

## **DRAFT FOR CONSULTATION 03/10/2006**

### **2006 ASIAN REGIONAL FORUM ON AID EFFECTIVENESS: IMPLEMENTATION, MONITORING AND EVALUATION**

#### **How can programmatic assistance enhance country leadership of the development agenda?**

##### **The case of Sarva Shiksha Abhiyan (SSA) in India**

#### **1. The Context: India and Development Assistance**

1.1 India's global profile increasingly reflects its status as home to a sixth of the world's population. Long a leading influence in the UN and G77, it is increasingly a focus for diplomacy on regional conflicts and global issues such as migration, international peace-keeping and trade.

1.2 A third of the world's poor live in India. In terms of volume, development co-operation assistance, which is provided by the World Bank, the Asian Development Bank, UN agencies, UK, USA, Japan, Germany, Russia and the EC, accounts for just 0.2% of GDP and 1.5% of government resources. In 2003, India declared its intention to change from a recipient of external assistance to a donor over time.

1.3 India has not endorsed 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. While line Ministries and State Governments finally use most of these funds, the Department of Economic Affairs in the Ministry of Finance is the "nodal" agency for external development organisations. Currently it is in the process of developing a Co-ordination and Decision Support System to keep track of externally aided projects and improve harmonisation. Joint donor working on Government of India's Centrally Sponsored Schemes such as the *Sarva Shiksha Abhiyan* (SSA) is an excellent example of harmonisation at programme level.

1.4 The Government of India's (GoI) Planning Commission sets out a framework for development and directs part of total public spending flows. The Annual Budget directs other national public spending. The Tenth Five Year Plan (2002-07) sets out India's strategies for poverty reduction and growth. Its targets relate to the Millennium Development Goals, against which India has made substantial progress, but none of the goals are currently fully on track to be met.

#### **2. Aid Effectiveness: the case of Sarva Shiksha Abhiyan (SSA)**

2.1 This case study of SSA in India assesses the significance of programmatic aid for achieving greater alignment of external assistance with country development goals and strategies, both at the national and sectoral

level. It assesses practical experience in programme design and implementation for fostering country leadership. The case study is not a formal evaluation. However, it is designed to contribute to ongoing international efforts to establish a monitoring framework around Paris Declaration implementation, by capturing current experience with implementation of and stakeholder perceptions on the value of Paris Declaration commitments and their significance to improving development results. The case study therefore takes note of on-going monitoring and evaluation activities around the Paris Declaration.

2.2 Although India has not endorsed the Paris Declaration on Aid Effectiveness, SSA has been chosen for this analysis because it demonstrates how many of the Paris Declaration commitments are being taken forward practically and successfully through the development partnership in India's basic education sector. In particular, the case highlights the following main features of the SSA partnership:

- this is the first Sector Wide Approach (SWAp) in the country;
- external funds are all pooled with Gol resources and there is no parallel financing;
- procedures are harmonised through a Memorandum of Understanding (MOU) with common formats, withdrawal claims, Joint Review Missions (JRM) etc to minimise transaction costs;
- the partners agreed on the SWAp as the approach for support on the basis of the existing SSA Framework and the Gol's 10<sup>th</sup> Five Year Plan already available in lieu of a Poverty Reduction Strategy Paper (PRSP); and
- the arrangements for SSA built on the decade long District Primary Education Programme (DPEP) experience of partnership for basic education in India.

### **3. The purpose of the initiative**

3.1 *Sarva Shiksha Abhiyan* (SSA), India's universal elementary education programme, is the central government's prime vehicle for delivering on the Universal Primary Education (UPE) Millennium Development Goal (MDG), and the 2002 constitutional amendment that made elementary education a fundamental right in the country. The aim is to ensure that by 2015 all children in India are receiving eight years of basic education of acceptable quality, regardless of sex, caste, creed, family income or location.

3.2 SSA is a nationwide programme of support to basic education in India which is partially funded by external funding agencies. The UK's Department for International Development (DFID), the European Commission (EC) and the World Bank (WB) prepared their support for SSA alongside each other and all three funding agencies participated in the WB-Gol credit negotiations in February 2004. The EC updated its ongoing project (€200m over six years) to align with DFID and WB in support of the Government's programme. The key project documents for all partners are the World Bank's Project Appraisal Document (PAD) and the Government of India's (Gol) SSA Framework for

Implementation. A Memorandum of Understanding (MoU) between the three development partners (DP) and GoI was signed in 2004 (attached at Annex 1) and this document covers all aspects of programme management and donor coordination – this document has been taken up internationally as a model of best practice.

3.3 The three DP have jointly supported basic education programmes in India for over two decades, beginning with the Andhra Pradesh Primary Education Project in 1983. Prior to and concurrent with SSA, the DP supported the GoI's District Primary Education Programme (DPEP), through multi-state projects. SSA builds on DPEP and expands the coverage to the whole of the country and the upper primary level of the elementary education system<sup>1</sup>. The achievements of DPEP are substantial and SSA is in effect a scaling up of this programme. The three DP are committed to supporting SSA and have aligned their development objectives with those of the GoI. Continuity of external support from DPEP to SSA has helped to ensure the broadening and deepening of education policy reform and development impact. SSA is technically sound, built on over ten years experience of DPEP implementation, and is GoI's own programme and therefore fully owned. It is designed for a large federal system, with a decentralised framework for service delivery. The emphasis on quality in SSA reinforces the drive to improve access, efficiency and equity. Achieving SSA goals would not only realize the GoI's development objectives but also help to meet the global MDG for education by enrolling one-quarter of the world's out-of-school children.

3.4 The DP' support to SSA is therefore directly assisting India in meeting the education MDGs. Recent progress towards these in India has been good, with the number of out of school children now officially given at 13.5 million, down from 25 million at the start of SSA. The Programme specifically targets these children and is reducing the number by over 3 million annually. While the achievement of Universal Primary Education is within India's grasp, a significant challenge remains and the Programme must now successfully target the hardest of the hard to reach children. SSA addresses the persistent problem of the poor quality of education, recognizing that enrolment is no guarantee of education, and that inadequate learning is a major cause of dropouts. Interventions to improve the quality of schooling under SSA are benefiting all of India's elementary school going population.

#### **4. The initiative**

4.1 SSA is a national Government scheme that combines a dual thrust on enrolment and equity with an emphasis on quality. It brings a holistic set of interventions for universalisation of elementary education including, among others:

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<sup>1</sup> Elementary schooling in India comprises primary education (in most states this is five years) and upper primary education (usually three years).

- a primary school<sup>2</sup> within one kilometre of every habitation (three kilometres in the case of upper primary),
- a teacher for every 40 pupils,
- a classroom for every teacher,
- free textbooks,
- school grants and
- teaching and learning materials.

SSA also strengthens community participation in schools, and improves overall accountability and performance. There is strong emphasis on special focus groups especially girls, children from Scheduled Tribes and Schedule Castes, minority groups and the children of migratory labourers.

4.2 A key theme of SSA is the involvement of communities in school management, including construction – all of the civil works supported by SSA are managed by representatives of the local school community, usually the School management Committee (SMC) or the Village Education Committee (VEC). Through norms on basic standards and financial allocations, local plans are developed by district and sub-district teams to meet the learning needs of every child. Flexibility in implementation allows the scheme to respond to the great diversity of circumstances and needs across India, whilst central controls and monitoring ensure that money goes where it is needed most. SSA promotes broader system reform by requiring States to produce pro-poor plans, to make schools more accountable to parents and to give Village Education Committees (VEC) more control over schools.

4.3 While the programme is not explicitly linked to particular commitments or plans (Government/donor) for Rome/Paris implementation, implicitly the SSA partnership between DP and the GoI is a model of aid effectiveness. The programme's performance against the agreed targets for the 12 indicators of progress for monitoring the Paris Declaration on Aid Effectiveness is excellent (see the matrix attached at Annex 2). Donor harmonisation under the programme is extremely well advanced:

- analysis – the analytic work carried out in support of SSA is GoI led with the lead agency, the Ministry of Human Resource Development (MHRD), supported by the Joint Review Mission process, responsible for identifying issues for analysis, elaboration of Terms of Reference, commissioning of studies and dissemination and consideration of findings;
- Objectives – there is only one set of objectives for the Programme and these are the GoI's and the states' – the DP share these objectives;
- consultative processes – SSA incorporates several layers of consultative processes at national level, state level, district level

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<sup>2</sup> For the purposes of this paper the term school covers formal primary schools (government-funded and government-aided) as well as alternative schools and education centres, referred to in the GoI's Framework under the Education Guarantee Scheme.

and sub-district level and the mechanisms used to facilitate this consultation include six monthly Joint Review Missions (JRM); regular MHRD-state government interactions, national sub-missions; national resource groups; state resource groups; district resource groups; and sub-district resource groups;

- policy dialogue – the policy dialogue between Gol and DP revolves around the six monthly JRM and the management letters that are exchanged following each of these and the occasional coordination meetings that take place between these events,
- joint or complementary programming – there is now only one programme of external support for elementary education in India, SSA<sup>3</sup>, and this is a joint one with shared objectives;
- use of country management and financial systems – the programme only uses Gol and state government management and financial systems (see the flow of funds diagram at Annex 3);
- results frameworks, review processes or monitoring arrangements – there is one results framework that is used by Gol, state governments and DP (see Annex 4).

4.4 The Programme is the Government's main strategy for universalising elementary education in the country and is an integral part of the national Five Year Development Plans, medium-term expenditure plans and annual work plans and budgets of the National and State governments. The programme is being implemented within a strongly conducive political context. The current Government has a strong commitment to education for all as a right and priority is also being given to the role that education is seen to play in broader development in India. The discussion in the recent 4<sup>th</sup> SSA JRM on how education will feed into India's 11th Five Year Plan and how the MHRD is responding proactively to current development challenges, such as rural-urban and rural-rural migration, a rapidly expanding economy, growing inequalities and urbanisation are examples of how the programme is enhancing MHRD's leadership of the education sector and its ability to contribute to the wider development agenda in India. There is an interesting question related to Aid Effectiveness on the extent to which programmes are effective because they "fit" and flow with the current political forces or proactively engage with and influence the flow. In the case of SSA it is possible to argue that the programme is made more effective because the political will and climate supports it, there is a strong popular demand from excluded groups and the programme itself is informing and channelling the political will.

4.5 The DP' assistance is not tied in any way. The conditionalities that are applied to the external support for SSA are drawn directly from the Gol's own strategies and are:

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<sup>3</sup> SSA's predecessor, the District Primary Education Programme (DPEP), continues in 22 districts until early 2007 and in 8 districts of Orissa until mid 2008.

- (a) Central Government will maintain financial commitment in real terms to elementary education to the levels of 2002/03
- (b) Expenditures incurred in order to meet programme objectives within the SSA Framework by MHRD, states and districts are eligible expenditures
- (c) States sustaining their non SSA elementary education expenditure in real terms at the 1999/2000 levels, and meeting their agreed 25% financing share of SSA.
- (d) Satisfactory progress against key outcome indicators (see Annex 4) monitored through twice yearly joint review missions
- (e) MHRD will ensure that bi-annual Financial Management Reports (FMR) are submitted on time, and that the FMR covering the full financial year will be received with 90 days of the close of that financial year.
- (f) Audit of State Implementation Societies (see Annex 5) will be as per Terms of Reference as defined in the SSA Manual for Financial Management and Procurement. There is a provision of a consolidated audit report from Gol within the agreed timeframe.

4.6 There is a common performance assessment framework, the SSA Results Framework (attached at Annex 4) for all participating DP and this in turn is based on the Gol's own results framework.

4.7 There are common monitoring and reporting procedures all of which are based on the Gol's own existing reporting procedures for Centrally Sponsored Schemes. These procedures include the six monthly JRMs in July and January each year; the six monthly reviews of progress including MHRD and all the State Secretaries of Education; quarterly reviews of progress at operational levels; the reports of the IPAI; and the reports of 39 Monitoring Institutions.

4.8 The programme has capacity-building support built into its design as a fundamental component of the strategy for implementation. The institutional arrangements for the management of the programme, oversight of SSA policy and capacity building and support are set out in the diagram attached at Annex 5. A particular feature of SSA is the role of the Technical Support Group (TSG) – a multi-disciplinary team of national full-time consultants that provide technical and logistical support to MHRD and the states.

4.9 The DPs are using only Gol and state government Public Financial Management (PFM), auditing and reporting requirements. An SSA Financial Management and Procurement manual was developed by the Gol for the

programme based on existing Government financial management procedures and systems. The DPs share a common approach to managing fiduciary risk.

4.10 The DPs are making multi-annual (four year) commitments. These commitments and single annual disbursements are linked to the national budget cycle and reimburse Gol and state government SSA expenditures according to the formula described in the paragraph below. This formula is designed to ensure that development partner money adds to, and does not substitute for, Gol's own spending on basic education.

4.11 To ensure that external financing remains additional to domestic resources, the DPs together planned to finance two thirds of the SSA programme expenditures above rising annual eligibility thresholds (see Table 1 below). Under this financing formula the overall external contribution was thus expected to form up to 40% of Gol's share, or 30% of total programme expenditure including the States' 25% contribution.

**Table 1: Indicative Disbursement Against Eligible Expenditures**

(GOI Fiscal Year)	03-04	04-05	05-06	06-07	Total
(In Rs. Crores)					
SSA Expenditure	2,600	3,600	4,440	5,126	15,766
Eligibility threshold	1,500	1,800	2,400	3,000	8,700
Eligible expenditure	1,100	1,800	2,040	2,126	7,066
World Bank (48%)	352	576	653	680	2,261
DFID (33%)	242	396	449	468	1,555
EC (19%)	139	228	258	269	894
Total External	733	1,200	1,360	1,417	4,710

Notes: (i) Numbers are rounded. (Rs. 1 crore = Rs.10m = £120,000 approx)

(ii) The DP shares are percentages are of total external only.

Reimbursement of this two-thirds amount is being shared between the DPs in accordance with the following percentages: WB 48%, DFID 33% and EC 19%. The percentages derive from the total commitment of each DP over the programme period, but it is expected that these may vary on an annual basis in response to, inter alia, exchange rate fluctuations, and increased levels of eligible expenditure and availability of funds.

4.12 Gol's financial support for the programme has grown quickly in the last two years, in large part funded by an earmarked tax called the Education Cess<sup>4</sup>. Large numbers of teachers are being recruited and trained, teaching

<sup>4</sup> The 2 per cent Education Cess imposed in the Budget from 2004-05 is estimated to yield a revenue of Rs 4,000-5,000 crore (Rs 40-50 billion) per annum, which will be earmarked for elementary education, including the provision for a nutritious cooked midday meal for every primary school student.

and learning materials are in mass production, new schools and classrooms are under construction and there has been a huge drive to get children into school. As a result of these massive efforts the actual expenditures have greatly exceeded expectations and the DPs' commitments as is shown in Table 2 below.

**Table 2: Actual SSA Expenditures Against Threshold and External Support**

Years	Actual and Forecast Expenditures Rs. Crores	Eligibility Threshold Rs. Crores	Eligible Expenditures Rs. Crores	DP Support Claimed** Rs. Crores	DP Support Allocated Rs. Crores	Gap Rs. Crores
2002/03	1,305.66*					
2003/04	2,965.12	1,500	1,126.34	750.89	733	17.89
2004/05	6,598.39	1,800	4,798.39	3,198.92	1,200	1,998.92
2005/06	10,002.32	2,400	7,602.32	5,068.21	1,360	3,708.21
2006/07	10,000.00	3,000	7,000.00	4,666.00	1,417	3,249.00
Totals	30,249.15	8,700	21,549.15	13,684.02	4,710	8,974.02

\*In 2002/03 SSA was implemented by Gol without DP support.

\*\*As indicated above, external support was designed to reimburse two thirds of eligible expenditures

4.13 The financing formula was designed so that donor funding would be a percentage of total spending on SSA (Gol and state governments) above an annually rising threshold. The idea was that DP can in theory reward increases in Gol funding with increases in external contributions. But as Table 2 indicates, Gol spending on the programme in practice has been so far above the annually rising threshold that the DP financing has been exhausted within two years. Gol and the DP are currently discussing a second phase of external support to SSA to ensure that the financing gaps are closed as far as possible and the success of the programme is assured.

4.14 It is important to note that as well as DP money, the external agencies are also providing advice and guidance on pro-poor targeting, greater accountability for outcomes, attention to quality and improved financial management. In addition, the DPs have also helped to increase the level of discipline in programme supervision and monitoring and to also raise the quality of technical analysis by bringing in to the policy dialogue international experiences from the developed and developing world. It is widely acknowledged by Gol that the DPs are adding most value by bringing more rigour into the monitoring and review process, particularly the JRM. The DP contribution is also helping to focus Government efforts on sustainability issues through a dialogue on planning, financial management and community involvement.

4.15 There are a range of participatory arrangements in place for setting goals and monitoring performance and the main mechanism for this are the six monthly Joint Review Missions (see the Terms of Reference for the Third JRM attached at Annex 6). The performance information regarding SSA is disseminated to the public by MHRD and state governments through a variety of means. MHRD maintains an up-to-date web-site that provides access to all main SSA documentation, including the aide memoires of the JRMs.

4.16 A key feature of the programme is the Government's partnership with civil society, in particular NGOs. SSA conceives partnership with NGOs in three ways:

- through direct funding by Central and State governments;
- through funding activities by identified National and State Resource Institutions; and
- through participation in community activities funded by Village Education Committees.

NGOs are also discharging a useful role in advocacy as well as accountability of the SSA programme. Under the Education Guarantee Scheme (EGS) and Alternative and Innovative Education (AIE) are being funded through State Implementation Societies. Substantial partnership of NGOs is conceived through community organisations including VEC, PTA, MTA, SMCs, etc. NGOs are helping to build capacities in the community for improved education management. The managers of SSA are also exploring options for a longer-term partnership with NGOs.

## **5. The process of change**

5.1 Until the mid-to-late 1990s India's performance on basic education was less impressive than its policy statements. Lack of real political will, insufficient resources, bureaucratic complacency and pervasive social exclusion kept over half of all children from completing a meaningful basic education. But recent years have seen better progress, mostly through increased public demand, improved sector management and political and judicial pressure. With more money for programmes that target the neediest and more accountability to local communities, change is taking place.

5.2 In developing the programme based approach one of the most significant challenges for the DPs was how to use GoI Public Financial Management (PFM) systems. This challenge was overcome through a team of DP and GoI representatives working together over a period of six months to develop and agree an SSA Financial Management and Procurement Manual (FMPM). As indicated above, the FMPM was based on existing Government financial management procedures and systems and the first draft of the document was prepared by MHRD for review by the DPs. It is important to note that over 70% of the programme's expenditures take place at sub-district level, mostly through the auspices of Village Education Committees (VEC). Most procurements under the programme are therefore smaller scale, with little need for International Competitive Bidding (ICB) thus making it easier for DPs

to accept the use of Gol's own systems. Despite this, the DPs did have some early concerns about working with Gol systems on a harmonised basis and these were overcome largely by the openness with which MHRD demonstrated its willingness and ability to improve the accountability of Gol systems. Some of the key sticking points in this process included:

- using International Competitive Bidding (ICB) for procurements above US\$ 300,000 following WB systems - eventually after numerous discussions the Bank allowed procurement (mostly for ICT equipment) above US\$ 300,000 to follow National Competitive Bidding (NCB) processes provided the requirement was advertised internationally and open to bids from outside India;
- Gol resisted the use of Bank procurement systems, but welcomed the strengthening of Gol systems where needed; and
- DFID emphasised a developmental approach to capacity building in FMP and this sometimes conflicted with the other DPs' concerns regarding ensuring adequate levels of fiduciary assurance from the outset of operations.

The process of Gol led joint development ensured ownership of the FMP Manual by MHRD and the state governments and acceptance by these actors of the DPs' suggested modifications to the Manual.

5.3 With regard to programme content, the DPs and Gol agreed a common results framework and a common set of objectives based on the existing aims and objectives of Gol's SSA programme and associated programmes such as the National Programme for the Education of Girls to the Elementary Level (NPEGEL) and Kasturba Gandhi Balika Vidyalaya (KGBV) which target girls. There were few problems in moving to an agreement for common analysis, but there have been issues regarding the quality of some of the technical work that has been completed, in particular the assessment of student learning achievement. The DPs did not need to change their behaviours to any great extent as most of the arrangements for SSA had been established during DPEP. The success of the programme does in part rest on joint leadership from three DPs, and this seems to be an optimum number for effective and efficient support to a PBA. Obviously the strong lead from the Government of India was most important and this has not been difficult for DPs to accept or for Gol to establish.

5.4 The record of SSA to date in increasing enrolment and retention suggests that empowerment and accountability are the key drivers of change that are enabling SSA to achieve the hitherto elusive goal of every child successfully completing basic schooling. The achievements of SSA to date are significant:

- Enrolments for 2004/05 among the 6-14 years age group have reached 94% (201 million children) according to Gol reporting and this has been largely substantiated by independent analysis;
- The number of out of school children has fallen from 25 million in 2003 to 13.5 million in March 2005;

- Drop out rates have fallen by 7.6% points at the primary stage and 2.43% points for the full elementary school cycle;
- Progress towards gender and social equity is very encouraging, with the programme targets for gender, Scheduled Caste children and children with disabilities already achieved; and
- The targeted improvement in transition rates from primary to upper primary has also been met.

5.5 SSA places special emphasis on particularly vulnerable groups, earmarking funds for their specific needs. They include both Scheduled Castes and Tribes (including dalits) and other minorities, including Muslims. In SSA terminology these are referred to as “special focus groups” or “SC/ST and minorities”. The SSA framework accommodates the needs of specific social and religious groups, through local planning as well as through special schemes such as residential courses for remote, working or migratory children, free text books and special innovation funds to meet extraordinary needs.

5.6 Gol is looking into options for “results-based financing”. However, SSA already ensures a certain degree of results-based financing by requiring States to follow agreed norms, to apply those norms to actual needs, and to improve financial management and accountability to communities. Funds will be withheld by the managers of SSA where a District does not meet these criteria.

5.7 The management arrangements are shown at Annex 5. SSA is being managed and monitored extremely well by the Elementary Education Bureau (EEB) within Gol Ministry of Human Resource Development (MHRD) under the day-to-day supervision of a Joint Secretary. The Joint Secretary is supported by a team of Directors and Deputy Secretaries, as well as a Technical Support Group (TSG). Two national resource institutions – the National Council for Education Research and Training (NCERT) and the National Institute for Educational Planning and Administration (NIEPA) also provide technical support.

5.8 At the State level SSA is implemented through an autonomous State Implementation Society (SIS) in accordance with Gol procedures governing Centrally Sponsored Schemes (CSS). Implementation is in accordance with guidelines set out in the Framework for Implementation and the Manual on Financial Management and Procurement (MFMP). At the District level the District Elementary Education Committee (DEEC) is responsible for guiding policy, coordination and review of progress relating to programme implementation. The DEEC is headed by the District Collector/Chief Executive Officer of the *Zilla Parishad* (District Board), has broad stakeholder representation and is accountable to the *Zilla Parishad*. The DEEC in turn oversees and supports activities at the sub-district level – the Block, Cluster, Village Panchayat and Village (or Ward in urban areas) Education Committees (VECs/WECs) and finally schools.

5.9 Each district is required to provide an Annual Work Plan and Budget (AWP&B) which sets out priorities and resource allocations based on norms and needs. These are compiled at the State level, and the State component is added before submission to the Project Appraisal Team constituted from specialists from national and state level institutions. Once appraised, the AWP&B is submitted to the national Project Approval Board (PAB) within the EEB. Release of GoI funds follows approval. Minutes of PAB are published on the GoI website ([www.education.nic.in/htmlweb/ssa/ssa\\_1.htm](http://www.education.nic.in/htmlweb/ssa/ssa_1.htm)). The AWP&B is the principal management tool for implementation at the local level. The whole AWP&B process is reviewed on a six monthly basis by the JRM.

5.10 The main interlocutors on the government side are the Joint Secretary (EEB), MHRD and her team and, at state level, the State Project Directors and their teams. While most of the inputs are managed by the SPDs, which are usually off-shoots of the states' Departments of Education, there are certain aspects of the programme that require the inputs of other government agencies, such as clean water and toilets for schools. These inputs are usually coordinated at state level through the State Elementary Education Mission and various resource groups and at district level through the District Elementary Education Committee. At sub-district level the Block Level Education Committee facilitates effective coordination.

5.11 The main capacity constraints that have been encountered have included weaker institutions and lower levels of commitment to programme goals in the northern states, problems caused by high levels of turnover of key programme staff in some states, technical difficulties at the national level regarding the measurement of student learning achievement and challenges in establishing effective academic support to schools through the professional line from NCERT, to SCERT and SIEMAT, through to BRC and CRC and onward to schools. These challenges have been addressed through dialogue, policy support, technical assistance, stronger appraisal of AWP&B and stiffer conditionality imposed on releases to the states by MHRD. There have been problems in almost all states in establishing SIEMAT and this has frustrated wider capacity building efforts in the area of planning and management.

5.12 There have been no major differences in views among DPs on the content of the joint strategy and all three have prioritised access, equity and quality above all other issues in the sector. The DPs have tried to work to their comparative advantages within the SSA framework with one, the WB, focusing on environmental safeguards, indigenous populations, education statistics and financial management and procurement, while another, DFID, has gone deeper into access and equity issues and the EU has looked more closely at quality and public-private partnerships.

5.13 There have been no major obstacles that have been encountered in the process. The transition from DPEP to SSA has been relatively seamless. The major problem has been caused by the extraordinary success of the programme and the exhaustion of the DPs' funds after only two years of

implementation. This problem is being overcome currently through the development of a second phase of DP support for SSA.

5.14 The SSA story over all is a positive one of great success but this does not mean that it has been without problems or difficulties in the aid relationship. The success of SSA notwithstanding, there is a flourishing private sector in elementary education which is an indicator of the popular enthusiasm and demand for education but also distorts the composition of the students left in the Public sector where girls and Scheduled Caste and Scheduled Tribe children are over represented.

## **6. Costs and benefits**

6.1 The expectations at the outset were that the programme would be wholly Government owned and Government led and that there would be from the beginning a high level of aid effectiveness and minimal transaction costs for all sides engaged in the partnership. This has proven to be the case.

6.2 The expectation for minimal transaction costs was informed by the DPEP experience and the arrangements that had been put in place for SSA. The SSA transaction costs changed for the better over DPEP with the adoption of the FMPM and the use of Government systems for all transactions. SSA incorporated the JRM process but differed from DPEP in making one of these events a desk-based review rather than one informed by field visits. The January JRM includes field visits but the July JRM is informed by the reporting of Gol, the states and the independent monitoring institutions. The July JRM complements the January event well as it builds on the field experiences through detailed analysis and discussion of a wealth of data and documentation that is available for the programme as a whole, not just the 10 states that are visited in January. The key stakeholders have confirmed that they are content with the level of leadership and systems alignment through the JRM.

6.3 The estimated costs of implementation for DPs are in the region of one person year each agency per year (i.e. 12 person years for the duration of the four year programme of support). Given that the size of the programme in terms of DP inputs is \$1 billion, plus another \$10 billion of Gol resources, this is probably one of the most efficient and effective aid interventions in the world. The SSA programme approach is managerially cheaper for both donors and Government compared to other aid modalities.

6.4 The implications for Government transaction costs in the short term are minimal – SSA is a Government programme and would be implemented in much the same way if DPs were not present. These costs are not likely to change in the future.

6.5 In a short space of time there has been a marked improvement in the quality of policy dialogue. This has probably been caused by four main factors:

- (i) the success of the programme – this has given MHRD and the more successful states confidence to push on with the programme and to accept critical feedback more readily;
- (ii) strong political and financial support from the national government and many state governments which has also contributed to greater confidence among the managers of SSA and a greater willingness to engage in a frank and open discussion of progress with key stakeholders;
- (iii) a growing body of information and analysis of issues in elementary education which has contributed to improving the quality of dialogue – more is now known about the status of the system, enrolments, causes of dropout and what works than at any other time; and
- (iv) as each year passes the managers are developing more and more experience of systems and processes and are able to articulate and discuss issues in a more informed way.

6.6 Stakeholders among the DP are content with the level of country leadership and a high degree of systems alignment has been achieved. DPs are using only the Government's systems to implement and monitor the programme. There is a great deal of confidence among stakeholders, and evidence, that the benefits will outweigh the costs of the programme.

## **7. Impact assessment**

7.1 The Government of India appreciates the quality of the institutional arrangements among the participating DPs. In particular, the Government has highlighted the importance of the MoU for effectively managing the relationships between the DPs and between the DPs and Gol. The Government also considers the JRM process to be an effective and efficient means for achieving effective programme supervision, policy dialogue and partnership in education. The DP representatives meet regularly on their own to discuss and resolve issues before engaging with Gol and this reduces the MHRD's transaction costs associated with the partnership. The DPs coordination extends to an informal division of labour with two partners focusing on quality issues while another concentrates on access and equity and all three are sharing the burden of monitoring programme management and fiduciary issues. The Government considers that the three DPs complement each other well; drawing on the various comparative advantages each has in technical and partnership processes. In the proposals for the second phase of external support for SSA Gol has stressed the importance of maintaining the participation of the three DPs.

7.2 There has not been any significant behavioural change or improvement in the aid partnership, but this is mainly because the partnership in basic education was already strong from the engagement in DPEP. There is a high level of programmatic assistance behind country strategies for all three DPs. There is also a high level of alignment of the programmatic assistance with country systems. The DPs report successful outcomes for almost all

programmes in India and there is considerable evidence from programme reviews and evaluations of improved performance of country programmes.

## **8. Lessons learned**

8.1 With the benefit of hindsight it is possible to argue that the objectives included in the Results Framework were not challenging enough. However, at the time of appraisal, reducing the number of out of school children at a rate of 3 million per year was considered a stiff challenge. Similarly the targets set for the participation of Scheduled Caste and Scheduled Tribe and disabled children were thought to be challenging at the time.

8.2 With the benefit of hindsight it is also possible to argue that the eligibility threshold for expenditures was set too low – but who could have foreseen the extent of the resource mobilisation and the capacity of the system to absorb such enormous volumes of finance?

8.3 Other lessons that have been learnt about the design of the programme include:

- The State Implementation Society and the mission mode is an effective mechanism for programme implementation and this innovation has greatly assisted fund flow.
- Decentralised planning and appraisal mechanisms have been successful, but micro planning involving the community has proven to be time-consuming and process oriented.
- Community participation and ownership has been successful.
- DPEP and now SSA have reinvigorated in-service teacher education but pre-service teacher education has been outside of its purview.
- The establishment of sub-district level resources (Block Resource Centres/Cluster Resource Centres) has been a successful innovation, but they need to remain focused on their core tasks of academic support and safeguarded against becoming an arm of administration.
- The tenure of key programme personnel at state, district and sub-district levels (State Project Director and State Project Office staff, District Project Coordinator, Block Resource Centre, Centre Resource Centre) should not be less than three years;
- Resource groups have been a successful innovation, but an army of professionals are required as resource persons at state, district and sub-district levels to carry forward the agenda of quality elementary education for all.
- Commissioning of research and evaluation has been a relatively neglected area and the potential for capacity building has not been fully realized.
- Expenditures on research and evaluation, State Institute of Education Management Administration and Training, training, innovation, ECCE, girls' education and ST have been very low.

- A fully functioning Education Management Information System is a prerequisite for effective planning, management and monitoring of progress.

8.4 Lessons that have been learnt about maximising the benefits of the programme include

- The Results Framework, the SSA norms and the mission mode of operations have helped to define the goals of SSA and how they are to be achieved – the states and other key stakeholders are in no doubt about what success means.
- The decentralised performance-based implementation and monitoring systems now in place give the managers of SSA more sophisticated information to develop and carry out their plans, and DPs and other technical resource agencies and institutions are better able to advise them.
- The improvements in programme implementation cover the ability for most states and districts to plan, control and report on SSA activities, to identify what they do, where they do it, the outcomes of the activity and the cost of what they do. As a result, decisions can be better informed.
- Now that the systems are fully in place and teething problems have largely been overcome, GoI (MHRD) and each state department and district can start to channel SSA resources in more effective ways to where they are needed most – the 48 districts with the highest numbers of out-of-school-children.
- In all of the operations, community participation is crucial and the poverty reducing benefits of, for example, spending the entire civil works component of the programme (over \$3 billion) at village level, with appropriate technical supervision, are enormous.
- Strengthening the accountability of teachers to their students and their students' parents and the surrounding community and also strengthening the accountability of the VEC to their communities are some of the most important factors in making the system work.
- Sub-missions and resource groups are a fundamental part of the government's broader planning and budgeting processes within the framework of the country's SSA Framework for Implementation as well as an aspect of the consultation process.

8.5 The GoI and state governments and DPs can be proud of what they have achieved through SSA. It is in line with best practice in the rest of the developing world. The challenge is now to make full use of what is available to ensure that the remaining barriers to achieving the full benefits of elementary education for all the children in the country are removed.

## **ANNEXES**

**Annex 1: SSA Memorandum of Understanding**

**Annex 2: SSA's performance against the agreed targets for the 12 indicators of progress for monitoring the Paris Declaration on Aid Effectiveness**

**Annex 3: Flow of Funds Diagram**

**Annex 4: Results Framework**

**Annex 5: Institutional Arrangements**

**Annex 6: Terms of Reference for the Third SSA Joint Review Mission**