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Three Faces of India

DFID India Country Plan 2008-2015

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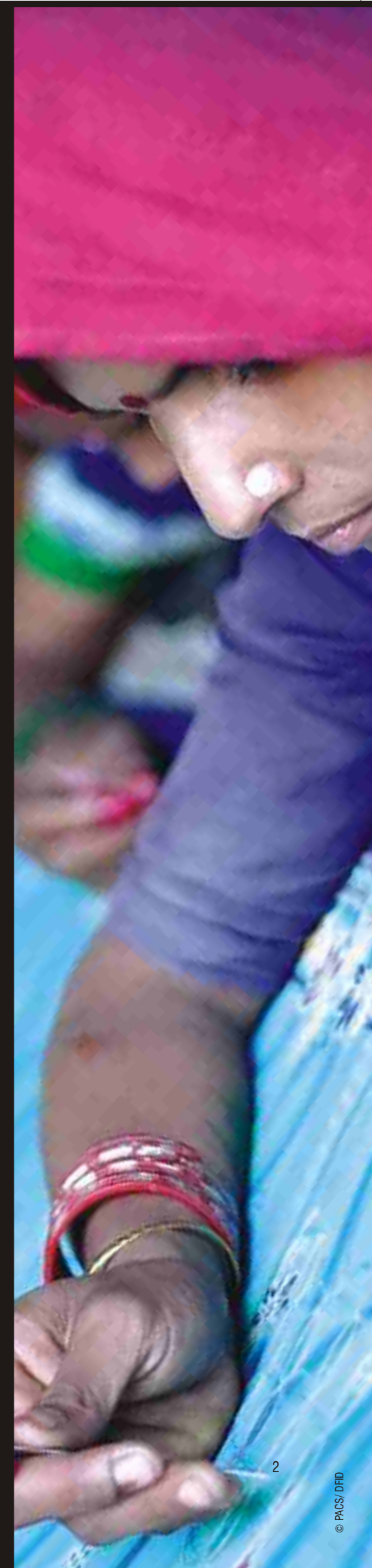


Foreword

“The UK and India share a unique history, and the launch of this Plan marks our desire to look to the future together as allies in the fight against global poverty. Because a third of the poor people in the world live in India this has been DFID's largest country programme for more than a decade. In a country of this size it is a bold ambition to give every mother the healthcare she needs to give birth in safety and raise a healthy child, to give every child a chance to learn and enough food to eat. This strategy represents a roadmap for how we will work in partnership with the Government of India to get closer to these goals. We also recognise that India now has a massive contribution to make to the elimination of poverty worldwide. It will be a privilege to work alongside India as it does so, and this strategy sets out that intention.

I believe that together the UK and India have a real opportunity to reduce global poverty and move the world closer to meeting our Millennium Development Goal commitments by 2015.”

Douglas Alexander
Secretary of State for International Development



Introduction

This plan was developed through analysis and wide consultation with Government of India, civil society, development partners, other UK government departments and members of the public. It is a seven-year plan reflecting the MDG deadline of 2015, with a mid-term review in 2011.

India Today

India is more like a continent than a single country. It is vast - it contains a sixth of the world's population and ranges from the highest Himalayan peaks through scorching plains to the tropical cape in the Indian Ocean. Its people are famously diverse, speaking 1600 different dialects and forming a rich blend of cultures, religions and ethnic groups. Many of the 35 states and Union Territories are significantly larger than European countries. Despite this vibrant diversity, democracy and peace have been largely maintained since Independence.

The rate of change over the last few decades shows that India is on the move. Since Independence in 1947 the population has tripled, life expectancy has doubled from 32 to 66, and education levels have risen steadily. India's

trillion dollar economy is now the tenth largest in the world. Growth has accelerated and influence is mounting: India is becoming a new global power.

But India's impressive progress is only part of its story. Although economic growth has helped drive down the proportion of people living in extreme poverty from 46% in 1987 to 34% in 2005, poverty still persists on a large scale. Nearly 400 million people live on less than \$1 a day and another 500 million live on between \$1 and \$2 a day meaning that in total up to 900 million Indians (80% of the population) survive on less than \$2 a day.

This contradiction, between dynamic progress and terrible hardship, plays out across India in a variety of contrasts. India's economy booms but nearly half its children are under-nourished (43% of children under five compared to 29% in Sub-Saharan Africa). India's cities host world-class institutes of technology but two out of five children cannot read a short paragraph after four years of schooling. Medical tourists vie for treatment at India's private hospitals, while more than half of women risk their lives giving birth without any trained health staff.



**India is home
to a third of the
world's poor.**

Three Faces of India

DFID's approach to India's development challenges recognises this complexity. There are three layers of Indian society with which we will work in different ways. These are three overlapping lenses for viewing India, helping DFID to determine the shape of our partnership to best effect.

First is **Global India**, the India that is prospering and an increasingly influential global player in trade, the environment and the international system. Global India is characterised by rapid growth, world class IT services and a well-educated and wealthy middle class. This is the face of India that is well recognised by the media and courted by the rest of the world, but the benefits of Global India are a reality for less than 20% of Indians.

The second lens is **Developing India**, or those segments of society with some social and economic ties to Global India and for whom life is beginning to get better. These are people who are participating in India's urbanisation or making a living through farming but continue to have poor public health services, to be under-nourished and have low quality education. Those living in Developing India sit on the borderline between poverty and prosperity and are therefore vulnerable yet relatively easy to reach.

The third and most pressing group DFID will target is **Poorest India** - the 400 million people remaining in extreme poverty as yet untouched by India's success. These people are often disadvantaged by their geographical location, their social status, or very often both. The four large states of Uttar Pradesh, Bihar, Madhya Pradesh and Orissa contain half of all India's poor. Health problems and lack of education mean that survival from one day to the next is the

primary concern. Fragile law and order and outbursts of violence compound the problem. It is a major challenge to help these people participate in India's growth.

Across all three faces of India

Despite these three different faces of development, there are factors that afflict all parts of Indian society, particularly discrimination on the grounds of gender, caste, race and religion.

Of all the forms of discrimination that occur, gender discrimination is perhaps the most acute. Preference for sons, female feticide, and neglect and infanticide of girls are so widespread in parts of the country that in some areas there are only 850 girls for every 1000 boys.

Caste discrimination continues to be widespread. Despite public policy efforts, India's 200 million Dalits (formerly known as Untouchables) are still stigmatised and are disproportionately represented among the poorest. India has the second largest Muslim population (150 million) in the world, and the recent Sachar enquiry revealed that many Indian Muslims face exclusion and inferior opportunities compared to their peers. Scheduled Tribes (or Adivasis) and disabled people also suffer unequal treatment and are worse off as a result.



44% of the world's unvaccinated children live in India

**Evaluations have found that the investments
DFID has made have yielded some powerful results.**

DFID has supported innovative ways of getting children into school, for example through bridge and residential courses, which have helped reduce the total number of out-of-school children by almost 18 million in the last four years.

DFID has helped India achieve considerable progress in disease control, in polio, TB and HIV, particularly through an emphasis on community involvement and targeting high risk groups.

DFID has championed civil society programmes that promote greater realisation of citizens' rights and entitlements, successfully reaching several million people in the poorest parts of India.

DFID pioneered new approaches in rural development: putting people's livelihoods first, contributing to state and national policies, and directly raising two million marginal farmers and landless labourers above the poverty line in DFID focus states.

DFID contributed to the take-off of the microfinance industry in India, by promoting new approaches to developing intermediary financial institutions, and directly supporting more than 7 million microfinance clients, nearly all of them women.

DFID helped design urban reforms, providing new approaches to the management of some of the world's largest cities, giving several million slum dwellers improved water, sanitation and other local services.

DFID's role in India

India-UK relations have never been stronger in terms of trade, economic ties, tourism, education and security. Development is a key tenet of our bilateral relationship. Since 2001 the programme has exceeded £200 million a year, spent mainly in relationships with the national government and the four focus states of Andhra Pradesh, West Bengal, Orissa and Madhya Pradesh.

Thematically, DFID has focused on economic and fiscal reform, livelihoods and enterprise, education and health, urban development and water.

What does DFID intend to do in India between now and 2015?

Our future partnership with India will build on DFID's proven strengths and work with the Three faces of India:

1 Working with *Global India* as it takes its rightful place in the world to help deliver the MDGs globally.

2 Supporting *Developing India* nationwide to achieve the MDGs across India.

3 Providing more intensive assistance to *Poorest India*, focused in the highest poverty states, and tackling gender discrimination and social exclusion.



The number of children out of primary school has dropped from 25 million to 7 million since 2003

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1. DEVELOPING INDIA AND POOREST INDIA

To deliver support to **Developing India** and to **Poorest India**, DFID will pursue a twin-track approach as most of its programmes reach out to both.

DFID's major support to **Developing India** will be through its programmes with the national Government of India to help achieve the MDGs in India. DFID will support selected nationwide schemes in education and health, and in rural livelihoods and urban development. The centrally-sponsored schemes that DFID will support will bring services and benefits to all poor Indians across India's 35 states and Union Territories. At the same time, these national programmes are those that particularly benefit **Poorest India**, targeting the poorest states, the poorest people and the most socially-excluded groups.

DFID will provide additional support to **Poorest India** through programmes in India's poorest and most challenged states, particularly Bihar, Madhya Pradesh and Orissa. DFID will focus on public sector reform, inclusive growth and health and nutrition. Andhra Pradesh and West Bengal have progressed steadily over the last decade so DFID will graduate its support by 2010/11 and redirect resources to the poorest states. There will be a growing focus on Bihar where DFID has initiated a state-level programme in partnership with the World Bank and the Asian Development Bank.

Based on India's challenges, Government of India priorities, HMG policies and DFID's experience and comparative

advantage in India, the future focus of DFID's programmes for **Developing India** and **Poorest India** will be in the following four areas:

- Education
- Health and Nutrition
- Inclusive Growth
- Governance Reform

Education

DFID's support for education will be at the national level, building on the achievements of the national universal elementary education programme, *Sarva Shiksha Abhiyan*. Enrolment, teacher recruitment and school construction have all improved dramatically in recent years, but the focus must now be on improving the very poor quality of education.

Complementary activities will include analytical and technical support to the government as it invests in the expansion of secondary education. DFID will also provide support over the next seven years to the government's flagship women's empowerment programme *Mahila Samakhya*, which educates women and girls to demand better services for themselves and their peers.

TB treatment has saved 1.2 million lives since 1997

Health and nutrition

DFID will support improved public health through programmes at both the national level and in the states we work in. At the national level, DFID's main contribution is to the Reproductive and Child Health programme which will improve health services for mothers and young children, to reduce maternal and child mortality by up to a million lives a year. In all five DFID focus states we will work with the state governments to improve the entire health system, including staffing, medicine and infrastructure.

DFID will also continue to support disease control through financing for the National AIDS Control Programme to keep prevalence below 0.5%, while expanding care and treatment. DFID will continue its support through WHO to achieve further reductions in the prevalence of TB and to try to eradicate polio from India.

There is no easy fix to the huge nutrition problem, which affects nearly half of India's children. Under-nutrition is partially a product of low incomes and poverty, and we will address this through our rural livelihoods programmes. DFID will integrate support for nutrition and nutritional education into all its health programmes. DFID is also working with the government on its main nutrition programme, the Integrated Child Development Scheme.

Inclusive Growth

DFID will work in its focus states to help the poor participate in India's growth. The microfinance industry will be expanded and small and medium enterprises will get the help they need to do business. DFID will work hard to improve the investment climate in the poorest states so that they too begin to grow and prosper. DFID will also continue rural livelihoods programmes in Orissa and Madhya Pradesh which help poor farmers to begin to profit from their land.

Governance reform

DFID will back reforms to help modernise government at the national level and in focus states. People will receive better training and computer systems will be installed to help make government more efficient and responsive to its citizens. And in India's expanding cities, DFID will use its experience in urban development to raise living standards in slums and then use these lessons to help inform national urban management policies.

Fighting exclusion

Across all its programmes DFID will pay particular attention to addressing gender inequality and other forms of discrimination, such as that based on caste. DFID will help ensure that new programmes collect and publish data on progress against gender and other social inclusion targets.

Gender equity is near achievement at primary school level, but DFID will work with Government of India to improve girls' participation in upper primary and secondary. Women's reproductive health services are central to DFID's support for health. Women's empowerment in the market place is a feature of DFID support both in microfinance (where 90% of beneficiaries are women) and in rural livelihood programmes. DFID will also provide targeted support for women's empowerment through *Mahila Samkaha*, which supports women in addressing a broad set of gender issues, including domestic violence. These programmes also promote better rights for those marginalised because of their caste, tribe or religion, and those held back by disability.

Public sector reform in Orissa enabled an extra £759 million a year to be spent on health and education



India is an emerging aid donor, primarily to the region, and is now setting up its own development agency.

2. GLOBAL INDIA

DFID will work with the Government of India in a partnership that supports the achievement of the MDGs globally. This will include work on:

- India as a Global Partner
- Multilateral Effectiveness

India as a Global Partner

At the 2008 UK-India Summit, Prime Ministers Gordon Brown and Manmohan Singh signed up to a partnership to fight poverty globally. The partnership demonstrates a commitment to work together on international policy areas that affect the poor, such as climate change, trade and access to medicines. The UK and India also agreed to collaborate on poverty reduction in third countries, and to collaborate on reform of international institutions such as the World Bank.

Cooperation on climate change will form a major plank of this agenda because poor and marginalised people will be the most affected by climate change, in India and worldwide. DFID's efforts will focus particularly on adaptation to climate change, partly by piloting new approaches such as drought-resistant crops.

DFID will continue to cooperate on trade. Given India's importance in international trade, DFID will work with India for a focus on the concerns of poor people across all poor countries. The Indian pharmaceutical industry is a major supplier of low-cost generic drugs to poor consumers in Africa and South Asia including two thirds of anti-retrovirals to Africa and DFID will work to support this industry.

Increasingly, India is making development investments in Asia and Africa. If the UK and India combine experience, resources, expertise and skills we can have a major impact on poverty in these countries. The UK and India will also share views on the role of the international development institutions and agree ways to use our combined influence to press for improvements that will enable these institutions to have a greater impact on poverty.

Multilateral Effectiveness

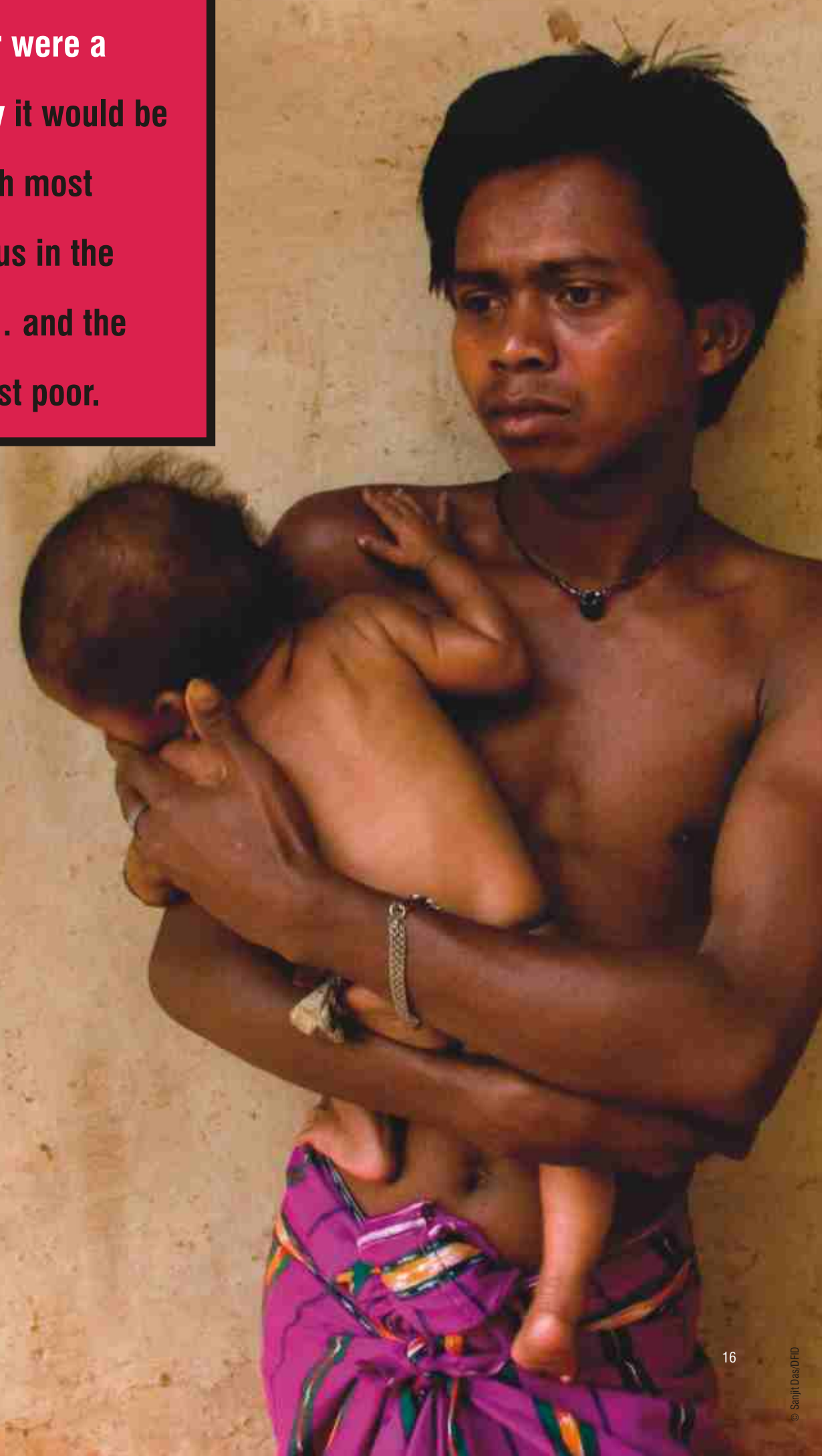
DFID works closely in India with the World Bank, the Asian Development Bank, UN organisations and the European Commission. Over the period of this plan, the overall objective of our collaboration with these multilaterals will be to help them achieve their own poverty targets. DFID will introduce a "One UN Fund" designed to support more effective UN coordination and to help deliver the UN's national plan.

Where do we want to be in 2011, and in 2015?

DFID's programmes aimed at Developing India and Poorest India have targets fully consistent with the Millennium Development Goals. DFID's targets for its work with Global India support the achievement of all the MDGs, in India and globally. If fully met, we expect to see the following results:

Developing India and Poorest India		2011	2015
Education	Less than 3 million children out of elementary school, secondary enrolment up to 75%, improved girl/boy ratio and pass rates demonstrate increased quality.	All children regularly attend elementary school, secondary enrolment rises to 80%, pass rates consistently meet national standard, and girl/boy ratio rises still further.	
Health	Maternal mortality rate is 250/100,000 live births and under five mortality rate is 60. Less than 40% children are underweight in DFID focus states and TB prevalence is reduced by 30% from 1990 levels.	Maternal mortality rates down to 225 and under five rate down to 48. Less than 37% children are underweight in DFID focus states and TB prevalence is reduced by 50% from 1990 levels.	
Rural livelihoods	Rural poverty falls to 34% in Orissa, 23% in Madhya Pradesh and 11% in West Bengal, and 16 million hectares are covered by national watershed management.	Rural poverty falls to 30% in Orissa, 19% in Madhya Pradesh and 9% in West Bengal, and water supply and resilience to drought are improved nationally.	
Economic services	Number of microfinance beneficiaries rises to 15 million and investment climate improvements achieved in focus states.	Number of microfinance beneficiaries rises to 25 million and focus states record higher investment and growth.	
Governance reform	More public money spent on poor and greater accountability for the provision of public services in focus states.	More public money spent on poor and greater accountability for the provision of public services across the country.	
Urban reforms	Policy reforms in India's 45 largest cities so that 85% of the urban population in those cities have clean water, plus slum-upgrading in 20 major cities.	Policy reforms in India's 63 largest cities so that 85% of the urban population in those cities have clean water, plus slum-upgrading in 20 major cities. MDG sanitation target met.	
Global India		2011	2015
Climate change	DFID adaptation pilots are scaled up, emissions rise more slowly than growth, India supports a fair post-Kyoto agreement.	Institutions set up to manage climate risks to poor, emissions continue to rise more slowly than growth, and India benefits from post-Kyoto financing.	
International	India and UK collaborate as donors and Indian trade with poor countries increases.	India is recognised as an effective donor, and is an active advocate for open, rules-based trade in support of poverty reduction.	
Multilateral effectiveness	Multilateral banks' performance improves in poorest states and nationally, and UN Development Assistance priorities on track.	Multilateral banks better placed to support poverty reduction across India and One UN Plan set up and delivering good results.	

If Bihar were a country it would be the 12th most populous in the world... and the 6th most poor.



Resources

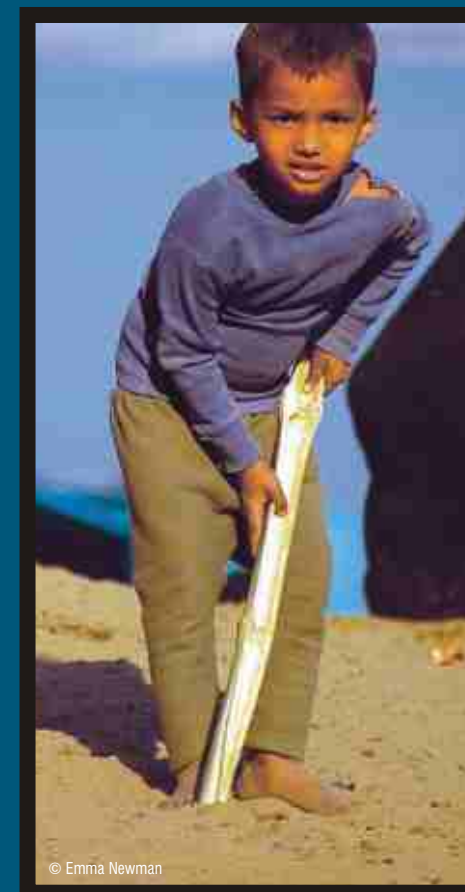
To implement the above programme and objectives, DFID will spend £825 million during the period 2008/9 to 2010/11. A budget has not been set beyond this period, but depending on developments, the overall aid allocation is likely to decline as India becomes a Middle Income Country. The focus of our assistance would shift more towards technical cooperation.

**One in three
women
has reported
domestic violence**

**Working with
Global India**

**Supporting
Developing India**

**Assisting
Poorest India**



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