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The impact of Aid on Education Policy in India

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The Impact of Aid on Education Policy in India[1]

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Abstract

In the early 1990s, large numbers of children in India remained out of school. International commitments to achieve education for all (EFA) globally meant that India was an important case for donors. India was pressed to accept aid for primary education, and agreed with some reluctance. Although subsequent donor involvement was substantial and influenced aspects of both policy implementation and management, it is shown that Indian education policy priorities remained self-determined. The Government of India – though falling short of securing universal education for its children - succeeded in using external resources and expertise in ways which suited its own purposes, whilst minimising external impact on policy development. The politics and economics of this process are discussed.

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Introduction: Education, Aid and Development – the shift to basics

During the past three decades the importance attributed by governments and international agencies to investment in basic education has changed profoundly. During the 1960s and 1970s, primary education was given far less emphasis in national economic plans, and aid documents, than was accorded to the higher levels of education, which were judged to be the central means of producing the skilled 'manpower' needed to achieve rapid economic growth in the countries of the South. During the 1980s, however, evidence that primary schooling provided an important means of reducing poverty began to emerge (Colclough 1982; Behrman 1990). This showed that primary schooling not only gave better access to formal sector employment for poor households, but that it provided skills which brought greater productivity in rural and informal work, and encouraged behavioural change (particularly in the areas of health, nutrition and fertility) which allowed a range of other development objectives to be achieved. This evidence became increasingly influential in investment allocation, leading to significant changes in the practice of aid policy, and in the extent to which developing country governments gave renewed emphasis to primary education in their own plans and programmes.

As a consequence of this changing balance of evidence, many aid agencies increased resources for primary schooling. A watershed for such attitudes was the World Conference on Education for All, held at Jomtien, Thailand, in 1990, jointly convened by the World Bank, UNICEF, UNESCO and UNDP. It proposed the attainment of universal primary education (UPE) by 2000, and five additional undertakings on other aspects of access to education and the quality of learning were affirmed (UNESCO 1990). A UNICEF paper, presented at the conference, indicated that these bold targets were attainable provided that sufficient resources were made available by national governments, supplemented by significantly increased levels of international aid (see Colclough with Lewin 1993). Arising from the conference both the World Bank and UNICEF announced ambitious increases in their intended support for primary schooling. DFID also signalled its intention to put increased emphasis on the primary sector, and on adult literacy and non-formal education (ODA 1994) – a trend that was to define its approach during the first decade of the new century (DFID 1999). A number of other donors (notably Netherlands, Canada, and Sweden) were to reveal similar intentions. The global commitments made by developing country governments at Jomtien to achieve the education for all (EFA) targets in their own countries suggested that there would be no shortage of willing recipients of this newly-pledged aid support.

India was to be prominent amongst such choices. Of the global total of some 145 million children of primary-school age who were out of school in the late 1980s, some 60 per cent were resident in four countries - India, Bangladesh, Pakistan and Nigeria (Lockheed, Verspoor and Associates 1991: 28-9) - and up to half of them (some 30-40 million children) were estimated to be in India. Because of the sheer size of the Indian population, and its rate of growth, the annual additions to the Indian primary-age cohort were larger than anywhere else. Accordingly, with more than one million new places needed every year simply to avoid retrogression in the proportion of children enrolled, the task of achieving UPE in India was the most daunting facing any nation (Colclough with Lewin 1993: Table A1). India's experience would thus be a critical determinant of global progress. Reflecting this perception, over the years following the Jomtien conference, international aid to education in India increased to a level which, by the century's end, was larger than for any other country. Although it fell back subsequently, transfers remained substantial in comparative international terms (UNESCO 2008: 402).

India's experience is, therefore, important to examine, if we wish to learn about aid's impact on education policy. This paper investigates the objectives of the donor agencies providing aid to Indian education, and of the government in accepting it. An assessment of aid's policy impact is undertaken, using both documentary sources and evidence from interviews with members of the donor community, the central government and civil society. [4]

Total Aid flows to India – patterns and causes

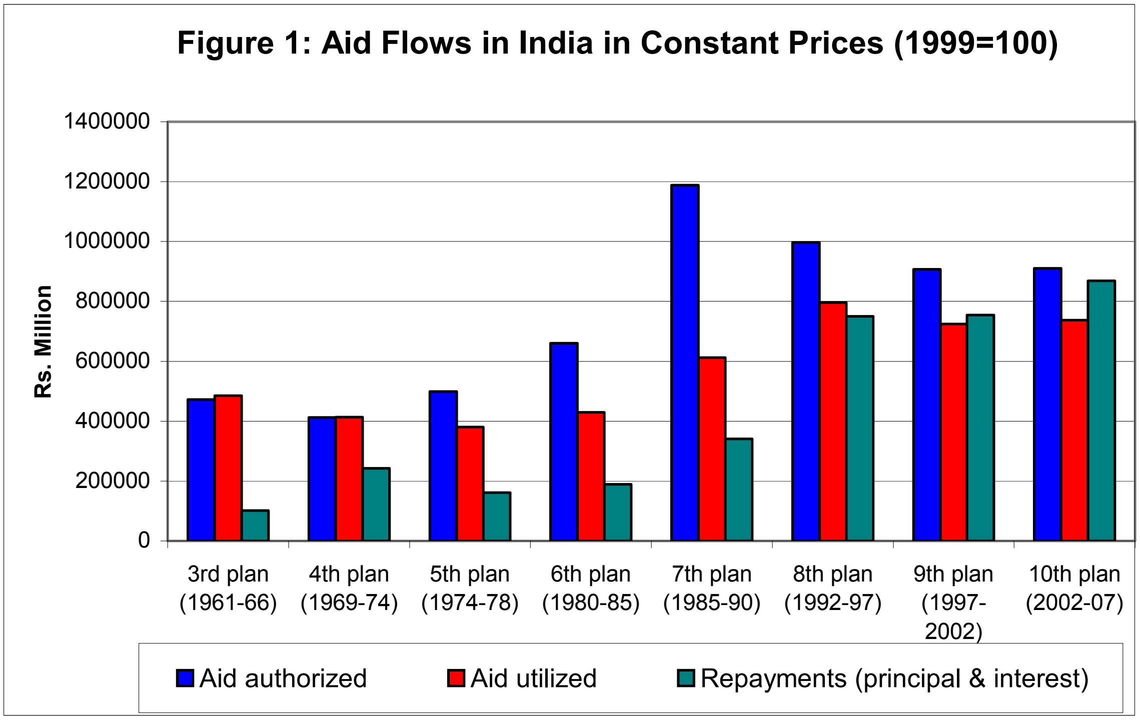
Because of the sheer size and relative poverty of much of its population, India has always stood out among other aid-recipient countries. Since the 1950s, the country has been a major recipient of foreign aid, accounting for between 5 and 7 percent of total official development assistance (ODA) during its first four decades of independence. In absolute terms it was always amongst the top three recipients of net aid until the late 1980s (Lipton and Toye, 1991: 3). This dominance has continued to the present day. Aid to India still accounts for about 4 per cent of total aid disbursements, and India's aid receipts of about $4 bn. in 2005 and 2006 were exceeded only by the large and exceptional levels of debt forgiveness accorded to Iraq and Nigeria in those years (OECD 2008).

On other measures, however, India can be judged to be substantially under-aided. For example, during the 1990s its aid receipts averaged only around $2 per person per year, compared with the middle-income country average of $9 (Degnbol-Martinussen, Engberg-Pedersen and Bille 2003), whilst in 2006, India's average of $4 per capita compared with $12 for the average middle income country in that year (and with much higher values, of course, for many of the poorest countries) (OECD 2008). From the mid-1950s until 1980, the real value of total aid remained roughly constant at around Rs. 80 bns per year (in 1999 prices).[5] However, over the following five years the real value of aid flows to India increased - roughly doubling by 1990 to around Rs. 150 -160 bns per year, since when they have again remained roughly constant.[6] But the subsequent rapid growth of the Indian economy meant that the direct contribution of aid to India's overall economic activity fell to little more than 0.1% of GDP by 2006 (OECD 2008). Accordingly, although aid initially made an important contribution to the government's investment programme, over the past ten years this has become much less significant, and in GDP terms its quantum is now tiny.

Its net value significance is further reduced by two other characteristics. First, there has been a gap between the amount of aid which agencies have agreed to supply and the amounts which have actually been forthcoming (Figure 1). By the 7th plan period (1985-90) aid receipts were running at only about half of the agreed levels and recovered only to about 80% of what had been agreed throughout the 9th and 10th plan periods. Amongst several causes of this unsatisfactory

[4] Where interview material is referred to in the text it is indicated in the form: 'Int.1', 'Int.2', etc. The past and present functional roles of interviewees are described in the Annex. Their names and precise jobs are omitted, to preserve anonymity.
[5] This was equivalent to $1.86bn, at the 1999 exchange rate of $1=Rs.43. Subsequently the rupee fell by up to 10% in dollar terms, but was at a value of around $1= Rs.46 in early 2010.
[6] See Appendix Table 6B, which shows aid receipts under each of the five year plans.

performance was that, since the financing of education had become a responsibility shared between the central and state governments (see below), the Government of India (GOI), rather than the State ministries, was directly involved in aid negotiations. This encouraged a gap between planning and implementation, and slowed the process of aid disbursement.



Source: *GOI (1990-2007) – various years*

A second factor which has reduced the net value of aid is its more frequent provision in the form of concessional loans (90% of the total from the 1990s onwards) than grants: partly because of an increased proportion of aid coming from multilateral sources.[7] Accordingly, the grant element of aid is substantially less than the gross figures suggest and interest payments on past loans increased markedly after 1990. Indeed, from 1997 onwards, repayments of interest and principal by the Indian government actually began to exceed the value of new aid receipts (Figure 1). Thus, net aid transfers to India have actually been negative over the past decade.

The UK provided more than half of the value of all grants received by GOI during 2000 - 2007. A further 17 percent came from EEC, with 5 per cent each from Germany and the Netherlands. Japan has also been a major donor, mainly supporting infrastructure and environmental protection projects by means of a large loans programme. Over 20 per cent of the value of all loans received by GOI since the mid-1980s were from Japan, with a further 60 per cent coming from the World Bank and IDA. In all, some 20 countries provided grants or loans over the period since the late 1980s. Five multilateral institutions – ADB, IDA, IBRD, IFAD and OPEC - have also been important donors.

Nevertheless, as the proportionate importance of aid to the Indian economy fell during the 1990s increased skepticism about the need for aid became evident in government circles. This was

[7] See Appendix Table 4A, 4B and 6B.

fanned by the mid-decade suspension of aid by a number of donors (including - *inter alia* - USA, Canada, France, the Netherlands, Italy and the Scandinavian countries) in response to India's nuclear testing programme. Equally, India had itself become a significant provider of aid (Saxena 2003), and its aspirations for UN Security Council membership seemed unlikely to be furthered by its continuing to be a major aid recipient.

In 2003, a newly elected Bharatiya Janata Party (BJP) Government sharply changed the government's policy on aid. Giving little notice of its intentions, it terminated agreements with all except six large bilateral donors (UK, Germany, Japan, USA, European Union and the Russian Federation).[8] Interviews with GOI staff in Delhi indicated that this was partly in response to a number of technical factors: the many small donor agencies expected separate dealings with government; these costs were enhanced by aid requirements which reflected the planning cycles of the bilaterals rather than those of India. Quite separately, the GOI was more comfortable with receiving aid from multilateral agencies, on whose governing bodies they were represented, than from the bilaterals, whose agenda India could do little to control (de Groot et al 2008; Int. 7). Those agencies with smaller programmes were henceforth allowed to contribute to NGOs directly, provided that the recipient organizations had prior government permission to receive foreign currency for their work, or alternatively to route their finance through a multilateral agency. All technical assistance programmes were also allowed.

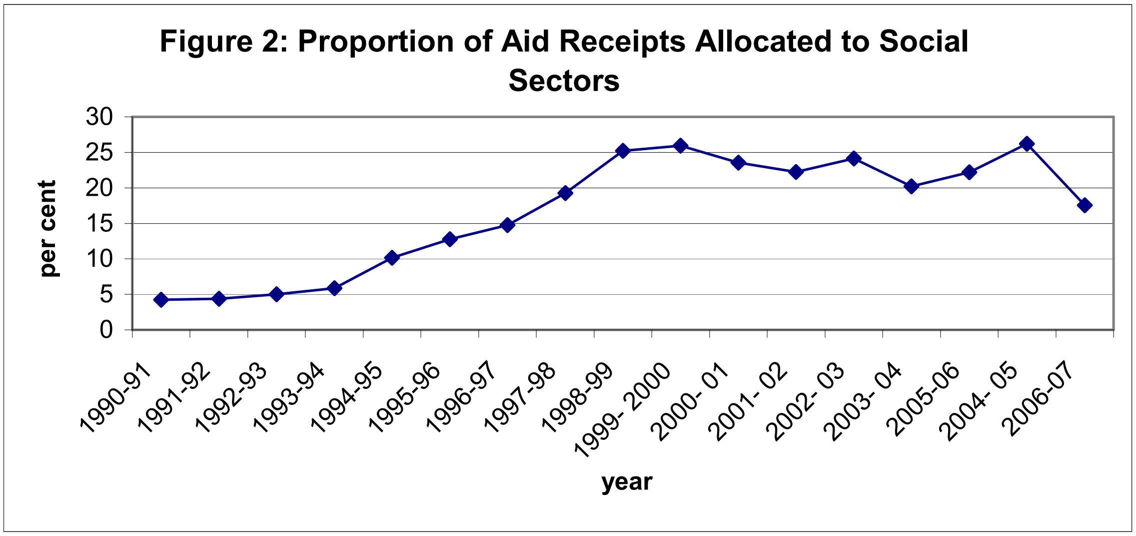
Nevertheless, it seems that the dominant motive of the new Government was political. The BJP administration was more conservative than its predecessors and suspicious of allowing foreign agencies freedom to support NGO and other initiatives in an uncontrolled way (Int. 14; Int. 11). They also intended "to signal a change in India's status from 'aid-taker' to 'aid-giver'" (Saxena 2003). Following the installation of a new Congress Party government in 2004, bilateral development cooperation was accepted again from all the G8 countries and those providing more than $25m. per year. Nevertheless, these modifications of the rules were not sufficient, nor timely enough, to change the exit decisions of some of the bilateral donors.[9] Their numbers remained much reduced compared with the position pre-2003[10] and only three countries were re-included in the list of bilateral donors (France, Italy, Canada).

Over the half century since aid to India began, not only have there been significant changes in the number of agencies and aid volumes, but there have also been major shifts in the composition of aid. Initially the focus was on providing bilateral food aid, which accounted for about 9 per cent of aid receipts during 1966-74, mainly provided under US Public Law 480 (Lipton and Toye 1991: 50-1), and on supporting the foreign exchange requirements and investment expenditures of India's successive Plans. During the 1990s, however, significant proportions of aid were allocated, for the first time, to the

[8] For these purposes the EU was treated as a 'bilateral' donor. See Shiravkumar 2003.

[9] There is evidence, however, that at least two of the agencies had already decided, for separate reasons, to scale down their aid programmes sharply. Thus the BJP ruling provided them with a convenient justification for their intended action (Int. 11).

[10] The bilateral aid programmes of Canada, Denmark, Italy, France, Norway, Netherlands and Sweden, were either not renewed or were reduced to insignificant proportions after 2003, as were grants from UNICEF, IFAD and Ford. In the case of the latter group there was a shift from providing grant finance to GOI for specific development purposes towards directly funding Indian NGOs, as encouraged by the government from 2004.



Source: *GOI (1990-2007) – various years*

social sectors.[11] Such allocations rose rapidly from less than 5 per cent in 1990 to more than one-quarter of total aid by the turn of the century, since when they fell back somewhat (Figure 2). These trends were led by education, altering the overall profile of aid to India, and changing its relationship with some of its key donor partners.

Aid to Education in India – Shifting Priorities and their causes

Before 1990, aid to Indian education had been small. The school system had been mainly domestically financed, and aid was focused on post-secondary, technical and vocational education. GOI judged it neither necessary nor desirable to involve outsiders in plans for the primary/elementary school systems.[12] However, during the late 1980s, a number of strategic developments in both education and the economy presaged a change. For reasons discussed later, aid to education increased sharply and was, almost exclusively, directed towards elementary education.

The resulting picture of aid to elementary education from the 7th to the 10th Plan-periods is summarized in Table 1.[13] It should be noted that estimates of aid flows vary, depending upon at what point in the transfer process they are measured. Pledges made by donors (column 2) are often reduced when the monies are allocated for agreed purposes (Column 3), but only when they are utilized for the payment of project or programme costs does the transfer take effect (Column 4). It is this final step which provides the closest measure of aid receipts.

[11] Social sector expenditures include those on education, health, livelihoods, water and sanitation, government and civil society, and other social infrastructure projects.
[12] Primary education in India is years 1-5, and upper primary is years 6-8. Elementary education refers to both of these cycles together.
[13] Most aid is allocated to Centrally Sponsored Schemes (CSS). Resources go, via the Department of Education, to state budgets or directly to District Rural Development Agencies (DRDAs) or to State Implementation Societies (SIS). However, estimates from different sources are not always consistent.

Table 1
Expenditure allocations for Elementary Education during different Plans

(Rs. millions)

Five Year Plan	Total Approved	External aid allocated	External Aid utilized
7th Plan 1987-1992	6580	n.a.	81
8th Plan 1992-1997	40060	6320	6130
9th Plan 1997-2002	147540	87240	40930
10th Plan 2002-2007	287500	49040	38270

Source: Annual Financial Statistics, GOI, relevant years
http://education.nic.in/planbudget/planexpen.pdf (p12) for tenth plan
Note: Utilization data for 2006-7 are not available. Data on allocation have been used for that year.

The table shows the rapid increase in levels of aid to elementary education (both approved and allocated) from the Seventh to the Tenth Plans. In current prices there was more than a 40-fold increase in aid approved for those purposes over the two decades. Nevertheless, just as for total aid, the resources actually received were much less. Only about 20 per cent of the resources approved were allocated during the 10th plan period, and levels of utilization were lower still, particular during the 9th plan.

Table 2 confirms the rapidly rising trend of real aid receipts for education throughout the 1990s. Although in 2002-3 when external aid was towards its peak, aid accounted for only 1.5% of total education expenditure and 3% of expenditure on elementary education, as a proportion of development expenditure its role was much more substantial. It increased from 5 per cent of central government plan[14] expenditure on education in 1993-94 to 20% in 2000-01 (Tilak 2008). The proportion was even higher for elementary education, rising from 10% to 35% over those years. Thus, aid donors financed a significant part of the development costs of elementary education expenditures in India over several years. In principle, therefore, their influence over some aspects of the programme may have been substantial. Whether, and in what ways, this is so are explored in what follows.

[14] Plan expenditure includes both the recurrent and development expenditures required to finance additional programmes specified under each five-year plan. At the end of the plan period, the recurrent parts of plan expenditure remain as an ongoing commitment, and become part of non-plan expenditure.

Table 2: Estimates of Foreign Aid to Elementary Education in India

(Rs. millions)

Year	External aid to elementary education (current prices)	External aid to elementary education (constant prices: 1999=100)
(1)	(2)	(3)
1992-3	40.0	69.0
1993-4	97.6	153.6
1994-5	1033.3	1478.4
1995-6	2159.4	2826.8
1996-7	2016.2	2520.8
1997-8	5618.9	6408.1
1998-9	5853.0	6176.5
1999-2000	7290.0	7373.2
2000-1	9480.0	9246.9
2001-2	12123.4	11424.9
2002-3	13830.9	12641.9
2003-4	9395.9	8271.8
2004-5	6834.5	5714.8
2005-6	19965.0	15985.9
2006-7	16470.0	12628.2
2007-8	16776.0	12253.3
2008-9	15840.0	10767.5

Sources: Bashir (2000) up to 1998-9; Tilak (2008) for years 1999 to 2001; expenditure budgets of GOI from 2001-2
GDP deflator: source: http://www.economywatch.com/economic-statistics/India/GDP_Deflator/

First Phase (to 1990): The beginnings of aid to elementary education - many projects, several donors.

India's Planning Commission adopted a sectoral approach towards education from its initial years of planning.[15] Reflecting the constitution's commitment, in 1950, that the state would endeavour to provide, within ten years, free and compulsory education to all children up to the age of fourteen years, Indian plans had from the beginning given priority to primary/elementary education. The first five year plan (1951-56) aimed to achieve 60% enrolment of those aged up to 11 years - up from 40% in 1950.[16] Secondary schooling would need to grow in step with primary from around 10% to 15% of the age group. No quantitative targets were set for tertiary enrolments, where the emphasis was placed upon consolidation rather than expansion. So although universal elementary education (UEE) was a declared target, a balanced development of the sector as a whole was advocated.

In this and subsequent plans, the government provided development finance to the States through the Planning Commission, to help meet the capital needs of their education systems. However, by the mid 1970s, the education sector had expanded considerably and the states found it increasingly difficult to meet even the recurrent expenditures of the sector. During the fifth plan (1974-78), whilst elementary education remained prioritised, the annual financial allocations had

[15] See, for example, Chapter 33, 'Education', in Government of India (1951-56),

[16] One contemporary observer commented that 'India's economy will not permit achievement of anything like the constitutional goal; indeed it will be strained to meet the modest goals of the Planning Commission' (Wood 1955: 523). This observation remained apposite over the following half century.

to be reduced from the levels originally planned owing to state-level resource constraints. It was clear that further support from central government would be required.

The Constitutional Amendment of 1976, moved education from the State list to the Concurrent List,[17] thereby enabling the central government to contribute more to state-level education finance and to be involved in education planning. However, the sixth plan document observed that the problems in elementary education went beyond a lack of finance and it was necessary to bring about "changes and improvements in the system through increased attention to non-monetary inputs" (GOI 1980-85:Section 21.47). Growing concern about this need for reform led, during the seventh plan period (1985-90), to a number of strategic developments in education and its governance and, for the first time, to an inflow of foreign aid to support elementary education.

In 1986, early in the Seventh Plan period, the National Policy on Education (NPE) was formulated. This brought a new emphasis on elementary education, stressing the needs for universal enrolment, and substantial improvements in the quality of education. As part of the implementation of NPE a new Centrally Sponsored Scheme (CSS) - `Operation Blackboard' (OB) - was launched, that for Non-Formal Education was revised and new schemes for teacher education were also begun. These developments formally signalled a change in the role of GOI in school education, taking "a larger responsibility to reinforce the national and integrative character of education, to maintain quality and standards …. and to study and monitor the educational requirements of the country" (GOI 1985-90: Vol. II, chapter 10).

For the first time foreign assistance was accepted for several projects in primary education which aimed at extending its coverage and quality in innovative ways. The motivation here was not so much to secure financial support, as to profit from innovative experience elsewhere. There were few commonalities among them and the national government had to negotiate with each donor separately (Ayyar, 2007). They were, by nature, pilot projects, usually involving modest amounts of resources. Initially, they were included in state plans, but later projects were financed by transfers from GOI as part of the centrally sponsored schemes.

The first group included the Andhra Pradesh Primary Education Project (APPEP), funded in 1986 by British Overseas Development assistance, and some non-formal education projects funded by UNICEF. The objective of APPEP[18] was to improve the quality of primary education in the project area by (a) providing school buildings and class-rooms of improved quality; and (b) enhancing the professional competence of teachers and supervisors of primary schools through training programmes. Then followed the Shiksha Karmi Project (1987), funded by the Swedish International Development Agency (SIDA), which sought - through better selection of local teachers by communities and provision of intensive pre- and in-service training - to address the problems of teacher absenteeism in difficult-to-access areas in Rajasthan. A third important initiative at this time was the Mahila Samakhya Project in Uttar Pradesh, Gujarat and Karnataka

[17] The legislative powers of the central and the state governments are demarcated by the union, state and concurrent lists given in the Seventh Schedule of the Constitution of India. They regulate the spheres of influence of the Centre, the states, and the centre and the states combined, respectively.

[18] Although the expenditures on APPEP were small for India, they were substantial for a donor agency. The British Overseas Development Administration commented that APPEP was 'one of the most ambitious education projects ever supported by the ODA' (ODA 1990:10). Most expenditures, however, occurred on an expanded second phase of the project, after 1990 (Al Samarrai, Bennell, Colclough, 2002:24).

(1988-90) funded by Dutch aid. This focused on empowering women from disadvantaged backgrounds, to enable them to take decisions about their own lives and environments and to create an educational opportunity which could help their – and their families' - further development.[19]

These projects focused on provision within specific districts or blocks within districts, rather than across entire states. They were different from other CSS in that they were managed by autonomous 'state implementation societies' – although the state's education secretary was their formal head. These societies, derived from experience with the Rajasthan Shiksha Karmi Board, were supervised by government bureaucrats, and were subject to tight financial control, but were not bound by rigid government norms in their day-to-day functioning. They were believed to be flexible and effective, and were to become the usual implementation mechanism both for all aided projects and for other CSS in education.

Second Phase (1990 - 2002): More donors, shifting from small projects to large scale programme support.

During the early 1990s important changes in the macro environment occurred. Firstly, by 1990/91, India had developed an unsustainable gap between public expenditures and revenues, which required urgent attention. The attempt to stabilize the situation led to sharp reductions in public expenditures over the following two years, with consequent expenditure reductions in the social sector.[20] Secondly, in 1992, constitutional amendments were adopted which allowed for decentralization of governance. For education this meant a transfer of school management responsibilities to local bodies at district, village and block levels. The eighth plan document (1992-97) shifted the development focus down from educationally backward states to educationally backward districts. It also specified conditions for the acceptability of international aid: henceforth, aid resources had both to provide additional capacity beyond what was already being funded, and (reflecting earlier project experience) support innovative projects emphasising community participation, widening access and improving quality (GOI 1992-97: vol 2, section 11.5.30). The changing role of aid in elementary education can be explained in the context of these conditions.

Over the following decade, the volume of aid to education in India increased substantially. More donors – including some with very limited resources - were keen to support elementary education projects, particularly in backward states and districts. These included the Bihar Education Project (1990) supported by UNICEF, the Lok Jumbish project (1992) in Rajasthan supported by SIDA and the Uttar Pradesh-based education project (1991) supported by the World Bank. In addition, small amounts of foreign assistance from UNFPA and UNICEF were made available for specific project components of different institutions (Ramchandran, 1999).

[19] See MHRD website: http://www.education.nic.in/cd50years/g/U/9F/0U9F0701.htm. Other, smaller initiatives at this time included a Non-formal Education Project funded by NORAD.
[20] The fiscal deficit was reduced from 8.3% to 5.7% of GDP between 1990/1 and 1992/3, largely because of expenditure restraint, particularly within state-owned enterprises. (Toye 1999:18-19)

The new set of aided projects was based upon a more comprehensive strategy than the earlier generation. For example, the Bihar Education Project (BEP) covered all components of basic education and, reflecting the new aid conditions, it incorporated a simultaneous process of people-mobilization and micro-planning at district levels. Lok Jumbish also relied heavily on mobilisation and sought to bring about as much decentralisation of management, accountability and relevance to the educational system as possible. In both cases, project management was vested in state implementation societies.

However, the process by which GOI accepted the World Bank as a major donor for elementary education took some considerable time. Although the Bank had been keen to give assistance to primary education since 1987, there was deep seated resistance towards it in India, particularly so amongst senior Ministry officials. The popular perception was that the Bank was a "domineering" partner which adopted a "hands-on management style in project design and management", having "the propensity to offer universal prescriptions, to ignore country experience, to induct expatriate consultants regardless of need, and to insist on setting up the recipient country parallel project structures" (Ayyar 2007). This was thought to be inimical to building up capabilities within the Indian system. In their dialogue with the Indian government the World Bank argued that they considered ownership and capacity-building essential for project sustainability (Int 16). But these arguments proved unconvincing to GOI.

During the 1990 Jomtien conference, the World Bank placed further strong pressure upon the GOI to accept aid for education. GOI were invited to set their own terms - a reflection of the importance placed by the Bank upon its securing an Indian basic education programme.[21] The 1986 education policy had set India's agenda by giving absolute priority to elementary education; so policy differences were not at issue, but in early 1990, India did not feel constrained financially, and nothing was agreed. Shortly afterwards, however, when India's foreign exchange crisis appeared, broader external support was required. In response to a GOI request, the World Bank indicated that IDA support would be forthcoming, but only if aid for primary education were accepted. In the new circumstances the Ministry of Finance pressed the Ministry of Human Resource Development to accept the Bank's condition and, in 1991, an IDA loan to support basic education was agreed for 5 districts in Uttar Pradesh. However it took almost two years for the Bank, the GOI and the Government of UP to agree on the project design.

Prior to 1992, some states had been identified as educationally backward and had for that reason received central assistance under CSS. But examination of district-level data showed that the inter-district variations were more significant than the inter-state variations. Moreover, it became apparent that states were too large and varied to serve as homogeneous units for educational planning purposes, and there was no guarantee that funds allocated to backward states would be spent on the backward districts within them. The putative success of the Total Literacy Campaign (TLC), which had used districts as its unit for planning, added weight to this view.

Accordingly, in the eighth plan document, districts were divided into four categories, each with different plan strategies. However, domestic funding was scarce, given the onset of economic

[21] Further testimony to the Bank's persistence is indicated by its being the topic for a discussion between the World Bank President, Barber Conable and the GOI Minister of Education, during the Conference. The matter was judged too significant to be settled by negotiations at the official level. (Int 16)

crisis, and few district projects were at that time funded by aid. This was recognized by the World Bank which offered a Social Safety Net Adjustment (SSN) Credit to support the district-based programme. Being well aware of India's reservations about accepting aid for education, the Bank was very open to conditions being set by GOI.[22] The European Community (EC) had also shown interest in funding projects in primary education since 1991, and the following year offered programme assistance to complement the forthcoming SSN credit. This enabled the Indian government to launch the District Primary Education Programme (DPEP) in 1993/4, the first education project funded from multiple sources to be developed indigenously. The central and state governments were expected to finance DPEP projects in the ratio 85:15, with aid from the World Bank, EU, DFID, UNICEF and the Netherlands supporting the GOI contribution.

The resulting programme, which aimed to provide at least four or five years of good quality education to 6-14 year-olds,[23] initially covered 42 districts across 7 states (three each from Kerala and Tamil Nadu, four each from Assam, Haryana and Karnataka, five from Maharashtra and 19 from Madhya Pradesh). These districts were chosen according to two criteria – those where female literacy rates were below national average, and where TLC campaigns had been successfully implemented. In 1997, under a second phase of the programme, coverage expanded, albeit with variations in quality, from 42 to 117 districts and, by 2000, some 219 districts in 15 states were included in the programme (World Bank 2007).

The project design built upon national experience in elementary education, in TLCs, and in implementation of the earlier aided projects. In line with the directions of the eighth plan, DPEP became the first externally aided project with requirements for 'additionality' being imposed: participating states were required to maintain expenditures on elementary education at least at 1991/2 real values, in order to be eligible for foreign funds (Varghese 1994). This condition aimed to ensure that aid would not substitute for state budgetary allocations (as had happened during the initial years of APPEP). The programme was implemented through the state implementation societies, and other characteristics of the earlier, more flexible, project management models were also adopted. The focus was on community mobilization and participation, textbook creation, professional development of teachers, improved classroom practices, early childhood education and reform in educational management and planning, in line with the new plan guidelines. An additional major difference from earlier schemes was that the targets were specified in terms of outcomes rather than inputs. In encouraging non-formal education and non-traditional teaching methods, DPEP brought contrasts with the state system which were not always popular.

As will now be clear, education projects in this period (both DPEP and the other smaller aided projects) were implemented in many districts by state implementation societies, whereas elsewhere the system remained the responsibility of the state education department. There were thus major inter-district variations in school management and planning. DPEP districts were often seen to have more favoured status, including in levels of remuneration, which led to resentments building up amongst workers elsewhere.

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[22] One condition was that the Bank should have at most two education staff-members in the Indian office (Int.16).

[23] The length of the primary cycle had developed differently across the country, and DPEP respected the existing practice of States.

From the donors' point of view the DPEP programme took on the properties of sectoral support, whilst remaining in project mode. During its final phase, it covered some 219 of 575 Indian districts.[24] There had been no prior structure for grant support of this kind, and the modality, as it evolved, acquired many of the essentials of later Sector Wide Approaches (SWAPs). Joint Review Missions (JRMs), for example, were used biennially for monitoring purposes from 1993/4. Albeit somewhat unwieldy, with 30-40 agencies represented, they became models for future sector support. Whilst states were the ultimate recipients, the aid dialogue was always with the GOI. The triggers for additional funding being released by donors were the successful attainment of programme and expenditure targets. Otherwise, there were no official conditionalities (Int 7).

As mentioned, in 1998, following India's nuclear tests, several donors decided to withdraw from India. In the education sector, SIDA was the most important to leave, since it had been supporting two leading programmes – Shiksha Kami and Lok Jumbish (see below) - in Rajasthan. Those projects faced a temporary crisis, and alternative financing arrangements had to be made. This incident underlined, for many Indians, the intrinsic risks associated with having strong dependence upon external funding, and heightened unease about aid in senior government circles.

Third phase (from 2002): Stronger harmonization, fewer agencies.

The regular evaluations of projects part-funded by aid, and particularly the experience of DPEP's JRMs, provided many lessons. These informed the design of the GOI's new national elementary education programme, Sarva Shiksha Abhiyan (SSA), launched by GOI in 2001/2, which retained most of the DPEP goals. Coverage, however, was extended to all districts and it aimed to universalize not only primary (classes 1-5), but also elementary education (classes 1-8). Whereas the basic DPEP unit for planning was the district, in SSA it shifted down to the level of the habitation. Thus, notions of decentralized planning and implementation were central to its design. The national SSA programme was intended to absorb all existing schemes in elementary education, including not only DPEP but also other externally-aided programmes.[25] Its financing, however, was not to prove straightforward.

It will be recalled that aid as a share of total education expenditure peaked in 2001-2 and subsequently decreased – partly a consequence of the changes to Indian policy in 2003 which reduced the number of agencies, but also reflecting a major change in the nature of interactions between donors and the Indian government.

Many of those bilaterals which, from 2003, were excluded on account of the size of their overall aid programme to India, could hardly be judged small in terms of their aid contribution to education. The Netherlands, for example, put close to Rs 3bn. annually into programmes for women's education and empowerment (Mahila Samakhya), for social science research, and for local governance reforms in Kerala. Similarly, the Scandinavians had noteworthy collaboration

[24] Somewhat surprisingly, notwithstanding this substantial size, at least one major donor continued to view DPEP as a pilot programme throughout the whole period (Int. 7).
[25] Note, however, that DPEP continued in 22 districts until early 2007 and in 8 districts of Orissa until mid 2008.

in the areas of fishery and social forestry and, in education, in Lok Jumbish and Shiksha Karmi. The aggregate annual support from all the agencies which were excluded under the new provisions amounted to some 5% of total aid to India (Sethi, 2003).

Although these donor agencies were given the opportunity to fund NGOs directly, subject to their meeting new clearance conditions, its immediate impact was to reduce the number of donors to Indian elementary education. After 2003, only the World Bank, DFID and the European Commission remained (with the other bilaterals phasing out their support of elementary education). Given the Indian government's traditional reluctance to let donor countries influence its policies, together with increased efforts by donors to use programme-based approaches, and to work more consistently within recipient's own planning frameworks,[26] the donors accepted the new conditions set out by the government.

Although GOI launched SSA without any financing from bilateral partners, insufficient resources were mobilised from internal budgetary sources and, in 2004 it requested the World Bank (IDA), DFID and EC for assistance. By consequence, from a total projected cost of $3.5 bn. the donors jointly committed to providing around $1.046 bn. during the Tenth Plan – i.e. around 30% of the total. The World Bank was the major partner – providing a loan of nearly half the agreed amount (48%) while DFID (33%) and EC (19%) provided grants to cover the remainder. The Centre passed on aid resources to the states as a grant, irrespective of the form in which the aid was received.

GOI took responsibility for funding 45% ($1.58 bn.) and the states 25% ($875 m.) of the programme development and recurrent costs over the Tenth Plan period. Also in 2004, an annual education cess of 2% was added as a supplement to all existing taxes, to be used by GOI solely and exclusively for elementary education.

The twin national sources of finance proved to be very fruitful for SSA. The funds from the education cess allowed the GOI to provide much higher allocations than anticipated, and the States mainly matched these allocations. However, the contributions from the donors were predetermined. Accordingly, whilst expenditure on SSA between 2003/4 and 2006/7, at US$ 7.8 bn., was more than double the projected outlay of $3.5 bn. (Ayyar 2008), the contributions from donors, being fixed in monetary terms, amounted to only 13.6 percent of this expenditure, rather than the planned 30 percent, and this credit had been fully disbursed 15 months before the due date.

A second phase of support for SSA was agreed in 2007 between GOI and its three main development partners. The framework for cooperation between them remained essentially the same. Total external aid was expected to contribute around $1 bn. of the planned project cost of $10.7 bn. The World Bank, DFID and EC agreed to provide 60%, 30% and 10% of the external resources, respectively, with the remaining project costs being met by the states and GOI in a 40:60 ratio (World Bank 2008).

[26] This acceptance of the need to secure greater donor harmonization and country ownership was later formalised in the Paris Declaration on Aid Effectiveness (OECD-DAC 2005)

Changing role of the Donors

The developments described above led to significant changes in donors' roles in Indian education, which became mainly focussed upon financing elementary education through the SSA programme. At the outset of SSA in 2001/2, the GOI had initially invited only the European Commission to provide support, thereby excluding the other main partners in DPEP funding – the World Bank and DFID – a reflection of the Government's intention to reduce the number of donor agencies. However, following careful lobbying, all the partners were invited to join the funding effort for SSA in 2002 (Int.4).

SSA rapidly became an exemplar of effective donor harmonization. GOI documentation presented at international fora (GOI 2006) stated that donor-GOI cooperation on SSA provided an "excellent example of harmonization at programme level". Although it was presumably in GOI interests to claim that things were working well, such praise would have been unlikely had they not. The particular strengths of this donor-GOI collaboration were said to be the following:

- SSA was the first Sector Wide Approach (SWAP) in the country[27];
- external funds and GOI resources were pooled, with no parallel financing structures;
- procedures were harmonised through a Memorandum of Understanding (MOU) with common formats for all partners; Joint Review Missions minimized the transaction costs of dealing with different agencies;
- the SWAP approach was agreed on the basis of the existing SSA Framework and the GOI's 10th Five-Year Plan, which was accepted in lieu of a Poverty Reduction Strategy Paper (PRSP); and
- the arrangements for SSA were judged to be soundly built on the decade-long DPEP experience of partnership for basic education in India.

The donors made four-year commitments. Disbursements occurred not as advances but as reimbursement of expenditures by GOI on SSA. GoI introduced their own strategies to ensure that aid resources remained additional to domestic funds. The aid conditions required GOI to maintain their real education spending at the levels achieved in 2002/03 and the states were to maintain their non-SSA elementary education expenditures at those of 1999/2000 levels, in addition to financing their 25% share of SSA expenditures.

Harmonization was facilitated by all partners using the same monitoring and reporting procedures, based on those already in place for Centrally Sponsored Schemes. These included bi-annual JRMs, the existing GOI procedures for Public Financial Management (PFM), auditing and reporting and a shared approach to managing fiduciary risk.

Interviewees from the three development partner agencies valued having a diversity of views with transaction costs minimised, each playing to their respective priorities and strengths. The World Bank has led on financial management, and has also supported environmental safeguards, indigenous populations and education statistics (Int. 3). DFID has focussed upon access and equity issues whilst the EC has provided support particularly to quality and public-private partnerships (Ints. 1, 5, 7; GOI 2006).

[27] Strictly, however, SSA is a sub-sectoral programme limited to elementary schooling

The roles of donors with smaller programmes changed sharply after the BJP Government's suspension of agreements in 2003, being required henceforth to channel aid directly to NGOs in pursuit of enhanced aid-effectiveness and reductions in GOI – agency interaction. Using a project mode little changed from earlier years, those remaining found it advantageous to be able to talk directly with state governments regarding the implementation of projects they supported (Int.5). However, Netherlands, Denmark, Australia and Sweden decided not to reinstate their assistance, and some, including the Swedes, opted for an accelerated exit, with GOI paying back outstanding loans in advance of their due dates. Some were still in the process of revising their intervention strategy during 2008/9 (Int.11).

International versus National Priorities

Historically, India's national development priorities in education have matched those held by the international community quite closely. The international shift in policy emphasis towards a focus on primary education in fact lagged behind that of India. Neither was directly influenced by the other, and all interviewees agreed that GOI policy priorities were self-determined. The decision to universalise elementary education had been independently taken by the Indian planners and was already part of national policy by the late 1980s (Int.9; GOI 1986). The international agenda following from the 1990 Jomtien conference added to, rather than established, its focus at that time. Ten years later, when the MDGs were endorsed, DPEP had already laid the foundation for scaling up elementary education in India and the SSA programme had been planned in outline by the government. Thus the priorities of GOI already matched those of the MDGs, although India's focus was to universalise eight years of education rather than the five or six years often implied by UPE (depending upon national practice). The Dakar meeting did not, therefore, have a strong impact on Indian policy-makers (Int.4; Int.9), possibly because it retained a focus on universalising primary education, which had been an earlier target (albeit not yet achieved) in the Indian case.

The emphasis on primary and, later, on elementary education nevertheless remained a more partial strategy than had characterised (in planning terms, if not in implementation) India's earlier whole-sector approach. Adult literacy and vocational education programmes remained on the sidelines, even though many school dropouts were languishing without jobs or skill-training. Moreover the pressure on secondary education, as a result of the accelerated shift towards EFA, built up strongly, but was neither anticipated nor planned. Accordingly, to the extent that the international community added weight to GOI's policy priorities, it could be argued that the Jomtien conference, and that in Dakar ten years later, brought some minor negative influences on the development of India's education strategy.

Although Indian policy may have been only marginally affected, donor agency decisions, on the other hand, were strongly influenced by these international conferences. For example, Jomtien's refocusing towards primary education was highly influential in determining the EC's new aid approach in education, and its support to DPEP was an early product of this policy (Ints. 4,7). The World Bank, having previously concentrated upon technical and higher education, switched to emphasizing primary education after the Jomtien conference[28]. A significant change in emphasis towards basic education in DFID's aid policy also occurred (ODA 1994), and its status and importance for the agency were later reaffirmed by the adoption of the MDGs as central objectives for DFID's aid programme (Int. 1).

This does not mean that all aid to education in India shifted to the elementary sector. Several of the bilateral agencies with smaller programmes, including Japan, Australia and France, pursued policies which were not demonstrably influenced by these new priorities, continuing to fund technical and higher education, particularly in the form of scholarships or technical collaboration. The World Bank, also, supported technical education projects from the mid 1980s Subsequently, polytechnics, Industrial Training Institutes, government engineering colleges, National Institutes of Technology and some private institutions were funded by the Bank (Int. 14).

Impact of donors on education policy

Without exception, interviewees from the major donors believed that education policy in India has been formulated by the Indian government. There is full policy ownership, with strong leadership being provided by GOI. Policy continuity has been strong, as witnessed by SSA surviving the change of government in 2004. In these circumstances, prospective donors needed to compare their own mandate with what the government was offering. Once decided, there was little further scope for discussion of policy parameters. There has, however, been serious dialogue with government on matters of process and practice and, in the case of financial management, adopted procedures have been mainly externally determined.

The GOI's initial reluctance to negotiate with the World Bank stemmed from its concern to maintain its autonomy over policy decisions. In that regard, the mode of collaboration with the Bank was judged to be of great importance. Accordingly, the GOI rejected the Bank's offer of a sector investment credit, which would have allowed greater flexibility in implementing a project like DPEP, in favour of a more traditional project credit. The advantage for GOI was that the financing negotiations could thereby be confined to matters of project detail, rather than risking a more extensive policy dialogue. A credit from the EC was accepted more easily because it was a fast disbursal grant, requiring as a condition only that a specified number of district plans would be prepared. Notwithstanding the strong GOI stance, donors sometimes attempted, usually unsuccessfully, to renegotiate policy details even after the DPEP project design had been agreed. For example, the World Bank initially resisted implementation being undertaken by state registered societies rather than state governments (Ayyar 2003), and was unhappy about the criteria for choice of districts for DPEP support (those having had successful TLC campaigns). However, the government refused to compromise. Equally, GOI refused to allow the Bank to negotiate directly with state governments, on the grounds that the latter did not have the power to implement the agreed conditionalities (Int.10). This resilience in negotiations led to post-1994 dialogue with GOI being focussed upon implementation rather than policy.

[28] The Bank had commissioned a major internal study on improving primary education in developing countries (Lockheed, Vespoor et.al. 1991), and was ready to issue a new primary education policy paper (World Bank 1990), both of which were available in draft form at the WCEFA.

Since the mid-1990s, then, the DPEP/SSA aid dialogue was conducted between donor agencies and the central government. The 24-member JRM team– half being nominated by the government (bureaucrats, academicians and non-government stake-holders) and half by the donor agencies - met every six months, publishing an agreed aide-memoire with conclusions binding on the government. The GOI's ownership of its content has been high and its proposals for change (usually concerning matters of practice) have been implemented. Even the annual JRM visit to review progress in a sample of States has provided little opportunity for dialogue between development partners and state governments. Thus, many policy matters requiring action by the States have not been discussed, and the influence of donors on policy has been both limited and confined to the centre.

A direct objective of aid is to finance additional expenditures. Until the 1990s, state governments had not been able to access funds for non-salary expenditures. Aid-support to projects and to DPEP facilitated new expenditures on innovations, teacher training, textbook development and infrastructure (Int. 12). It also freed state resources to fund additional activities in non-DPEP districts. Expenditure conditions were established for both DPEP and SSA, to ensure that aid funds would comprise a net addition to total resources. Between 1990 and 2005, average real education expenditures by the centre and the states increased by more than 6 per cent per year. Accordingly, it seems clear that aid resources did not substitute for domestic expenditures on education, and that, however small in proportionate terms, they represented a net addition to resources available.[29]

The revenues generated by the cess, introduced in 2004, allowed a more than doubling of the anticipated levels of GOI spending on SSA and prompted negotiations for a second round of external funding (SSA II). Under the earlier agreement the donors were to meet a certain proportion of the total SSA expenditure over and above an annually rising threshold. But because SSA expenditures went well beyond those threshold levels, aid finance accounted for a much lower proportion of spending than had been promised.

Significant changes in GOI attitudes towards education interventions have occurred over the past two decades – in part influenced by donor expertise. For example, it became recognised that a reliable data-base for effective planning and monitoring was needed. During the 1990s, a district-level school-based panel data set was generated and maintained with UNICEF support. NCERT gathered and maintained data on learning achievements across states, and SSA has used independent sources to provide accurate enrolment estimates (Int. 13). Again, partly by consequence of donor advocacy, it became accepted that local NGOs, including those with access to external funding, can play a powerful partnership role with government in helping to implement innovative strategies. This modality became an integral part of SSA, where NGOs partnered the government in advocacy, accountability and capacity-building. Finally, the system of resource transfer and accounting was reformed, with funds for districts being transferred electronically. In all these ways, there was a noticeable impact of donor engagement on important aspects of educational management and practice.

[29] They also allowed existing priorities to be better addressed. One senior government source indicated that the existence and flexibility of DPEP funding allowed central and state governments to bring UEE to the top of the priority list, and to sustain expenditures (Int. 13).

The smaller donors having continued engagement with Indian education generally believed that resource allocation mechanisms to the states for SSA were inflexible. For example, the plan/non-plan dichotomy in the budget meant that unexpected expenditures (eg major repairs) could not be made, even if SSA monies remained unspent. Such monies could also not be used for support to innovations.

These gaps suited the comparative advantage of smaller agencies. Working with NGOs gave them opportunities to introduce innovative strategies. Where the effectiveness of such experiments was demonstrated, both donor agency and NGO could lobby the government to scale them up. In that connection, UNICEF believed its voice to be influential, in particular because, not being a traditional donor agency (and thus being outside the donor-recipient framework), their integrity was not questioned[30]. Thus, following the success of a UNICEF-funded pilot study - where low tables were supplied as work spaces for young school-children - the Uttar Pradesh government adopted it throughout the state. UNICEF also helped strengthen District Institutes of Education and Training (DIET) and pre-service training (Int.6). Similarly the America India Foundation's demonstration of an effective strategy to accommodate the children of migrants in schools began to be acknowledged by changes in central and state government policies (Int. 12). USAID has funded projects using radios to support education in schools (Int.5). The state governments of Karnataka, Jharkhand and Chattisgarh have now taken over the funding and included this initiative in all their schools as part of SSA. The Madhya Pradesh and Bihar governments are reported to be doing likewise. In these ways, external funding, directed via NGOs, has been supporting innovations relevant to SSA.

Thus, whilst it is clear that donors have had no direct influence on the GOI's changing domestic policy objectives in education, they have, in fact, been influential in initiating some of the major changes in the sector by funding innovative projects at their pilot stages. Evidence from officials in both donor agencies and in the bureaucracy confirms that the first generation of aided projects (APPEP, BEP and Lok Jumbish) provided important inputs to DPEP design. Furthermore, aspects of the Shiksha Karmi model were transformed into the popular (though problematic) strategy of recruiting para-teachers. [31] Furthermore, DPEP, of course, was highly influential in the design of SSA.

On the other hand, some observers who had been closely involved in the implementation of the earlier projects argued that the progressive centralisation which had occurred as part of the shift from small projects to DPEP and then to SSA resulted in some of their important elements being lost (Int. 10, 12). The project mode had allowed the diversity of conditions and needs in different areas to be recognised, but this was difficult to sustain in the more centralised framework of DPEP/SSA, even where district-level planning was pursued (Al Samarrai, Bennell, Colclough 2002:59).

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[30] Similar views about independence from the donor relationship strengthening trust and influence were held by UNESCO (Int. 2)

[31] Shiksha Karmis were appointed in areas which had no, or dysfunctional, primary schools. They were recruited from the local community on a contract basis. The community support and the intensive training given to them compensated for their low educational qualifications. 'Para teacher' is a general term used for all teachers recruited locally on a contract basis and paid a much lower salary than regular teachers. The training given to them has usually been short and nominal.

These assessments of aided projects serve to emphasise the difficulties of mainstreaming specific innovations in a country with wide regional variations. The deadlines integral to the DPEP approach required shortcuts to be made to costly and time-intensive processes. For example, in Lok Jumbish, villagers obtained resources for their schools according to agreed norms. This was not possible in the case of DPEP, where district planning replaced planning at the village and block levels. Data collection also differed in important ways: in Lok Jumbish, members of the local community collected data directly from all households and schools in their area whereas DPEP data were collated for each school by its teachers and were generally of much poorer quality. These differences were symptomatic of the fact that, in the latter case, lines of accountability were only towards DPEP management, and no longer towards children and their families (Int.16).

Furthermore, the intention that DPEP should scale-up provision in a uniform way across states was weakened by the nature of its management and financial allocation processes. The requirement that States should meet the recurrent costs implied by expansion under plan expenditures meant that the poorer states were often hesitant to utilise their allocated development funds. This resulted in varying utilization rates for plan expenditures, with the poorest states usually having the lowest indicators (Ints.10,12).

Critics of the system argue that these financial concerns of the states led to distortions in strategy. For example, the GOI had required that DPEP resources would be allocated to states only after all vacancies in teacher posts had been filled. The recurrent cost implications of this led several states to adapt the Shiksha Karmi model, whereby untrained contract teachers were recruited at a very low salary and in an unsatisfactory way, bringing serious unintended consequences in the poorer states. The State Implementation Societies provided a parallel structure to the state ministry, which allowed such changes to be accepted, yet raised major questions for longer-term sustainability, given the existing capacity and financing of state ministries.

Thus, whether positive or negative, the donors' impact on education policy in India was strongest through funding innovative projects, and through the demonstration effects such projects brought for the rest of the formal school system. The nascent Sector Wide Approaches implicit in the designs of DPEP and SSA consolidated these earlier lessons, bringing new implementation and management practices in the education sector.

Why aid?

In view of the deep sensitivity about national autonomy for education policy and the fact that external aid forms a very small proportion of total expenditure on education, it is useful to ask why India wants aid for education. The main answer is that the government has accepted aid for education not so much for its additional resources *per se*, but mainly for the other advantages which came with them. However, the relative balance of these advantages is perceived differently by different stakeholders.

The agencies perceive their role in a very positive way. The major donors believe that their support to DPEP helped boost school quality and innovation and that inclusive education was facilitated. The bilateral agencies providing direct support to NGOs made similar claims.[32]

The government has found aid to be useful in the context of electoral politics. It has brought external endorsement for the chosen path, yet the agencies have also been used as convenient 'whipping boys'[33] when progress has faltered or where the government has faced adverse criticism.[34] Accepting aid helped put the global discussions on education at the centre of the domestic stage, and where relevant could be used to provide advocacy for the government's own policies. However, the donors were kept away from discussing sensitive areas of policy and their inputs were incorporated in ways chosen by the government.

The most obvious and conventional benefit of aid is that it provides additional financial resources. It was valued for those purposes by the Planning Commission: one of its working groups recommended accepting more aid to reduce the budgetary strain on Central Government and to enhance spending discipline (Saxena 2003). We have shown that early international aid financed a significant part of the Centre's expenditure on elementary education. Being given in the form of grants, or low-interest loans, its costs were much lower than those associated with equivalent loans from domestic sources. An added advantage was that the usual budgetary process - whereby unspent funds at year-end could not be carried over - could be avoided (Int.8). By contrast, aid monies were kept in a non-lapsable fund and were expected to be spent more efficiently.

Aid resources added to the revenue available to GOI, and were used with some success to influence the education policies of different states. Because the resources were used by the Centre to implement jointly-funded projects with the states, they proved to be a useful means of mobilising additional state resources and for shifting state spending priorities in the desired directions.

However, the GOI representatives interviewed tended not to emphasise these benefits. The value attached to aid by the Ministry of Human Development (which includes education) was focussed more upon technical issues. Donor inputs on matters of procurement and financing were welcomed. DPEP/SSA particularly benefited from receiving critical feedback from those who had a stake in its success (Int. 13). Although neutral evaluations may not be possible where team-members represent stakeholder organizations which are keen to show good results (Int. 16), the critical comments made during JRMs were judged to be of particular benefit by both agency and government bureaucrats. Further, although the need to produce an agreed *aide-memoire* plays down the significance of dissenting voices, it was certainly used by GoI to improve planning and implementation.

[32] Ints. 1,3,5,7,11.

[33] This phrase was used by an interviewee from one of the multilateral agencies (Int. 3).

[34] Ayyar (2008) reports that this worked to GOI's advantage: the fact that problems could be attributed to donor influence rather than GoI intent ultimately strengthened GOI's bargaining power in negotiations with agencies over policy design.

Many of these benefits were acknowledged by GOI in its country paper on aid effectiveness:

> It is important to note that, as well as DP[35] money, the external agencies are also providing advice and guidance on pro-poor targeting, greater accountability for outcomes, attention to quality and improved financial management. In addition, the DPs have also helped to increase the level of discipline in programme supervision and monitoring and to also raise the quality of technical analysis by bringing in to the policy dialogue international experiences from the developed and developing world. It is widely acknowledged by GoI that the DPs are adding most value by bringing more rigour into the monitoring and review process, particularly the JRM. The DP contribution is also helping to focus Government efforts on sustainability issues through a dialogue on planning, financial management and community involvement. (GOI 2006: 8)

Conclusion

Over the past two decades, aid to education in India has played a formative role. We have shown that it has had little impact on the establishment or change of Indian policy objectives, but that it has had a significant direct impact upon management practice, financial reporting, accounting procedures and monitoring arrangements. These changes probably improved the efficiency, and certainly the accountability, of the educational process.

Aid has provided additional resources for education in India as a supplement to a growing trend of domestic expenditure. Particularly during the early 1990s, aid provided resources for states to increase their non-salary spending on education, with consequent benefits for quality. Donors to SSA required that government spending on the programme would increase annually at least at a certain minimum level. In fact, this was greatly exceeded, owing mainly to the success of the 'cess' tax in raising resources for education, which was not, itself, attributable to the presence of aid.

Support, particularly from some of the 'smaller' agencies – UNICEF, USAID, Sida, the Netherlands, and some international NGOs - resulted in valuable innovative projects being supported at the pilot stage, lessons from which have been reflected in national programmes. External support to DPEP strengthened the planning and programming capacity of the education ministry and provided useful evidence which affected the ways in which SSA was taken to scale. Aid strengthened the government's hand in its own policy advocacy towards the states. External agents could conveniently share some of the blame when things went less well than expected, whilst providing evidence for international best practice, the lessons from which affected state-level policy.

Finally, whilst aid to education in India did not serve to change the priorities of the Indian government it did act to strengthen them. Some would argue that this may have brought some negative consequences for India, in that GOI was thereby less likely to consider the non-primary/elementary subsectors as priorities for reform and expansion. However, the substantial unmet needs of the poorest families in India, very many of whose children had had no access to

[35] Development Partner

schooling prior to DPEP/SSA, were certainly served better by the application of India’s priorities to universalise primary/elementary schooling during the past two decades. Although this progress was not a direct consequence of aid, the agencies can reasonably claim credit in having encouraged, and helped to strengthen that process.

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Annex: Interviews.

(All interviews were conducted by both authors between February and November 2008)

Interview no.		Interviewee
1		Senior Education Specialist, bilateral agency
2		Director, UN agency
3		Senior Education Specialist, multilateral agency
4		Director, multilateral agency.
5		Education Programme Specialist and Senior Education Specialist, bilateral agency
6		Director of Education, UN agency
7		Ex-Director, multilateral agency
8		Secretary, GOI Commission
9		Jt. Secretary, GOI Ministry
10		Senior policy officer international NGO; earlier with GOI
11		Senior Policy Officer, Science and Technology, bilateral agency; earlier with GOI
12		Education director with international NGO; earlier with GOI
13		Jt. Secretary, GOI Ministry
14		Senior Education Specialist, multilateral agency
15		CEO, international education NGO
16		Chairman, Non-profit Indian Trust; earlier, chairperson of major education initiative and Secretary, GOI Ministry.

Appendices

TABLE 1A: SECTORWISE DISBURSEMENT OF GOVT. LOANS & GRANTS FROM 1990-91 TO 1999-2000

(in Rs. Crores)

Sector	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000	Total in 1990s	% in 1990s
Agriculture Sector& rural development	667.38	812.99	1303.93	821.24	537.02	725.92	583.57	344.61	704.86	510.88	7012.40	7.48
Debt relief								0	0	0	0.00	0.00
Energy Sector	0	0	114.4	1.56	2.81	0	0	0	0	0	118.77	0.13
Energy Sector – Coal	106.01	50.72	306.74	334.15	137.72	53.06	75.69	69.22	34.99	60.4	1228.70	1.31
Energy Sector – Power	2136.09	2912.21	2530.72	2842.8	3338.82	2595.85	3358.36	2706.02	2,607.66	2,571.57	27600.1	29.43
Energy Sector – Oil	328.36	845.61	193.14	43.71	11.13	0	0	132.98	0	0	1554.93	1.66
Energy Sector-Non Conventional	0	0	0	0	0	0	73.1	41.46	37.51	25.21	177.28	0.19
Energy- atomic energy								0	0	0	0.00	0.00
Fertiliser/ Fertiliser Sector	127.17	69.83	114.45	134.04	110.69	318.59	272	117.71	136.54	67.31	1468.33	1.57
Industry Sector and Finance	949.1	926.96	668.8	680.38	455.99	510.46	328.19	396.7	367.85	24.83	5309.26	5.66
Infrastructure Sector	20.79	7.23	0.51	0.17	16.95	23.93	0	0			69.58	0.07
Infr. Sector – Railway	256.1	226.46	210.21	205.9	103.5	125.51	531.36	102.43	101.7	77.66	1940.83	2.07

Infr. Sector – Road	89.86	257.7	251.09	306.89	424.52	519.43	451.35	575.26	509.11	886.02	4271.23	4.55
Infr. Sector – Telecom	105.28	71.44	120.43	56.95	72.05	111.87	84.08	0	0	0	622.10	0.66
Infr. Sector - Port	61.63	105.63	42.67	61.49	84.6	108.76	45.73	70.41	19.97	9.14	610.03	0.65
Infr. Sector – General	41.04	29.97	19.07	9.23	19.12	42.43	127.22	117.27	386.04	296.28	1087.67	1.16
Water Resources Management	535.09	891.86	765.2	837.95	723.75	606.18	989.07	1011.44	1,100.94	1,281.49	8742.97	9.32
Social Sector	260.21	436.16	491.01	593.75	968.11	1112.79	1482.02	1638.24	2,502.72	2,849.58	12334.6	13.15
Urban Development	276.19	402.98	464.49	447.25	444.86	583.59	549.7	369.32	165.14	595.95	4299.47	4.58
Structural Adjustment/Fast Disbursement.	0	1108.91	1933.26	2574.37	1866.19	568.9	549.5	187.67	0	650.9	9439.70	10.06
Environment and Forestry	0	0	0	0	0	0	391.13	541.56	762.83	829.99	2525.51	2.69
Science & Technology	0	0	0	0	0	0	0	1.52	0	0	1.52	0.00
health sector											0.00	0.00
water supply and sanitation											0.00	0.00
Others	163.62	848.01	311.04	163.69	211.91	702.36	160	74.57	487.06	256.48	3378.74	3.60
TOTAL :	6123.92	10004.7	9841.16	10115.5	9529.74	8709.63	10052.1	8498.39	9924.92	10993.7	93793.7	100.00
Prop. social sector	4.25	4.36	4.99	5.87	10.16	12.78	14.74	19.28	25.22	25.92	13.15	

Source : External Assistance Brochure of CAA&A, Department of Economic Affairs, Ministry of Finance, GOI, relevant years

TABLE 1B: SECTORWISE DISBURSEMENT OF GOVT. LOANS & GRANTS FROM 2000-01 TO 2006-07

(in Rs. Crores)

Sector	2000- 01	2001- 02	2002- 03	2003- 04	2005-06	2004- 05	2006-07	Total in present decade	Total over the period	% in present decade	% over the period
Agriculture Sector& rural development	962.69	994.29	1,013.63	1,146.86	804.78	968.87	1796.95	7688.07	14700.47	7.09	7.27
Debt relief	0	156.08	7.04	0	0.13	0.39	1.17	164.81	164.81	0.15	0.08
Energy Sector	0	0.61	1.23	5.67	5.58	9.25	3.32	25.66	144.43	0.02	0.07
Energy Sector - Coal	52.25	61.53	4.32	0	0	0	0	118.10	1346.80	0.11	0.67
Energy Sector - Power	2,390.55	2,029.46	1,975.13	3,018.05	1,464.18	2,071.68	1199.53	14148.58	41748.68	13.06	20.65
Energy Sector - Oil	0	0	0	0	0	0	0	0.00	1554.93	0.00	0.77
Energy Sector- Non Conventional	122.92	201.08	36.26	27.95	37.24	26.22	37.24	488.91	666.19	0.45	0.33
Energy- atomic energy	0	0	0	0	1,107.29	0	1,407.73	2515.02	2515.02	2.32	1.24
Fertiliser/Fertiliser Sector	0.47	45.47	45.25	0	0	0	1,331.61	1422.80	2891.13	1.31	1.43
Industry Sector and Finance	32.7	46.1	24.11	25.8	31.15	41.68	25.35	226.89	5536.15	0.21	2.74
Infrastructure Sector								0.00	69.58	0.00	0.03
Infr. Sector - Railway	48.18	664.01	0	3.99	21.67	1.58	113.52	852.95	2793.78	0.79	1.38
Infr. Sector - Road	1,266.07	1,347.23	1,511.29	1,644.57	2,899.73	2,465.30	3,751.15	14885.34	19156.57	13.73	9.48

Infr. Sector - Telecom	16.67	2.59	1.59	74.65	0.5	44.84	-8.9	131.94	754.04	0.12	0.37
Infr. Sector - Port	0.03	24.41	-0.51	0	0	0	0	23.93	633.96	0.02	0.31
Infr. Sector - General	758.95	40.39	55.33	87.5	766.19	100.63	886.93	2695.92	3783.59	2.49	1.87
Water Resources Management	1,065.40	1,193.92	1,384.83	1,132.16	704.97	928.05	531.65	6940.98	15683.95	6.40	7.76
Social Sector	2,950.14	3,255.17	3,102.18	2,739.77	3,309.14	3,383.48	1,673.94	20413.82	32748.41	18.84	16.20
Urban Development	621.52	971.23	1,637.67	2,500.20	2,575.73	2,289.92	1,593.53	12189.80	16489.27	11.25	8.16
Structural Adjustment/Fast Disb.	1,028.23	3,240.52	1,182.27	1,467.35	202.5	633.65	441.4	8195.92	17635.62	7.56	8.72
Environment and Forestry	720.56	468.92	471.21	482.88	377.36	353.71	412.45	3287.09	5812.60	3.03	2.88
Science & Technology	0	0	0.49	0.02	0	0	0	0.51	2.03	0.00	0.00
health sector		136.97	161.91	415.76	557.06	803.77	1,493.67	3569.14	3569.14	3.29	1.77
water supply and sanitation			13.22	7.61	34.15	5.01	30.47	90.46	90.46	0.08	0.04
Others	478.89	387.08	899.1	833.48	2,511.40	1,847.93	1,341.36	8299.24	11677.98	7.66	5.78
TOTAL :	12516.22	15267.06	13527.55	15614.27	17410.75	15975.96	18064.07	108375.88	202169.59	100.00	100.00
Proportion social sector	23.57	22.22	24.13	20.21	22.21	26.21	17.54	22.13	17.96		

Note: Health expenditure is added to social sector expenditure while calculating expenditure on social sector

Source : External Assistance Brochure of CAA&A, Department of Economic Affairs, Ministry of Finance, GOI, relevant years

Table 2:

YEAR-WISE EXTERNAL GRANT ASSISTANCE RECEIVED BY GOVERNMENT OF INDIA FROM 1988-89 TO 2006-7

(in Rs. Crores)

	CAA&A*	Cash Grant Other Ministries	Food Aid	Total Grant Amount	GDP deflator	total grant constant prices
1988-89	463.25	32.6	57	552.85	108.58	509
1989-90	639.23	25.48	44.09	708.8	117.58	603
1990-91	485.34	44.98	3.93	534.25	129.39	413
1991-92	888.42	30.56	34.55	953.53	146.16	652
1992-93	845.04	34.58	39.79	919.41	160.83	572
1993-94	852.11	33.51	107.6	993.26	175.84	565
1994-95	880.49	35.55	N.A.	916.04	192.87	475
1995-96	1036.37	27.19	N.A.	1063.56	210.48	505
1996-97	1064.54	21.06	N.A.	1085.6	226.51	479
1997-98	895.38	25.91	N.A.	921.29	240.49	383
1998-99	867.81	27.66	N.A.	895.47	260.34	344
1999-2000	1036.13	33.53	N.A.	1069.66	271.23	394
2000-01	677.46	49.76	N.A.	727.22	283.80	256
2001-02	1560.66	106.13	N.A.	1666.79	292.18	570
2002-03	1627.86	107.83	N.A.	1735.69	302.95	573
2003-04	1924.63	54.26	N.A.	1978.89	314.22	630
2004-05	2336.34	96.9	N.A.	2433.24	326.67	745
2005-06	2600.1	236.1	N.A.	2836.2	337.05	841
2006-07	2287.35	167.06	N.A.	2454.41	349.22	703

Source: Calculated from External Assistance Brochure of CAA&A, Department of Economic Affairs, Ministry of Finance, GOI, relevant years.

Table 3: Utilization of Grants : 1997-8 to 2006-7

Country / Institution	**1997-1998**	**1998-1999**	**1999-2000**	**2000-2001**	**2001-2002**	**2002-2003**	**2003-2004**	**2004-2005**	**2005-2006**	**2006-2007**	Total over 10 years	percent in 10 years	percent in this decade
Asian Development Bank	0	0	0	0	0	120.3	0	1.05	0	106.92	228.27	1.37	1.65
E.E.C.	227.47	122.26	281.79	36.28	181.89	326.03	147.54	820.51	426.31	394.43	2964.51	17.74	16.87
Ford Foundation	0	0.29	0.63	0	0.23	0	0	0	0	0	1.15	0.01	0.00
Global Fund	0	0	0	0	0	0	0	83.96	46.69	206.31	336.96	2.02	2.44
Canada	7.25	5.76	6.4	2.93	0	1.48	1.26	0.16	1.97	2.01	29.22	0.17	0.07
Germany	37.65	130.56	107.67	67.78	89.96	134.44	92.32	129.59	82.01	148.41	1020.39	6.11	5.38
Denmark	22.29	29.93	53.76	49.49	34.67	54.75	49.37	0	15.68	-15.4	294.54	1.76	1.36
France	2.29	3.49	0.08	0	0	0	0	0	0	0	5.86	0.04	0.00
Japan	119.7	115.5	35.76	15.82	22.95	9.61	2.81	56.41	63.42	53.5	495.48	2.96	1.62
Netherlands	122.86	52.6	84.16	70.33	278.18	101.53	195.11	35.59	49.15	4.54	994.05	5.95	5.31
Norway	16.39	11.56	7.39	6.94	3.26	3.3	0	0	1.23	0	50.07	0.30	0.11
Saudi Arabia	52.65	62.71	0	0	0	0	0	0	0	0	115.36	0.69	0.00
Switzerland	7.1	7.12	0	0	4.29	0.72	0.03	0	12.09	1.03	32.38	0.19	0.13
Sweden	45.16	40.58	30.76	0	0	0	0	0	0	0	116.5	0.70	0.00
United Kingdom	195.04	256.66	295.03	307.3	836.7	778.73	1,279.94	1,402.32	1,506.93	1,318.21	8176.86	48.92	53.73
United States of America	0	0	74.47	81.11	66.18	49.86	110.56	52.66	99.63	44.56	579.03	3.46	3.65
I B R D	13.57	12.66	8.89	7.67	1.18	1.32	5	6.47	3.94	6.17	66.87	0.40	0.23
I D A	24.77	15.59	21.77	14.77	35.39	25.58	26.38	10.36	26.58	14.98	216.17	1.29	1.11
I D F (WB)	0	0	11.08	16.83	6	19.31	9.23	0.94	0.63	1.69	65.71	0.39	0.40
I F A D	0.65	0.54	16.98	0	0	0	0	0	0	0	18.17	0.11	0.00
U. N. D.P.	0.55	0	13.03	32.03	52.39	77.78	23.3	206.32	43.82	121.94	571.16	3.42	4.03
UNFPA	20.23	24.48	18.94	17.15	53.54	30.05	30.96	27.29	53.09	45.06	320.79	1.92	1.86
UNICEF	5.67	3.18	0.93	0.57	-0.03	0	0	2.5	-0.02	0.06	12.86	0.08	0.02
Total	**921.29**	**895.47**	**1069.52**	**727**	**1666.78**	**1735.56**	**1974.52**	**2836.13**	**2433.15**	**2454.42**	**16713.84**	100.00	100.00

Source : External Assistance Brochure of CAA&A, Department of Economic Affairs, Ministry of Finance, GOI, relevant years

Table 4A: LOANS RECEIVED BY GOI BY SOURCE: 1988-89 TO 1999-2000

(in Rs.crores)

Name of the Country/Institution	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000	Total	% in 1990s
MULTILATERAL														
A.D.B.	20.28	36.23	325.17	762.66	748.99	404.89	1000.98	1216.02	1772.08	741.1	1326.12	1219.79	9574.27	10.20
I.B.R.D.	2104.27	2264.03	1751.99	2498.08	1973.53	2826.47	1745.3	1478.88	1681.15	1279.91	1319.89	1935.42	22858.92	24.35
I.D.A.	1079.74	948.62	1388.6	2547.47	3407.3	2082.92	3149.88	2438.36	3379.61	3063.67	3646.54	3577.28	30709.99	32.71
I.F.A.D.	29.33	17.92	8.48	13.63	8.27	11.16	27.33	28.9	48.42	59.8	51.84	46.33	351.41	0.37
O.P.E.C.	28.97	6.92	9.84	18.07	10.15	5.29	1.96	0	2.41	11.12	20.41	34.29	149.43	0.16
TOTAL	3262.59	3273.72	3484.08	5839.91	6148.24	5330.73	5925.45	5162.16	6883.67	5155.6	6364.80	6813.07	63644.02	67.79
BILATERAL														
Australia	0	0	0	0	2.91	6.62	15.94	9.78	1.85	3.94	0.84	0	41.88	0.04
Austria	0	7.16	18.67	6.9	13.67	17.33	0	0	0	0	0	0	63.73	0.07
Belgium	1.18	1.44	0	2.96	11.42	0	4.11	0.17	0	0	0	0	21.28	0.02
Reps. of Czech & Slovak	11.63	22.15	17.54	0	0	0	0	0	0	0	0	0	51.32	0.05
Denmark	9.54	7.34	0.14	0.18	0.64	0	0	0	0	14.23	0	0	32.07	0.03
France	128.67	161.57	137.44	170.73	350.82	131.83	48.59	83.61	127.99	209.22	48.81	76.04	1675.32	1.78
Germany	262.07	265.96	406.07	727.95	893.08	452.86	357.42	335.14	178.5	176.03	163.49	116.99	4335.56	4.62
Italy	42.52	104.72	10.57	61.27	10.8	0.01	0	0	0	0	0	0	229.89	0.24
Japan	318.26	420.97	861.34	1873.45	1327.46	3192.7	2126.84	1985.98	1613.33	2004.22	2364.59	2826.90	20916.04	22.28
Kuwait Fund	1.82	1.47	1.33	0	5.59	8.77	3.92	16.9	22.24	8.97	2.73	0.67	74.41	0.08
Netherlands	89.82	52.55	125.3	73.95	13.24	0	0	0	0	0	77.55	49.52	481.93	0.51
Saudi Fund	5.58	42.62	29.73	26.49	2.25	5.21	1.31	0	25.95	4.88	6.65	6.21	156.88	0.17
Spain	0	38.7	33.22	7.62	0	0	0	0	0	0	0	0	79.54	0.08
Sweden	0	90.16	164.79	97.62	66.35	63.39	99.99	47.23	108.85	0	0	0	738.38	0.79
Switzerland	4.37	17.48	18.55	1.61	45.75	21.14	30.13	5.1	4.09	0	0	0	148.22	0.16
U.S.A.	40.11	40.36	34.54	52.36	68.46	0	0	0	0	0	0	0	235.83	0.25

Russian Federation	207.26	218.4	295.27	137.42	34.75	-0.69	0	0	0	0	0	34.74	927.15	0.99
United Kingdom	0	0	0	35.83	0	0	0	0	0	0	0	0	35.83	0.04
TOTAL	1122.8	1493.1	2154.5	3276.3	2847.2	3899.2	2688.3	2483.9	2082.8	2421.5	2664.7	3111.1	30245.26	32.21
GRAND TOTAL	4385.4	4766.8	5638.6	9116.3	8995.4	9229.9	8613.7	7646.1	8966.5	7577.1	9029.5	9924.1	93889.28	
prop bilateral	25.60	31.32	38.21	35.94	31.65	42.24	31.21	32.49	23.23	31.96				

Source : External Assistance Brochure of CAA&A, Department of Economic Affairs, Ministry of Finance, GOI, relevant years

Table 4B: LOANS RECEIVED BY GOI BY SOURCE : 2000 -01 to 2006-7 (ON GOVT. ACCOUNT ONLY)

(in Rs.crores)

Name of the Country/Institution	2000- 01	2001- 02	2002- 03	2003- 04	2004-05	2005- 06	2006-07	Total in present decade	% in present decade
MULTILATERAL									
A.D.B.	1330.3	1355.23	1577.75	2201.49	1845.5	2130.03	3735.9	14176.2	15.00
I.B.R.D.	2935.68	3316.95	2750.44	3492	3259.97	3357.09	3919.55	23031.68	24.36
I.D.A.	4848.07	5736.95	4277.92	4208.18	4603.02	5345.27	4291.4	33310.81	35.24
I.F.A.D.	40.08	63.92	51.78	50.04	31.96	49.46	44.56	331.8	0.35
O.P.E.C.	41.52	22.29	16.01	2.75	0	0	0	82.57	0.09
TOTAL	9195.65	10495.3	8673.9	9954.46	9740.45	10881.9	11991.4	70933.06	75.03
BILATERAL									
Australia	0	0	0	0	0	0	0	0	0.00
Austria	0	0	0	0	0	0	0	0	0.00
Belgium	0	0	0	0	0	0	0	0	0.00
Reps. of Czech & Slovak	0	0	0	0	0	0	0	0	0.00
Denmark	0	0	0	-0.43	0	0	0	-0.43	0.00
France	64.54	26.55	51.67	37.81	51.34	23.21	4.42	259.54	0.27
Germany	35.29	56.26	50.17	14.33	8.31	24.87	108.49	297.72	0.31
Italy	0	0	0	0	0	0	0	0	0.00
Japan	2363.43	2992.37	2703.89	2861.86	2533.12	2537.27	2084.37	18076.31	19.12
Kuwait Fund	0	0	0	0	0	0	0	0	0.00
Netherlands	0	0	0	0	0	0	0	0	0.00
Saudi Fund	0	0	0	0	0	0	0	0	0.00
Spain	0	0	0	0	0	0	0	0	0.00
Sweden	0	0	0	0	0	0	0	0	0.00
Switzerland	0	0	1.07	0	14.33	0.25	1.54	17.19	0.02
U.S.A.	0	0	0	0	0	0	0	0	0.00
Russian Federation	130.09	29.72	311.14	771.71	1195.17	1107.29	1407.73	4952.85	5.24

United Kingdom	0	0	0	0	0	0	0	0	0.00
TOTAL	2593.35	3104.9	3117.94	3685.28	3802.27	3692.89	3606.55	23603.18	24.97
GRAND TOTAL	11789	13600.2	11791.8	13639.7	13542.7	14574.7	15597.9	94536.24	100.00
prop bilateral	22.00	22.83	26.44	27.02	28.08	25.34	23.12		

Source : External Assistance Brochure of CAA&A, Department of Economic Affairs, Ministry of Finance, GOI, relevant years

Table 5a: STATEWISE DISBURSEMENT POSITION OF GOVT. LOANS/GRANTS FROM 1990-91 TO 1999-2000

(in Rs. Crores)

States	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-9	1999-2000	Total in 1990s	% in 1990s
Central	4236.66	6679.04	6100.14	6668.85	5697.39	4837.14	4800.07	3402.19	3569.42	2365.34	48356.2	**51.56**
Andhra Pradesh	170.43	368.45	711.29	588.54	455.97	458.16	527.29	832.53	1028.98	1575.74	6717.38	**7.16**
Assam	0.08	0.00	0.00	0.00	0.00	0.00	0.00	6.23	29.31	44.70	80.32	**0.09**
Bihar	21.96	6.88	36.70	4.06	43.35	41.03	22.78	67.90	134.70	89.06	468.42	**0.50**
Chattisgarh	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
Gujarat	229.96	285.83	448.22	103.91	65.39	85.43	409.07	200.46	290.00	494.57	2612.84	**2.79**
Haryana	22.78	29.36	8.97	17.03	45.29	92.97	126.87	113.69	167.08	214.12	838.16	**0.89**
Himachal Pradesh	3.47	8.81	25.30	0.00	1.57	3.62	5.12	4.56	22.12	11.70	86.27	**0.09**
Jammu & Kashmir	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
Karnataka	110.47	257.00	242.15	263.65	259.61	126.37	190.27	173.10	301.61	375.39	2299.62	**2.45**
Kerala	36.06	60.92	60.65	95.06	109.32	24.19	28.08	3.77	26.85	31.13	476.03	**0.51**
Madhya Pradesh	76.06	66.43	26.94	19.30	16.19	20.62	35.46	54.16	92.05	592.12	999.33	**1.07**
Maharashtra	212.13	338.91	486.94	528.16	626.43	828.69	1006.60	646.11	583.54	148.33	5405.84	**5.76**
Orissa	57.45	68.47	90.37	91.49	108.50	110.50	214.85	264.37	348.85	443.47	1798.32	**1.92**
Punjab	7.43	27.29	45.01	30.55	72.94	83.45	104.43	63.32	110.98	33.79	579.19	**0.62**
Rajasthan	0.17	4.19	29.58	66.39	125.60	250.87	229.56	204.79	221.14	170.06	1302.35	**1.39**
Tamil Nadu	176.06	289.99	385.18	398.03	604.80	412.17	410.92	305.42	322.23	552.13	3856.93	**4.11**
Uttar Pradesh	462.01	766.65	376.48	439.39	208.93	307.64	596.12	540.98	487.52	422.69	4608.41	**4.91**
West Bengal	64.41	114.52	90.71	73.23	72.67	55.86	241.11	560.46	957.08	740.24	2970.29	**3.17**
Multistates	236.33	631.93	676.53	727.88	1015.79	970.92	1103.47	1054.34	1194.76	1750.02	9361.97	
TOTAL :	6123.92	10004.67	9841.16	10115.52	9529.74	8709.63	10052.07	8498.38	9924.92	10993.66	93793.67	100.00

Source : External Assistance Brochure of CAA&A, Department of Economic Affairs, Ministry of Finance, GOI, relevant years

Table 5b: STATEWISE DISBURSEMENT POSITION OF GOVT. LOANS/GRANTS FROM 2000-01 TO 2006-07

(in Rs. Crores)

States	2000--01	2001-02	2002-03	2003-04	2004-05	20005-06	2006-07	Total in present decade	Total over the period	in present decade	% over period
Central	4323.78	5629.00	5122.54	5513.92	7630.47	8778.97	8383.52	45382.20	93738.44	**41.87**	**46.37**
Andhra Pradesh	1706.08	3436.91	2041.20	3054.08	1071.60	828.31	1263.21	13401.39	20118.77	**12.37**	**9.95**
Assam	109.45	123.86	62.62	467.72	294.00	479.31	94.81	1631.77	1712.09	**1.51**	**0.85**
Bihar	58.24	0.60	0.28	0.00	0.50	0.00	1.15	60.77	529.19	**0.06**	**0.26**
Chattisgarh	4.80	8.00	4.59	30.56	6.77	32.60	99.81	187.13	187.13	**0.17**	**0.09**
Gujarat	1030.02	563.90	811.29	1548.12	965.43	979.69	349.71	6248.16	8861.00	**5.77**	**4.38**
Haryana	285.87	305.17	49.61	33.86	33.63	51.57	55.52	815.23	1653.39	**0.75**	**0.82**
Himachal Pradesh	16.33	17.00	18.02	3.27	4.95	34.33	34.99	128.89	215.16	**0.12**	**0.11**
Jammu & Kashmir	0.00	0.00	0.00	0.00	0.00	11.63	31.13	42.76	42.76	**0.04**	**0.02**
Karnataka	408.80	1683.48	428.64	648.36	903.07	970.82	1052.03	6095.20	8394.82	**5.62**	**4.15**
Kerala	58.01	57.16	743.02	176.59	690.99	237.88	347.50	2311.15	2787.18	**2.13**	**1.38**
Madhya Pradesh	131.80	505.28	557.45	471.52	503.59	586.58	674.68	3430.90	4430.23	**3.17**	**2.19**
Maharashtra	257.12	288.07	475.39	210.25	196.63	572.81	536.72	2536.99	7942.83	**2.34**	**3.93**
Orissa	420.44	298.98	641.69	483.40	938.45	267.59	889.32	3939.87	5738.19	**3.64**	**2.84**
Punjab	81.02	69.42	37.41	56.70	46.03	23.96	27.69	342.23	921.42	**0.32**	**0.46**
Rajasthan	249.46	169.70	350.84	679.42	692.96	779.48	471.35	3393.21	4695.56	**3.13**	**2.32**
Tamil Nadu	591.24	293.34	278.59	285.04	150.10	516.56	388.82	2503.69	6360.62	**2.31**	**3.15**
Uttar Pradesh	1644.43	677.86	541.01	621.08	539.83	473.10	482.61	4979.92	9588.33	**4.59**	**4.74**
West Bengal	464.82	470.62	526.99	590.50	808.04	1177.10	1172.34	5210.41	8180.70	**4.81**	**4.05**
Multistates	626.19	595.33	485.49	651.75	392.03	515.63	1558.63	4825.05	14187.02		
TOTAL :	**12516.23**	**15267.02**	**13527.55**	**15614.27**	**15975.94**	**17410.74**	**18066.49**	**108378.24**	**202171.91**	**100.00**	**100.00**

Source : External Assistance Brochure of CAA&A, Department of Economic Affairs, Ministry of Finance, GOI, relevant years

Table 6A: Total Value of Grants/Loans in Aid Agreements – 1951- 2007

(in Rs. Crores)

year	grants	Loans	total	proportion grant	GDP deflator: 1999 = 100*	total aid constant prices
1951-56	137.96	243.79	381.75	36.14		
1956-61	121.46	2409.68	2531.14	4.80		
1961-66	132.58	2666.13	2798.71	4.74	5.93	47195.78
1966-69	164.9	3007.2	3172.1	5.20	8.27	38341.26
1969-74	196.2	3976	4172.2	4.70	10.12	41227.27
1974-78	1354.2	6153.9	7508.1	18.04	15.03	49945.78
1978-80	1005.5	3189.7	4195.2	23.97	17.75	23641.59
1980-85	1564.1	15197.2	16761.3	9.33	25.36	66083.03
1985-90	2739.5	41325.2	44064.7	6.22	37.09	118804.80
1990-92	1641.16	20043.56	21684.72	7.57	51.14	42406.81
1992-97	8821.56	62174.56	70996.12	12.43	71.19	99724.86
1997-2002	9853.24	79866.38	89719.62	10.98	98.88	90737.70
2002-07	11307.78	98201.84	109509.62	10.33	120.33	91010.77

Source : External Assistance Brochure of CAA&A, Department of Economic Affairs, Ministry of Finance, GOI, relevant years
GDP source: World Economic Indicator database. http://www.nationmaster.com/ (accessed on 27.11.2008)
*average over the period taken

Table 6B: Aid receipts and Repayments: 1951 to 2007

(in Rs. Crores)

year	grants	Loans	total	proportion grant	Repayments (principal and Receipts)	GDP deflator: 1999 = 100*	aid received constant prices	Repayments constant prices
1951-56	70.18	121.57	191.75	36.60	23.80			
1956-61	160.64	1269.56	1430.20	11.23	119.20			
1961-66	107.15	2772.60	2879.75	3.72	600.14	5.93	48562.39	10120.40
1966-69	223.00	3006.60	3229.60	6.90	1006.30	8.27	39036.26	12163.17
1969-74	152.80	4030.90	4183.70	3.65	2454.68	10.12	41340.91	24255.73
1974-78	883.75	4841.28	5725.03	15.44	2420.01	15.03	38084.35	16098.52
1978-80	577.89	1952.77	2530.66	22.84	1596.74	17.75	14261.26	8998.25
1980-85	1780.14	9122.55	10902.69	16.33	4799.1	25.36	42984.90	18920.91
1985-90	2572.74	20122.37	22695.11	11.34	12651.68	37.09	61189.30	34110.76
1990-92	1453.23	16865.85	18319.08	7.93	10938.47	51.14	35824.93	21391.36
1992-97	4830.44	51873.01	56703.45	8.52	53376.12	71.19	79648.63	74974.88
1997-02	5568.48	66112.07	71680.55	7.77	74635.19	98.88	72493.93	75482.10
2002-07	11803.98	76867.74	88671.72	13.31	104494.76	120.33	73692.90	86843.04

Source : External Assistance Brochure of CAA&A, Department of Economic Affairs, Ministry of Finance, GOI, relevant years
GDP source: World Economic Indicator database http://www.nationmaster.com/ (accessed on 27.11.2008)
*average over the period taken

Table 7: Levels of Aid agreed, Aid Received and Repayments (principal and interest) in constant prices over Different plans (1999=100)

(in Rs. Crores)

Plan period	Aid agreed	Aid receipts	Repayments (principal & interest)
3rd plan (1961-66)	47195.78	48562.39	10120.4
4th plan (1969-74)	41227.27	41340.91	24255.73
5th plan (1974-78)	49945.78	38084.35	16098.52
6th plan (1980-85)	66083.03	42984.9	18920.91
7th plan (1985-90)	118804.8	61189.3	34110.76
8th plan (1992-97)	99724.86	79648.63	74974.88
9th plan (1997-2002)	90737.7	72493.93	75482.1
10th plan (2002-07)	91010.77	73692.9	86843.04

Source : External Assistance Brochure of CAA&A, Department of Economic Affairs, Ministry of Finance, GOI, relevant years