

PROJECT SUMMARY

Project No. IND/03/010(99)
Project Title: Strengthening State Plans for Human Development
Duration: June 2004 to December 2007
Total Project Budget:
Executing Agent: Planning Commission (State Plans Division), Government of India

Development Context

The paradigm shift in the concept and measures of development from economic development to human development has put people at the centre-stage. The objective of expanding the range of people's choices and creating an enabling environment for people to attain important capabilities of leading a long, healthy and creative lives, to participate in decision - making with a focus on poor and the marginalized embodies the idea of human development. Preparation of Human Development Reports, which has helped to promote this vision of development, has been catalytic in moving agenda of Human Development: Analysis, Advocacy and Action forward. Reflecting the importance of promoting sustainable human development, Tenth Five Year Plan (2002-2007) for the first time has introduced the monitorable targets for the States.

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. Some of the main challenges for the SHDRs, as instruments for creating and sustaining an enabling environment for human development in India, are :

- ? 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
- ? Emphasis to be placed on continued and deepened action research, so as to facilitate identification of best options for high-impact human development interventions
- ? 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
- ? 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

Priority issues

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 developments 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

Key Components

A. State Specific Activities

1) Follow-up to the SHDRs

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

Human Development Research and Coordination Units (HDRC) Units would be set up in at least eight State Planning Boards/Departments to facilitate systematic follow-up to SHDRs. Training, equipment and research support would be provided to operationalise these units. These 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. Training activities and expert consultations would be organised, building upon ongoing initiatives. 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

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.

✍ Technical Assistance for Supporting State Planners for Human Development

The achievement of the monitorable targets would require an in-depth analysis of the State Plans and strategies. 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 Research and Coordination Units 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 unit 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.

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 State 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.

2) Strengthening State statistical systems

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.

3) Financing of human development

✍ 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. 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. Therefore, 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.

B. National level activities

✍ 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)

The Planning Commission, in collaboration with HDRC, UNDP came out with a first compendium of successful programmes and practices that 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. 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.

In sum, the key interventions would include:

- ✍ 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.
- ✍ 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.
- ✍ 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.