



भारत सरकार Government of India
वित्त मंत्रालय Ministry of Finance
आर्थिक कार्य विभाग Department of Economic Affairs

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नई दिल्ली / New Delhi,

New Delhi, the 15th June, 2004

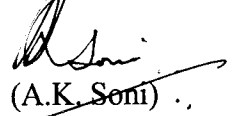
D.O. No.21/1/04-UN

Dear Mr. Maurice,

I am forwarding herewith a copy of duly signed Project Support Document for UNDP assisted project on "Strengthening State Plans for Human Development" for your records. One copy is kept for our records and one is being forwarded to Planning Commission for their records.

With regards,

Yours sincerely,


(A.K. Soni)

Mr. Maurice Dewulf,
Senior Deputy Resident Representative,
United Nations Development Programme,
55, Lodi Estate,
New Delhi - 110 003.

United Nations Development Programme New Delhi - INDIA					
18 JUN 2004					
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UNITED NATIONS DEVELOPMENT PROGRAMME

Project of the Government of India

Project Number: IND/03/010/A/01/99

Project Title: Strengthening State Plans for Human Development

Estimated start date: 1 June 2004

Estimated End Date: 31 December 2007

Executing Agent: Planning Commission, Government of India

Implementing Agent(s): Government agencies, Research and Training Institutions

Thematic Area: Human Development and Development Goals

Brief Description:

Summary of UNDP and Cost-Sharing Contribution (as per attached budget)		
UNDP	Approved Budget	Indicative Budget *
TRAC (1 & 2)	\$ 3,500,000	\$ 5,000,000
TRAC (3)	\$ -	-
Other	\$ -	-
Cost Sharing:	\$ -	-
Government:	\$ -	-
Financial Institution	\$ -	-
Third Party	\$ -	-
Total	\$ 3,500,000	\$ 5,000,000

State Human Development Reports (SHDRs), prepared under the 1999-2003 SHDR project, have made an important contribution in terms of: (a) benchmarking the extent to which Plan targets – as well as global, international targets - on human development are being met; (b) providing, based on rigorous research, policy and programme options for more effective and efficient human development action; and (c) assessing the extent to which these key recommendations are being mainstreamed in the development plans at central and State levels and the impact this achieves. Secondly, they brought out differences and inequalities among States, districts and socio-economic groups, thus providing the analysis needed for more effective targeting of development programmes. Thirdly, they have provided policy makers with value-added policy alternatives and recommendations for holistic solutions to development challenges. Finally, the SHDRs are increasingly seen as being instrumental in spurring policy debate and making more informed decisions about development solutions.

It is now imperative to consolidate the momentum and ensure that SHDRs become part of the mainstream planning agenda at the national and State levels. Under this project, State Plan processes and dialogue would be strengthened to focus more on human development concerns. The project would also seek participation of other donors/development partners, in the form of co-financing or synergies with project activities.

Key activities at the national and State levels to be taken up would be the following:

- a. Assisting State governments in follow-up to the SHDRs, by building the institutional capacity in the State Planning Boards and Departments;
- b. Strengthening State statistical systems for better collection and reporting of district and local level indicators of human development, through development of methodologies, training modules and provision of expert services in tandem with the Planning Commission, State governments and national and State level statistical systems, particularly the Directorates of Economics and Statistics; and
- c. Identification of strategic options for financing of human development at the State level, through research, training and related studies, in tandem with specialised national resource institutions.

At least 8 States would be covered under this project, from amongst such States where there has been appreciable progress in creating SHDRs already. Accordingly, eligible States would be those eight States that have prepared SHDRs and the nine States where the SHDRs are being finalized. Involvement of resource institutions for training and research, such as State Training Institutes, Indian Institute of Management, Bangalore (Centre for Public Policy), National Sample Survey Organisation (NSSO)/Central Statistical Organisation (CSO), National Institute of Public Finance and Policy (NIPFP), National Institute for Educational Planning and Administration (NIEPA), International Institute for Population Sciences (IIPS) and the RBI Training College would help realise project objectives.

* UNDP's Core Resources are allocated on the basis of three-year roll-forward frameworks, covering the current year plus the next two years. Project budgets covering a longer time frame are thus indicative only and subject to confirmation. The same would apply to Cost-Sharing Contributions, which are indicative until confirmed by other donors. (Project documents however provide detailed budget information for both the 'Approved' and 'Indicative' budgets).



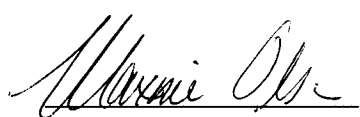
<u>On behalf of</u>	<u>Signature</u>	<u>Name & Title</u>	<u>Date</u>
Government		<u>P.K. Deb JS DEA</u>	<u>11.6.04</u>
Executing Agency		डा० राजन कटोच Dr. RAJAN KATOCH संयुक्त सचिव/Jt. Secretary योजना आयोग/Planning Commission नई दिल्ली/New Delhi	<u>8/6/04</u>
UNDP		MAXINE OLSON RESIDENT REPRESENTATIVE	<u>6/5/04</u>

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A. UNDP's COUNTRY PROGRAMME CONTEXT

I. Background

The Tenth Five-year Plan proposes 'a shift in the focus of planning from merely resources to the policy, procedural and institutional changes which are essential for every Indian to realise his or her potential.'

This resonates with the overarching goals of the work of the United Nations system in India – *to work towards the promotion of sustainable human development and the elimination of human poverty and inequalities* – as well as the UNDP global mandate to establish 'partnerships to fight poverty'. The Government of India (GoI)-UNDP Country Programme for the period 2003 to 2007 is aligned with these priorities, and is a reflection of the recognition that international co-operation can play a significant role in supporting the GoI in addressing these issues.

With an average growth rate in the gross domestic product of 5.8 per cent during the first decade of reforms (1992-2001), India is among the ten fastest growing economies in the world. (Figures just published for the third quarter of 2003 show an impressive growth rate of over 8 per cent). India's steady progress over the last decade towards meeting the goals of human development is also reflected in the improvement of the country's human development index (HDI), which rose from 0.406 in 1975 to 0.590 in 2001. Yet the challenges for human development remain formidable.¹ Statistics on critical development indicators and incomes show that regional and interstate disparities are increasing². There is a consensus on the need for proactive measures to tackle the situation of disadvantaged and vulnerable groups. The pressures on environmental and natural resources and the repercussions of their degradation on low-income livelihoods have become a source of increasing concern. In the context of rapid strides in decentralisation, there is an urgent need to strengthen the capacity of organs of local governance-rural and urban, as also to make public administration more efficient, open and accountable to the public.

Development co-operation in India is also being increasingly premised on human development goals and targets outlined by the Planning Commission, Government of India, in the 10th Five-Year Plan. Most of these are related to - and even much more ambitious than - the Millennium Development Goals (see Table 1 - Comparison Table). The monitorable targets included in the 10th Plan and beyond are³

- Reduction of poverty ratio by 5 percentage points by 2007 and by 15 percentage points by 2012;
- Providing gainful and high-quality employment at least to addition to the labour force over the Tenth Plan period;
- All children in school by 2003; all children to complete 5 years of schooling by 2007;
- Reduction in gender gaps in literacy and wage rates by at least 50 per cent by 2007;
- Reduction in the decadal rate of population growth between 2001 and 2011 to 16.2 per cent;
- Increase in Literacy rates to 75 per cent within the Plan period;
- Reduction of Infant mortality rate (IMR) to 45 per 1000 live births by 2007 and to 28 by 2012;
- Reduction of Maternal mortality ratio (MMR) to 2 per 1000 live births by 2007 and to 1 by 2012;
- Increase in forest and tree cover to 25 per cent by 2007 and 33 per cent by 2012;
- All villages to have sustained access to potable drinking water within the Plan period;
- Cleaning of all major polluted rivers by 2007 and other notified stretches by 2012.

¹ <http://planningcommission.nic.in/appdraft.pdf>

² [http://www.un.org.in/CCA2.htm#The state of human development](http://www.un.org.in/CCA2.htm#The%20state%20of%20human%20development)

³ Tenth Five Year Plan, Planning Commission, Government of India, Vol. 1, Chapt. 1, p. 6.

Table 1

NATIONAL DEVELOPMENT GOALS MORE AMBITIOUS THAN MDGs

MILLENNIUM DEVELOPMENT GOALS (MDGs)	TENTH PLAN GOALS	PLAN TARGETS AS COMPARED TO MDGs
A. Eradicate extreme poverty and hunger		
*Reduce by 50% the proportion of people living on less than 1\$/day *Reduce by 50% the proportion of people suffering from hunger	*Reduction of poverty ratio by 5 percentage points by 2007 and by 15 percentage points by 2012; *Providing gainful and high-quality employment at least to addition to the labour force over the Tenth Plan period;	*Reduce by a fifth the proportion of people below the national poverty line by 2007 and by three-fifth by 2012
B. Achieve universal primary education		
*By 2015, children everywhere to complete a full course of primary schooling	*Increase in literacy rate to 75 per cent within the Plan period *All children in school by 2003; all children to complete 5 years of schooling by 2007	*Ensure that, by 2007, all children will be able to complete a full course of primary schooling
C. Promote gender equality and empower women		
*Eliminate gender disparity in primary and secondary education preferably by 2005 and to all levels of education no later than 2015	* Reduction in gender gaps in literacy and wage rates by at least 50 per cent by 2007	*Eliminate gender disparity in primary education by 2007 *Reduce, by half, gender disparity in literacy rate by 2007 *Reduce, by half, gender gap in wage rates by 2007
D. Reduce child mortality		
*Reduce by 2/3 between 1990 and 2015, the under five mortality rate	* Reduction of infant mortality rate (IMR) to 45 per 1000 live births by 2007 and to 28 by 2012	*Reduce the IMR by 1/3 by 2007 *Reduce the IMR by 3/5 by 2012
E. Improve maternal health		
*Reduce the maternal mortality ratio (MMR) by three quarters between 1990 and 2015	* Reduction of maternal mortality ratio (MMR) to 2 per 1000 live births by 2007 and to 1 by 2012	*Reduce the MMR by 50% by 2007 *Reduce the MMR by 75% by 2012

F. Combat HIV / AIDS, malaria and other diseases		
*Have halted by 2015, and begun to reverse, the spread of HIV/AIDS	*Achieve zero level increase of HIV/AIDS prevalence by 2007 *Halve, by 2010, the morbidity and mortality due to malaria	*Achieve zero level increase of HIV/AIDS prevalence by 2007 *Halve, by 2010, the morbidity and mortality due to malaria
G. Ensure environmental sustainability		
*Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources *Halve, by 2015, the proportion of people without sustainable access to safe drinking water	*Increase in forest and tree cover to 25 per cent by 2007 and 33 per cent by 2012 *Cleaning of all major polluted rivers by 2007 and other notified stretches by 2012 *All villages to have sustained access to potable drinking water within the Plan period	*Increase in forest and tree cover to 25 per cent by 2007 and 33 per cent by 2012 *Cleaning of all major polluted rivers by 2007 and other notified stretches by 2012 *All villages to have sustained access to potable drinking water by 2007
H. Develop a global partnership for development		
*Develop an open trading and financial system that is rule-based, predictable and non-discriminatory *Address the least developed countries' special needs *Address the needs of landlocked and small island States *Deal comprehensively with 'debt problems' *Develop decent and productive work for youth *Provide access to affordable essential drugs in developing countries *Make available the benefits of new technologies	*The 'India Development Initiative', with an allocation of Rs. 200 crore for 2003-04, to be utilised for providing grant or project assistance to developing countries in Africa, South Asia and other parts of the developing world *A debt relief package being considered for the Heavily Indebted Poor Countries (HIPC) owing overdue payments of substantial sums to India *Relief to be provided to certain bilateral partners, with smaller assistance packages, so that their resources can be transferred to specified non-governmental organisations in greater need of official development assistance	

II. The Country Programme (2003-2007) and its Thematic Focus

The United Nations Development Assistance Framework (UNDAF), which is the document expressing the agreement on programme priorities between the United Nations system in India and the Government of India, has as its main focus the *promotion of gender equality and the strengthening of decentralisation*.⁴ These two themes form the underlying thrust of the new Country Programme (2003-2007) and of the programme interventions in the following four inter-linked thematic areas:

(a) Promotion of Human Development and Gender Equality:

The main vehicle to move this Thematic Priority under the new Country Cooperation Framework- II (CCF-2) forward is the project outlined in this project document, which builds on the achievements and experience base established under the State Human Development Reports project under the first CCF. This project was instrumental in creating an interface at the State level between economic policy and social concerns such as gender equality, poverty eradication and people's participation.

The project focuses on strengthening human development analysis, advocacy and action and strategies include partnerships with NGOs and other resource persons/institutions to support State governments in facilitating integration of social concerns; providing conceptual and methodological support to the process of engendering development; strengthening the SHDR process to make it more consultative and broad-based; and strengthening the involvement in the HDR process of various tiers of the Government as well as diverse stakeholders, including other members of the United Nations system and bilateral donors.

(b) Capacity-Building for Decentralization:

Decentralization is a programme priority that also cuts across all thematic areas under the new Country Programme.

Strategies being adopted include capacity building of panchayati raj institutions (PRIs) and other local institutions and empowerment of tribal communities through the Panchayat Extension to Scheduled Areas Act (PESA). Urban governance is addressed through building the capacity of urban local bodies and developing partnerships with communities and parastatals. Capacity-building for district and village-level planning is a particular priority under this theme. Support to civil service reform at various levels, with a focus on gender sensitivity, responsiveness, transparency and efficiency of administration, including initiatives on access to information, figures prominently in this programme cluster. A grassroots and e-governance perspective of ICT for development is integrated in the programme, to support the above initiatives.

Of particular importance is that the crosscutting focus on decentralization allows for the partnerships with local institutions initiated under this thematic cluster to also provide a basis for convergent programming in other thematic areas.

(c) Poverty Eradication and Sustainable Livelihoods:

This programme builds further on and intensifies efforts piloted during the first CCF to facilitate action on human poverty and ensures sustainability by rooting these activities within national and local institutions and mainstreaming them in government programmes.

Strategies proposed include strengthening partnerships between PRIs, women's groups, civil society organisations and government agencies to develop, test and disseminate innovative, gender-

⁴ <http://www.un.org.in/UNDAF/undafstatement.pdf>

equitable and community-managed approaches to technology development and application and sustainable livelihoods and natural resource management; piloting and testing gender-responsive models of support for traditional artisan communities; and evolving a coordinated strategy to share Indian best practices with other developing countries and accessing lessons from international experience.

(d) Vulnerability Reduction and Environmental Sustainability:

This programme comprises activities designed to reduce the vulnerability of communities to natural disasters and environmental degradation, with a particular emphasis on disaster prevention and risk mitigation.

Proposed strategies include strengthening State-and regional-level systems for establishment of disaster-preparedness plans and systems for early warning and recovery; developing community capacities to plan and implement gender-equitable disaster-mitigation strategies and post-disaster reconstruction/sustainable recovery; strengthening national capacities for influencing global debates on environment and mainstreaming global environmental concerns (e.g., biodiversity areas, renewable energy, land degradation, desertification, climate change) into national projects, programmes and policies; and demonstrating technologies and approaches to address linkages between global environment issues and national developmental challenges.

Common Programming Aspects across the Thematic Clusters

Based on specific roles for UNDP development co-operation identified through a comprehensive review and stakeholder consultation process, all projects within the above four thematic clusters build on the following qualities:

- A perspective 'from below', of low-income households and marginalized communities - rural or urban - in order to strengthen their self-help and self-reliance capacities through innovative and catalytic, 'action-research' types of interventions, but accompanied by mechanisms to ensure the integration of successful 'pilots' in national programmes and thus the upscaling of 'success stories'.
- An encouragement for innovation.
- A systematic effort to take stock of – and disseminate – experiences and practices, so as to contribute to informed choices and decision-making.
- A common platform to bring a diverse set of development partners (Government agencies at the Central, State and district levels; PRIs, NGOs and CBOs; and other UN system and bilateral donor partners) together to devise innovative solutions to development challenges.
- Emphasis on addressing the multi-sectoral dimensions of development programming and, when possible, integrating programming at selected geographical locations/districts.
- Comprehensive monitoring and dissemination of lessons of value for policy-makers with regard to the design and implementation of much larger public sector schemes, strategies and policies.

The new Country Programme reflects a continued commitment to national direction and ownership. Partnerships with government agencies and civil society partners initiated under the first Country Cooperation Framework (CCF- I, 1997-2002) are vigorously pursued and alliances with the Indian corporate sector and the voluntary sector built to draw on their experience and expertise.

In all projects, information and communication is an essential component, and creatively adopted to enhance the achievement of the above mentioned objectives as well as to facilitate and catalyse the dissemination and development of solutions and approaches with a pro-poor focus. To harness this potential fully, projects look at ways to both mainstream ICT but also to facilitate the development of cost-effective and locally relevant ICT solutions through policy and programme interventions.

B. PROJECT BACKGROUND

I. The Development Context

The paradigm shift in the concept and measures of development has put people at centre-stage. The well-being and capabilities of human beings, leading to an expansion of choices and creating an enabling environment for people to lead long, healthy and creative lives and to participate in making decisions in matters that concern and affect them, as well as a focus on the poor and the marginalized, captures the essence of the idea of human development.

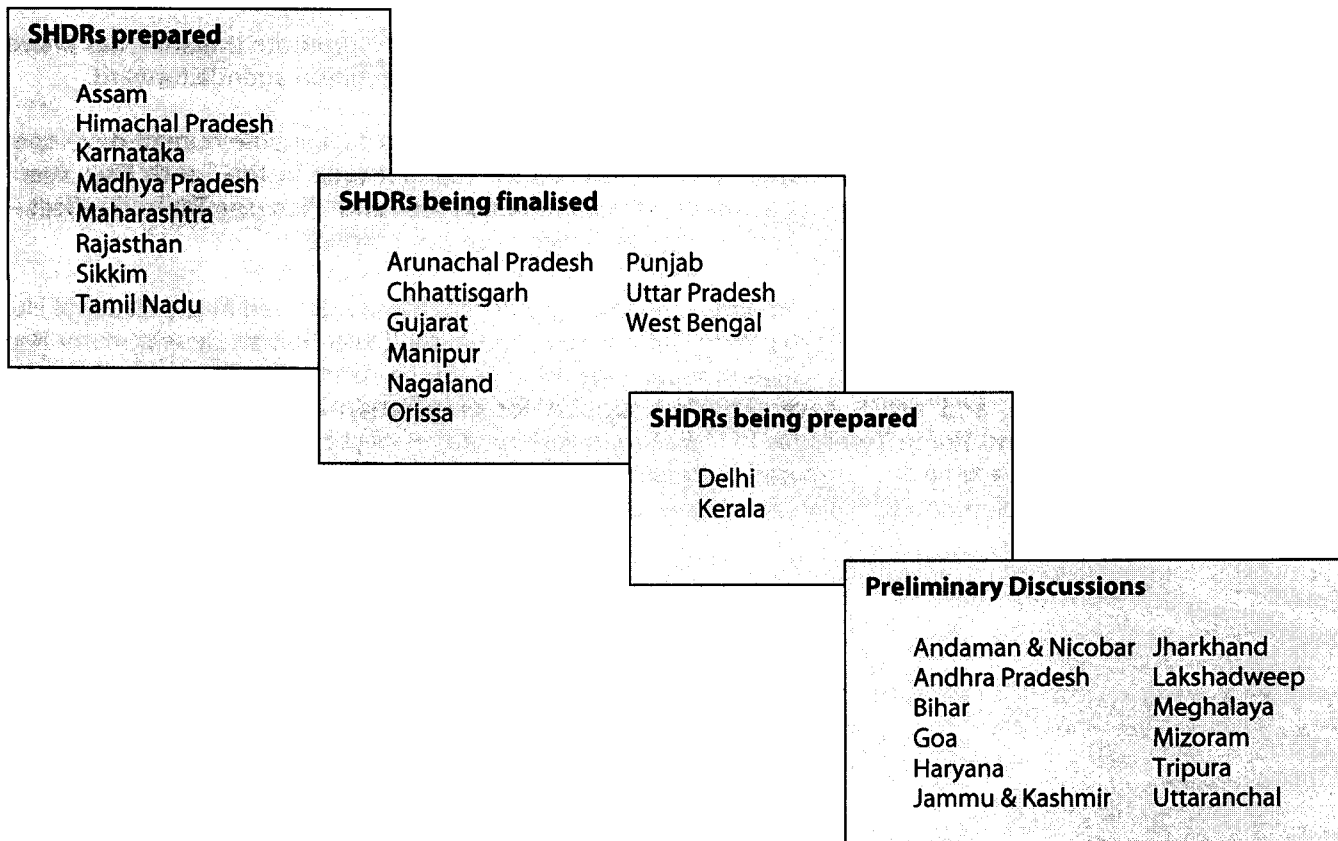
Preparation of Human Development Reports, which has helped to promote this shift, has proved to be a major tool in moving a Human Development Analysis, Advocacy and Action agenda forward.

Reflecting the importance and national ownership of promoting sustainable human development, human development related targets have been introduced for the first time in the Tenth Five Year Plan (2002-2007). The monitorable targets for achievements identified in the Tenth Plan (see Table 1) reflect – and exceed – the Millennium Development Goals set by the Millennium Declaration.

The human development *problematique* in India is comprehensively defined in the National Human Development Report prepared by the Planning Commission, and in the State Human Development Reports (SHDRs) prepared by several State Governments (See Box 1). Since 1999, the Planning Commission, Government of India, and UNDP have provided support for preparation of these SHDRs across India. Currently, 31 States and Union Territories in India are in various stages of preparing their respective SHDRs (with eight States already having prepared their first - and in some cases their second – SHDRs). Follow-up action, in terms of implementing SHDR recommendations, has been initiated by several of them.

STATUS OF SHDR PREPARATION AND OTHER OUTPUTS UNDER THE 1999-2003 PROJECT

- **State Human Development Reports** – Madhya Pradesh was the first State to prepare a sub-national Human Development Report in 1995. Ever since, India is credited with preparing the largest number of SHDRs



- **Compilation of Successful Governance Initiatives and Best Practices: Experiences from Indian States**, a compendium documenting successful efforts across the country in areas of key importance from a Human Development perspective. The main objective of this compendium is to disseminate information on specific, successful initiatives by some States so as to facilitate replication or adaptation to local circumstances and priorities.
- **Human Development Discussion Papers Series**, on subjects as diverse as 'Decentralisation in India: Challenges and Opportunities'; 'Drought Proofing in Rajasthan: Imperatives, Experience and Prospects'; 'Financing for Development in India: Lessons from the Past; Needs of the Future'; 'Women's Role and Contribution to Forest-Based Database Issues'; 'Women's Access to Credit and Rural Micro-Finance in India'; 'Right to Information Initiatives in India' and 'Estimating District Income in India' (with the latter paper becoming the foundation for a subsequently developed Training Manual on the subject).

HDRs (global, national and sub-national) have emerged as important – if not the most important – platforms for advocating sustained investment and innovation in the human development sectors especially during the 1990s, which were characterized by fiscal stringency and compression in public expenditure

ratios pertaining to human development. Further, the preparation of SHDRs has promoted analysis on the status of human development at the State and district level, and thus have led to better researched options for policies and strategies; identified data challenges and research gaps to be addressed; and brought out the disparities and inequalities existing among regions as well as social groups, so as to provide clarity on the need and direction of targeted programme interventions.

Government ownership of these SHDRs, and the partnership and network among the Central and State Planning institutions around this Human Development Reporting initiative, is a key element to the success of this initiative also in the light of the constitutional mandate and planning framework of cooperative federalism. In fact, State governments in India have a key role as implementers of development programmes, especially for the human development priority sectors (education, health, rural development, social security, HIV/AIDS etc.). Reform strategies for these sectors, therefore, need to focus on effective and convergent action at the State level, within the national Plan parameters.

The Country Programme Review (2002) indicated that institutionalising SHDRs – and, in particular, strengthening follow-up to SHDRs - should constitute an important thrust area for the new Country Programme (2003-2007). This would also be an important element of the India Country Office's Strategic Results Framework (titled 'Enabling Environment for Human Development'), which aims to increase use by national and State-level decision-makers of sustainable human development concepts in policy formulation and implementation.

There are, however, several constraints faced by any attempt to move from analysis to action. Some of the main challenges for the SHDRs, as instruments for creating and sustaining an enabling environment for human development in India, are:

- The need to further strengthen understanding, at all levels, including line departments, district administrations and local bodies, of the concept of human development and of the possible modalities for operationalising it.
- The emphasis to be placed on continued and deepened action research, so as to facilitate identification of best options for high-impact human development interventions.
- The requirement to address limitations of data systems and to build the expert networks that are required to provide hard data for planners and provide objective data feedback to programme implementers.
- The rigidities in the State-planning framework, given the inertial tendencies for incremental enhancement, as also the "hard budget constraint" imposed by the crisis of State finances.

Therefore it is imperative to devise human development strategies that can be put into effect at the State level addressing, *inter alia*, the following priorities:

- Ensure that the effective linkages between economic growth and human development across Indian States are understood and reflected in Plan documents.
- Build consensus and commitment to focus on achieving equal progress on human development and gender across States as well as within States.
- Readiness to increase budgetary allocations to social sectors, even within an overall context of decline in public investment.
- Commitment to – and facilitation of - a multi-sectoral response, consistent with a human development framework and notwithstanding a scenario where the approach to planning is sectoral and the implementation is still predominantly departmental.
- Attempt to enhance efficiency of public sector delivery systems for social services resulting in better quality, accessibility, affordability and coverage of services.
- An all-round effort to enhance people's participation in all aspects of governance, including planning, resource allocation and programme evaluation.

Accordingly, follow-up to SHDRs would need to include specific interventions to address the above issues of priority, and by focusing on strengthening the areas of analysis, of advocacy and of action. In particular, interventions to build capacity of national and State Planners (Planning Departments and Planning Boards) for mainstreaming human development into State Plans and Budgets and district level programmes for social sectors would be undertaken.

Second-generation SHDRs would help State governments have deeper analysis, updated information and data, and recommendations, not only on the status of human development in the State but also a focused analysis on emerging issues relevant to the State. These include livelihood promotion strategies, financing for human development, mainstreaming HIV/AIDS through creation of an enabling environment for the changes in behavior, policy and programming to effectively respond to the HIV/AIDS epidemic.

II. Priority issues to be Addressed

Since the Tenth Plan places emphasis on State governments meeting targets, it would be important to undertake activities that strengthen the dialogue process for State Plans so that the messages of SHDRs and the human development concerns are reflected more specially in State Government Plans and Budgets. This would involve working closely with planning departments and State Planning Boards/Commissions and the national Planning Commission. Introduction of greater participation including civil society and media feedback could be attempted. Also, replication of best practices (national and international) in participatory plan formulation could be attempted through this exercise.

This sub-programme includes three components: (a) national and State level Plan dialogue including tracking of performance vis-à-vis national and international development goals, best practice documentation and design of specific 'District Human Development Programmes', (b) strengthening the State statistical systems, and (c) financing for human development.

The primary focus would be on States that have prepared their SHDRs. Identification of the States would be done in consultation with the Executing Agency. The finalisation of specific activities to be undertaken would be done in consultation with the Executing Agency as well the State Governments. This would ensure that State specific challenges are taken into cognisance while designing the interventions. Broadly, the interventions could be classified as training activities, best practice documentation, action research, expert networks for specific technical issues, and facilitation of national and State level dialogue that makes Plan processes more participatory and accountable.

The key outcomes under the project can be grouped under the priority issues of Analysis, Advocacy and Action. The activities would address the need:

- To further deepen human development analysis, and to strengthen the capacity for analysis, so as to ensure a better understanding - at all levels - of key human development issues, priorities and challenges;
- To strengthen human development advocacy through the dissemination and outreach of SHDRs and the outputs from their follow-up to ensure that their messages are internalized by planners and implementers of development programmes including line departments, agencies, district administration and local bodies; and
- For effective human development action, by contributing to informed decision-making through the identification and selection of high-impact human development strategy, policy and programme options as well as of convincing and sustainable human development financing options

More detailed descriptions of activities and success indicators are spelt out in the Project Results Framework.

A. Assisting State governments in follow-up to the SHDRs, by building the institutional capacity in the State Planning Boards and Departments

- *Capacity Building of State Planning Departments/Boards to Institutionalise Further the SHDR Process*

Ownership for the preparation of State Human Development Reports is now well in place. A few States have already embarked on a second HDR. It is important that the process becomes systematic across the country, as this allows for the human development policies to be strengthened at the State level. The project will continue to catalyse attention on human development issues through research studies and documentation of best practices.

Human Development Cells would be set up in State Planning Boards and Departments to facilitate systematic follow-up to SHDRs. Training, equipment and research support would be provided to operationalise these Cells. These would be set up in at least eight States during the project period.

The Cells would identify priority human development sectors requiring policy attention and initiate action research on specific themes with a view to arriving at concrete action plans and programmes. Emphasis would be given to capacity building for monitoring and evaluation of social sectors, statistical and technical forecasting, conducting macro economic studies on related subjects, collating and disseminating national and international best practices, establishing early warning systems and building required databases.

Training activities and expert consultations would be organised, building upon ongoing initiatives eg. the Oxford Training Course on human development. This would be consonant with UNDP's niche as a Global Development Network and a window to international experience.

- *Thematic Reporting on Human Development*

A systematic focus on thematic reporting on a range of human development issues would be undertaken. This would deepen the process started with the Human Development Discussion Papers series. Emerging issues that are relevant to individual States as well as regions would be analysed in depth to facilitate formulation of State and national level strategies. Possible themes, following the suggestions at the Goa retreat, could be 'Financing for Human Development', 'Social Security', 'Environment and Poverty', 'Social Justice', 'Gender', 'HIV/AIDS' and related issues. At least 8 thematic as well as State specific reports would be prepared.

- *Pilot District-Level and Participatory HDR Exercises in Selected States*

With decentralisation being a priority in India, and a programme support priority for the United Nations System in India as set by the Planning Commission, it is of extreme importance that human development reporting filters down to the local levels of policy making and resource allocation.

Ideally, when the process of decentralisation will have been completed in terms of decentralising 'functions, functionaries and funds', the comprehensive development plans that will be formulated and implemented at local levels of governance will equally reflect a strong human development focus. It must therefore encourage the preparation of district level HDRs and reports on related issues in the selected States.

As a first step in this direction, it is proposed to support the preparation of District Human Development Reports on a pilot basis in at least five districts. This would aim at synergising with

UNDP's project on decentralised planning, 'Rural Decentralisation and Participatory Planning for Poverty Reduction', also executed by the Planning Commission, for districts under the *Rashtriya Sam Vikas Yojna* (RSVY), led by the respective State Planning Departments/Boards/Commissions, prepared in a participatory manner, and feeding into programmes to be implemented at the district level. In addition, participatory process of preparation of district HDRs will be documented for wider dissemination within India and internationally. This also offers an opportunity for sharing India's experiences globally, e.g. the experience with the computation of human development indicators (district income and poverty).

- *Technical Assistance for Supporting State Planners for Human Development*

For the first time, State Plans have been incorporated as a separate volume in the Tenth Plan with State specific monitorable goals. The Tenth Plan has outlined a multi-pronged strategy to assist the State governments in achieving the development targets set out for them. The achievement of the targets would require an in-depth analysis of the State Plans and strategies. This would imply considerable strengthening of the internal institutional capacities within Planning Commission. The capacity of the State Plans Division of the Planning Commission would be strengthened to manage the above, within India's federal framework. The Human Development Cell in the State would be headed by an officer designated by the State government for this purpose, and as per a Memorandum of Understanding, signed by the State government, Planning Commission and UNDP. The exact terms of reference for each Human Development Cell would be based upon a systematic needs assessment for the selected States.

Strengthening State Planners' capacity in the context of a stronger focus on action and results as well as a wider and more intense dialogue on Tenth Plan's monitorable goals (State Plan meetings are now expected to be convened once every quarter) would require technical assistance in the form of training, best practice and process documentation and advisory support in undertaking pilot reports. The messages that emerge from the SHDRs would have to be widely disseminated not only among State and district government officials but also among members of the civil society (NGOs, CBOs, etc.). It would be crucial to ensure sensitisation on the need to have more disaggregated data by region, gender and social groups, highlighting the need for composite indices despite all their limitations.

At least eight major training workshops and courses on the concept of human development, the main messages emerging from SHDRs across sectors, index construction, interpretation of data and possible policy options for improving human development attainments would be conducted.

- *Information and Communication*

It is critically important that Human Development Reports are not only produced in a participatory manner, but also that the Report's conclusions and recommendations are easily accessible to as many as possible, so as to ensure that all can participate in advocating for the implementation of the Report's recommendations and that participation extends from the formulation of the report to the monitoring of progress. This would be instrumental in creating a stronger sense of accountability for follow-up and results.

Under this project, emphasis will be placed on media strategies, which could be State specific, designed in consultation with the Planning Commission and concerned State governments, to ensure that the Reports – and the action agenda they contain – are creatively brought into the public domain so that they can become the required advocacy tools for human development action. SHDRs prepared thus far have been and are being translated into the official language of the States. Short versions of SHDRs could be prepared and audio-visual documentation as well as workshop/consultations could be considered to promote dissemination of the findings. In order to ensure that SHDR messages are also understood better at the grassroots level, executive summaries

and key action points would be documented for implementers and local bodies. This would also facilitate dissemination of information of best practices identified in the reports. Activities would be undertaken based on request or demand for the above from the Executing and Implementing Agencies.

Specific deliverables would include, *inter alia*, the following:

- Human Development Cells set up in State Planning Boards and Departments of at least eight selected States.
- Assistance in operationalisation of human development issues, integration with Plan strategies and institutionalization of State Human Development Reports including thematic HDRs.
- Pilot District Human Development Reports and district specific development analysis that could feed into designing of District Human Development Programme for at least five selected districts (identified by the State governments and the *Rashtriya Sam Vikas Yojna*).
- Training modules and programmes on human development (and goals of human development) for State and district planners. At least eight training workshops to be conducted at the national, State and regional levels, with a target coverage of hundred personnel involved in State planning.
- A user demand driven State-specific information and communication strategy for wide dissemination of messages of the Human Development Reports.
- SHDR executive summaries translated in the official language of the State for district administration, line departments, agencies and local bodies.
- At least one annual national level consultation on human development led by the Planning Commission and with the participation of State governments, research institutions and other stakeholders.
- Coordination between SHDRs and State Development Reports for the identified States.

B. *Strengthening State statistical systems for better collection and reporting of district and local level indicators of human development, through development of methodologies, training modules and provision of expert services in tandem with the Planning Commission, State governments and national and State level statistical systems, particularly the Directorates of Economics and Statistics*

- *Benchmarking and Progress Measurement*

Statistical measurement of current status and progress is a key step in strengthening analysis. Many of the first SHDRs have already started to provide disaggregated data by sector, by geographical area and by socio-economic group. The continued collection of information on developments in each of these data areas will provide a first foundation to move into deeper causal analysis, a major step forward in assessing the impact of policies and programmes (or the absence thereof) and the search for possible alternative policies, strategies and programmes.

Periodic documentation of progress/performance could reflect on trends of allocation, achievement of national (Tenth Plan targets) and international (MDGs) goals of human development. This could be formalised in the shape of an annual "State of Human Development" Report.

- *Strengthening Statistical Systems, in particular at State Level*

The Indian Statistical System is a highly decentralised one with a fairly well organised structure at State level, at district level, and to some extent at block level. This decentralised set-up

has been a key asset, as it has helped the Centre to obtain several key statistics flowing from the grass roots level to the districts, the States and ultimately to the Centre. The decentralised set-up is also in conformity with the position that statistics is a subject included in concurrent list in the constitution.

It is also well recognised that India has developed a statistical system which is comparable to the best anywhere in the world. Several countries have borrowed statistical methodology and expertise from India and many developing countries have been looking at India for professional advice and support.

However, the State statistical systems still require strengthening, especially the data collection and reporting mechanism at the field level and the need to adapt data collection to what is of key importance for human development analysis. As also the National Statistical Commission (NSC) indicated in its comprehensive review Report to the Government in September 2001, urgent action is required to improve the quality and timeliness of statistics. The respective SHDRs, as also the Tenth Plan document, equally point to the urgency of having better data for decision making and tracking performance on various human development parameters at national and State level.

Indeed, the tracking of performance with regard to national and global development goals through appropriate database development, and the availability of relevant data at appropriate level of disaggregation (State, district and local level) are crucial elements in any analysis of human development parameters.

It would be useful to devote one or two rounds of National Sample Survey (NSS) for indicators of human development also on the basis of the problems of non-availability of data that the National Human Development Report 2001 has highlighted. A dialogue would be conducted with the Ministry of Statistics and Programme Implementation and NSSO to access relevant poverty data (including small area estimates) for better calculation of district poverty as also data pertaining to vulnerable and marginal groups (eg. gender, SC/ST).

Training, equipment and research support may be required for the State statistical departments and agencies. Five State government statistical personnel in each participating State to be identified for intensive training and exposure to best practices.

Generation and compilation of human development statistics on a regular basis could be undertaken, learning among others from the Brazilian experience of providing human development statistics at the municipality level.

In taking up the activities under this component, it would be ensured that there is no duplication with activities undertaken by the Central Statistical Organisation in support of States.

Specific deliverables would include, *inter alia*, the following:

- Training support and building capacities in the area of data collection and analysis with special emphasis on gender disaggregated data (focus on North-East). A minimum of forty statistical personnel to be given specialised training.
- Computation of vital statistics at the district level. Setting up of Statistical Experts' Network so as to improve sharing of statistical information.

C. Identification of strategic options for financing of human development at the State level, through research, training and related studies, in tandem with specialised national resource institutions.

- *Identification of Issues and Options for Financing of Human Development in States*

During the recent years, countries all over the world at all levels of development are engaged in a creative search to find out better ways of organising and financing development. The historic United Nations Millennium Declaration Goals (MDGs) in September 2000 endorsed a set of International Development Goals (IDGs) to be attained by 2015 and reflecting a collective political commitment towards addressing global development concerns. Goal 8 refers specifically – at the level of the North-South relationship - to a new 'Partnership for Development' and in which commitments with respect to trade facilitation, debt relief, ODA, foreign investment flows and technology transfers have been made.

As a follow-up to the Millennium Summit, the Conference on Financing for Development was held in Monterrey in March 2002. This highlighted the resource mobilisation strategies and options available to developing countries as well as the responsibilities of the developed countries in this regard. Chief among the options discussed were domestic resource mobilisation, trade, debt relief, private capital flows and international development cooperation.

In India, the initiation of economic reforms in India during the 1990s and the onset of the process of globalisation have led to far reaching changes in the economy. Though economic reforms were initiated at the level of the Union government, the reduction in tax rates in which the State governments had a substantial share, the pruning down of the grant component in central assistance to States, the rise in the rate of interest at which the State governments borrow funds, the greater reliance on markets for finances, and such other developments have meant that the States had to face new resource challenges and certainly major resource constraints. This has necessitated the State governments to initiate reforms so that they can find the means to finance the development agenda. However, in view of the social costs of such reforms, the process of ensuring macroeconomic stability, even as progress on critical human development goals is ensured, has emerged as a dilemma that needs to be satisfactorily resolved.

Financing of the social sector has primarily occurred on the basis of domestic resources. While acknowledging the resource constraints at the Union and State levels, the Tenth Plan document recognises the complementary role that the private sector and civil society can play with the public sector in the provision of infrastructure and social services, as well as in developing financial innovations to widen access to financing for all segments of the society. Further, the Tenth Plan has recommended exploring and testing of suitable strategies for levying and collecting charges and utilizing the funds obtained for health care services from people above poverty line.

A major programme of research and analysis at the national and State level would be undertaken on financing for development to review the broad range of financing issues and options, ranging from fiscal reform to centre-state transfers, user charges, public-private partnerships and private investment stimulation, so as to come up with a set of feasible and sustainable policy options for financing the human development priorities identified.

In addition to action research, a set of training programmes could be developed and offered, in partnership with national institutions (NIPFP, RBI Training College, National Institute of Banking Management) and State training institutes (ATIs, SIRDs).

In addition, one pilot would be initiated to assess the cost implications and range of financing options available – to meet national and international development goals within the perspective period set out in the Tenth Plan and the Millennium Declaration, including State level targets identified in the Tenth Plan document, and a possible road map for it. This component will be implemented with the participation of the Reserve Bank of India, national institutions such as National Institute of Public Finance and Policy (NIPFP), in coordination with the State governments and bodies such as the Finance Commissions at the national and State level. Issues such as

financing for human development would also be taken up in partnership with the State Governments, and the State Finance Commissions in particular.

- *Analysis of Selected Schemes (Central and State) for Human Development*

The establishment of a compendium of 'good – and thus replicable – human development practices' would benefit greatly from the analysis of a few selected schemes pertaining to the human development priority sectors (both Central and State schemes). The selection will be done in consultation with the Executing Agency. Findings, both with respect to the assessment of individual schemes and with respect to the synthesis of the review, would be a major addition to the Portal and Human Development Knowledge Management contributions under this project.

Major investment would be required by the project in taking stock of – as well as documenting and making accessible - policies and programmes that work or have worked, so as to be able to include them in the menu of possible options to be considered in each of the next State Human Development Reports. Action research studies would be commissioned and while deepening analysis on issues such as livelihood security, health and nutrition, education, decentralisation and gender equality a policy matrix and tentative resource allocation proposal or plan would be included.

The specific deliverables would include:

- Costing study on meeting human development goals; research studies on a range of issues such as sector-specific costing issues, resource mobilization and funding options (including private sector) and trends in social expenditure.
- Analysis of select schemes in consultation with Central and State Planning Commissions.
- Action research studies with a tentative resource allocation plan on issues such as livelihoods security, health and nutrition, education, decentralization and gender equality.

In addition to the State specific activities described above, national level activities would also be undertaken during in the project period across the three components detailed above. These are:

- *Human Development Appraisal in the Mid-Term Review of the Tenth Plan*

Assistance would be provided, at the request of the Planning Commission, for activities related to a human development appraisal in the mid-term review of the Tenth Plan.

This would also provide a major analytical input in a possible revisiting and mid-course correction of human development action plans at State level.

- *Compilation, Documentation and Dissemination of Best Practices (National and International)*

Under the earlier 1999-2003 project, the Planning Commission came out with a first compendium of successful programmes and practices. That initiative has been widely acclaimed. It offers a great opportunity of accessing the 'what and how' of human development action that has proven effectiveness. It highlights actions which can, possibly be adapted to local circumstances with modifications, and can be replicated in other States.

The continuation and expansion of this initiative will figure dominantly in the new project, as it makes such an immediate and valuable contribution to the design of efficient and effective programmes.

To classify as 'best practice' interventions, common criteria will be identified in consultations with various stakeholders. This participatory process will build upon the findings of the SHDRs that have been prepared, and the primary focus would be on programmes and experiences of State governments, district administration and local bodies. Two compendiums of Best Practices would be produced.

Outreach for outputs and deliverables (compendiums, audio-visual documentation etc.) under this component would be through in-country consultations as well as international dissemination. Global best-practices where relevant would also be included in the scope of this exercise.

- *The HDR Knowledge Portal*

With so much information on human development now available as a result of the substantial analysis and strong human development focus over the last years, a web-based portal needs to be established to bring all this information together, and thus provide to the newer HDRs under formulation the advantage of access to the accumulated experience. The portal will contain all HDRs; the current data on human development data and all relevant analysis.

It is expected that this new initiative will fill a major information and network facilitation gap, and will thus provide a major input into human development discussion, performance comparison and advocacy. Further, it could be instrumental for the creation of a web-based academy for State Government officials interested in learning on human development, HDRs and related subjects.

The specific deliverables would include:

- Assistance for activities related to a human development appraisal in the Tenth Plan which could assess the progress of States with regard to national and international development goals.
- Compilation, documentation and dissemination (national as well as international) of "Best Practices" of successful programmes.
- Virtual Private Network to facilitate "virtual dialogue" on human development issues.

In sum, the key interventions would include

a. Assisting State governments in follow-up to the SHDRs, by building the institutional capacity in the State Planning Boards and Departments, through the modality of Human Development Cells in the State government. These will be the principle anchors for the various activities undertaken under this project such as research, training and formulation of action plans and programmes for improving human development attainments particularly in the low HDI districts. In order to provide advocacy support, networks of resource persons and institutions would be formed. Training support for this would be provided by national and State level training institutes such as the Lal Bahadur Shastri National Academy of Administration (LBSNAA), Centre for Public Policy, Administrative Training Institutes and apex training institutes for the relevant thematic areas.

b. Strengthening the State statistical systems for better collection and reporting of district and local level indicators of human development. It is necessary to improve the quality and credibility of data at the district and local level, which could provide better benchmarks for designing and monitoring plans, budgets and programmes. Manuals and toolkits for better estimations of district income, poverty, vital statistics and gender would be developed for the Directorates of Economics and Statistics. Training of statistical officers at the State and district level and also the users of data including civil society organisations, would be undertaken. The National Sample Survey Organisation and the Central Statistical Organisation would provide necessary guidance and expertise. Cutting edge research would be carried

out on construction of indices including better reporting on outcomes on related to marginalised and vulnerable social groups, and customising global and national indices to suit local context.

c. While SHDRs have identified the human development deficit, the fiscal stringencies faced by State governments is a major constraint in operationalising the recommendations of SHDRs. Four major research initiatives and four training activities to identify and implement options for greater and more effective financing of human development would be carried out. Accordingly leading national institutions such as NIPFP and RBI training college would assist in the implementation of the above.

The detailed activities are provided in the PERT chart later in this project document.

III. Indicators of National Priority

There has been a visible shift in the focus of national planning process in the 1990s, both in terms of shedding the preoccupation with physical outputs alone to an emphasis on improvement in human capabilities, and from mere provision of resources to greater efficiency in their utilisation. Both the Eighth (1992-1997) and the Ninth Five-year Plan (1997-2002) documents mentioned human development as key goals.

The Tenth Five-year Plan is firmly set within the human development framework. The Plan's stated objective is 'to enhance human well being' (Tenth Plan, Volume 2, pp.3). Further, the plan has moved from rhetoric to setting 11 monitorable targets most related to human development. These targets are, as indicated and documented above, more ambitious than the MDGs. The Tenth Plan's role as a reform plan (distinct from a resource plan) involves intensification of dialogue with State governments, including assessment of performance vis-à-vis goals, documentation of best practice which can ensure replication and 'upscaling' of success stories as also operationalisation of public-private partnerships that promote accountability and greater effectiveness of public investment. The continued importance and relevance of human development initiatives, as proposed under this project, have been further and strongly validated in the recent retreat organized by the project on 'Critical Reflections on SHDRs. The recommendations included the need to move from analysis to action, strengthen the statistical data system, and to promote analysis on emerging issues, including financing for human development.

Critical Reflections on State Human Development Reports

The Human Development Resource Centre (HDRC), UNDP India Country Office and the Planning Commission jointly organised a three-day retreat (Goa, 12-14 December, 2003) on 'Critical Reflections on State Human Development Reports', attended by representatives from the Planning Commission, sixteen State governments, experts from academia, NGOs and civil society members. The objective of the retreat was to review the impact of the SHDR initiative, and set out the course – as well as identify priorities for - for the next Phase of the partnership. The retreat was an opportunity to hear participants strongly validate the partnership objective.

In his address, the Deputy Chairman of the Planning Commission emphasised the key contribution of SHDRs in terms of consistently benchmarking the extent to which Plan targets on human development were being met and the extent to which the conclusions and recommendations with respect to human development priorities were being mainstreamed in the State Plans. He also stated the particular importance of SHDRs in terms of bringing out intra-State and inter-district disparities, and thus providing the analysis needed for effective targeting of development programmes.

Participants stressed how SHDRs, being uniquely State driven, provided policy makers with value-added policy alternatives and recommendations for holistic solutions to development challenges, based on rigorous analysis. The SHDRs were also seen as being instrumental in spurring policy debate and bringing political attention to pressing issues, while helping States to make informed decisions about development solutions.

The retreat also provided an opportunity to stress the importance of moving from 'Analysis to Action' by ensuring that second generation SHDRs were increasingly action-oriented, providing directions both with respect to priority areas, sectors and socio-economic groups whereon State Plan resource allocations would need to be prioritised, and with respect to policy reform and programme formulations options and priorities required to achieve progress on the human development agendas.

Emphasis was also placed on the need for broadening participation among all stakeholders in the formulation of SHDRs and in the monitoring of the implementation of their recommendations, and on the need for the incorporation of new thematic priorities in the SHDRs. Particular themes debated and recommended for systematic inclusion were Social Justice; Social Security; the 'Environment and Poverty' link, and the 'Financing-for-Development' agenda. A strong call was made by the participants for an effort to strengthen the Human Development Data Capabilities in the States, including the capacity to collect disaggregated data at the level of districts (and below). Further, while recognising the advantages of composite indices, the need to move beyond them, in order to capture the complexity of the status of human development in India, was highlighted and the need for timely disaggregated data reiterated.

IV. Assessment of Earlier Interventions – Lessons Learnt

The SHDR project (1999-2003) offered a platform for better and conscious human development reporting at the disaggregated level and to build awareness about the human development paradigm among policy makers and different stakeholders. The project helped build the capacities of the States and Union Territories to prepare SHDRs that can be used as a tool for planning, better resource allocation and targeted spending, and to sustain the process of human development reporting.

A network of experts capable of providing necessary expertise to the State governments for the preparation of SHDRs and action plans has been created. This would help State governments in implementing the recommendations of the SHDRs through appropriate policies and programmes for implementation. The deliverables in the earlier project included improved State and district level data systems and databases (or at least point at critical data gaps which could be addressed under the follow-up phase). These will be the key tool for policy makers, district administration and local bodies to monitor and improve delivery of basic services and target an enhanced impact of development programmes on human development.

Additionally, the deliverables also included the building of consensus and commitment among stakeholders to participate in the project activities and the policy dialogue, which is to accompany the preparation of HDRs.

Particular achievements and success stories under the project include:

- a) The Government of Madhya Pradesh, after the preparation of their first SHDR in 1995 and based on the findings and conclusions of the Report, increased its allocations for social services from 19 per cent in the Eight Plan period (1992-1997) to 42 percent in the Ninth Plan (1997-2002), and in 1997 introduced Education Guarantee Schemes to universalise access to primary education in the State.
- b) The Government of Karnataka, following their first SHDR (1999), constituted a poverty and human development monitoring system to assess changes during the reform period in the poverty and human development levels of the people and which assisted in better guiding decision-making, as well as in initiating a massive programme for the empowerment of rural women through the institution of self-help groups.
- c) The first budget of the Maharashtra State Assembly subsequent to the publication of their first SHDR was termed "a human development budget" and increased allocation to the social sectors. Further,

new pro-poor, gender sensitive schemes were introduced. As a follow-up to the report, the Government of Maharashtra, in collaboration with the Indira Gandhi Institute for Development Research (IGIDR), initiated an exercise for a deeper understanding of human development issues and concerns in the three low HDI districts in the State.

- d) Based on the SHDR's findings, the Government of Sikkim introduced better targeting mechanisms for granting food subsidies and conducted a comprehensive household survey to determine the exact nature and extent of poverty and income disparities in the State.
- e) The Government of Kerala has undertaken to prepare *Panchayat* level HDRs in two development blocks, and for possible replication throughout the State.
- f) An innovative – and very participatory - methodology has been used for the preparation of the SHDR for Chhattisgarh, where the process was carried out in 18,000 villages. These village consultations culminated into 16 district reports, which formed the basis for the SHDR.

Overall, the SHDR project is a good example of how a comparatively small-budget UNDP project can provide 'currency of ideas' that are nationally owned.

The combination of the human development approach and the strategic intent of State governments have also led to greater acceptance of UNDP's role as a reliable partner for 'upstream' policy work.

V. Reasons for UNDP Cooperation

The SHDRs have analysed the gaps and constraints in human development, at the State level and have highlighted issues for policy action. The critical next steps are thus to take forward the SHDR messages and to design concrete programmes and policies for human development in those areas highlighted for action.

This requires a great commitment of resources and most probably a reprioritization of allocation patterns. Additionally it requires an in-depth assessment of State finances, an identification of additional resources and the establishment of mechanisms and consensus for removing rigidities in existing allocations.

State governments require technical assistance for the purpose of preparing the State Plans and budgets that will address more effectively the challenges of human development identified in their 'first generation' SHDR, at least for the first follow-up initiatives as defined under this project.

Sharing the lessons learnt from a range of development interventions, including those undertaken by other States, by civil society organisations, by other national and international donors as well as those of UNDP, would be an important contribution to process, so as to facilitate informed decision-making and choices also taking into account of 'what already exists and has proven effective'.

Moreover, the SHDRs have only defined the *problematique*. The challenge of moving from analysis to action has been highlighted in successive evaluations of the SHDR process as also the Country Review. That is the priority under this project, also guiding the Analysis and Advocacy components of the project.

In order to ensure that the advocacy (which has been the main impact of the first generation HDRs) remains credible, it is crucial to initiate specific action-oriented follow-up. Key therein would be the provision of technical (as distinct from capital) assistance and networking facilitation, and which would focus on the catalytic training and action research inputs to State governments, especially the planners, and contribute to ensuring that State plans do become important and effective vehicles of promoting human development

through earmarked human and financial resources, all the while not underestimating the “hard budget constraints”.

C. THE PROJECT

I. Background

The project is designed for implementation in all the States and Union Territories of India and will be anchored at the national Planning Commission. The total project budget envisaged for the effective implementation of the three key components of project (Human Development Analysis, Advocacy and Action) is USD 5 million over four years (2004-2007), with USD 3.5 million firmly committed through the signing of this project. (UNDP works under 3-year roll-forward budget frameworks).

The project will largely rely on the experiences of the SHDR project (1999-2003), both with respect to the SHDRs formulation methodologies and process and with respect to action-oriented research for identifying effective follow-up options also with regard to the need for financing for human development.

A study commissioned by UNDP for the SHDR strongly recommended the inclusion, at the State level, of interventions related to (a) strengthening the institutional arrangements for capacity building, (b) initiatives for development of a sound system of *panchayat* level statistics, and (c) special attention to north-eastern States and the three newly formed States.

At the national level the study identified the following needs: (a) setting up of statistical network between Ministry of Statistics on the one side and other Central Agencies, International Agencies like UNDP and the State governments on the other, (b) consideration of human development round of NSS, and (c) special project for poverty estimates at district level. Besides, the study also advocates establishment of a National Institute for Human Development.

Those areas in the above list, which have not been explicitly mentioned in the Project Results Framework below, will be looked into later for possible addition to the project activities, if workload and budget allow.

II. Project Strategy

The broad objectives of the project covering the three components will be implemented through a strategy consisting of the following components:

- Support the State governments and Union Territories in mainstreaming the reporting of human development into State, district and local (panchayats/municipality) plans as also in their follow-up activities on the key issues flagged in the SHDRs. This support will be provided through action research, strategy and policy papers, including preparation of thematic HDRs, support in project preparation and integrating proposed strategies into Plan documents, and monitoring and evaluation.
- Identify – and respond to - training needs of various States and Union Territories in human development concepts and measurement; in research; in data collection and analysis; in action planning; in budget analysis and financing human development (both in terms of domestic public resources and requirement of additional external aid and efficient allocation of available resources).
- Support national and State level statistical organisations and social science research institutions in improving data collection, analyses and reporting, especially at the district and local levels in order that development databases become more accurate, timely and widely available.

- Undertake research and analytical studies, as well as specific surveys on human development issues and improvements in the State Sample Surveys for better estimation of district income and poverty.
- Provide training and action research support to State governments and Union Territories in terms of calculation of additional public resources that would be required to meet the human development goals, viz., education, health and nutrition, safe drinking water, housing, livelihoods security and also taking into account the link between public spending and development outcomes and the average cost of – and efficiency in - providing social services.
- Initiate studies on social sector expenditure and on effectiveness of resource allocation alternatives.
- Consistently build in participatory approaches to all project activities, facilitate multi-stakeholder dialogues and support as well as directly undertake effective advocacy initiatives.

The strategy for implementation of this project is also built on the Country Review of GOI/UNDP CCF-1 and the new Country Programme (late 2001), the Stakeholders Consultation (February 2002), the outline of the new Country Programme, the above-mentioned December 2003 Goa Retreat, and the lessons learnt from the review of other initiatives in the country and the review of the Human Development Reports produced thus far.

In addition, this project will ensure synergy with the common philosophy and thread that guides the entire new Country Programme, which is based on the specific roles for UNDP as identified by the Government of India and other stakeholders.

Based on the above considerations, this project will also:

- a. Promote the UNDAF theme areas of *gender equality and decentralisation*.
- b. Seek to strengthen self-help, self-reliance capacities through innovative and catalytic, 'action-research' types of interventions accompanied by the consistent capacity-building support necessary to ensure sustainable replication.
- c. Help derive the findings and lessons of value for, *inter alia*, policy-makers, from communities to national, State, district and local levels, and contribute to informed decision-making with respect to the design and implementation of much larger public sector schemes.
- d. Provide the relevant examples of the most innovative practices, methodologies and institutional arrangements, through effective international links and networking, to facilitate informed choices.

III. Synopsis of Key Project Components and Lead Implementing Agency Roles

(See Note 1)

COMPONENTS	LEAD AGENCY
Capacity Building of State Planning Departments/ Boards to Institutionalise Further the SHDR Process	Planning Commission and State Governments (in collaboration with national training institutions)
Thematic Reporting on Human Development	Planning Commission and State Governments
Pilot District-Level and Participatory HDR Exercises in Selected States	State Planning Departments/Boards/ Commission (henceforth State Planning Bodies) with concerned Panchayat and district officials
Technical Assistance for Supporting State Planners for Human Development	Planning Commission and State Planning Bodies
Information and Communication	Planning Commission and State Planning Bodies
Benchmarking and Progress Measurement	Planning Commission and State Planning Bodies
Strengthening Statistical Systems, in particular at State level	State Governments (in consultation with Planning Commission and Central Statistical Organisation/National Sample Survey Organisation, and apex research & training institutions mandated by government such as NIEPA for education statistics and IIPS for health statistics)
Identification of Issues and Options for Financing of Human Development in States	Planning Commission (in collaboration with national institutions such as National Institute for Public Finance and Policy, DEAP and RBI)
Analysis of Selected Schemes (Central and State) for Human Development	Planning Commission and State Governments
Human Development Appraisal in the Mid-Term Review of the Tenth Plan	Planning Commission
Compilation, Documentation and Dissemination of Best Practices (National and International)	Planning Commission and Human Development Resource Centre, UNDP
The HDR Knowledge Portal	Planning Commission and Human Development Resource Centre, UNDP

Note 1: The Planning Commission is the National Executing Agency, entrusted with the overall responsibility of managing the overall project, with the support of the HDRC, and ensuring the achievement of objectives. Implementing Partners assume responsibility for managing a particular activity, under the overall guidance of the Executing Agency, and with technical support from the HDRC. In this, Implementing Partners are encouraged to develop implementation partnerships with other key partners.

IV. Project Results Framework

As described earlier, the project components would lead to key outcomes that can be grouped under the priority issues of Analysis, Advocacy and Action. The components would address the need:

- To further deepen human development analysis, and to strengthen the capacity for analysis, so as to ensure a better understanding - at all levels - of key human development issues, priorities and challenges;
- To strengthen human development advocacy through the dissemination and outreach of SHDRs and the outputs from their follow-up to ensure that their messages are internalized by planners and implementers of development programmes including line departments, agencies, district administration and local bodies; and
- For effective human development action, by contributing to informed decision-making through the identification and selection of high-impact human development strategy, policy and programme options as well as of convincing and sustainable human development financing options

The Project Results Framework given below provides a detailed description of activities and success indicators.

Project	Outcome 1: Deepened analysis, so as to ensure a better understanding of issues, priorities and challenges	Human Development Analysis, and better understanding - at all levels - of key human development issues, priorities and challenges	Strengthened capacity for human development
Priorities		Success Indicators	
<ul style="list-style-type: none"> • Institutionalise further the SHDR process 	<ul style="list-style-type: none"> • Encourage State Governments to continue preparation of SHDRs • Constitute Human Development Cells with dedicated staff and equipment in eight States • Conduct annual and terminal project evaluation 	<ul style="list-style-type: none"> • Regular reference in policy debates and in the media to SHDRs • State Plans reflect HD priorities 	
<ul style="list-style-type: none"> • Thematic Reporting on Human Development 	<ul style="list-style-type: none"> • Identify themes in stakeholder meetings • Finalise TORs for experts/resource institutes and assign research/analysis tasks • Produce and Disseminate Reports 	<ul style="list-style-type: none"> • Regular reference in policy debates and in the media to Thematic HDRs 	

<ul style="list-style-type: none"> District-level HDR Pilots 	<ul style="list-style-type: none"> Identify pilot districts Finalise methodology, conduct workshops and trainings Prepare District HDRs Conduct State workshops to disseminate the process and agree on State-wide replication 	<ul style="list-style-type: none"> Plans and Budgets reflect District HDR conclusions and recommendations Replication across the States initiated
<ul style="list-style-type: none"> Capacity Building of State Planners for Human Development 	<ul style="list-style-type: none"> Finalise training modules on concepts of human development, main messages of SHDRs, index construction, data interpretation, policy options for improving HD attainments Conduct eight training programmes and workshops Provide technical support to State Plans division of the Planning Commission Undertake in-depth training evaluation and assess further training needs 	<ul style="list-style-type: none"> Improved quality of Plans and Budgets from a human development perspective
<ul style="list-style-type: none"> Benchmarking and Progress Measurement 	<ul style="list-style-type: none"> Initiate the process of preparing brief 'State of Human Development' memos Analyse central and State level allocations for HD Monitor achievements with regard to Tenth Plan targets and MDGs 	<ul style="list-style-type: none"> Reference to the 'State of Human Development' memos in policy debates and media
<ul style="list-style-type: none"> Strengthening of Statistical Systems 	<ul style="list-style-type: none"> Evaluate existing data systems Build capacities in area of district level data collection and analysis Set up Statistical Experts - network so as to improve flow and sharing of statistical information. Undertake special initiatives for Poverty Estimates and Vital Statistics at District Level 	<ul style="list-style-type: none"> A clear reflection of more comprehensive, disaggregated and up-to-date human development data in the HDRs at all levels and in the annual 'State of Human Development' memos A more timely picture of the status of HD in India, at all levels, in research papers, policy documents, articles, etc.

<p>Project Outcome 2: Advocacy strengthened through the dissemination and outreach of SHDRs and the outputs from their follow-up to ensure that their messages are internalized by planners and implementers of development programmes including line departments, agencies, district administration and local bodies</p>		
<u>Priorities</u>	<u>Main Activities</u>	<u>Success Indicators</u>
<ul style="list-style-type: none"> Information and Communications HDR Portal and Virtual Dialogue platform 	<ul style="list-style-type: none"> Translate SHDRs in the official language of the State Prepare and disseminate executive summaries of SHDRs Conduct at least 4-5 national level consultations on human development, led by the Planning Commission Provide State nodal pilots with connectivity Create a portal, containing relevant HD data information, reports and analysis 	<ul style="list-style-type: none"> Strong degree of familiarity at all levels with HDR process, HDR content as well as recommendation of HDR Growth in information content, including contributions from outside the project Increase in number and range of queries of 'hits' into the site

Project Outcome 3: Effective <i>Human Development Action</i> , by contributing to informed decision and selection of high-impact human development strategy, policy and programme on sustainable human development financing options		
Priorities	Main Activities	Success Indicators
<ul style="list-style-type: none"> • Compilation, Documentation and dissemination of Best Practices 	<ul style="list-style-type: none"> • Finalize criteria for the selection of Best Practices • Design a consistent 'practice summary' fact sheet • Establish an attractive mechanism for soliciting, reviewing and posting submissions • Develop a national and international dissemination strategy 	<ul style="list-style-type: none"> • 'Best Practices' summarized and registered in easily accessible and user-friendly site • Queries in support of possible replication registered
<ul style="list-style-type: none"> • Identification of issues and options for financing of Human Development in States 	<ul style="list-style-type: none"> • Finalise study methodology and identify resource institutes • Study subject and sector-specific costing and funding issues • Training programmes designed and conducted • Complete costing study on meeting Human Development goals • Undertake comprehensive review of financing options, including on new areas such as private sector funding, fiscal reforms and social security • Include funding options matrix and plan in all new SHDRs, to ensure specific recommendations on how to fund the action plans 	<ul style="list-style-type: none"> • Clear costing of Human Development Action Plans in SHDR, as well as indication of funding strategies and solutions
<ul style="list-style-type: none"> • Analysis (process documentation and evaluation) of selected schemes (Central and State) for Human Development 	<ul style="list-style-type: none"> • Finalise, in consultation with Central and State Planning Commissions, TORs and methodology to identify the schemes to be reviewed • Undertake the review • Complete comprehensive and comparative analysis • Prepare 'Guidance Note' summarizing salient conclusions and guiding future programmes 	<ul style="list-style-type: none"> • Comprehensive review used as reference document in the design of new Human Development programmes, and as major reference document for action plans in HDRs
<ul style="list-style-type: none"> • HD Appraisal for Mid Term Review of the Tenth Plan 	<ul style="list-style-type: none"> • Finalise methodological approach • Finalise review undertaken and the report 	<ul style="list-style-type: none"> • Conclusions of the Mid Term Review incorporated in the updating of State Plans and Budgets

V. Workplan (Quarterly)

Main Activities	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV	XV
Institutionalise further the SHDR process															
• Encourage State Governments to continue preparation of SHDRs	██████████														
• Project Evaluation (including annual and terminal reviews)				██████████				██████████							
• Constitute Human Development Cells with dedicated staff and equipment	██████████														
Thematic Reporting on Human Development															
• Identify themes in stakeholder meetings			██████████												
• Finalise TORs for experts/resource institutions and assign research/analysis tasks					██████████										
• Produce and Disseminate Reports															██████████
District-level HDR Pilots															
• Identify pilot districts			██████████												
• Finalise methodology, conduct workshops and trainings				██████████											
• Prepare District HDRs															
• Conduct State workshops to disseminate the process and agree on State-wide replication															██████████
Capacity Building of State Planners for HD															
• Finalise training modules on concepts of human development, main messages of SHDRs, index construction, data interpretation, policy options for improving HD attainments										██████████					
• Conduct training programmes and workshops															
• Provide technical support to State Plans division of the Planning Commission	██████████														
• Undertake in-depth training evaluation and assess further training needs								██████████							
Benchmarking and Progress Measurement															
• Initiate the process of preparing brief 'State of Human Development' memos															
• Analyse central and state level allocations for HD															

	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV	XV
<ul style="list-style-type: none"> Monitor achievements with regard to Tenth Plan targets and MDGs 	██████████														
Strengthening of Statistical Systems															
<ul style="list-style-type: none"> Evaluate existing data systems 	██████████														
<ul style="list-style-type: none"> Build capacities in area of district level data collection and analysis 			██████████												
<ul style="list-style-type: none"> Set up Statistical Experts - network so as to improve flow and sharing of statistical information. 		██████████													
<ul style="list-style-type: none"> Undertake special initiatives for Poverty Estimates and Vital Statistics at District Level 			██████████												
Information and Communication															
<ul style="list-style-type: none"> Translate SHDRs in the official language of the State 	██████████														
<ul style="list-style-type: none"> Prepare and disseminate executive summaries of SHDRs 	██████████														
HDR Portal and Virtual Dialogue Platform															
<ul style="list-style-type: none"> Provide State nodal pilots with connectivity 	██████████														
<ul style="list-style-type: none"> Create a portal, containing relevant HD data information, reports and analysis 	██████████														
Compilation, Documentation and Dissemination of Best Practices															
<ul style="list-style-type: none"> Finalize criteria for the selection of Best Practices 	██████████														
<ul style="list-style-type: none"> Design a consistent 'practice summary' fact sheet 			██████████												
<ul style="list-style-type: none"> Establish a mechanism for reviewing submissions and preparation of Best Practice documentation (text and audio-visual) 				██████████											
<ul style="list-style-type: none"> National and international dissemination strategy 				██████████											
Identification of Issues and Options for Financing of HD in States															
<ul style="list-style-type: none"> Finalise study methodology and identify resource institutes 	██████████														
<ul style="list-style-type: none"> Study subject and sector- specific costing and funding issues 			██████████												
<ul style="list-style-type: none"> Training programmes designed and conducted 	██████████														
<ul style="list-style-type: none"> Complete costing study on meeting Human Development goals 				██████████											

	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV	XV
<ul style="list-style-type: none"> Undertake comprehensive review of financing options, including on new areas such as private sector funding, fiscal reforms and social security 															
<ul style="list-style-type: none"> Include funding options matrix and plan in all new SHDRs, to ensure specific recommendations on how to fund the action plans 															
Analysis (process documentation and evaluation) of Selected Schemes (Central and State) for HD															
<ul style="list-style-type: none"> Finalise, in consultation with Central and State Planning Commissions, TORs and methodology to identify the schemes to be reviewed 															
<ul style="list-style-type: none"> Undertake the review 															
<ul style="list-style-type: none"> Complete comprehensive and comparative analysis 															
<ul style="list-style-type: none"> Prepare 'Guidance Note' summarizing salient conclusions and guiding future programmes 															
<ul style="list-style-type: none"> Periodic Consultations on HD (National and Regional Levels) 															
<ul style="list-style-type: none"> Organise high level consultations which would serve as a platform for action oriented policy and debates. 															
<ul style="list-style-type: none"> Prepare Reports and set of recommendations for dissemination 															
HD Appraisal for Tenth Plan Mid-Te Review															
<ul style="list-style-type: none"> Finalise methodological approach 															
<ul style="list-style-type: none"> Finalise review undertaken 															

VI. Exit Strategy and Sustainability

The role of UNDP – and this project in particular - is to build and, most importantly, sustain capacity for designing and implementing human development strategies.

While this project so strongly supports the goal of consistently improving the human development attainments in the States, it does so by focusing on the building of capacity of the appropriate personnel at all levels – national, State, district and local levels – with a view to enhance the human development scenario in the country. Since the thrust of the project is on creating self-sustaining models that draw on local strengths, skills and resources, the project will be successful and not require further continuation once these capacities are solidly in place.

In addition, the project also aims for the further strengthening of the support systems required (data systems, consultation processes, information and advocacy methods, as well as networking and 'best practice' documentation tools) to allow these new capacities to perform efficiently.

VII. Equity Considerations and Mainstreaming United Nations Development Assistance Framework (UNDAF) Focus Areas

All UNDP projects must pay special attention to ensuring stakeholder and beneficiary participation in their activities. And they must include a strong institution and capacity building component, so that efforts to bring about a positive change in peoples' lives are sustained upon completion of the projects.

Particular care must also be taken to ensure participation of disadvantaged or marginalized groups and of women and women's groups.

Special emphasis is also called for systematically incorporating environmental issues in all strategy, policy and programme recommendations and formulation, to ensure that the sustainability of proposed solutions is correctly and convincingly addressed.

In this context, it is also important to underline that the Government of India has identified gender equality and decentralization as the two themes for focused and coordinated action by the UN System in India under the UN Development Assistance Framework (UNDAF). Every UNDP-supported project is expected to contribute to furthering the above goals.

Gender mainstreaming is, therefore, a mandatory requirement for all projects under the Country Programme 2003-07. This has two implications: (a) all UNDP-supported projects should contribute to the goal of promoting gender equality, either directly through actions to transform unequal gender relations, or indirectly through actions to empower women and/or creating an enabling environment for the transformation of unequal gender relations, and (b) women should be equal partners, and should be able to claim an equal share of benefits and outcomes in all aspects of UNDP-supported projects. An equally systematic approach to the incorporation of the decentralization objective is required.

All UNDP CCF-2 Projects will be reviewed, on an annual basis and by an independent mission which will produce a short internal report, on the commitment shown and efforts undertaken by all projects in moving the UNDAF agenda forward in their respective project, and on the effectiveness and impact of those efforts. The table below presents an overview of the underlying principles, policy framework and project cycle management strategies that must guide all projects including this project – and as applicable in the specific context and work plan of each project - with respect to the systematic pursuit of the two UNDAF goals. This table apply to all UNDP projects and are indicative of the desired effect of the combined CCF-2 Programme as a whole.

	Promoting Gender Equality	Strengthening Decentralization
Principles	<ul style="list-style-type: none"> • Equal gender relations • Equity in participation and benefit sharing 	<ul style="list-style-type: none"> • People's participation, their influence and control on matters important to their lives • Equal access and fair representation for all social groups • Responsive, open, transparent and accountable public mechanisms
Policy Framework	<ul style="list-style-type: none"> • National goal of promoting gender equality and women's empowerment through removal of barriers to their development 	<ul style="list-style-type: none"> • 73rd and 74th Constitutional Amendments on democratic decentralization • Extension to Scheduled Areas Act for self-governance by tribal communities
Results Framework	<ul style="list-style-type: none"> • Transform unequal gender relations. • Strengthen equity in participation and benefit sharing (at least 50% share to women when/if created through the project) 	<ul style="list-style-type: none"> • Strengthen decentralization as an essential pre-requisite to people's-centred development • Support panchyat raj institutions, directly building their capacity by working with them on specific issues or indirectly strengthen the decentralization process by supporting social mobilization
Project Management	<ul style="list-style-type: none"> • Involve women stakeholders and gender resource persons with sector-specific competence in project development, work planning and monitoring • Provide at least 30% membership of women in all community organisations and local level management/implementing committees, and chairing of such committees • Include at least one woman member (a representative of a local women's group, a woman academic or civil servant, or a woman community leader) in Project Advisory Committees at the local level • Ensure strict application of the principle of 'equal wages for equal work' 	<ul style="list-style-type: none"> • Create multi-stakeholder groups at appropriate levels to promote community management of services and resources • Support effective social mobilisation, improved access to information and greater community sensitivity among development administrators • Support flexible and locally appropriate institutions and systems to address development concerns at different levels – within the community, at the district level and at the State level • Evolve a structured mechanism that will allow community groups, Gram Sabha and the Panchayati Raj Institutions to complement the work of Government Departments at suitable levels • Facilitate participation of representatives from local government structures in project management. Similarly, facilitate solicitation of views from NGOs

	<ul style="list-style-type: none"> • Maintain separate muster rolls and payment records for women beneficiaries • Ensure at least 50% participation of women in training/learning opportunities. Provide appropriate support arrangements to make women's participation possible • Ensure that at least 30% of project staff are women by ensuring non-discriminatory recruitment 	<ul style="list-style-type: none"> • Ensure incorporation of decentralized assessment indicators in work planning processes • Ensure that capacity building activities (structured training, exposure visits, etc.) include representatives of local governance bodies • Implement measures for perspective building of Implementing Agencies and other project stakeholders in the philosophy of decentralization and implications of various decentralization amendments • Ensure a democratic and decentralized decision-making process within the implementing organizations
Project Monitoring and Evaluation	<ul style="list-style-type: none"> • Carry out a gendered baseline survey to benchmark basic indicators of women's development, including population, education, health status, work participation and issues/problems specific to the area • Collect data through interviews, focus group discussions, and surveys from local women's groups/NGOs 	<ul style="list-style-type: none"> • Ensure benchmarking of the identified districts/specific regions with regard to the status of decentralization as part of the baseline survey • Mid-term/final evaluation/any other final assessment should also assess the contribution of the project to the decentralization objective

VIII. Risk Analysis

The challenge for activities and outputs to translate into expected outcomes, and thus for project outcomes to be achieved, is for the commitment from state governments and the resources to implement a comprehensive human development strategy to be sufficiently available to ensure that the human development priorities emphasized in the HDR be translated in effective programmes with the required resource allocation in the State Plans and Budgets.

Following the strong indications of national and State level ownership of the human development concepts during the 1999-2003 HDR project, and as even more strongly articulated in the Tenth Plan, there are no specific issues that would in any way pose a risk with respect to the project undertaking the activities planned. Also, no particular bottlenecks or critical management issues have been identified which may delay or jeopardize the completion of planned activities.

IX. Partnerships

Building on the previous project, this project is directed to supporting the State governments, through the Planning Commission, and supplementing their efforts to further human development attainments in the States.

The project aims to work with key experts, resource institutions, NGOs, civil society organisations, media and public interest groups through the State governments and the Planning Commission with a view to enhance the capacity of the State governments to analyse the gaps and constraints in human development in respect of their States and highlight issues for policy action. It will also support the State governments to carry forward the SHDR messages, initiate follow-up activities and implement policies and programmes for human development with greater commitment of resources or reprioritization of allocation patterns. For that, the project will also undertake greater

analysis of State finances, identification of additional resources and mechanisms of removing rigidities in existing allocations.

The project will focus on strengthening the capacity of the State governments so that they are capable of sustaining the momentum gained under this project on their own in the long run.

The partnerships among government and non-government stakeholders established through the implementation of this project will also be very useful in ensuring this, as will the mechanisms created to disseminate/share knowledge, promote mutual learning and provide regular feedback to policy-making at the national, State and district levels.

X. Planned Links with Other Programmes Supported by UNDP

As indicated above, the India Country Programme (2003-2007) covers four interlinked thematic areas: (a) the promotion of human development and gender equality (the subject of this project, and a second project on 'Gender Equality' with the Department of Women and Child Welfare); (b) capacity building for decentralization; (c) poverty eradication and sustainable livelihoods; and (d) vulnerability reduction and environmental sustainability.

In line with the recommendations of the 2001 Country Review, this project would facilitate inter-sectoral and inter-programme linkages wherever feasible. One example would be the 'Decentralized Planning' initiative under the governance (decentralization) thematic cluster, which could develop a strong synergy with the possible District HDR pilot under this project.

Also, the analysis of the action research undertaken under this project could benefit other UNDP programmes, as would in particular the Human Development Portal being proposed under this project, and which will be a vehicle to bring together, structure and disseminate all human development relevant data and research emanating from all UNDP and other programme activities.

Finally, Human Development Reports – produced at different levels (national, State or district) on comprehensive human development agendas or nationally on specific thematic subjects – would in turn be instrumental in setting the direction of ongoing and future programme interventions, across all thematic clusters.

XI. Stakeholder Participation

The project will involve a large number of stakeholders in its implementation – government authorities at the national, State, district and local levels as also NGOs, CBOs, media and the academic community.

The Planning Commission, the State authorities, the Central Statistical Office, the National Institute for Public Finance, UNDP's Human Development Resource Centre and DEA will be responsible for implementing the project at various levels and on different issues, viz. overall management, fund flow, audit, monitoring and evaluation of the project, follow up and corrective actions. Participation of these bodies at workshops and seminars will ensure continuous participation and involvement, and will add value to policy level dialogues and action.

The implementing agencies (State governments) and partner NGOs, media and academic world, will be responsible for the implementation of a substantial portion of the project in terms of expertise, training, and providing human and community resources for project execution. In addition they will be required to provide continuous follow-up on all interventions and take remedial action where necessary.

Regular review meetings will be held to keep track of progress in the field and to update workplans. The same objective will be pursued in organizing the annual retreat referred to above. These meetings will be organized as multi-stakeholder events, and participation defined accordingly.

D. IMPLEMENTATION ARRANGEMENTS AND ROLE AND RESPONSIBILITIES OF PROJECT PARTNERS

i. Prior Obligations and Prerequisites

The Government of India will, through its departments and nodal agencies, closely monitor implementation of this project.

The Implementing Agencies (IAs) will make available the necessary human and other resources to ensure successful implementation of this programme. The IAs will ensure that adequate programme management structures are put in place and stakeholder committees are constituted during the planning phase.

Other selected partners (NGOs and research institutions) and or resource persons will be responsible to the IAs for carrying out all activities detailed in this document, and will agree to provide up-to-date information to them to facilitate regular monitoring of the programme.

UNDP assistance will be provided subject to the fact that the pre-requisites listed above have been fulfilled to the satisfaction of all parties. If anticipated fulfillment of any of the pre-requisites fails to materialise, UNDP may, at its discretion, either suspend or terminate further assistance.

II. Implementation Arrangements – Role of Partners

The national Planning Commission will be the Executing Agency for the project and will be responsible for its overall management, including achievement of planning results and for the use of UNDP funds.

At the State-level, the project will be located within the Department of Planning/State Planning Board/State Planning Commission and will be under the direct supervision of the Principal Secretary or Secretary of the Department of Planning or the Member-Secretary of the State Planning Board/Commission as the case may be.

A Human Development Cell would be set up within each State for assisting in the implementation of the project, especially for facilitating coordination within the concerned state.

In addition, the project also envisages linkages with other agencies and resource persons/resource institutions for technical support, monitoring and review, carrying out research studies and policy advocacy.

A Project Management Unit (PMU) within the Planning Commission will, under the overall guidance and supervision of the National Project Director, assist management of the day-to-day project-related activities. The HDRC will work closely with the State Plans Division to ensure smooth implementation of the sub-programme, including its conformity to the strategic objectives of the Planning Commission and UNDP.

III. Funds Flow Arrangements and Financial Management

In accordance with the GOI-NEX Guidelines, the national Planning Commission, the Executing Agency, shall make suitable provision for UNDP funds in its annual budget. At the request of the Executing Agency, UNDP will make direct payments to the Implementing Agency (IA) and the user groups and suitable accounting entry will be made in the budget of the Planning Commission and the Controller of Aid, Accounts and Audit to reflect receipt of such funds by GOI.

Requests for release of funds by UNDP will be made through the NPD as per the UNDP Financial Report Format. The Financial Report will contain, in addition to the information on funds required, information on annual budget, year-to-year expenditure and available budget.

The National Project Director will approve the annual work plans and the corresponding budgets. Upon receiving written authorisation from the Executing Agency, UNDP will release funds in advance every three months, based on this annual work-plan (or through Direct Payments to Implementing Partners, if so requested by the National Project Director). The disbursements should be reported on a quarterly basis, in the Financial Report Format referred to earlier.

IV. Audit

According to the Government of India NEX Guidelines, the project shall be subject to audit in accordance with UNDP procedures.

In order to meet the UNDP requirement of covering 90% of the annual NEX expenditure under audit, an annual audit plan will be drawn up in consultation with DEA. The project shall be informed of the audit requirements by January of the following year. The audit covering annual calendar-year expenditure will focus on the following parameters: (a) financial accounting, documenting and reporting; (b) monitoring, evaluation and reporting; (c) use and control of non-expendable reporting; and (d) UNDP Country Office support.

The auditor shall be appointed in consultation with DEA. In line with the UN Audit Board requirements for submitting the final audit reports by 30th April of the year, the field visits will be carried out by the auditors in February/March. Detailed instructions on audit will be circulated by UNDP separately.

E. MONITORING, EVALUATION, RESEARCH, COMMUNICATION AND ADVOCACY

I. Monitoring and Evaluation

The different project partners will jointly monitor the progress of the project. The PMB will give an emphasis to reviewing the activities of the project in a more holistic manner i.e., for its objectives, achievement of outputs and will also ensure a closer examination of substantive issues of the Project. One particular responsibility for the PMB is to assess the impact of project activities and, if considered successful, design strategies that ensure replication and to agree on additional activities the project could/should undertake to facilitate the design and implementation of replication strategies.

Systems for monitoring and evaluation will be developed and streamlined by the Planning Commission, both at Central and State levels, as will the definition of a set of key impact and success indicators that should guide the monitoring and evaluation process.

In terms of processes, the project will encourage the use of participatory processes of monitoring and learning such as peer reviews, self-evaluation, social and development audit, event track and group feedback. The project's monitoring and evaluation strategy will be built around the principles of mutual learning and stakeholder participation. Evaluations and monitoring would also for the purpose of revisiting and/or revising strategies and work plans, if required. These 'evaluations' will look at both quantitative and qualitative dimensions and will adopt participatory tools and processes.

A mid-term review of the project will be undertaken to track progress and suggest mid-course corrections, as well as a terminal evaluation, the latter also specifically with the purpose of guiding possible follow-up and upscaling activities after completion of this project.

II. Research

As must be expected from a project of this nature, there will be a strong research agenda that will be developed at the beginning of the project in consultation among the key partners. That agenda will be evolving, so as to be able to reflect new challenges and opportunities, and updated at least once every year, for review and endorsement by the PMB.

In addition, the project will seek to strengthen its contribution to policy advocacy at both state and national level. To this end, studies will be commissioned on relevant issues, and taking into account policy making agendas and priorities which the project could provide a contribution to.

III. Communication and Advocacy, Lessons Learned, and Upscaling

A concrete action plan will be developed at the beginning of the project along with budgetary outlays, to document and disseminate best practices for greater cross learning between project partners as well as for wider learning. The roles of different agencies – GOI, State Governments, UNDP and partner NGOs - will be defined and the

work-plans will reflect the different activities related to documentation (e.g. commissioning case studies, process documentation, issue-based studies, reviews, working papers) and wider dissemination through publications, inputs into websites, monographs and multi-mass media coverage on a regular basis.

The specific project components on 'Documenting Best Practices' and establishing an 'HDR Portal' are of course two very important aspects of this Communications and Advocacy, and which will be planned in more detail at the start of the project.

The project will encourage effective communication that covers information gathering and sharing documentation with all project partners. It will encourage documentation of baseline as well as key milestones during the project period through use of video and print media; coverage of key events by journalists and others; commissioning success stories with a strong human element and facilitating linkages, wherever possible, with communication staff at all levels. It will proactively support design and creation of mechanisms such as workshops to share and review experiences and lessons learnt at different levels within the project as well as implications for programme and policy formulation.

The project will actively support and facilitate interaction between policy makers and other stakeholders, through state and national level workshops. For that, the project will also encourage monitoring and evaluation of project processes and outcomes jointly with policy makers, implementing groups and subject specialists.

F. LEGAL CONTEXT

This project document shall be the instrument envisaged in the Supplemental Provisions to the Project Document attached hereto.

The following types of revisions may be made to this document with the signature of the UNDP Resident Representative only, provided he or she is assured that the other signatories of the Project document have no objections to the proposed changes

1. Revisions in, or addition of, any of the Annexes of the project document (with the exception of a Standard Legal Text for non-SBAA countries which may not be altered and agreement to which is a pre-condition for UNDP assistance);
2. Revisions which do not involve significant changes in the immediate objectives, outputs of activities of the Project but are caused by the re-arrangements of inputs already agreed to or by cost increases due to inflation; and
3. Mandatory annual revisions, which rephrase the delivery of, agreed project inputs or increased experts or other costs due to inflation.

The Executing Agency and Implementing Agency shall, at all times, ensure compliance with the NEX Guidelines and also comply with the requirements contained in the UNDP Programming Manual to the extent they do not conflict with the said NEX Guidelines or extant rules and provisions of Government of India

G. BUDGET**IND/03/010 – Strengthening State Plans for Human Development
Activity Based Budget**

Sl.No.	Description	Budget in USD
A	Capacity Building of State Governments (8 States)	2,500,000
B	Strengthening State Statistical Systems	800,000
C	Financing for Human Development and Related Studies	800,000
D	Training Workshops and Consultations	520,000
E	Project Personnel Support (including for Executing and Implementing Agencies)	300,000
F	Monitoring and Evaluation	40,000
G	Sundries	40,000
	TOTAL	5,000,000