskly towards SWAp: American skepticism of government and a consequent desire to work with stakeholders beyond government. The author noticed that some of the agency functionaries share the same concern as the USAID. They feel that the Paris Declaration is far too State-centric and frowns upon what in *donor jargon* is called *demand generation*. The question they raise is what should they do *if* government of country they operate is not receptive to advice and is not responsive to the needs of the poor? Should they cease turning to non-State actors? On their part, most countries are wary of agencies bypassing governments. Further, the spirit of the Paris Declaration had not eliminated inter-agency rivalry. ‘Paris and all that’, an expression used by an agency functionary, vividly captures the lingering resistance to new modalities and ethics of support delivery. On their part, most countries are wary of agencies bypassing governments. Further, the spirit of the Paris Declaration had not eliminated inter-agency rivalry.

For her three case studies, Riddell [Riddell a] tried her best to have interviews with national government officials. In spite of her best efforts, she could not secure even a single off-the-record interview with any official. Had she been successful, she would have come across mirror images of the concerns her agency interlocutors had about the response of governmental functionaries to the new modalities and ethics.

²² OECD, Development Cooperation Directorate. *The 2006 Survey on Monitoring the Paris Declaration*.

levels. To give an example, agencies have not yet harmonised the definition of, approach to, and the tools for capacity development. Thus, the EC framework for institutional development and capacity development calls for an examination of not only the ‘functional-rational’ dimensions but also of the ‘political’ dimension of organizational change such as interests, power and loyalty systems.²³ In contrast to EC, many agencies do not foray into the slippery terrain of the politics of change. Given the multiplicity of agency policies on capacity development, it is unlikely that functionaries of different agencies operating in a given country adopt a common approach to capacity building and technical assistance.

All in all, the Paris Declaration poses a great challenge to countries and agencies.²⁴ There are many tensions and ethical dilemmas intrinsic to living by the Paris Declaration. To illustrate, an agency may be willing to respect the leadership of the country, but the country might be woefully deficient in the skills and competencies necessary for exercising leadership, and much worse might not even be eager to exercise leadership. Or to take another example, trial and error, *failing wisely* [learning from mistakes and trying again] are necessary for capacity development, but the lengthy process of capacity development may stretch the timeframes for achieving the MDGs or the Dakar goals and objectives. A process of trial and error might also conflict with the accountability of the agencies to their ‘masters’²⁵, and with the consequent imperative of having efficient programmes, and efficient implementation of such programmes. The temptation to adopt a hands-on-management style or ‘mother’ the countries is difficult to resist. There are no answers to all these tensions and dilemmas and for quite some time ‘the world may have to be satisfied with travelling hopefully towards best practice in this area, rather than arriving.’²⁶ There is no alternative but to trudge along the rugged path, for the alternatives that have been long in vogue are worse.²⁷ Needless to say,

²³ European Commission. 2005. *Institutional Assessment and Capacity Development – Why, what and how? Can be downloaded from http://ec.europa.eu/europeaid/multimedia/publications/publications/manuals-tools/t106_en.htm.*

It is interesting to note that the draft EC toolkit cautions that the tools are ‘mostly not intended for direct use by donor staff.’ A moot point is whether the agency functionaries would have the insight required for a political analysis of the government and the sub-organisations it is constituted of.

It is also worth noting that the Capacity Development Task Team set up by Education for All -Fast Track Initiative [EFA-FTI] does not have a single representative of the country partners. This is in spite of the fact that EFA-FTI lays lot of emphasis on the Paris Declaration and considers the countries to be partners. The representation of the 43-member task force is claimed to be ‘diverse and participants include agency representation from both Headquarters and the field, as well as academia and independent consultants.’ http://www.fasttrackinitiative.org/content.asp?CatId=233&ContentType=Document&search=>:&page_no=2&sortBy=Title.

²⁴ For a crisp account of the challenges, see UNESCO, 2007. *EFA Global Monitoring Report 2008*. pp. 166-169. http://portal.unesco.org/education/en/ev.php-URL_ID=49591&URL_DO=DO_TOPIC&URL_SECTION=201.html.

²⁵ In case of bilateral agencies, the masters are governments, parliaments and the citizens, and in case of multilateral agencies their governing bodies and Member-States.

²⁶ Kaluba, Henry and Williams, Peter. 1999. ‘Aid Coordination Through the Other End of the Lens,’ in Kenneth King and Lene Buchert, *Changing International Aid to Education: Global Pattern and National Contexts*, Paris: UNESCO Publishing.

²⁷ Assessments of the new modalities by DFID and the Netherlands Ministry of Foreign Affairs had brought out many limitations in the practice of the new modalities; however, they concluded that the problems did not justify returning to earlier types of project aid that preceded the sector-wide approach. Netherlands Ministry of Foreign Affairs. 2006. *From Project Aid to Sector Support: An Evaluation of the Sector-Wide Approach in Dutch Bilateral Aid 1998– 2005*. The Hague, Policy Operations and Evaluation Department. (IOB Evaluations, 301.). DFID. 2005. *DFID’s Medium Term Action Plan on Aid Effectiveness: Our Response to the Paris Declaration*. London, UK Department for International Development, Poverty Reduction Strategies and Aid Harmonisation

systematic documentation of country and agency experiences, and joint reflection by the agencies and countries together would help identify the best practices. Networks that bring countries and agencies together would help promote multifaceted documentation, joint reflection and learning.²⁸ In this context, it is important to emphasise that documentation should be comprehensive, and should not be limited to the ‘beginning’ and ‘end’ but should *also* cover the path that connects the beginning and the end. For a best practice to be tried out in another country context, it is important to know its context, and the processes and contests associated with its development, adoption and implementation. Or in other words, documentation of country and agency experiences should be like the military history of battles, a history of small ‘h’ that meticulously records the small details and course of events. With a view to promote such documentation and foster collective learning, this paper offers an account of India’s experience in universalising elementary education through a programme approach.

C: The Salience of the Indian Experience

The Indian experience is of interest for three main reasons. Firstly, what India does has an important bearing on the realisation of the Dakar goals and objectives. The 1990s saw remarkable improvement in education indicators in India. Between 1992-93 and 1998-99, net enrolment of children in the age group 6 to 10 increased from 68 percent to 82 percent across the nation. In rural areas, girls’ net enrolment jumped from 55 percent to 76 percent, and boys from 72 percent to 84 percent.²⁹ Despite these achievements in 1999-2000, India still accounted for one-quarter of the world’s 104 million out-of-school children in the age group 6-14, and the *EFA Global Monitoring Report 2002*³⁰ placed India in the group of 28 countries in ‘serious risk of not achieving any of the three goals of primary net enrolment, levels of adult literacy, and gender parity in primary school gross enrolment’. India has come a very long way since then, and there is unmistakable evidence of acceleration in the secular trend of expansion in access, enrolment and retention, and reduction of disparities by gender, region, and caste. The out-of-school children have dropped from 32 million in 2001-02 to 0.7 million in 2006-07³¹; in recognition of the significant progress in enrolment India had achieved, the *EFA Global Monitoring Report, 2008* places India in the group of 28 countries which have a high chance of achieving the goal of universal enrolment by 2015.³² As the problems of

Team, Policy Division. For a crisp summary of these assessments, see UNESCO, 2007. *EFA Global Monitoring Report 2008*. Paris.

²⁸ An example of joint learning is the Joint Donors’ Competence Development Network www.train4dev.net, which promotes sharing of experiences in a number of areas including SWAps, ‘aid effectiveness’, and so on. In keeping with the spirit of the Paris Declaration, these networks have to be inclusive and induct partner countries.

²⁹ World Bank. 2004. *Elementary Education Project (SSA): Project Appraisal Document*. Report 27703-IN. Washington, DC.

³⁰ UNESCO. 2003. *EFA Global Monitoring Report 2002*. Paris.

³¹ Data from the MHRD, DEEL, GOI. The independent SRI-IRMB Survey [2006] estimates the number out-of-school children in 2005-06 at 13.4 million, as compared to the department’s estimate of 9.5 million. According to that survey, 6.94% children in 6-14 age group are out of school and in that 2.1% were dropouts and 4.8% were never enrolled. Social and Rural Research Institute. 2005. *Survey on Assessing the Number of Out-of-school Children in the 6-13 years age group*. New Delhi.

For time series data on educational indicators such as enrolment, retention, gender and social disparities, see:

- MHRD, DSEL, GOI. 2008. *Chapter on Elementary Education (SSA & Girls Education) for the XIth Plan Working Group Report*. http://education.nic.in/Elementary/main_final.pdf, and
- Govinda, R. 2007. Education for all in India: assessing progress towards Dakar goals. Background paper for *EFA Global Monitoring Report 2008*.

³² UNESCO. 2007. *EFA Global Monitoring Report 2008*.

access and enrolment are being mastered, the thrust in the XI Five year Plan [2007-08 to 2011-12] is going to be quality with equity. Formidable challenges still remain such as retention, further reduction in gender, regional and social group disparities, quality in all its dimensions, learning achievement, school effectiveness, and rejuvenation of the State education departments, and Federal and State resource organisations like the NCERT, NUEPA, and SCERTs; but one cannot miss an all-pervasive mood of ‘we can do it, we can do it’³³ across the length and breadth of the country.

The second reason why India’s experience is of interest is that India is employing a sector-based approach to universalise elementary education. In 2007, the largest externally funded SWAp, SSA-I, was completed, and its sequel, SSA-II, had commenced in May 2008, and is expected to close by 31 March 2010. By all accounts, SSA-I is an excellent example of a SWAp and country exercise of leadership. Country-ownership was not an issue for the SSA-I, as SSA, the National Programme for Education for All³⁴, was in full swing for two years before the consortium of IDA, EC and DFID decided to support it. One can accurately say that the agencies came to *own* an ongoing national SWAp programme in its entirety.

Thirdly, DPEP, the prototype of SSA, pioneered many of the practices like pooling of resources, harmonisation, joint review and reporting mechanisms, and country leadership a decade before the Paris Declaration. It was never easy to pioneer defying conventional wisdom. Exercising country leadership and forging a new culture of country-agency relationships at a time when many agencies were as possessive of their projects and modalities of support delivery as a fond mother is of her young child. What is significant about the institutional and process innovations of DPEP are not only their precocity but also their scale and context. The innovations were adopted in about half of India’s 600 odd districts, in 18 of the 28 States, and covering a population of nearly 800 million. And further, the innovations were adopted in a vibrant democratic federal polity

³³ Theme song of *Dora the Explorer*, a children’s’ TV series. I am obliged to my granddaughters for getting acquainted with this song

³⁴ The focus of SSA is on elementary education. It has a small element of ECCE; it also attempts to converge with ICDS, a massive all- India programme for provision of child development services including ECCE.

II Federal Setting and Financing of Elementary Education

A: Federal Setting

Providing all children with elementary education, UEE, was an aspiration of India's freedom struggle. The Constitution incorporated this aspiration as a Directive Principle of State policy. The erstwhile Article 45 of the Constitution called upon the State³⁵ to 'endeavour to provide, within a period of ten years from the commencement of the Constitution, free and compulsory education for all children until they complete the age of fourteen years.' In 2002, the Constitution was amended making education to all children of the age of six to fourteen years a justiciable Fundamental Right [new Article 21 A]. The enabling Central legislation to give effect to the Constitutional Amendment is expected to be enacted shortly.

India is a federal polity with 28 States and 7 Union Territories, and 18 major languages. Centre-State relations³⁶ have an important bearing on educational development, for Constitution places elementary education in the Concurrent list, and consequently on the Centre and States share a joint responsibility for ensuring UEE. Further, the National Parliament and State legislatures have concurrent legislative powers in regard to education. However, should there be Central and State legislation on any aspect of education, the Central legislation would generally prevail. However, rather than rely on its legal power to lay down uniform policies and programs for elementary education, the Central Government has been relying on dialogue with the States. This is, as it should be given the diversity of the continental nation, the fact that almost all schools are either owned or regulated by State Governments, and that States account for nearly eighty percent of the public expenditure on elementary education. As different political parties rule at the Centre and in the States and States are constitutional entities in their own right, the Central government cannot command and control the State governments but has to rely on persuasion and fiscal incentives. Continual dialogue on policies and programs takes place either in informal settings like meetings in the DOE³⁷, or in more formal settings like the National Development Council [NDC] and the Central Advisory Board on Education [CABE]. The Central and State programmes that give effect to educational policies are embedded in the Five-year Plan, which sets out the five-year framework for development as well as financial outlays of individual programme. Each Five-year Plan emerges from a well-established iterative, consultative process involving the Central government departments, State governments, and experts. The planning process has set stages like deliberations in the working group for each sub-sector [elementary education, higher education and so on], deliberations in the steering group for each sector [eg., education] , and deliberations in the NDC first of the approach to the Five-year Plan, and finally of the Five-year Plan itself. The annual outlay for each Central programme is set by the Planning Commission in two stages: (i) the annual Central plan outlay is set after intense bargaining with the Union Finance ministry, and (ii) the annual plan outlay of each department, and the outlays of each programme within that annual plan outlay, are set in consultation with the department concerned. The annual plan outlay of a State programme is determined through a similar process.

³⁵ Constitutionally, "the State" includes both Central and State governments.

³⁶ It is customary in India to call the Union or Federal Government as the Central Government.

³⁷ In 2000-01, the DOE was bifurcated into two departments: Department of Elementary Education and Literacy [DEEL], and Department of Secondary and Higher Education [DSHE]. In 2006, secondary education was shifted from DSHE to the DEEL; the later was renamed as the Department of School Education and Literacy [DSEL]. DOE, DEEL were all constituents of Ministry of Human Resource Development [MHRD], and so is DSEL.

In brief, the Constitution envisages the Centre and States to be partners in the development of elementary education. In that partnership, the Centre has been acting as a prime mover in respect of policy and strategy development, and provision of investment finance. In 1986, after the National Policy on Education [NPE] came into force, the Central Government assumed a major role in the financing of UEE; so much so the Centre now contributes about 70 percent of the plan [investment] expenditure on elementary education as compared to just 8.6 percent in 1985-86. The main policy lever of the DOE is the offer of tied grants through Centrally Sponsored Schemes [CSS]. In 1986, three CSSs were introduced: Operation Blackboard [1986], Teacher Education, and Non-formal Education. DPEP was launched as a CSS in 1994 and its successor SSA was similarly launched as a CSS in 2001. Development, approval, funding and implementation of a CSS are enmeshed in a complex web of negotiations at three levels- within the Central Government, within each State Government, and between the Central Government and State Governments. If a CSS were to be launched and effectively implemented, it is necessary to reconcile divergent perceptions on whether there should be a CSS at all, and if so what its design and parameters should be. It has been rightly said that by offering grant, federal government does not buy compliance, and that it only acquires an opportunity to bargain with the States.³⁸ The CSSs are no exception. A CSS creates a principal-agency relationship between the Centre and the States; the Centre releases fund to the States in the expectation that States would implement the scheme in accordance with the scheme parameters. Principal- agency relationship is beset with the *agency problem*, that is to say the agent may not always act according to the interests and instructions of the principal. The Centre and States are mutually interdependent to an exceptional degree, and are evenly balanced in their power. The States no doubt need Central funding; however, the Centre needs the States no less for implementation of the policies the CSSs seek to implement. Alternative modalities like enlisting NGOs for implementation may be of limited utility as the operations of NGOs are unlikely to reach the scale that implementation of these schemes necessitate. The instruments that private parties take resort to, in order to avoid the agency problem [e.g., MOUs and contracts that lay down clearly performance standards, performance linked incentives, and penalties for non-performance or underperformance] are likely to be less effective with Constitutional entities like the Centre and States being the principal and agents. Stoppage of funds or excluding some States from the purview of the scheme for non-performance or underperformance defeats the very purpose of such schemes, for many of the schemes seek to reduce inter-State disparities in levels of development, and the States which generally under-perform are often the very States with low levels of development. Suffice to say, effective implementation of a CSS requires not only good design and intense monitoring but also continual dialogue and bargaining with State Governments.³⁹

Accessing external funding for a CSS adds additional dimensions of complexity, transforming an *as-it-is* complex relationship between the Centre and States into a more complex triangular relationship of the agency, Centre and States. The complexity of the triangular relationship is further accentuated if more than one agency funds a programme. Support by a development agency is conditional on an agreement being reached with the

³⁸ Ingram, Helen. 1977. Policy Implementation through Bargaining: The Case of Federal Grants-in-Aid. *Public Policy*, Vol. 25, No. 4 (Fall 1977), pp. 499-526.

³⁹ What has been said of the problems inherent in the agency relationship of the Centre and States applies, though to a lesser extent, in the relationship between an agency and the country. However, the Indian experience brings out that in postcolonial societies old habits are likely to linger. Consequently there is greater deference to foreigners and an overt eagerness to seem to comply, if not comply, with the wishes of agencies.

country on the content of a program, and the modalities of implementation including phasing of the financial flows, monitoring and evaluation, verifiable benchmarks and performance indicators. In order to ensure the accountability of States, agencies associate the States concerned with in formal negotiations and agreements. However, legally the Centre alone is responsible for compliance with the terms of agreement. Consequently, the Centre has to wrestle with the tensions and challenges of *indirect management*, that is to say a situation in which formal authority falls short of one's responsibilities, and one's performance is dependent on actions by individuals and agencies outside the chain of one's command, and over whom one has no direct control. The challenge of indirect management is mitigated in 'State' projects, where the Centre generally plays the role of a conduit for flow of funds from the agency to the State. In such projects, the triangular relationship functions in effect as a bilateral relationship between the State and the agency, with the task manager of the agency being closely associated with the implementation of the project, if not the development of the project itself. If the Centre wishes to be more than just a conduit for flow of funds from an agency to the States, and is particular of ensuring that all States implement the national programme, and is further particular to oversee effective implementation and outcomes, as well as of capacity development the traditional bilateral relationship between the agency and the States would not be adequate. It should ideally give way to a set of two discrete bilateral relations, one between the Centre and the agency, and another between the Centre and States. If, however, a triangular relationship between the agency, Centre and States is sought to be maintained, the relationship between the agency and States should be precisely delimited, and that delimitation respected in letter and spirit by the agency and States. If not, the Centre would be put in double jeopardy by being accountable to the agency for effective implementation [and repayment also in respect of IDA credit], and having less of a power in its relationship with States than in a CSS wholly funded by it. A *ménage à trios* is generally messy.

There is yet another dimension of the complexity that federal governments face in their interactions with agencies. . Before a country can exercise leadership in agency coordination, it is necessary for it to get on board all the Ministries and organizations concerned. This necessitates internal negotiations within the government that are often as intense and acrimonious as the external negotiations with the agencies. Further, agency coordination by a country requires that there be a single focal point for interaction and negotiation with the development agencies, and that the focal point speaks with single voice for the country as a whole. In any organisation, business not excepted, three forces drive decision-making: the 'rationality' of technical analysis, organizational politics [dynamic interaction of divisions and other sub-units that together constitute the organization], and personal politics.⁴⁰ The political aspects of decision-making get accentuated in governmental decision-making in a democracy as, most of the time, governments cannot simply and directly pursue a single objective like maximising profits, and as carrying along as many as possible is an essential attribute of democratic governance. That being so, speaking with a single voice is difficult even in a unitary form of government. The addition of additional layers of government in a federal polity accentuates the difficulty of speaking with a single voice.

⁴⁰ The classical exposition of governmental decision-making is by Allison. Graham, Allison. 1971. *The Essence of Decision: Explaining the Cuban Missile Crisis*. Boston: Little, Brown & Company; 2nd Edition (co-authored with Philip Zelikov), New York. Longman. 1999.

Elmore extended the three models developed by Allison to implementation of social sector programmes. Elmore, Richard. 1978. Organizational Models of Social Program Implementation. *Public Policy*, Vol. 26, No. 2 (Spring 1978), pp. 185-228.

For an integration of the various models of policymaking see Ayyar, Vaidyanatha, R.V. 2008. op.cit.,

Therefore agency coordination cannot be an isolated activity, and has to be a subset of the overall coordination of the activities that together constitute the programme being supported by the agencies. A necessary pre-condition for agency coordination by a country is that the country should *get its act together*, so that all the government entities concerned recognize the leadership role of the focal point and enable the focal point to speak and act authoritatively on behalf of all the entities. Getting one's act together is often the most difficult part.

B. Financing of Elementary Education⁴¹

In 2006-07, the total public expenditure on education by both the Central and State governments combined was about Rs. 1327.5 bn. [about US \$ 30 bn.⁴²]. As a proportion of the GDP at current prices [factor cost], India's public expenditure on the education sector as a whole was about 3.57 percent, which is higher than average education spending of 3.3 percent of GDP among low-income countries, but considerably less than the typical share in OECD countries (5-6 percent). It is also higher than China's (3.3 percent), but India's demographic structure differs from China's. China's total fertility rate, unlike India's, is below replacement level; its under-25 population accounts for less than 40 percent of its total population, while India's is 52 percent of the population. About 28 percent of the total public expenditure on education is plan [investment] expenditure, the rest being spent on the maintenance of the existing educational institutions and departments. Centre accounts for only 21.55 percent of the total public expenditure; however, its share of plan expenditure, at 66.61 percent in 2006-07, is far higher [Table I]. In keeping with prime mover role of the Centre, grants to States account for a substantial proportion of the Central plan expenditure. In July 2004, the fiscal ability of the Centre to support investment enhanced plan expenditure on education was augmented through the levy of an education cess. A two percent cess is levied on income tax, corporation tax, excise and customs duties and service tax. The entire proceeds of the education cess are earmarked for elementary education.⁴³

The priority assigned to elementary education is reflected in its share in total public expenditure on education [plan and nonplan put together], and more particularly its share in plan expenditure. Total expenditure on elementary education was about 46 percent of the total expenditure on education in 1992-93⁴⁴; in 2006-06 it was higher at 53.41 percent. The share of elementary education in the total plan expenditure on education has increased from about 37 percent in 1990-91⁴⁵ to 68.94 percent in 2006-07. This step up resulted from the Centre's willingness to transfer more and more resources to the States to step up their investment in elementary education [Chart I]. As the Central government has few elementary educational institutions of its own, the entire Central plan expenditure on elementary education goes to support States in their efforts to expand access, facilities and quality of elementary education. Centre's share of the total plan expenditure on elementary education increased from 8.6 percent in 1985-86 [the year preceding the NPE] to about thirty percent in the years immediately thereafter. Its share began to increase in 1994-95 as a result of the launch of DPEP and the Mid-day meal scheme [a scheme for providing free school lunch]. By 1997-98, the Central share increased to about 55 percent; as a result of the buoyancy in the economy,

⁴¹ Data obtained from DSEL.

⁴² An exchange rate of Rs. 44.5 per one US \$ 1 is used in this paper.

⁴³ In February 2007, a similar secondary and higher education cess was introduced, the rate being one per cent.

⁴⁴ MHRD, DOE, GOI. 1994. DPEP Study Series-1. *Budgetary Resources for Education (1950-51 to 1993-94)*. <http://education.nic.in/cd50years/g/6D/7F/6D7F0601.htm>.

⁴⁵ Ayyar, Vaidyanatha, R.V. 1993. Educational Planning and Administration in India: Retrospect and Prospect. *Journal of Educational Planning and Administration*, Vol. VII, No. 2, April 1993, New Delhi

and higher tax revenues, the share began to increase further from 2005-06. In 2006-07, Central plan expenditure was 72 percent of the combined plan expenditure of the Centre and States on elementary expenditure.

Table I
Public Expenditure on Education 2006-07⁴⁶

[US \$ bn.]

	Plan			Non plan			Total		
	Centre	States	Total	Centre	States	Total	Centre	States	Total
Education	466.16	233.70	699.86	75.75	1738.74	1814.49	541.91	1972.44	2514.35
	(66.6)	(33.4)	(100)	(4.2)	(95.8)	(100)	(21.6)	(78.5)	(100.)
Elementary Education	345.35	137.12	482.47	0.06	860.30	860.36	345.41	997.41	1342.82
	(71.6)	(28.4)	(100)				(25.7)	(74.3))	(100.)

N.B: Figure in parenthesis percentages.

⁴⁶ The data in this table refers to the expenditure by Central and State Education departments. Other Central and State departments spend about 16 percent of the total public expenditure on education.

Chart I
Plan Expenditure on EE: Centre as % of Total

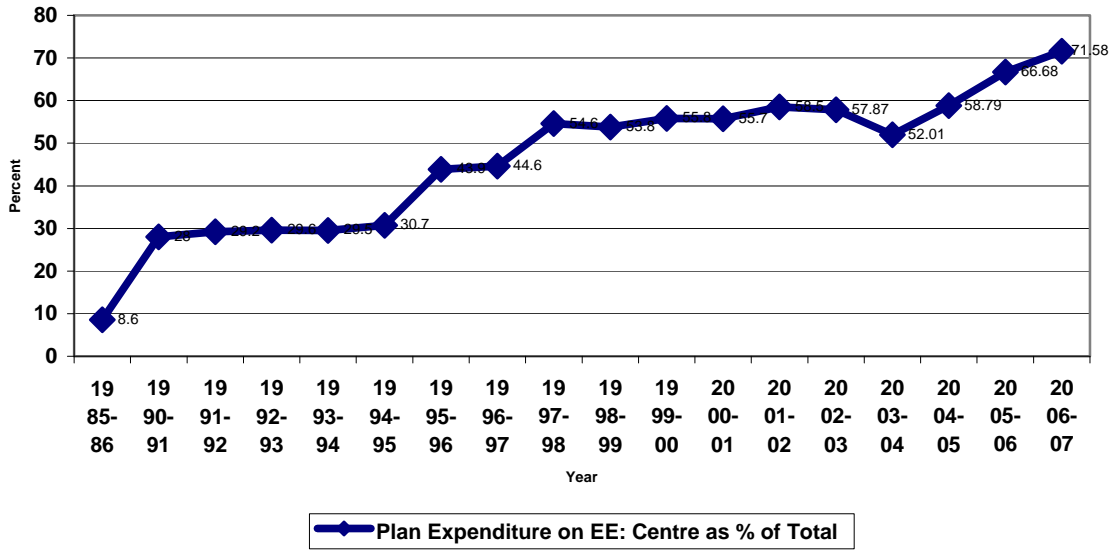
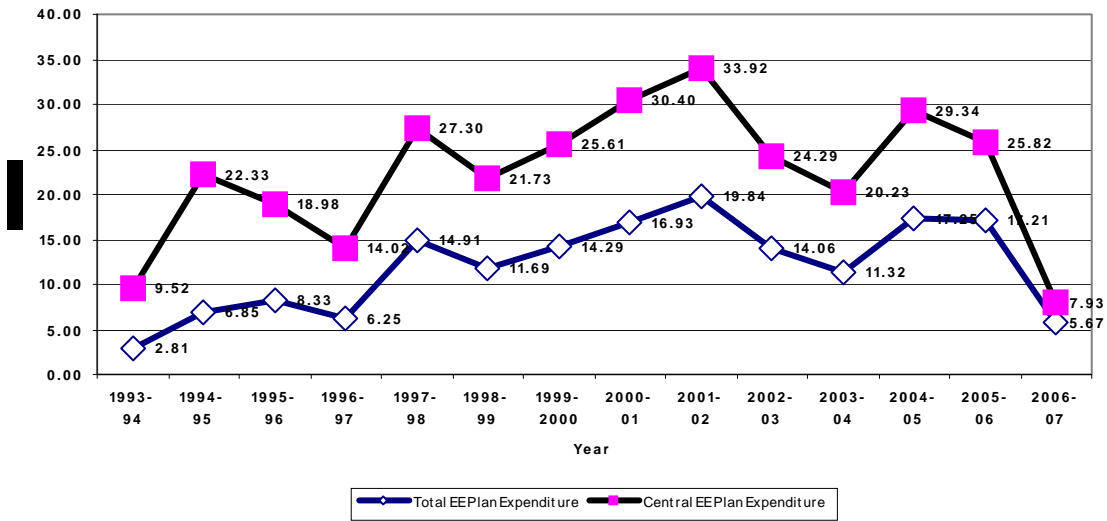


Chart II
External Funding as Percent of Central/Total Plan Expenditure on Elementary Education



Till 1993-94, the share of external funding in the elementary education was insignificant. From Independence in 1947 to 1983, agencies were reluctant to provide substantial resources for primary education and India, on its part, was reluctant to avail external education for primary education. Very modest UNESCO and UNICEF assistance was availed for financing innovations. From 1983 to 1990, four small State projects were implemented with bilateral assistance. These projects were the Andhra Pradesh Primary Education Project funded by ODA, *Shiksha Karmi* by SIDA, *Mahila Samakhya* by the Dutch, and Nonformal education by NORAD. These were of limited scope in terms of the geographical coverage as well as of program components. On the eve of the Jomtien Conference [March 1990]⁴⁷, UNICEF offered assistance for launching the Bihar Education Project which was expected to be India's and UNICEF's flagship EFA project. The process by which the World Bank [hereafter referred to as Bank] came to acquire great interest in funding primary education, and emerged as a champion of EFA and co-organizer of the Jomtien Conference is fairly well documented. Once it emerged as a champion of EFA, the Bank could not ignore India, home to the world's largest number of out-of-school children. Right from 1987, the Bank was extremely keen to have primary education in its Indian loan portfolio. Successive chiefs of its Delhi office, successive Indian Executive Directors, and a stream of distinguished visitors from Washington, tried to persuade the Indian government to include primary education in the Bank's lending portfolio.⁴⁸ Large-scale inflow of external resources began in 1993 with the decision of the Indian government to avail IDA funding for elementary education. Since then, external resources have augmented the capacity of the Centre to support the States by providing more and more plan funds for elementary education [Chart II]. By 2001-02, the share of external funding in the Central plan expenditure on elementary education had reached a peak level of 33.92 percent in 2001-02. Thereafter, the share has begun decreasing, and it was no more than 7.93 percent in 2006-07. During the three-year period 2008-09 to 2010-11, when SSA-II would be operational, the share of external funding in the Central plan expenditure on elementary education is likely to be about 17.5 percent, higher than the 2006-07 level but nowhere near the peak level of 2001-02. The estimates for 2008-09 to 2010-11 are based on four assumptions: (i) the SSA expenditure would be as projected by SSA-II project document; (ii) the share of external funding in SSA-II would be 12 percent, (iii) Centre would contribute 60 percent of the SSA outlay, the States would meet the balance of the outlay: and (iv) as in the X Five-year plan period, SSA would account for about 70 percent of the Central plan expenditure on elementary education.

⁴⁷ World Conference on Education for All, Jomtien, Thailand, March 1990.

⁴⁸ The Bank's eagerness to fund primary education in India helped improve substantially the bargaining power of India.

III: DPEP and SSA Experience

A: The DPEP Experience

In a large federation like India, there are bound to be wide regional variations in the levels of development, governance capability, and the specific socio-political context.⁴⁹ Paraphrasing what has been said in regard to globalisation, it would be necessary to think nationally and to act locally if the national goals and aspirations are to be realised all over the country. It follows that the strategy for educational development in a country like India should facilitate decentralised planning and implementation within a national framework. The challenge in designing such a framework lies in balancing flexibility and room for local innovation on the one hand and ensuring accountability on the other. The question of what should be the main unit of planning and implementation has been much debated in India, and till DPEP was launched the State was the unit.⁵⁰ The successful emergence of the district-based Total Literacy Campaign (TLC) model stimulated the intellectual leap to district-based approach to UEE. In 1992, the NPE was revised; the POA prepared in pursuance of the revised NPE held out the district-based strategy as the right strategy for UEE. The revision of the NPE and its POA was intensely participative, involving all the Central government departments concerned, States, educationists, and the civil society at various stages of consideration. It was deliberated upon by the CAGE and later by the Parliament. The design and implementation of DPEP were preceded by a nearly-decade long intense churning of ideas beginning from the publication of *The Challenge of Education* [1985]⁵¹, with major landmarks like the formulation of NPE and its revisions, a similar formulation and revision of NPE's POA, India's participation in Jomtien Conference and in the International Consultative Committee for EFA, the hosting of the Delhi EFA Summit of the Heads of Nine High Population Countries [1993], and the Constitutional amendments that conferred a Constitutional status on local bodies [1992],⁵² devolved important developmental functions on them, and earmarked one third of all elected posts in local bodies to women

DPEP operationalised the POA [1992] strategy in respect of primary education in about half of the districts in the country with low female literacy rates. It was guided by the revised NPE visualisation of UEE as a composite of (i) universal access and enrolment, (ii) universal retention upto 14 years of age, and (iii) a substantial improvement in the quality of education to enable all children to achieve essential levels of learning. Consequently, it sought to simultaneously address all aspects of UPE. Its design drew upon the total national experience in elementary education, in TLCs, and in the implementation of projects funded by agencies like the APPEP, *Shiksha Karmi*, *Mahila Samakhya*, and the Bihar Education Project [BEP]. It

⁴⁹ The population of the States ranges from 0.5 mn. to 180 mn.

⁵⁰ For an account of the intellectual leap to the district-based planning and implementation, and the genesis of DPEP, see Ayyar, Vaidyanatha, R. V. 1995. Let not the Dead Seize the Living. *DPEP Calling* December. MHRD, DOE. December.

⁵¹ MHRD, DOE, GOI. 1995. *The Challenge of Education* was a candid analysis of Indian education and initiated a nation-wide debate on education. The inputs from this debate went into the formulation of the NPE.

⁵² 73rd and 74th Constitutional Amendment Acts. The 73rd amendment mandates the establishment of a three-tier structure [*Panchayat Raj*] : Village Panchayat, Panchayat Samiti, and Zilla Parishad or district level Panchayat. Functions like elementary education in rural areas have been devolved on Panchayat Raj bodies. The 74th amendment vests status on urban bodies; Functions like elementary education in urban areas have been devolved on urban bodies. The amendments also provide for a District Planning Committee, which would integrate both urban and rural plans.

The earmarking of one third of the elected posts in these bodies has led to a million women securing political office in these bodies.

sought to transcend the limitations of a typical CSS as well as those of an enclave project approach, and aspired to be a beachhead for transforming the entire primary education system.⁵³ Unlike a typical CSS, the DPEP objectives focussed on educational outcomes rather than educational inputs, and set time-bound targets for enrolment, retention, learner achievement levels, and reduction of disparities in enrolment, dropout and learning achievement between girls and boys as well as reduction of similar disparities between SC/ST and other children. Unusual for a CSS, it sought to realize the outcomes envisaged by preparation of work plans through an intense participative process, appraisal of the work plans, linking fund releases with the progress in the implementation, and intense monitoring and supervision. The Centre was to provide 85 percent of the programme outlay, and the participating States the balance; the financial resources provided by the Centre and States were to be pooled in an account of the State DPEP Society, whose establishment was a precondition for release of Central funds. Another precondition was the willingness of the participating State to agree to maintain in real terms of its expenditure on elementary education at the level of the financial year 1991-92.⁵⁴ The DOE stipulated this condition with a view to ensure that DPEP funds add to, and do not substitute, the State's expenditure on elementary education. The State DPEP Society was visualised as an intrapreneurial unit within the State education department; its composition was such that it was expected to facilitate the enlistment of NGOs and outside expertise, and yet at the same time facilitate quick decision-making by associating the highest decision makers in the State like the Chief Minister/Education Minister, and Chief Secretary/Education Secretary. As visualized, the DOE was to function as a financing cum oversight agency, drawing upon its own budgetary resources and external resources. And further, it was expected that DPEP would eventually be the only programme that agencies could finance. However, in actuality, the Centre's share was mobilised from the agencies only. And further, two other externally funded programmes, *Lok Jumbish* [People's Movement] in Rajasthan with SIDA support, and *Janashala* [Community Schools] came into being after the launch of DPEP. *Lok Jumbish* is a programme similar to DPEP, except that it adopted block [a sub-district unit] as the unit of planning, and sought to *manage by process* instead of DPEP's *management by process as well as outcomes*. Its coverage was limited to Rajasthan. It was initially funded by SIDA till it unilaterally withdrew from India in 1998.⁵⁵ Thereafter it was funded by DFID. *Janashala* again was a bloc-based programme with a more limited scope of mobilizing the community for promoting elementary educational objectives. The programme blocks were selected from among those districts that were not covered by DPEP. A consortium of UN agencies led by UNDP supported it.

DPEP's financial parameters facilitated local need based planning and implementation. They offered a cafeteria of activities, listed the financial norms for each

⁵³ For the salient features of DPEP, and an assessment of the achievements till 2001, see Vaidyanatha, Ayyar, R.V. and Bashir, Sajitha. 2004. DPEP, in J.S.Rajput ed., Encyclopaedia of Indian Education. NCERT, Delhi.

⁵⁴ SSA has a similar condition.

⁵⁵ The decision of SIDA to suspend support followed the testing of a nuclear device by India. Sometime later, GOI reviewed its policy of availing bilateral assistance. The latest policy stipulates that, excepting for bilateral assistance from the Group of Eight [G-8] countries, government and bodies where government has substantial control would not avail bilateral assistance from any country unless that country commits a minimum annual development assistance of US \$ 25 million to India. Ministry of Finance, Department of Economic Affairs, PMU Division, F.No. 1/30/2003-PMU, dated 4th January 2005. A special dispensation was given to the G-8 countries of the United States, Russia, Canada, Germany, Japan, Italy and United Kingdom, in view of their economic clout.

activity, and laid down a ceiling of six percent on administrative costs and 25 percent on civil construction. Each participating district was required to draw up a seven-year plan for the achievement of UPE, and within that plan framework draw up annual work plans specifying the interventions, modalities of implementation and time targets. While drawing the work plans, the districts were required to take into account all the Central and State schemes; consequently what was expected to come out of the planning process was what in the current jargon is called a sectoral plan. As States got accustomed to operating within the DPEP frame, the flexible parameters facilitated lot of local initiatives such as GIS [Geographic Information System] mapping for school location, tracking of children in the age group 6-10 so as to ensure universal participation, and innovative approaches to alternate schooling. Introduction of the new financial parameters required the harmonization of the country's policy for accessing external funds and passing the funds to States. The standard practice was that the Centre assumed the repayment liability for IDA credit, and passed on the IDA funds to States seventy percent as loan and thirty percent as grant. However, external funds, which were received as grant, were passed on *in toto* to States as grant. The fact that DPEP received external funds, part as credit and part as grant, required harmonisation such that irrespective of the source of funding, all the participating States received funds from DOE on an identical pattern. After intense and prolonged negotiations, DOE could secure the agreement of the Finance Ministry for assuming the liability of IDA credit as loan but passing on the entire IDA funds to participating States as a grant, in the same manner as other sources of external funding.

The implementation was conceived to be carried out in a mission mode; DPEP was expected to be the core of the National Elementary Education Mission envisaged by the NPE in 1992. DPEP created a number of new programme implementation and resource support structures to augment the ability of the DOE, State education departments, and resource organisations like the NCERT, NIEPA, SCERT, and DIETs. The programme implementation structures created included the State DPEP Society, and a District Level Coordination Committee under the chairmanship generally of the District Collector/ District Magistrate, and Village Education Committees.⁵⁶ The resource support structures include two structures at national level: the DPEP Technical Support Group [TSG], and a National Core Group [NCG] comprising select faculty members of NIEPA and NCERT. Block and Cluster Resource Centres [BRCs and CRCs]⁵⁷ were created at the sub-district levels to provide resource support to schoolteachers.

In its attempts to mobilise resources from the agencies, DPEP meticulously adhered to the policy on external funding laid down by the CAGE in March 1991. The CAGE policy stipulated that 'projects must be in total conformity with national policies, strategies and programs, that the project formulation should be a process of capacity building, that the projects must be drawn up on innovative lines, emphasizing people's participation, improvement of quality and equality of education and a substantial upgradation of facilities.' Adherence to the CAGE guidelines had two major implications for accessing external funding. First, the specifics of policy and the autonomy of policymaking were non-negotiable. And further, policy was conceived in the widest sense. Consequently, dialogue with agencies was not the conventional policy dialogue that takes place in most countries but a dialogue limited to review of the programme implementation. It does not extend either to the macro-

⁵⁶ The District Collect/Magistrate like the French *préfet* still plays a pivotal role in administration, and coordinates all developmental activities in many States. In some States, this coordination function has been transferred to the Chief Executive Officer of the *Zilla Parishad*.

⁵⁷ A block is a sub-district unit; a cluster is a group of schools. On an average there are three CRCs in a block.

policy frame like that of the NPE or to micro-policy matters like teacher recruitment, curriculum and pedagogy. In order to limit the scope of the dialogue, it was decided to avail IDA credit only after a prolonged dialogue with the World Bank spanning several years, and that too only after clear assurances were given that the Bank was fully satisfied with the NPE and the DPEP frame, and that it would not question the right of DOE to develop and implement the programme on its own and in its own light.⁵⁸ And further, even though the World Bank offered a sector investment credit which offers more flexibility for the implementation of a programme like the DPEP, a specific project credit was deliberately chosen, so that there is no room whatever for the Bank to expand the scope of the dialogue beyond what DOE would like to. EC support was a fast disbursement grant to be released in two annual tranches, the only condition for the release of a tranche being no more than preparation of the specified number of district plans. In fact, EC was the first agency to pledge substantive support to DPEP. The financing agreement with the EC [July 1993] is a splendid example of development partnership in the true spirit of partnership; this spirit continued to inform all the dealings between DOE and EC thereafter. The agreement was very creative in that though it provided for disbursement of assistance to provide the short-term balance of payments support, it provided time and space to DOE to let the full operation of the planning and implementation processes over a period of seven years so that the best possible educational outcomes are realized. It was only a year after the financing agreement with the EC, and that too after quite a few hiccups were negotiations with IDA for the first credit for DPEP concluded. EC took a great risk in extending support; in a sense, the EC support was ‘a *willing suspension of disbelief*.’ It placed implicit trust in the verbal assurances of the embryonic DPEP Bureau in DOE that it would effectively deliver and implement the programme only. The risk for EC was mitigated to some extent by the fact that when it decided to finance DPEP, there were clear indications that the Bank would fund DPEP, and consequently the Bank could be expected to ensure rigour in monitoring and review.

The second consequence of scrupulously complying with the CAGE parameters was DPEP’s choice of a strategy of self-reliant capacity development. It was decided not to engage any expatriate consultant either for the planning and implementation of the programme, or for capacity development. All in all, adherence to the CAGE guidelines necessitated DPEP to maintain a relationship with agencies, in which the agency was a provider of financial resources [which in the early years of programme were critical indeed], and in return for financial support, the agency had the right to review the programme jointly with the DPEP Bureau. In effect, DPEP envisaged two discrete bilateral relationships to fall into place: a bilateral relationship between the DPEP Bureau and the agencies, and another bilateral relationship between the Centre and the States in which the Centre assumed a more directional role than in the traditional CSS. The DPEP Bureau was to be the sole interface between agencies on the one hand, and the State and district program functionaries on the other. Interaction between the agencies and the program functionaries in the field was expected to be limited to the six-monthly joint review missions, so that capacity development is not impaired by hordes of expatriate consultants descending on States and districts at short , or as it sometimes happens at no, notice. At issue in the negotiations with ODA in 1995 [as DFID was then] were two thorny issues: limiting the interaction of the agency with DPEP field functionaries to the two half yearly joint review missions [JRMs], and closing down ODA’s Hyderabad office so that there is a departure from its previous relationship between the State Government and the agency in APPEP. It was naturally difficult for DOE to give up its well-established relationship of eleven years [1983-94] with Andhra Pradesh. DOE

⁵⁸ For a brief account of the dialogue between the DOE and the World Bank, see Ayyar, Vaidyanatha, R.V. 2007. op.cit.,

decided to avail the support only after ODA conceded DOE's requirements for participation in DPEP. The new relationship that DPEP sought to establish imposed a heavy burden of unlearning on established agencies as well as on the States, most of whom had a long experience of implementing externally funded projects in the traditional bilateral pattern of relationship between the agency and the State government. It was also difficult for task managers of agencies who came from a different country to understand the complexities of Indian Centre-State relations and the new relationship that DPEP had insisted upon. A new player like EC was at an advantage in working within the new relationship. As years rolled by, and DFID began to espouse principles of development cooperation which came to be embodied in the Paris Declaration, it came to be a strong supporter of country leadership and the relation that DPEP ushered. The offer of German assistance to support DPEP in Orissa was declined because of the conditionality that an agency functionary should be positioned in Bhubaneswar [the State capital] to oversee the programme.

The strategy of self-reliant capacity development imposed a heavy burden on the DPEP Bureau, for it had to be the prime mover for developing the programme, the specific projects within that frame, and for augmenting its own capacity as well as capacity at all levels-, national, State, district and local community. To everyone connected with DPEP, the embryonic DPEP Bureau and the States and districts, the defining characteristics of the turbulent period from January 1993 to December 1994 were discovery, learning, confusion, excitement, tension and trauma. To develop a complex process and an intensive programme like the DPEP in one state, with no more than rudimentary concepts to fall back, was difficult enough but to simultaneously attempt to develop district projects in seven states was dare-devilry. One can understand the scepticism of quite a few at the ability of the DPEP Bureau to deliver what it brashly promised to do: develop in time and in a prickly self-reliant mode a new genre of projects that passed muster with the agencies, along with all the studies necessary to provide the analytical underpinning. It was necessary to enlist institutions and experts for a host of activities such as programme management [financial management, procurement, monitoring, appraisal and supervision], planning, pedagogy and, studies and surveys [such as learner assessment. Fortunately, India has the necessary technical resources for taking up all the above-mentioned tasks. However, it was quite a Herculean task to pool the academic resources that lie dispersed among different resources institutions across the length and breadth of the country, in orienting the academics to the specific requirements of DPEP, in positioning the experts in appropriate structures, and in resolving the tension between existing resource organisations and the new support structures. NCERT and NIEPA played an important role conduct of studies such as baseline beneficiary assessment, tribal, gender, teacher education and state finances. Lal Bahadur Shastri National Academy of Administration and NIEPA played an important role in building capacity for planning, appraisal and supervision. Social science research institutions and the Indian Institutes of Management were enlisted for independent assessment of the programme implementation. The involvement of dozens of universities, and social science resource organisations, and of hundreds of academics created a large national pool of educational programme professionals. Comparative experience was sought to be drawn mainly through international research conferences; the expectation that such conferences would leaven policy and programme oriented research was not fulfilled. Further, in all externally funded EE projects implemented in the country, matching the demand and supply of comparative experience proved to be elusive. Agencies and those in charge of the programme often have different perceptions about the relevance of the expertise of the experts that agencies offer.

DPEP was financed by multiple sources: EC and IDA to begin with, later by DFID also and for sometime in some projects by UNICEF and the Netherlands government. Consequently, it became necessary for DPEP to put in place a strategy and institutional arrangements for 'donor' coordination. DPEP pioneered common financial procedures, harmonisation, joint reporting and joint review mechanisms, which are central to PBA and SWAp. The experience of agencies in organizing supervision missions was useful for infusing rigour in monitoring and supervision. However, prolonged and often frustrating negotiations were required to reconcile the different perceptions and positions on the scope of the missions, its composition, and the participation of DOE as an equal partner. On December 23 1994, an agreement was reached on the modalities of JRM. It was agreed that supervision should be concerned with the delivery by the DPEP Bureau and the State Societies rather than with nitty-gritty details as in project lending. Every quarter, DOE would send a review mission to the States implementing the programme. Every other quarter, the review mission would be a Joint Review Mission [JRM] with DOE nominees, and functionaries of the agencies supporting the programme. By turns, the agencies and the DOE nominee would head the JRM. For the first time in the world, a country was associated with the agencies in the supervision missions as an equal partner. The DOE decided that other agencies that are likely to support the DPEP like ODA and UNICEF should be invited to join the JRM. Association with JRMs proved useful in convincing ODA about the merit of DPEP. It was also helpful in enlisting UNICEF for communication and advocacy, areas in which it has a strong comparative advantage. All in all, the main contribution of the agencies was to provide the much-needed resources for operationalising a strategy that has come to be the mainstay of the country's effort to achieve UEE. Support by the EC and IDA for DPEP in 1992 came at a critical moment. Just a year earlier the country was in imminent danger of defaulting on its international obligations; its gold balances had to be flown abroad to ensure sufficient liquidity to prevent default. In the face of the unfavourable macroeconomic situation, and the inadequacy of resources even for the ongoing schemes, the launch of the district-based strategy for UEE would have been delayed by at least two years. But for the continued flow of external fund from IDA, DFID and EC, the pace of expansion of DPEP could not have been sustained. In addition, by contributing to the imparting of a strong outcome orientation, and to the infusion of rigour in reporting, monitoring and supervision, agencies have enhanced the effectiveness of the country's efforts to achieve UEE

In all there were seven DPEP projects funded by the Bank either by itself or as a co-financier along with agencies like the Netherlands government and UNICEF. In addition, DPEP received funding under the Andhra Pradesh Economic Restructuring Project.⁵⁹ And

⁵⁹ This project marks an important development in the relationship between GOI and the World Bank. In 1996, Edwin Lim moved from Beijing to New Delhi as Country Director. Concerned at World Bank's lack of policy clout, he opted for a new operational strategy whereby Bank lending would concentrate in a few 'focus states', and the Bank would provide credit in a manner that promoted economic reforms and a more direct policy dialogue between the Bank and the chosen States. This strategy was sold to the Finance Ministry as a strategy that helps reforms in the States that the Ministry itself wished to promote but could not because of political compulsions. Andhra Pradesh was purposively chosen to push the strategy. With passage of time and change in governments, the strategy seems to have tapered off. In his study, Kirk dismisses the contention that India's Central government has 'taken itself out of the picture', by giving the Bank a direct policy line to States. He opines that the Bank strategy was in actuality not very effective even in focus states, and that it had no demonstration effect. Kirk, James, A. Economic Reform, Federal Politics, and External Assistance: Understanding New Delhi's Perspective on the World Bank's State-Level Loans, in Mukherji, Rahul. [ed.]. 2007. *India's Economic Transition: The Politics of Reform*. Delhi, Oxford University Press. For the account of Edwin Lim of his tenure in Beijing and Delhi, see Learning and Working with the Giants in Gill, Indermit. S. and Pugatch, Todd. [eds.] 2005. *Frontlines of Development: Reflections from the World Bank*, Washington, DC, World Bank.

further, EC funded DPEP in MP, and DFID in AP and West Bengal. Over the fourteen-year period from 1993-2007, the total programme outlay of DPEP was US \$ 2.398 bn. Of this, IDA contributed US \$ 1.34 bn., DFID, EC, Netherlands and UNICEF together another US \$ 0.866 bn., and the States together US \$ 0.192 bn. From 2001 [when SSA was launched] till 2007 [when the last of the DPEP projects came to an end] DPEP co-existed with SSA. In districts where DPEP as well as SSA were implemented at the same time, DPEP was a sub-set of SSA.

For all its pioneering the development and implementation of a sectoral programme, harmonization and alignment, DPEP was still a half-way house. The agencies funded DPEP separately though with common reporting format and JRMs. Funds received from every agency were earmarked for a specific State or group of States; the State was expected to comply with the procurement procedures of the agency from which it received funds. However, in keeping with the spirit of the programme, the JRM was a national mission. Participation of an agency in JRM was not limited to the States where its funding was applied. In the manner of appraisals also, DPEP was a halfway house. The DOE appraised the annual work plans of all States. However the initial appraisal of the project proposal of a State was done by the World Bank in States where its funding was sought to be applied; in other States, appraisal was done by a joint mission of DOE nominees and the agency which sought to fund DPEP in that State. This dual mode was necessitated by the conscious decision of the DOE to avail IDA credit only as specific project credit instead of sector investment credit. Thus, all in all, DPEP was still a prototype of and not a full-fledged SWAp.

‘Doing business’ in accordance with the DPEP vision and the CABE parameters was very demanding of the DPEP Bureau, States and the agencies. DPEP seemed to be neither fish, nor fowl, nor red herring. Technically it was a CSS but yet it was to be implemented in a manner different from the usual CSS. It was an externally funded programme and yet it was the DPEP Bureau, which discharged many of the accountability functions hitherto performed by agencies and their ‘Missions’. There was lot of learning and much more unlearning to do. The DPEP Bureau had no experience of substantial engagement with agencies and had to master the skills of engaging the agencies. DPEP was country’s first experience of handling an elementary education project with substantial external funding. As had been said earlier, prior to DPEP externally funded projects were of limited scope in terms of the geographical coverage, and scope. There was no commonality among those projects and agency coordination was not necessary. Except for BEP, DOE left it to the States altogether the management of the agencies. DPEP had to forge a new relationship between the Centre, States and the agencies, and had to ensure that States and agencies accepted the relationship, and worked within the new relationship. To begin with, DPEP bureau had a grand vision but no roadmap; the roadmap had to be developed even as the road was being laid. There was also a lot of unlearning to do, and as always unlearning is more difficult than learning. It was hard by the States to accept either the fact that that DPEP was not a typical CSS or the role that the DPEP seemed to arrogate to itself. It was natural for many State functionaries to feel that contrary to the spirit of decentralisation that *DPEP Guidelines* swore by, the programme was

This project incorporated *in toto* the DPEP objectives and parameters. In retrospect, this project turned out to be no more than an additional financial line for DPEP. The Bank’s attempt to have a more direct policy dialogue did create some tensions but it mattered little as the dialogue had no impact on the design or modalities of implementation or the nodal role of DOE in regard to DPEP. Presumably, the Bank was on the whole too happy with DPEP and the education reform that DPEP promoted to upset the apple cart.

being implemented in an excessively centralised fashion. This feeling was felt all the more so in the initial years, as it rightly appeared to many field functionaries, that the DPEP Bureau was issuing diktats of what is *verboten*, dictating what not to do but was being vague about what is to be done. As already said, it was hard for established agencies like the World Bank and the DFID to do business in a mode different to what they were accustomed. This was all the more so as they were wary of limiting to an extraordinary degree their oversight of a programme they funded, in a situation where capacity was deficient all around, and quite a few States seemed to defy the role of the DPEP Bureau. It was but natural to be sceptical of the ability of the DPEP to deliver what it claimed it would do. It has been said earlier that agency coordination is a subset of the overall coordination of the activities that together encompass the programme being supported by the agencies. Likewise, in a federal polity, if the Centre wishes to access external resources for a national programme and pass on the resources to the States, and if it wishes to live by the Paris principles, the new relation it has to establish with agencies is a subset of the overall realignment of relations it should bring about. . The new relationships fell in place only over a course of time and only after the DPEP Bureau prevailed in quite a few policy contests and power struggles.⁶⁰ There were tensions galore at all levels: between DOE and some agencies, between the DPEP Bureau and State functionaries, between the TSG professionals and NCERT and NIEPA faculty, between the SCERTs and State DPEP Societies, and in districts between the programme staff and other departmental functionaries.⁶¹ The intensity of tensions abated to some extent with passage of time but tension did not disappear altogether, for it is in the nature of partnership that partners seek to expand the bounds of their power, and explore the limits to which they can push their partners. Every interaction is likely to be taken as an opportunity to reopen seemingly settled agreements on substantive issues and relationships. Tensions persisted throughout as some agency functionaries sought to expand the scope of the JRMs, and not to limit their interaction with programme functionaries to JRMs. The procurement procedures of the Bank were a continuous source of friction as they seemed to be far too rigid and centralised for a programme like DPEP with decentralised planning and implementation.

In its relationship with agencies DPEP's 'image problem'. There is a section of academics, activists, media, and public who are strongly opposed to accessing external funding for primary education.⁶² The reasons for their views are many. First, UEE being a fundamental right, the government should fund it with its own resources rather than rely upon insecure external funding. Secondly, external funding may substitute rather than complement domestic resources, so much so that it may not contribute much to enhancing total resources

⁶⁰ For an account of some of the contests, see Ayyar, Vaidyanatha. 2007, op. cit.,

⁶¹ The tension between a State DPEP Society and SCERT as well as the politics of textbook reform is documented in a case study of the Kennedy School of Government, Harvard University [2000]. *Implementing Education Reform in India: The Primary School Textbook Debate and Resistance to Change in Kerala*.

In March 1995, NCERT organised at the behest of the DPEP Bureau an international research conference. The functionary in charge of logistics refused to circulate *DPEP Calling*, the in-house magazine of DPEP, calling it trash. He also refused to invite the Chief of TSG, a very highly qualified professional to the dinner organised in connection with the conference.

The negotiations between DFID and DPEP Bureau for supporting DPEP in Andhra Pradesh and West Bengal has many charged moments; so was the interaction between the DPEP Bureau and the World Bank's India-based task manager for the UP Basic Education Project and DPEP-I.

⁶² An example of the visceral feeling against external funding is brought out by a tragic-comic incident. The author and Secretary, DOE appeared before a committee whose chairman was a career economist in government. No amount of assurance by the Secretary and author would convince him that the Bank had not issued any secret guidelines that the States were required to comply with, and of which he claimed he came to know from another agency with a Good Samaritan image.

for education. Thirdly, external assistance for education may increase ‘donor dependence’. Fourthly external assistance may lead to external influence on domestic educational policies, which might not be necessarily desirable.⁶³ Fifthly, providing more financial resources without adequate capacity and systemic changes promotes corruption, and is therefore wasteful and harmful. Then there was the radical critique that the Jomtien Declaration and Framework did not seriously question the structural adjustment process and its guiding ideology; they helped debt-led strategies for development to find a space to proliferate. For all its claim to being a national programme, DPEP was ‘a vivid story of the roll-back of the state, of contracting commitments for formal education, of the dismantling of the existing structures of formal education, proliferation of ‘teach anyhow’ strategies, a thrust on publicity management, and a neo-conservative reliance on the community.’⁶⁴ To those in charge of DPEP, such criticism might have appeared carping and flying in the face of facts. However, such criticism proved to be greatly beneficial in two respects. First, it enhanced the bargaining power of the DPEP Bureau in its interaction with agencies, for domestic contest over policy [eg., whether or not to access external funding] can be a useful lever in negotiations with external actors.. Schelling’s axiom ‘Weakness is strength’ may sound paradoxical but it has a great deal of truth in the matter of negotiations. A party to negotiation who tries to push his weak counterpart [with a limited mandate] to the wall may fail to secure any agreement.⁶⁵ Using domestic political constraints to tie one’s own hands and thereby strengthening one’s bargaining position in international negotiations is a subtle and often effective negotiation ploy.⁶⁶ Secondly, vulnerability to criticism acted as a deterrent against uncritical acceptance of inappropriate comparative experience. On the flip side, however, the vulnerability might have inhibited a pro-active exploration of comparative experience in pedagogy and school effectiveness, and adaptation of relevant experience. Over course of time, some of the critics have come to acknowledge, though with qualification, the ‘visible gains ‘of DPEP. The contribution of DPEP to the dissemination of the practice of district planning has been recognized.⁶⁷ DPEP is also credited with the development ‘ of new approaches and procedures in successive, rapidly covered stages, ...[in areas such as] administrative decentralization, creation of local-level structures for planning, decision making and monitoring, a massive drive to improve school buildings, reorganize the monitoring, and the involvement of non-government organizations,’ with the launch of ‘massive drive to improve school buildings, reorganize curriculum and recruit and train teachers at the local level ‘ , and with the conduct of large-scale surveys of children’s learning achievement carried out mostly in accordance with the NCERT curricular document . There is also a more nuanced appreciation of the circumstances in which government decided to avail external funding.⁶⁸

⁶³ Tilak, Jandhyala. B. G. 2004. Education in the UPA Government Common Minimum Programme. *Economic and Political Weekly*, October 23, 2004.

⁶⁴ Kumar, Krishna, Priyam, Manisha and Saxena, Sadhna, 2001. Looking beyond the Smokescreen: DPEP and Primary Education in India. *Economic and Political Weekly*, February 17 2001.

⁶⁵ Schelling is a Nobel laureate economist, distinguished strategist and guru whose precepts had applications in a wide variety of fields including economics, business, international relations, defense and security. Schelling Thomas, C. 1960. *The Strategy of Conflict*. Harvard University Press. Cambridge, MA.

⁶⁶ Conversely, it is useful to enter into international agreements in order to achieve domestic objectives which otherwise cannot be realised. Putnam, Robert. 1988. Diplomacy and Domestic Politics: The Logic of Two-Level Games. *International Organization*, 42, 3, pp. 427-460.

⁶⁷ Tilak, Jandhyala, B. G. 1999. *Development Assistance in Primary Education in India: Transformation of Enthusiastic Donors and Reluctant Recipients*, in Kenneth King and Lene Buchert, op. cit.,

⁶⁸ Kumar, Krishna. 2004. Quality of education at the beginning of the twenty first century: lessons from India. Background Paper for *EFA Global Monitoring Report 2005*.

DPEP did not achieve what it all set out to do. Far from it; yet, there is one thing which it had unequivocally achieved and established, namely that it is possible for a country to exercise leadership in its relations with agencies. And yet ironically, that achievement is not well recognized.

B. The SSA Framework

SSA, the successor to DPEP could draw upon the experiential knowledge, of about eight years, of what works and what does not, and of the strengths and limitations of the structures and processes introduced by DPEP. It was also benefited by the fact that the States skimmed the learning curve of the new processes, accepted the directional role of the DOE, and were able to display greater initiative and creativity within the national framework. And further, the reporting and monitoring mechanisms considerably improved over time and it was possible to secure steady flow of data on the programme activities as well as the trends in educational indicators. A strong Education Management system [EMIS] had emerged; this ensures the flow of information all the way from the schools in thousands of villages to the National capital. And further, it is complemented by a robust information system, the District Information System for Education [DISE] that similarly allows the collection of disaggregated and timely data on the educational indicators relating to access, enrolment and retention. The district and State report cards that DISE has been generating are not only valuable monitoring tools but also advocacy and accountability tools. DISE is operated by NUEPA, and is perhaps the world's largest and perhaps one of the most effective educational data systems. Academics from forty-one National Social Science Institutions [hereafter referred to as monitoring institutions] have been independently monitoring and qualitative assessment of performance in all the States. So much so, the DEEL/DSEL could reduce the intensity of supervision, devolve to the States many of its tasks it was hitherto performing, and focus on the more challenging aspects of managing the programme. Thus the frequency of its missions to States could be reduced from a quarter to six months. The ineluctable tensions of Centre-State relations remain but they are less strident. All in all, the strategy of centralised decentralisation had worked successfully indeed. Widespread recognition of this fact has changed the nature of the dialogue between the DSEL and the States, as well as that within the GOI so much so that DEEL has acquired greater autonomy and flexibility in adapting the SSA guidelines to specific situations or even modify them so as to secure better outcomes.

In its design, SSA retained almost intact most of the structures and processes of DPEP. It is more ambitious in its scope: it covers all the districts in the country, and covers the upper primary stage also.⁶⁹ The goals of SSA are the following:

- (i) all 6-11 year old children to be in schools or alternative centres by 2003;
- (ii) all 6-11-year-olds to complete five years of primary schooling by 2007;
- (iii) all 6-14-year-olds to complete eight years of elementary schooling by 2010;
- (iv) elementary education to have satisfactory quality with emphasis on education for life;
- (v) all gender and social disparities in primary education to be bridged by 2007 and in elementary education by 2010; and
- (vi) universal retention to be reached by 2010.

⁶⁹ Some of the details set out in this section are drawn on the *SSA Framework* and the World Bank [2004], op.cit., and MHRD, DEEL, GOI. 2002. *Sarva Shiksha Abhiyan Framework for Implementation*. These guidelines can be downloaded from the SSA website <http://ssa.nic.in/ssaframework/ssaframe.asp>.

Universal coverage rendered the continuation of two of the three older CSSs [Operation Blackboard, and Nonformal Education] as separate schemes unnecessary. They could be subsumed in SSA. With effect from April 2007, the Kasturba Gandhi Balika Vidyalaya (KGBV) scheme, a scheme for setting up residential schools at upper primary level for girls belonging predominantly to the SC, ST, OBC and minority communities, was also subsumed in SSA. As a result, India has now a single national programme for UEE with a couple of supporting schemes like Teacher Education and Mid-Day Meal Scheme. India therefore has put into practice the creed of ‘one country, one strategy, and one process’. With the phasing out of Lok Jumbish in June 2004, *Shiksha Karmi* in June 2005 and the *Janshala* in Dec.2005, SSA came to be the only programme that agencies could support in the field of elementary education. Thereby the objective envisaged by DPEP of having a single programme that could be supported by agencies was realised.

Compared to the DPEP, SSA expects the States to contribute a higher share of the programme outlay. In Xth Five Year Plan [2002-2003 to 2006-07], all States except those of North-eastern region were required to contribute 25 percent of the programme outlay. States of Northeastern region were required to contribute only 10 percent of the programme outlay. In XIth Five Year Plan [2007-08 to 2011-12] the share of States other than those of Northeastern region is expected to increase progressively to 50 percent by the end of the Plan. The transition to a higher share of contribution by States has been staggered so that it does not cast an undue burden on the fiscal capacity of States. In a programme of universal coverage, equity focus has been brought in through targeted attention to special focus groups [girls, SCs, STs and Muslims], and to special focus districts [districts with large gender and social gaps. Norms were relaxed, wherever necessary, to accelerate the provision of inputs to *lagging* districts and states. As a result, the share of the 9 lagging states⁷⁰ in total SSA budgetary releases (Centre and State) rose from 63 percent in 2003-4 to over 70 percent in 2006-7.⁷¹ Given the increasing urbanization, SSA has been bestowing greater attention to the educational needs of children in urban areas.

The SSA articulated the mission structures with greater clarity. Members of elected bodies, representatives of various departments of government, and stakeholders are associated what policy and oversight at different levels. The salient features of the mission structures are as follows:

- At the national level, the National Mission of SSA is governed by a General Council, headed by the Prime Minister with the Minister of Human Resources Development as its Vice Chairman. This mission is served by an Executive Committee which is headed by the Minister of Human Resources Development, with Secretary, DSEL is its Vice-chairman. The Joint Secretary for Elementary Education in charge of SSA has been designated as the Director General of the mission and is responsible for the implementation of the SSA Framework. The mission has the following six sub-missions:
 - Capacity building for planning management, monitoring research and evaluation ;

⁷⁰ Assam, Bihar, Chattisgarh, Jharkhand, MP, Orissa, Rajasthan, UP, West Bengal.

⁷¹ An Educational Development Index has been developed to identify backward districts. Jhingran, Dhir and Sankar, Deepa. 2007. *Orienting Outlays toward Needs: An evidence-based, equity-focused approach for Sarva Shiksha Abhiyan*. Working Paper, Report No. 42116. World Bank.

- Social mobilization community involvement and role of Panchayati Raj institutions ;
 - Education of disadvantaged groups including girls, SC/ST/minorities/urban deprived children and disabled children;
 - Infrastructure provisioning ;
 - Teacher training, strengthening of academic support institutions and other aspects of quality improvement under , and
 - Defining learning outcomes and assessment/monitoring of students achievement levels,
- At the State level: A State Mission Authority, set up as an autonomous society, with structures similar to the National Mission. The General Council is headed by the Chief Minister and the Executive Committee by the Chief Secretary.
 - At the district level: The District Elementary Education Committee, headed by the District Collector/Magistrate/Chief Executive Officer of the Zilla Parishad. It has representation from Block level officers, educationists, and members of the public.
 - At the sub-district level: The Block Education Committee headed by an elected representative of the Block Development Committee, is responsible for planning and coordination.
 - At the community and school levels: The Village Education Committee (VEC) and the Ward Education Committees (WEC) in urban areas.

The management and implementation structures are almost parallel to those of policy and oversight. The SSA Framework was recently amended to strengthen the links between the programme management structures, VECs/WECs and the statutory local bodies [Panchayat Raj and urban bodies]. And further these structures are being increasingly integrated with general education structures.

C. External Financing of SSA

It was only in 2003 that the government decided to accept the offer of IDA, DFID and SWAp to fund SSA in a SWAp mode. These agencies accepted the SSA framework in its entirety; they also agreed to accept the X Five Year Plan framework in lieu of a Poverty Reduction Strategy Paper [PRSP]. One of the objectives that the agencies had in supporting SSA was that it would pioneer SWAp in India and provide a model for more effective development assistance for other sectors in the country. The salient features of the SWAp arrangement are the following:

- The SSA Results Framework was derived from the SSA Framework. The overall development objectives of SSA-I are as follows:
 - To reduce out-of-school children by at least 9 million in the 6 to 14 age group, with an increase in enrolment, in the process of universalising elementary education;
 - To narrow existing gender and social gaps so that enrolment of girls will be near parity with boys, enrolment of children of SC and ST will be near parity with that of the other groups, and to increase enrolment of children with disability; and
 - To enhance the quality of education of all elementary school students so that learning will be improved, and transition rates from primary education (Grades 1-5) to upper primary education (Grades 6-8) will increase.

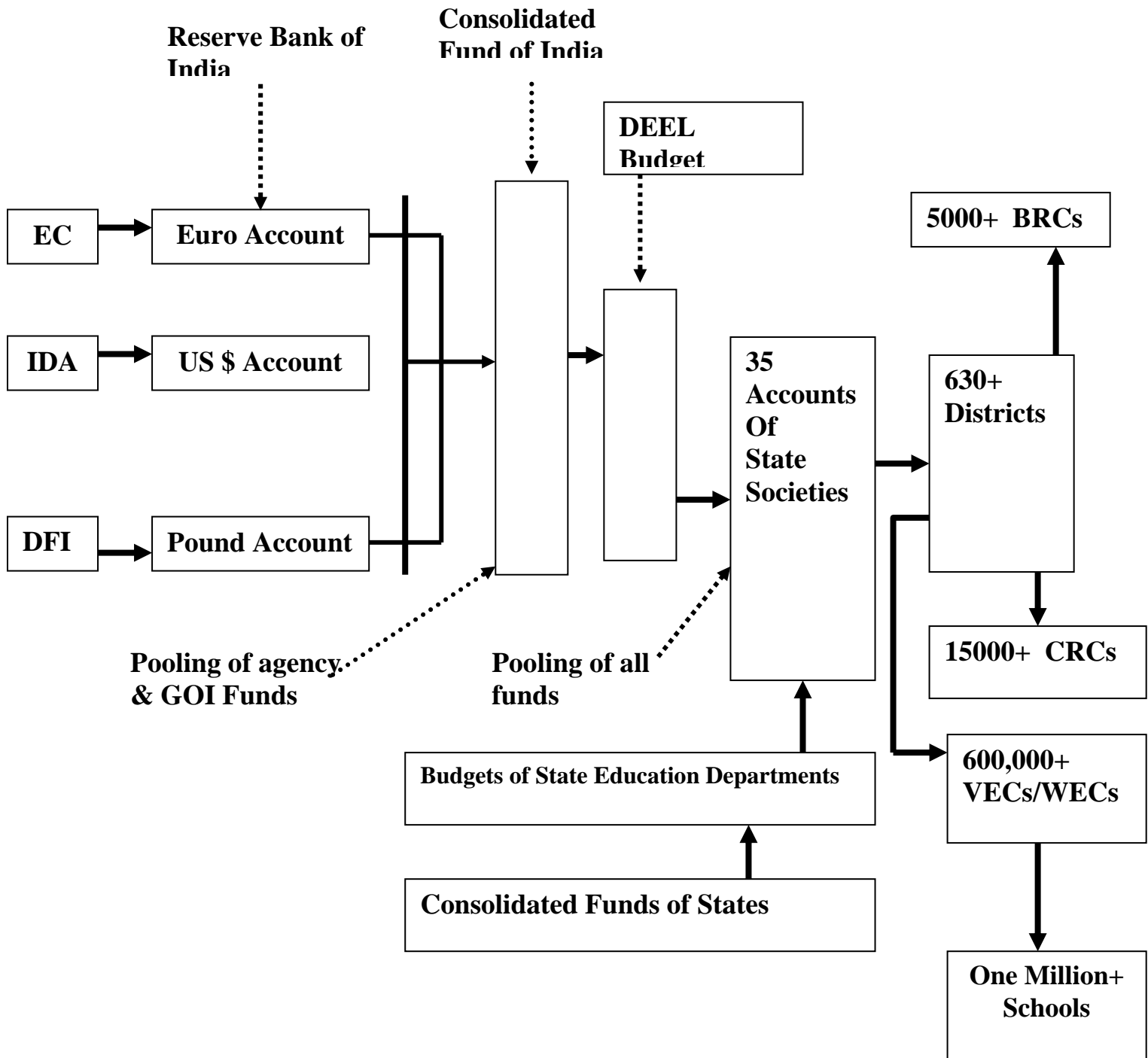
- All external funds are pooled with GOI budgetary resources and there is no parallel financing. The contribution of each agency flows into the Consolidated Fund of India from the account it maintains with the Reserve Bank of India; these resources are subsumed in the budget of DEES under the budgetary head relating to SSA. DEES releases funds to the State Implementation Society in accordance with the work plans it appraised and the pace of expenditure. The releases made by the DEEL and the State government are pooled in the account of the State Implementation Society, which in turn releases funds to the field units for implementation of the programme [Chart III]. The procedure for reimbursement of expenditure by agencies simpler in comparison with DPEP.
- Unlike DPEP, SSA does not earmark funds received from the agencies to specified States. Consequently, there were no more *World Bank States*, *EC States* and *DFID States*.
- The agencies also agreed to adopt the national systems for procurement, monitoring, and financial management. The agencies accepted the Manual of Financial Management and Procurement [FMP] that DEEL has prepared. This manual was translated, widely disseminated and is being used in all the States;
- The JRM mechanism of DPEP was modified so as to assign a greater voice for DEEL in the JRMs. Unlike the JRMs of DPEP, where DOE/DEEL and the agencies supporting the programme would lead the JRMs by turns, a DEEL nominee would lead all SSA JRMs. The maximum number of members of a JRM would be twenty, of which half the members would be DEEL nominees and the other half drawn from the three agencies in proportion to their financial contribution. The January mission would include field visits while the July mission would be a desk-based review. In January, the JRM would
 - review district plan approvals and GO1 budget allocations;
 - visit selected districts in 8-10 states to review progress in overall implementation including financial management, procurement and safeguard issues. The field visit will focus more on the underperforming states;
 - estimate financial contribution of the agencies; and
 - identify any studies to be undertaken in the following six months.
 The July mission would carry out a comprehensive review of information received on annual progress on agreed indicators, audited accounts, and GO1 budget allocations for SSA against expenditures. This mission will also study quarterly reports from monitoring agencies and also research studies that may have been undertaken; and
- The agencies harmonised their procedures through a formal Memorandum of Understanding (MOU) with the GOI in regard to common formats, withdrawal claims, and JRMs.

The World Bank, DFID and EC appraised the project jointly, and decided to pool their funds to support the program. It was expected that during the three-year period 2004-05 to 2006-07, the project cost would be US \$3.5 bn. of which GOI will contribute 45 percent, agencies 30 percent and States 25 percent. Of the \$1.046 billion to be provided by agencies, IDA was to provide 48 percent, DFID 33 percent, and EC, 19 percent. All the three agencies participated in the GOI-WB credit negotiations in February 2004. The EC synchronised its ongoing support (€200m over six years) with SSA-I. To ensure that external financing remains additional to domestic resources, the agencies together planned to finance two thirds of the SSA programme expenditures above rising annual eligibility thresholds. The conditionalities, derived from the SSA Framework, are as follows:

- Central Government would maintain in real terms its expenditure on elementary education at the level of the expenditure in the financial year 2002-03;
- Similarly, States would maintain in real terms their expenditure on elementary education other than SSA at the level of the expenditure in the financial year 1999-2000; they would also contribute 25 percent of the programme outlay in the State;

Chart- III

SSA Flow of Funds



- Expenditures incurred in order to meet programme objectives within the SSA Framework by MHRD, States and districts are expenditures eligible for reimbursement;
- Progress against key outcome indicators would be monitored through half-yearly JRMs, and should be satisfactory;
- DEEL would furnish in December and June a half-yearly Financial Management Report (FMR); it would also furnish a FMR for the whole financial year within ninety days of the end of that financial year; and
- Audit of State Implementation Societies would be conducted in accordance with the SSA Manual for FMP.
- DEEL would furnish a consolidated audit report for each financial year by January of the succeeding year.

These conditionalities are similar to those of DPEP. There are two significant differences though. First, DPEP has no conditionality like the first above; The GOI was not required to maintain any particular level of expenditure on elementary education. Secondly, the SSA and DPEP conditionalities regarding result outcomes differ, reflecting the fact that the Bank funded SSA as a sector investment credit and DPEP as a project specific credit. Consequently, SSA outcomes, unlike the DPEP result outcomes, do not specify specific targets in respect of programme components like school construction, appointment of teachers.

The two most contentious issues of the negotiations were the revision of the JRM composition and leadership, and the alignment of the Bank's procurement and financial procedures with the DEEL's FMP. The agencies were keen to retain the DPEP pattern of JRMs. The Bank insisted on International Competitive Bidding for procurements being used for procurements above US\$ 300,000 following WB systems. Eventually the Bank agreed that procurement (mostly for ICT equipment) above US\$ 300,000 could follow National Competitive Bidding processes provided the requirement was advertised internationally and bids from outside India were taken into consideration. It was agreed that the agencies could conduct a post-review of contracts in consultation with GOI, and further that the agencies would consult each other before undertaking such a review and take all measures to avoid duplication. There was also difference between the DFID and the Bank in regard to the capacity building needed for operationalising DEEL's FMP. DFID emphasised a developmental approach to capacity building in FMP; on the other hand, the Bank wanted to ensure adequate levels of fiduciary assurance right from the beginning of the operations.⁷² The DFID's advocacy of a developmental approach to capacity building shows how far it had come from its early engagement with DPEP. The alignment of the Bank's procurement procedures with the national systems has removed many of the irritants that often encounters in Bank-operated programmes.

SSA-I was completed as scheduled, and carried forward to its logical conclusion the new relations that DPEP began. It had fulfilled all the twelve indicators of progress that the Paris Declaration had identified. The agencies seem happy with their experience in funding SSA-I in the SWAp mode. As support was extended to an ongoing programme, the 'project' was 'ready' and did not encounter the initial implementation delays often associated with investment projects. The design and disbursement mechanism ensured an element of

⁷² Asian Development Bank, 2006. op. cit.,

predictability in external funding. GOI could provide higher allocations to SSA, and the States also could match the higher allocations of GOI to a considerable extent, so much so that the programme expenditure during the four-year period from 2003-4 to 2006-7 at US \$ 7.8 bn. was more than double the projected outlay of \$3.5. Consequently, the contribution of the agencies was only 13.6 percent of the total programme expenditure as against the 30 percent share anticipated at the time of appraisal of SSA-I. Further, the credit was fully disbursed 15 months in advance of the closing date of December 31, 2007. There was also satisfaction with the way the JRMs functioned; it is acknowledged that ‘the leadership of JRMs by GOI representatives meant that recommendations were thoroughly discussed and many were internalized and implemented, making supervision particularly effective’. The JRM has come to be perceived by the EE Bureau of DSEL and the States as an occasion to document all the information available, and to share the experiences. It has come to be seen by the agencies as an occasion to trawl valuable information that could be analysed at length so that they have a better appreciation of the programme and its implementation. Though UNICEF is outside the SSA-I, it provided support to DEEL for inducting international experience in evaluation and quality improvement

SSA-II the successor to SSA-I, had commenced in May 2008, and is expected to close by 31 March 2010. The framework of cooperation remains essentially the same as of SSA-I. Of the approximately \$10.7 billion total project cost, States will contribute close to 36.9 percent, GOI will contribute around 53.7 percent and the agencies 9.4 percent. The agencies will provide their support in the form of reimbursements of a proportion of eligible GOI expenditures on SSA).⁷³ Within the external pool of around one billion, IDA will provide 60 percent, DFID 30 percent and EC 10 percent. Technical cooperation for improving learner assessment systems is going to be an important component of SSA-II. As with SSA-I negotiations, the most ticklish issues in SSA-II negotiations were the role and composition of JRM, and of course finance and procurement. In spite of the fact that no malfeasance was noticed in SSA-I with the use of the country systems, the Bank sought to roll back its agreement to align with DEEL’s FMP; it insisted that the SSA-I financial procurement procedures should be revised so as to align with the Bank’s Anti-Corruption Guidelines [2006]. The problem is not so much with Bank’s renewed concern for transparency; it has to do more with the new mood of control that seems to grip the Bank. It was unrealistic to insist on an explicit right to follow the Bank’s funds, in each and every transaction, all the way down from the national headquarters to thousands of schools in a decentralised programme with a score of major programme components, spread over a continental nation and funded jointly by GOI, 28 States and three agencies. The right sought would confer on the Bank an oversight and control role incommensurate with Bank’s financial contribution which is less than six percent of the programme outlay. The Bank’s current mood does not sit well with the new modalities of support delivery. Here again one faces the quintessential dilemma of balancing accountability on the one hand, and practicality and trust in improved national systems on the other. The dilemma has to be resolved by effective practical measures, and not by overzealousness, which is the enemy of the good. Given that domestic resources account for about 85 percent of the programme, transparency is in nation’s own interest. Consequently, the DSEL has been pro-actively pursuing a policy of prompting transparency by posting placing more and more finance related information and audit reports on the website of SSA. Mercifully, the contentious issue was resolved with the Bank agreeing to retain the financial procedures of SSA-I.

⁷³ World Bank. 2008. *Second Elementary Education Project (SSA II): Project Appraisal Document*. Report No: 41114 – IN. Washington, DC.

All in all, SSA has carried forward rigorously the country-agency relationship it inherited from DPEP.⁷⁴ Compared to DPEP, SSA had several advantages. First, by being launched as a national programme without external funding and operating as such for three years, it was not burdened by the image problem that DPEP had to bear. It has come to be perceived as a national programme to which agencies extended support rather than an externally funded programme that claims national character. Secondly, the impressive economic muscle that the country has come to acquire has enhanced the ability of the country to provide more and more domestic resources for UEE. Consequently, the agencies need SSA more than SSA needing them. Thirdly, the new relationship between the country and agencies that DPEP ushered had matured over a decade. Agencies have come to have a more nuanced understanding of the working of the federal system, to respect India's capacities, to admire the determined and sustained manner in which the country has continued to address the challenge of UEE. Consequently, the agencies are readily willing to work within the relationship that SSA insists. Lastly, but very importantly, the ideational framework of development cooperation has changed over the last decade. DFID, EC and IDA have been among the agencies which strongly articulate their commitment to the Paris Declaration.

⁷⁴ This was helped by chance occurrence of the officer who assisted the author in the DPEP-I negotiations coming to be DG of the SSA Mission.

IV Concluding Remarks

There have been two competing models of North-South relations. The first, *dependencia*, holds the dependence is the destiny of a developing country unless it chooses autarchy and cuts off all relations with the metropole.⁷⁵ The other, the *bargaining theory model* holds that it is possible for a developing country to constructively engage the developed countries. India's experience with DPEP and SSA show that *dependencia* is no more the destiny of developing countries than biology is of women. The Indian experience establishes that it is possible for a country to constructively engage agencies for mutual benefit, and that a country can exercise sustained leadership in that engagement. In DPEP, and later in SSA, leadership was convincingly demonstrated:

- in developing a coherent policy, a robust strategy and a promising programme for implementing that strategy;
- in reordering the relationship with the agencies, and bringing to bear on the interactions with them superb negotiation skills;
- in mobilising human and institutional resources needed for implementation and capacity building at all levels, and
- in getting one's act together by reordering the Centre –State relations such that the Centre provides more and more resources, and in turn the States accept the directional role of the Centre and ensure effective implementation and realization of outcomes.

Leadership emanates from *will* and *ability* complementing each other. Without will no amount of ability will do, and conversely without the ability no amount of will suffice. In operational terms:

- external support was perceived not as an end in itself but a potential means to the country's development;
- the choice of policy, strategy, programme, governance structures and procedures was determined with reference to the developmental needs of the country rather than eagerness to please the agencies;
- any offer of assistance to fund DPEP without wholly accepting the DPEP parameters, guidelines and the institutional arrangements was declined; and
- the skills and competencies required for exercising leadership were mobilized with tenacity

What also comes out loud and clear is that agency coordination was not be viewed in isolation, but as a subset of the overall coordination that is required for effective delivery of the programme.

The question may legitimately be asked: what is the relevance of India's experience to countries with high 'aid dependency,' and inadequate capacity of the governmental system? An honest answer would be that:

⁷⁵ In spite of the remarkable turnaround in India's economy, and the demonstrated improvement in the ability of the Indian State to address the needs of the common man [*aam admi*], a phobia about reforms is still conspicuous in political rhetoric and academic writing. The popular expression *East India Company Syndrome* captures the fear of critics that multinational corporations and global capitalism would exploit and eventually take over the country, much like the East India Company in the 18th and 19th centuries.

- Given the salience of the context [social, political and economic], and the diversity of country contexts, country experience cannot provide definitive guidance as to how proceed to the preferred destination;
- at best, country experience can only provide the broad directions; and
- the Indian experience does indicate the broad directions in which any country should proceed if it wishes to exercise leadership as envisioned by the Paris Declaration.

‘Aid dependency’ and inadequate capacity are severe constraints but they are not immutable. India was not ‘aid dependent’ in the conventional sense; but at the margin, the dependence of DPEP upon external funding was enormous. To recapitulate, just a year prior to the launch of DPEP, the country was in imminent danger of defaulting on its international obligations; its gold balances had to be flown abroad to ensure sufficient liquidity to prevent default. In the face of the unfavourable macroeconomic situation, and with resources being inadequate even for the ongoing schemes, without external funding the launch of the district-based strategy for UEE would have been delayed by at least two years. But for the continued flow of external funding, the pace of expansion of DPEP could not have been sustained. Over a fourteen-year period, DPEP mobilised from agencies 85 percent of its outlay, in aggregate terms about US \$ 2.206 bn. In spite of this heavy reliance of the programme on external funding, the DPEP bureau could mobilise resources on its terms basically because it harnessed India’s *situational power*. There are three elements of *situational power*:

- How critical is the external financing for the recipient country;
- How important is that country for the agency’s current developmental priorities; and
- How well a country gets its act together.

More often than not, only the first element is reckoned while assessing *situational power*. It is often forgotten that while countries often need external support, the agencies too need the countries as much if they have to fulfil their mandate. In contrast, India took advantage of the second element of the *situational power* by harnessing the keen desire of the agencies, particularly the World Bank to have a large presence in India, home to the world’s largest out-of-school children. It built the third element of the *situational power* by getting its act together, by developing a very attractive programme and implementing and expanding that programme with finesse. The manner in which *situational power* in its entirety was harnessed would be of interest and relevance to many developing countries.

In regard to capacity, fortunately for India, it inherited a strong civil service, and also had the necessary technical resources for developing and implementing DPEP, and taking on tasks hitherto performed by agencies like appraisal and supervision. However, the necessary technical resources could not be picked ‘off the shelf’, as is the case in many developed countries with well developed consultancy services. Most of the academics enlisted for the programme were engaged in teaching and ‘pure’ research; they had to be oriented to do ‘applied work.’ In a sense, capacity building in DPEP, to paraphrase Plato, consisted of encouraging philosophers to become artisans and for artisans [governmental functionaries] to become philosophers [by picking up new concepts and developing a taste for reflection and evidence-based action]. It is possible that many countries may lack the large pool of human resources that India has, and consequently would have to draw upon external technical resources. However, what the Indian experience brings out is the importance of avoiding the easy option of drawing upon expatriate consultancy in a turnkey mode. There is great merit in identifying the institutions and key professionals whose capacities are to be developed, and use expatriate technical assistance to strengthen the capacities of the chosen national

institutions and professionals. To rely on a cliché, the objective of accessing technical assistance should be to end technical assistance.

The new modalities and ethics of relationship that Paris Declaration commends hold great promise for improving the engagement of countries and agencies for their mutual benefit. However, on the flip side, the new modalities render countries which do not exercise leadership, more vulnerable to *dependencia* than conventional project mode of assistance. There is some merit in the argument that ‘New donor policies can perhaps best be described as attempts to ”move conditionality upstream” ’, and that ‘ recipients now face a more intimate supervision of all aspects of national planning, budgeting and development programme implementation than at any time since independence.’⁷⁶ In the new ambiance of developmental cooperation, it is perhaps easier for a country to access external funds adopting a PBA/SWAp. If a country in need of external support it does not make concerted efforts to build the necessary national capacity to adopt and operate a PBA/SWAp, and exercise leadership in its relations with agencies, it is highly vulnerable to the double jeopardy of ‘aid dependence’ as well as ‘outsourcing sovereign functions which were not hitherto outside the purview of agency oversight.’

Suffice to say, if the promise that the Paris Declaration holds is to be fulfilled, countries as well as agencies have to collectively *will* that the promise becomes a reality. It is imperative that each one of them make determined efforts to bringing about far reaching changes in their systems and procedures, organisational behaviour, and individual behaviour of their functionaries. And further, it is necessary for each one of them to embrace a more expanded vision of capacity building, and a new praxis of technical cooperation. Realisation of the promise would be a long, long-haul indeed; but then, to despair is to sin.

⁷⁶ Fraser, Alistair. 2006. *Aid-Recipient Sovereignty in Global Governance*. Managing Aid Dependency Project, Department of Politics and International Relations, University College, Oxford.