



APRIL 2006 • EMBASSY OF SWEDEN, NEW DELHI

Sida Country Report 2005

India



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Published by Sida 2006

Asia Department

Author: Embassy of Sweden, New delhi

Printed by Edita Communication AB, 2006

Art. no.: SIDA28420en

This publication can be downloaded/ordered from www.sida.se/publications

1. Summary

The economy in India continues to grow and poverty is slowly decreasing. The Indian Government seems committed to development issues and has taken several initiatives to address poverty. The strong links between vulnerability and social identity – such as gender, caste, disability – and the uneven progress across and within states, however, continues to characterise the development of the Indian society. Still about one third of the population lives below 1 USD per day.

During 2005 the Embassy has focused its work on implementing the new country strategy for the period 2005–2009 and building up a new portfolio of projects based on partnership between Swedish and Indian actors. The scope for new initiatives has however been limited due to the amount of already agreed projects and a decreasing budget. Some new tripartite agreements have, however, been signed and other arrangements such as the setting up of an environmental facility is in the pipeline. A new legal framework and new tools and administrative methods for the new co-operation are under development. The new co-operation implies many relatively small projects mainly with participation from Swedish actors. Given the character of the co-operation and the fact that many small donors have faced out co-operation with India, coordination with other donors is limited.

The building up the new co-operation takes time and implies many challenges. It is not an easy task to find partnership projects that are both poverty focused and of mutual interest for the partners involved. The areas identified with best scope for such partnerships are environment, sexual and reproductive health and sustainable city development. Sustainability is an issue of concern. The risk of creating unsustainable partnerships which may die out in the possible absence of Sida financing in the future is considerable.

The implementation of the already agreed programmes/projects has overall been good. Many of the projects have shown good results in particular when it comes to advocacy work in the area of environmental protection and human rights.

Due to the absence of an bilateral Agreement on Development Co-operation with India, there is no platform for dialogue on development issues between the countries.

2. Political, Economic and Poverty Development

After the election in May 2004 a broad coalition Government led by the Congress party was established. The coalition, United Progressive Alliance, consists of 12 parties and has no majority in Parliament. It has to rely on support from the Left Front dominated by the Communist Party of India, CPI, (Marxist). In its internal politics, the government gives priority to agriculture, water, education, health care, employment and infrastructure. Since it fell from power, the opposition, led by the BJP has been plagued by internal tensions and infighting. In its external politics, India is continuing to strive for a permanent seat in the UN Security Council. Strategic partnerships have been signed with United States, Japan, the European Union and China. The so called composite dialogue with Pakistan is continuing. More priority is given to increased contacts and commercial exchange with the neighboring countries in South Asia.

The Indian economy has continued to grow and is among the fastest growing economies in the world. During the last three years the yearly growth rate has amounted to 8 per cent. The GDP growth however, is concentrated to the modern sectors, services and manufacturing. The agricultural sector which is the major source of income for the vast majority of the people is lacking behind (grew only with 2,3 per cent 2005) and is in need of modernisation. The combination of the economic growth, national savings and a high level of investment has improved the control over the fiscal situation. The fiscal deficit is decreasing but it is still an issue of concern. The total budget deficit in the country, at national and state level, is estimated to 8,5–9 per cent of the GDP. Inflation continues to be under control, measured as Wholesale Price Index, it was around 4 per cent 2005. The Indian stock market grew with 36 per cent. The foreign direct investments are increasing in the country and are estimated to have reached 6,5 – 7,5 billion USD in 2005 and it is most likely continue to increase.

The prerequisites to combat poverty are good due to the economic development, democratic institutions, an active civil society and a stable political situation. The boost of the economy during the last ten years has had positive impact on many people's lives, in particular in the cities. The middle class is growing and poverty is decreasing with about one percentage point per year using the World Bank definition based on 1 USD per day. Still, however, about one third of the population (almost 400 million people) live below 1 USD per day and it is estimated that two

thirds live on less than 2 USD per day. The strong links between vulnerability and social identity – such as gender, caste, disability – and the uneven progress across and within states continues to characterise the development of the Indian society. The human rights situation is improving. However, deep rooted structural problems will not be solved overnight. The legal framework for protecting people’s rights is in place but the implementation and enforcement of the law is weak. Corruption is continuously an issue of great concern.

The implementation of the five year plan 2002–2007 with ambitious objectives regarding poverty reduction and with special focus on rural areas, low casts, scheduled casts and women is ongoing. However, according to the mid term review conducted by the National Planning Commission, several of the objectives, in particular in the area of health, will not be achieved within the set timeframe. However, during 2005 the Government has taken important steps to implement the National Common Minimum Program (NCMP) which gives priority to agriculture, education, health, employment, urban development and infrastructure. In 2004 the Government decided upon an employment scheme, Rural Employment Guarantee Scheme, which implies that State Governments are to provide at least 100 days of guaranteed wage employment in every financial year to every household whose adult members volunteer to do unskilled manual work. The scheme is currently being implemented. Moreover the education budget almost doubled during 2005. The parliament also passed a bill on Protection of Women from Domestic Violence and the Hindu Succession bill was amended to remove discrimination against women in terms of property rights. The Right to Information Act introduced during this period was a big step forward to improve transparency and accountability.

In the end of May 2005, the national AIDS Control Programme released the latest figures from the HIV sentinel surveillance suggesting that 5.134 million people were infected with HIV in India by the end of 2004. Out of those 40 percent were women and 60 percent resided in rural areas. This indicates that HIV has reached beyond the metros and urban India and that HIV is spreading among the general population. Reading it from a positive note one may say that there is no galloping HIV epidemic in India as a whole. However, the regional differences are considerable. During the reporting period the leadership in India has shown to take the epidemic more seriously. The National AIDS Council has been revived and is chaired by the Prime Minister. In the current preparation of the phase III of the National AIDS Control Programme more partners including the corporate sector are involved paving the way for an inclusive process that will lead to an improved and up-scaled national response.

With one of the fastest growing economies in the world, India is moving from a development country to a developed country. International financial assistance is marginal in the economy and mainly provided through credits from multilateral institutions. The Indian Government issued new Guidelines for Co-operation with the Bilateral Partners implying that “bilateral development assistance is accepted from all G-8 countries as well as from the European Commission. EU countries outside the G-8 are also welcome to provide development assistance to India provided that they commit a minimum annual development assistance of USD 25 million”. The Guidelines also states that “bilateral assistance is welcome if it is in form of Technical Assistance programs that aim at enhancement of knowledge/skills of Indian nationals”. As a

result, many small bilateral donors have phased out their support. Donor co-ordination is very limited but improving in some sectors, such as HIV/AIDS.

3. Swedish Development Cooperation

– Overall Assessment of the Country Programme

In response to the Indian guidelines on bilateral co-operation, the Swedish Government in March 2005 decided on a new country strategy for India for the period 2005–2009. A new kind of co-operation is to be developed focusing mainly on technical assistance and building partnerships of mutual interests between Swedish and Indian actors in the area of democracy and human rights, environment and scientific cooperation. The co-operation shall focus on support to innovative thinking in areas of relevance for the poor and where Sweden has comparative advantages. Support can also be channeled through multilateral organisations. Direct support to Indian actors without the involvement of a Swedish partner may be considered exclusively if the project can be shown to be of strategic importance. Sida's role is changing and gradually decreasing in the coming years. The country allocation will amount to maximum SEK 100 million 2006 and 2007 and decrease to SEK 60 million 2008. In the long term, Swedish development co-operation with India will be phased out.

Given the continued social economic development in the country and the Indian guidelines on bilateral co-operation, the country strategy continues to be relevant.

During 2005 the Embassy has started to build up a new project portfolio and develop a new framework and new tools for cooperation in line with the Country Strategy. Initiatives have been taken to explore the possibilities for increased interaction and partnership between Indian and Swedish actors. Representatives for Indian non governmental organisations (NGOs) and institutions have visited possible partners in Sweden and vice versa and discussed possible future areas of collaboration. Consultants, both Swedish and Indian, have been engaged to explore fields of interaction within the area of environment, sexual and reproductive health, decentralisation, information and communication technology (ICT) and biotechnology. Sida has entered into a few tripartite agreements with Indian and Swedish actors in the area of sexual and reproductive health and some other partnership projects are in the planning phase. The scope for new initiatives has however been limited due to the high amount of already agreed projects and programmes and a decreasing budget.

The transfer from traditional cooperation to a new kind of cooperation is a process that requires time and considerable effort. It is a challenge to find partnership projects that are both poverty focused and of

mutual interest for the partners involved. The areas identified with best scope for such partnerships are environment, sexual and reproductive health and sustainable city development. Building partnerships of mutual interest between Indian and Swedish organisations working with human rights issues seem somewhat difficult. So far the attempts have had limited results. The Indian organizations seem to have some difficulties in finding relevant counterparts in Sweden with interest in such partnerships. The survival of some human rights organizations in India may be threatened since most small donors with tradition to support this category of organisations are phasing out and the scope for support from Indian sources seems limited.

The capacity and competence of Swedish partners in engaging with Indian actors need to be carefully assessed in the absence of prior experience amongst many possible relevant actors in Sweden of development cooperation with India. Due to absence of self financing mechanisms on both the Indian and Swedish sides, creating and promoting sustainable partnerships is a challenge. The risk of creating unsustainable partnerships which may die out in the possible absence of Sida financing in the future is considerable. Structures within Sida to administer the new co-operation, including a legal framework and project administration methods are lacking. Therefore much time and emphasis has been put on legal and project administrative issues.

The new co-operation implies many relatively small projects. The strategy of the Embassy has been to ensure that the projects are concentrated in specific sub sectors within the cooperation areas, and complement each other towards a common objective of reaching the poor. Facilities are planned in the area of environment and in the future possibly also in the social/health sector to ensure common objectives within the sector and also reduce the administrative load. The administration of these facilities is planned to be outsourced in the medium term. With a reducing country allocation and co-operation "tied" to Swedish actors, preconditions for donor coordination have decreased.

There is no bilateral Development Co-operation agreement between the Swedish and Indian Governments and therefore there is no fora for bilateral dialogue between the Governments on development issues. The Joint Commission between the two governments that was established in the 70-ties is limited to commerce and trade-related issues and development co-operation is not part of the agenda. The dialogue on development issues is instead mainly conducted indirectly through the multilateral institutions and project partners. In dialogues with present and possible future partners the Swedish Policy for Global Development "Shared responsibility" (PGD) has been emphasized. The PGD is found to be a valuable tool in discussions and deliberations with present and possible future partners as it provides new angles and viewpoints on a traditional donor-recipient relationship. Another issue that has been prioritised in the dialogue is HIV/AIDS. The embassy has also put much emphasis on communicating the message of "phasing out" to the partners concerned to ensure that they incorporate this in their future planning. The importance of fighting corruption has continuously been discussed with partners.

A successful implementation of the country strategy requires better co-ordination between Sida, Swedish ministries, authorities, civil society and private sector in line with the Policy for Global Development (PGD). During 2005 the Embassy has continued its efforts to integrate the work which also requires good knowledge about Swedish actors. The national

programme officers need to familiarize and build networks with relevant Swedish partners. The Embassy has and will continue to invest money and time in competence development implying more travels to and longer stays in Sweden. Increased support from Sida Stockholm in identifying partners and creating new systems for the co-operation is also needed. One impediment for the promotion of partnerships between Swedish and Indian actors is the limited resources in the Embassy to process visas which negatively affects the service. This is counter productive for the cooperation and should be addressed immediately.

During 2005 the Embassy invested considerable time in receiving several high level delegations from Sweden including His Majesty King Carl XVI Gustaf and the Royal Swedish Academy of Engineering Sciences (IVA) and Mrs Ulrica Messing, Minister for Communications and Regional Policy. Moreover several members of parliament (constitutional committee and culture committee), business delegations and universities were received.

During 2005 SEK 84 million were disbursed out of a country allocation amounting to SEK 90 million and planned SEK 123 million. The major reason for not disbursing more was that Sida had reached the overall budget ceiling.

4. Specific Country Programme Overview of the Swedish Development Co-operation

4.1 Democracy and Human Rights

4.1.1 *Sexual and Reproductive Rights*

The project portfolio in the area of democracy and human rights is dominated by projects/programmes in the area of Sexual and Reproductive Health and Rights (SRHR). SRHR has been identified as one of the areas with the best scope for partnerships taking into account a clear poverty focus, Indian priorities and Swedish comparative advantages. Sida has traditionally worked within this area and has many good experiences. During 2005, several new tripartite agreements were signed. The partnerships have different institutional arrangements – some are based on technical collaboration, whilst the emphasis for some others is on mutual institutional development and knowledge exchange. They all have inbuilt scope to impact upon the vulnerabilities to HIV/AIDS and have interventions directly addressing this issue.

Tripartite agreement was signed between a consortium of organizations/institutions, coordinated by Ipas, an international NGO and the International Maternal and Child Health, Uppsala University and Sida on increasing access to comprehensive abortion care services in India.

An inter-institutional collaboration for improving midwifery and emergency obstetric care was agreed with Karolinska Institutet and the Swedish Midwifery Association and a core group of organizations from India ranging from training institutions, professional bodies, NGOs and the public health system. The Indian Institute of Management in Ahmedabad, through their Centre for Management of Health Services, coordinates the collaboration.

The existing collaboration between the Pravara Institute of Medical Sciences and Linköping University and Skövde and the County Council of Östergötland was further strengthened and expanded to develop a multi-sectoral approach to health and development that is inclusive of health, education, social welfare, agriculture, and integration of biotechnology and information & communication technology to enhance the nutritional status and women's health and empowerment.

A five-year agreement for the second phase of the reproductive and child health and rights programme implemented through a network of ten NGOs in Rajasthan and with technical collaboration with the International Maternal and Child Health, Uppsala University was signed in July 2005.

Moreover, a new agreement was signed with UNAIDS on support for development of a northeast India strategy for HIV/AIDS. This agreement replaced the earlier planned programme for the northeast channeled through a network of Indian NGOs. One reason behind this change was that the National AIDS Control Organisation, NACO, expressed that all small donors channel their support through UNAIDS. The planned programme through UNICEF for prevention of parent-to-child transmission (PPTCT) of HIV was discontinued due to a need to prioritise.

Sida also entered into a two-year public-private partnership programme with Naandi Foundation (NF) from Andhra Pradesh – an NGO founded by nine corporate firms – with focus on quality improvement in the health and education status of the tribal population. The first of the three-year project duration was supported through the Dutch development cooperation and due to their decision to phase-out cooperation from India, the Government of Andhra Pradesh, NF and Sida will remain the main co-funders.

The direct support programme to the Lawyers Collective HIV/AIDS Unit was implemented as per the agreed plans and a satisfactory follow-up visit was undertaken during the reporting period.

During the reporting period, an external audit and annual review of the ongoing collaboration between RFSU and MAMTA that focus on adolescent/young people's SRHR was undertaken and the financial report and action plans were agreed upon by Sida.

4.1.2 Human Rights Organisations

As previously mentioned building partnerships between human rights organisations in the two countries has had limited results so far and support in this area is channeled to Indian organization with limited links to Sweden. However, the Embassy will continue to promote partnerships wherever feasible.

The ongoing support to Social Legal Information Center (SLIC) and their Human Rights Law Network (HRLN), working on legal aid to poor people and advocacy on human rights issues, continued according to plans. An external independent review was undertaken in May 2005 underlining SLIC's positive impact on human rights issues but pointing at some weak management issues and high dependence of external funds. The Embassy received a formal request from SLIC to use money from the agreed budget for part funding new office premises. The Embassy is looking into the matter with assistance from the legal department within Sida.

In consultation with the Embassy, Partners for Law in Development (PLD) is working on a new version of the revised project proposal on building capacities in women's rights (phase 2) for a period of three years. The proposal is expected in March 2006. A representative from PLD visited Sweden 2005 to look into the prospects for collaboration with Swedish partners. The scope for partnership seemed limited.

4.1.3 Decentralisation/urban development

An agreement was prepared during 2005, which will be signed during 2006, with the World Bank for partnership between Sida and the Social Development Unit of the World Bank (WB-SDU) to provide technical assistance to the World Bank as well as to the Government of India in the area of democratic decentralisation and service delivery. The partnership is also expected to create conditions for

increased contact between Indian and Swedish stakeholders in the area of democratic decentralisation at different levels.

The support to Participatory Research in Asia, PRIA, continued according to plans and agreements. Representatives from PRIA visited Sweden during 2005 and met with Swedish stakeholders such as municipalities and SALAR. It was assessed that there is a potential for collaboration between Indian and Swedish municipalities and other stakeholders, both in the rural and urban areas. To further identify the areas for collaboration SALAR will make a visit to India in March/April 2006. The mid term evaluation of PRIA is planned to be undertaken during 2006.

The support to Society for Promotion of Area Resources Centres (SPARC) and CLIFF was implemented according to plans. A review of the Sida support to SPARC was carried out by a team of consultants late in 2005. The recommendations from the review is now under discussion in relation to the assessment of a request from SPARC of continued support. At the annual donor meeting in November 2005 (with presence of DFID, Sida and Cities Alliance) to review the implementation progress of CLIFF, it was decided that a joint mid term evaluation should be carried out in early 2006. It was agreed that Cities alliance, in consultation with DFID and Sida will undertake this task.

4.1.4 Information and Communication Technology (ICT)

An agreement with UNDP was signed during 2005 on support to the National Institute of Smart Governance (NISG) and the project "ICT for development", mainly concentrated to e-Governance. NISG is an institute set up by NASSCOM, Government of India and the Government of Andhra Pradesh. Through this support possibilities will be created to build up links between Indian and Swedish ICT-actors. NISG is hoped to be a long term partner in providing a platform for Indo-Swedish exchange in the area of ICT.

There is an ongoing dialogue with UNDP and Eriksson to promote the 'Communication for all' concept wherein access to mobile communications in the rural areas will be enhanced so as to enable the poor have access to communication and better service delivery.

In parallel to Sida's ICT activities it should be mentioned that the Swedish Minister for Communications and Regional Policy, Mrs Ulrica Messing, visited India in September 2005 and met with her counterpart, the Minister for Information and Tele Communication, Mr Maran. During the ministerial visit it was decided that Sweden and India should co-operate in the areas of e-health, e-governance and increased use of ICT among small and medium sized enterprises (SME). Specific working groups will be set up.

4.1.5 Culture

Due to a decreasing budget, a large number of already agreed projects and a strict need to prioritise, the earlier planned fund/facility for cultural and media cooperation has not been set up. The Music Project in Bangalore and Coimbatore faced problems in implementation and the Embassy has strongly recommended the Culture Division in Sida to undertake an audit of the project. An audit is planned for April 2006. The Indo-Swedish translation project continued according to the agreement. A seminar with participation of Indian and Swedish authors and translators was held in Bangalore in March 2005.

4.2 Environment

The work within the environmental sector was dominated by the preparation of setting up a new Indo-Swedish knowledge facility with the objective of evolving best environmental practices through knowledge sharing and mutual learning between Swedish and Indian public institutions, private sector, civil society and research and academic institutions. A team of Indian and Swedish consultants were engaged to survey the potential areas of cooperation as well as mechanisms that could be established to facilitate the envisaged broader cooperation in environment between the two countries. A project document has been prepared and a pilot phase will be initiated during 2006.

Sida has worked on preparations for a Sustainable City Development Program. The program, with its focus on city governance reforms, is hoped to create platforms for cross fertilization of ideas, experiences, and good practices between Indian and Swedish institutions on decentralized urban governance with emphasis on sustainability environmental considerations. In the preparation the Embassy has been actively engaged in consultations with both Indian and Swedish stakeholders on the nature and content of the program. The Ministry of Urban Development, Government of India has expressed keen interest in this partnership and has sent a formal request for Sida's technical assistance in City governance reforms. The suggestions are also being made to link this program with Government's city reform linked initiative-National Urban Renewal Mission. The on going preparations by the Embassy for the facility on environment are also feeding into the design of this partnership.

The support to Toxics Link has run according to plans. The organisation has continued to strengthen its institutional capacity as well as its impacts. Alongside, Toxics Link also deepened its resource base. The possibilities of partnering with Swedish institutions as means of mutually exchanging knowledge an organizational capacity have been explored. Areas of co-operation and partners have been identified including Lund University and KEMI. The prospects for partnerships seem good. The current Sida support to Toxics Link ended in 2005. Toxics Link submitted its request along with a proposal for continued support in the end of 2005. The proposal fits well within the country strategy framework and its focus on environment and environmental pollution. However, in accordance with the GOI donor policy, the mandatory approval from the Ministry of Finance, India is awaited. The Embassy, therefore decided to give one year extension to bridge the time gap.

The Centre for Science and Environment together with its Director Ms Sunita Narain won the prestigious Stockholm Water Prize for the year 2005 for its work on promoting rainwater harvesting and public advocacy in the water sector. Progress on various activities is on schedule except in the area of publications where a book on Air pollution is long due. Green rating of the pulp and paper sector was released during the reporting period with a significant increase in the awareness and compliance of the environmental standards in the pulp and paper industry.

Tarun Bharat Sangh (TBS) has successfully managed to launch a national partnership of grassroots workers in water conservation popularly known as the Jal Bhagirathi. Plans to set up a 'water university' (Tarun Jal Vidya Peeth) are proceeding as per schedule. Discussions were held with SIWI in August 2005 on promoting partnerships between Swedish institutions and Tarun Jal Vidya Peeth.

The support to UNICEF – Government of India – on national rural water supply and sanitation programme is implemented according to

plans. UNICEF continues to reorganize and restructure its support to the Government of India in accordance with the sector reform process initiated in several states. School sanitation is gaining increasing attention from UNICEF. There is an increasing collaboration between UNICEF and other stakeholders, notably the World Bank water and sanitation programme in assisting the state governments in preparing sectoral policies.

the Water and Sanitation Programme, WSP-SA has formed deep strategic alliances with the Government of India, through the Ministry of Urban Development, the Ministry of Finance (DEA), the Ministry of Urban Employment and Poverty Alleviation, the 12th Finance Commission and the Planning Commission. WSP-SA continues to provide policy support, knowledge and capacity support in implementing institutional reforms in UWSS sector in India. The support includes to state governments of Goa, Haryana, Delhi, Andhra Pradesh, Maharashtra, Karnataka and Gujarat, as well as with cities and service providers in Delhi, Bangalore, Mumbai, Faridabad, Ahmedabad and in the North-East. It continues to strengthen relationship with voices in civil society, particularly through the Voice and Client Power Network, and through institutional collaborations with policy think tanks such as Administrative Staff college of India and National Institute of Public Finance and Policy.

An appraisal of proposal for co-financing India Environmental Infrastructure Fund (IEIF) by Infrastructure Leasing and Financial Services (IL&FS) was carried out during 2005. The conclusion from the consultant were that in the present proposal, various financing instruments such as grants, soft loans and commercial credits seem to be rather disjoint and not connected or woven together to ensure rounded and effective outcomes. The consultant recommended that a policy and regulatory interface of the Fund with key line Ministries and SPCBs is essential. The IEIF should, before starting its operations, do critical analyses of existing policy and regulatory framework on PPP in CEI in India and come up with a gap analyses and required reforms. On this basis, an institutional structure should be drawn that will allow interface with policy and regulatory institutions. This would also reduce the risk perception of the lenders or contributors to the IEIF.

4.3 Research

During 2005 an agreement between the Government of Sweden and the Government of India on co-operation in the field of Science and Technology was signed. Vinnova will have a co-ordinating role in the implementation of the agreement.

The embassy during 2005 got a market research of the biotech sector done for India by the Swedish Trade Council. This was further complemented by a study financed by Sida mapping the relevant Indian Institutions working in biotech research to explore the possibilities of cooperation between Sweden and India. Vinnova has also made an inventory of the Swedish bio-tech sector. In consultation with Vinnova and with the Indian consultant, priority areas for research were identified and will be carried forward by the relevant agency in Sweden and the Department of Biotechnology in India. A co-operation facility will not be set up by Sida for the time being.

Regarding Sida financed research activities, the focus is on the Asian LINKS program which has been extended to have a special Indian "window". Under this programme, Indian and Swedish researchers can jointly apply for part funding of poverty-focused research projects. In

order to launch the LINKS-programme, several workshops are planned to be held in India during 2006 in the area of biotechnology, ICT and environment with participation of prominent researchers and the representatives from the private sector in the both countries. The workshops will bring together expertise in the identified areas and may serve as platforms for interaction and networking between Indian and Swedish actors.

4.4 Infastructure

In October 2005 Sida conducted an independent evaluation of the earlier Swedish support to the construction of Uri Hydroelectric project. The main purpose was to assess to what extent the financial support had fulfilled the objectives set out and led to expected result, providing a basis for conclusions on effectiveness and efficiency of the utilisation of development assistance funds.

In October 2005 the consulting team presented their preliminary findings to project partners where representatives of NHPC (National Hydro Power-electric Corporation) were also present. The overall evaluation was positive.

The team concluded that “most of the objectives of the Swedish support had been met and the utilisation of the funds had been effective and reasonably efficient”. The evaluation raised some concern as well which were mainly related to environmental and socio-economic issues, such as;

- Resettlement management, socio-economic effects and sharing of benefits from the project.
- Downstream ecological and environmental effects connected with the compensation water flow.
- Limited migration of fish, in spite of the existing fish ladder.
- Catchment area management, including reforestation, and its long-term funding.

Sida is in the beginning of 2006 reviewing and collecting comments on the draft final report from various stakeholders. Upon finalization of the report, it is envisaged that the Swedish Embassy will host a workshop where the consulting team will be invited to present their findings to all the stakeholders.

5. Office and Administrative Issues

The embassy has put in place some measures to strengthen the internal quality assurance system. An Embassy Project Appraisal Committee (EPAC) has been established. The controller function is in operation. It is shared by the socio-economist/controller and the head of the administration. The Embassy is working on improving the quality assurance system, for example routines for following up projects. During 2005 the Embassy developed Ethical Guidelines for the whole embassy and a procurement for a new framework agreement with a local audit firm was undertaken. An agreement will be signed in March 2006.

The embassy totally consists of 47 persons of whom 10 are seconded from Sweden (7 from the Ministry for Foreign Affairs and 3 from Sida) and 35 local employees. The sent out staff from Sida consists of one counsellor, one socio-economist/controller and one regional HIV/AIDS adviser. The number of national programme officers is 3,5. The administrative support staff within the development co-operation section (DCS) numbers 2,5 persons. The present staffing of the DCS is adequate for the time being. In a longer perspective (2–4 years) it might be appropriate to reduce the number of staff. The present mandate to monitor already ongoing activities will however require the diversity of competences presently available at the Embassy.

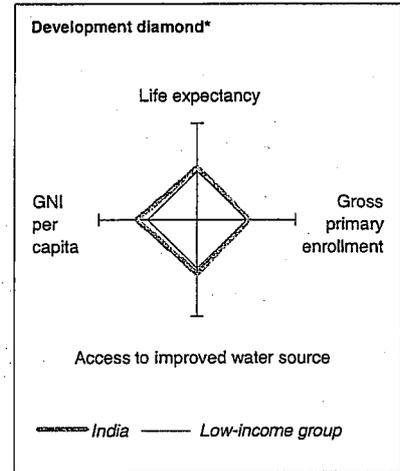
Annex 1

India at a glance

8/1/05

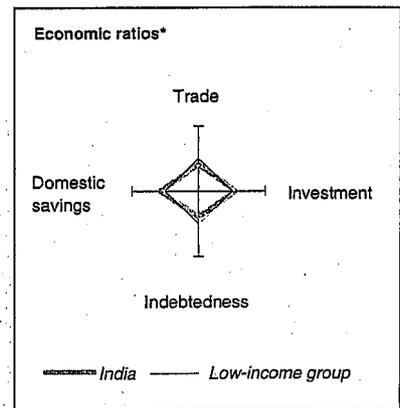
POVERTY and SOCIAL

	India	South Asia	Low-income
2004			
Population, mid-year (millions)	1,079.7	1,448	2,338
GNI per capita (Atlas method, US\$)	620	590	510
GNI (Atlas method, US\$ billions)	672.8	860	1,184
Average annual growth, 1998-04			
Population (%)	1.6	1.7	1.8
Labor force (%)	2.1	2.1	2.1
Most recent estimate (latest year available, 1998-04)			
Poverty (% of population below national poverty line)	29	..	..
Urban population (% of total population)	29	28	30
Life expectancy at birth (years)	63	63	58
Infant mortality (per 1,000 live births)	65	66	79
Child malnutrition (% of children under 5)	47	48	44
Access to an improved water source (% of population)	84	84	75
Illiteracy (% of population age 15+)	39	41	39
Gross primary enrollment (% of school-age population)	99	97	94
Male	107	105	101
Female	90	92	88



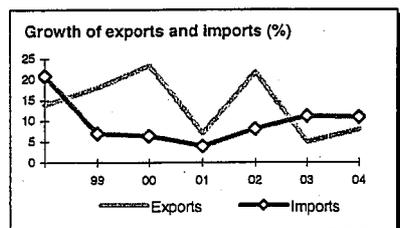
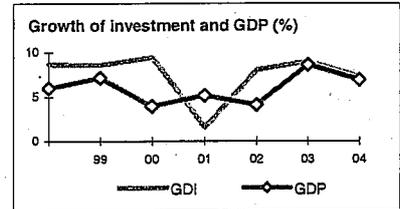
KEY ECONOMIC RATIOS and LONG-TERM TRENDS

	1984	1994	2003	2004	
GDP (US\$ billions)	206.5	322.6	600.7	688.7	
Gross domestic investment/GDP	21.6	23.4	23.0	24.6	
Exports of goods and services/GDP	6.5	10.0	15.1	16.2	
Gross domestic savings/GDP	18.8	24.8	28.1	22.8	
Gross national savings/GDP	19.4	26.0	30.8	24.9	
Current account balance/GDP	-1.4	-1.2	1.4	0.3	
Interest payments/GDP	0.5	1.3	18.4	16.9	
Total debt/GDP	16.5	31.8	19.2	17.6	
Total debt service/exports	18.3	26.6	12.9	8.7	
Present value of debt/GDP	..	..	16.7	..
Present value of debt/exports	..	..	89.3	..
(average annual growth)	1984-94	1994-04	2003	2004	2004-08
GDP	5.4	5.8	8.6	6.9	6.1
GDP per capita	3.3	4.1	7.0	5.4	4.8
Exports of goods and services	9.0	12.8	4.9	8.0	15.8



STRUCTURE of the ECONOMY

	1984	1994	2003	2004
(% of GDP)				
Agriculture	35.2	30.4	22.8	21.2
Industry	26.2	27.1	26.4	27.0
Manufacturing	16.4	16.9	15.6	16.1
Services	38.7	42.5	50.7	51.8
Private consumption	69.0	66.2	66.7	64.5
General government consumption	10.8	10.7	11.3	12.7
Imports of goods and services	7.9	10.3	16.1	18.0
(average annual growth)	1984-94	1994-04	2003	2004
Agriculture	3.4	2.0	9.6	1.1
Industry	6.3	5.6	7.0	7.7
Manufacturing	6.2	5.6	6.9	7.7
Services	6.7	8.2	8.9	8.9
Private consumption	5.7	4.7	11.3	8.0
General government consumption	4.8	5.9	3.7	3.9
Gross domestic investment	5.0	6.9	9.0	7.3
Imports of goods and services	8.4	9.6	11.2	11.0

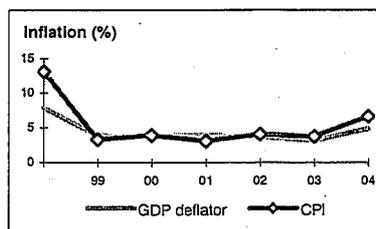


Note: 2004 represents 2004-05 and data are preliminary estimates and staff projections.

* The diamonds show four key indicators in the country (in bold) compared with its income-group average. If data are missing, the diamond will be incomplete.

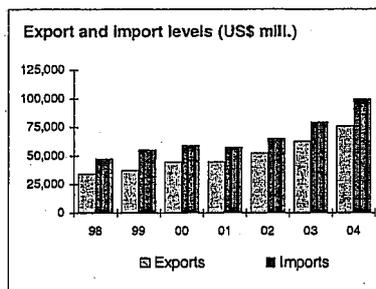
PRICES and GOVERNMENT FINANCE

	1984	1994	2003	2004
Domestic prices				
(% change)				
Consumer prices	4.3	7.6	3.7	6.6
Implicit GDP deflator	7.4	9.7	3.2	4.9
Government finance				
(% of GDP, includes current grants)				
Current revenue	..	18.0	18.7	19.9
Current budget balance	..	-3.7	-4.9	-5.8
Overall surplus/deficit	..	-7.5	-9.3	-10.6



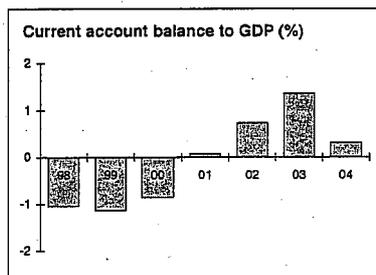
TRADE

	1984	1994	2003	2004
(US\$ millions)				
Total exports (fob)	10,061	26,855	62,952	76,345
Tea	321	1,126	1,321	..
Iron	453	988	2,341	..
Manufactures	5,614	20,404	47,616	57,898
Total imports (cif)	15,715	35,904	79,658	99,836
Food	1,384	1,144	3,059	..
Fuel and energy	4,596	5,928	20,570	..
Capital goods	2,546	7,638	17,132	20,915
Export price index (1995=100)	99	109	93	104
Import price index (1995=100)	119	104	100	113
Terms of trade (1995=100)	83	105	94	92



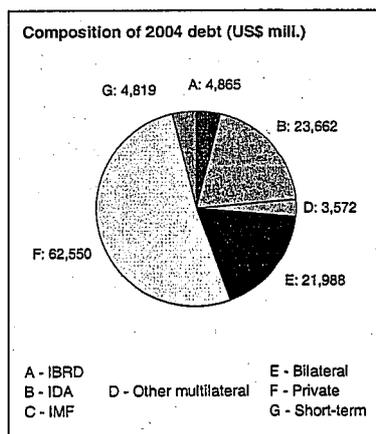
BALANCE of PAYMENTS

	1984	1994	2003	2004
(US\$ millions)				
Exports of goods and services	13,508	32,990	90,568	108,948
Imports of goods and services	18,065	41,437	96,590	121,250
Resource balance	-4,557	-8,447	-6,022	-12,302
Net income	-838	-3,431	-4,703	-4,800
Net current transfers	2,496	8,093	18,885	19,243
Current account balance	-2,899	-3,785	8,160	2,141
Financing items (net)	2,516	9,526	8,820	19,655
Changes in net reserves	383	-5,741	-16,980	-21,795
Memo:				
Reserves including gold (US\$ millions)	5,952	25,186	111,648	133,441
Conversion rate (DEC, local/US\$)	11.9	31.4	46.0	44.9



EXTERNAL DEBT and RESOURCE FLOWS

	1984	1994	2003	2004
(US\$ millions)				
Total debt outstanding and disbursed	34,036	102,483	115,277	121,456
IBRD	1,688	11,244	4,126	4,865
IDA	8,545	17,758	22,351	23,662
Total debt service	2,973	10,951	14,469	11,337
IBRD	257	1,641	2,079	288
IDA	109	325	771	755
Composition of net resource flows				
Official grants	483	416	559	646
Official creditors	1,363	970	2,231	..
Private creditors	1,895	1,438	8,565	..
Foreign direct investment	0	983	3,137	4,020
Portfolio equity	0	3,824	11,355	8,996
World Bank program				
Commitments	2,651	2,064	1,600	2,705
Disbursements	1,114	1,783	1,717	1,835
Principal repayments	129	1,062	2,468	784
Net flows	985	721	-751	1,051
Interest payments	237	904	381	259
Net transfers	748	-183	-1,133	792



Annex 2

Millennium Development goals

Ind Country Profile

	1990	1995	2001	2002	2003
Click on the indicator to view a definition					
1 Eradicate extreme poverty and hunger					
<i>2015 target = halve 1990 \$1 a day poverty and malnutrition rates</i>					
Population below \$1 a day (%)	..	..	..	..	..
Poverty gap at \$1 a day (%)	..	..	..	..	..
Percentage share of income or consumption held by poorest 20%	..	..	..	..	..
Prevalence of child malnutrition (% of children under 5)	63.9	..	..	..	..
Population below minimum level of dietary energy consumption (%)	..	..	..	21.0	..
2 Achieve universal primary education					
<i>2015 target = net enrollment to 100</i>					
Net primary enrollment ratio (% of relevant age group)	..	..	82.8	87.5	..
Percentage of cohort reaching grade 5 (%)	..	..	83.8	..	..
Youth literacy rate (% ages 15-24)	..	..	76.4	..	..
3 Promote gender equality					
<i>2005 target = education ratio to 100</i>					
Ratio of girls to boys in primary and secondary education (%)	70.1	..	80.4	88.5	..
Ratio of young literate females to males (% ages 15-24)	..	..	80.5	..	..
Share of women employed in the nonagricultural sector (%)	12.7	14.4	16.8	17.3	17.5
Proportion of seats held by women in national parliament (%)	5.0	..	9.0	9.0	9.0
4 Reduce child mortality					
<i>2015 target = reduce 1990 under 5 mortality by two-thirds</i>					
Under 5 mortality rate (per 1,000)	123.0	104.0	..	..	87.0
Infant mortality rate (per 1,000 live births)	84.0	74.0	..	..	63.0
Immunization, measles (% of children under 12 months)	56.0	72.0	56.0	67.0	67.0
5 Improve maternal health					
<i>2015 target = reduce 1990 maternal mortality by three-fourths</i>					
Maternal mortality ratio (modeled estimate, per 100,000 live births)	..	..	..	..	..
Births attended by skilled health staff (% of total)	..	..	..	..	..
6 Combat HIV/AIDS, malaria and other diseases					
<i>2015 target = halt, and begin to reverse, AIDS, etc.</i>					
Prevalence of HIV, female (% ages 15-24)	..	..	0.7	..	..
Contraceptive prevalence rate (% of women ages 15-49)	..	..	..	..	..
Number of children orphaned by HIV/AIDS	..	..	..	..	..
Incidence of tuberculosis (per 100,000 people)	167.8	167.8	167.8	167.8	167.8
Tuberculosis cases detected under DOTS (%)	..	0.3	23.9	31.2	46.6
7 Ensure environmental sustainability					
<i>2015 target = various (see notes)</i>					
Forest area (% of total land area)	21.4	..	..	..	..
Nationally protected areas (% of total land area)	..	..	..	..	5.2
GDP per unit of energy use (PPP \$ per kg oil equivalent)	3.2	3.9	5.0	5.2	..
CO2 emissions (metric tons per capita)	0.8	1.0	..	..	..
Access to an improved water source (% of population)	68.0	..	..	86.0	..
Access to improved sanitation (% of population)	12.0	..	..	30.0	..
Access to secure tenure (% of population)	..	..	..	..	..
8 Develop a Global Partnership for Development					
<i>2015 target = various (see notes)</i>					
Youth unemployment rate (% of total labor force ages 15-24)	..	..	..	..	..
Fixed line and mobile telephones (per 1,000 people)	6.0	13.0	43.8	51.9	71.0
Personal computers (per 1,000 people)	0.3	1.3	5.8	7.2	..
General indicators					
Population	849.5 million	932.2 million	1.0 billion	1.0 billion	1.1 billion
Gross national income (\$)	330.6 billion	349.6 billion	477.9 billion	494.0 billion	571.3 billion
GNI per capita (\$)	390.0	380.0	460.0	470.0	540.0
Adult literacy rate (% of people ages 15 and over)	..	..	61.0	..	..
Total fertility rate (births per woman)	3.8	..	..	2.9	2.9
Life expectancy at birth (years)	59.1	..	..	63.4	63.4
Aid (% of GNI)	0.4	0.5	0.4	0.3	0.2
External debt (% of GNI)	26.7	26.9	20.5	21.0	19.0
Investment (% of GDP)	24.1	26.5	22.3	22.7	23.0
Trade (% of GDP)	15.7	23.2	27.6	30.8	30.5

Source: World Development Indicators database, April 2004

Note: In some cases the data are for earlier or later years than those stated.

Goal 1 targets: Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day.

Halve, between 1990 and 2015, the proportion of people who suffer from hunger.

Country report - India

Outcome and forecast in TSEK

Delimitation:

Status: L, P, A and C (agr end > 200500 or Outcome <=> 0)

Region/Country: India

Other:

Responsible Unit (All)

Allocation Frame	Allocation Account	Main Sector	Data				
			Outcome 2005	Outcome 2006	Forecast 2006	Forecast 2007	
Inside country allocation	15512 India	01 Health	16 017	6 121	39 450	26 699	
		04 HR & Democratic governance	18 638	215	25 428	13 415	
		07 Infrastructure	29 121	0	12 200	5 009	
		09 Trade, business & fin. syst	1 936	321	2 100	2 100	
		10 Natural resources&environm.	12 556	37	32 081	29 330	
		12 Other	5 783	417	2 073	0	
	No sector stated	0	0	11 500	26 500		
	Total		84 051	7 111	124 833	103 052	
Inside country allocation Total							
Outside country allocation	15519 Regional Asia	09 Trade, business & fin. syst	0	0	0	0	
	15519 Regional Asia	Total	0	0	0	0	
	15541 Concessionary credits	07 Infrastructure	1 319	21	381	0	
	15541 Concessionary credits	Total	1 319	21	381	0	
	15561 Non-governmental organisations		01 Health	3 793	91	283	0
			02 Education	3 664	247	798	0
			04 HR & Democratic governance	11 237	1 522	5 715	0
			05 Conflict, peace & security	1 187	19	38	0
			07 Infrastructure	217	0	1	0
			09 Trade, business & fin. syst	1 359	212	439	0
10 Natural resources&environm.	3 246	185	623	484			
12 Other	2 400	510	1 654	88			
	Total		27 103	2 786	9 552	572	
15561 - Non-governmental organisations Total							

Allocation Frame	Allocation Account	Main Sector	Outcome 2005	Outcome 2006	Forecast 2006	Forecast 2007
	15571 Humanitarian assistance	06 Humanitarian assistance	10 054	1 924	6 216	0
	15571 Humanitarian assistance	Total	10 054	1 924	6 216	0
Outside country allocation Total			38 476	4 731	16 149	572
Grand Total			122 527	11 842	140 982	103 624

Halving poverty by 2015 is one of the greatest challenges of our time, requiring cooperation and sustainability. The partner countries are responsible for their own development. Sida provides resources and develops knowledge and expertise, making the world a richer place.



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