

**DISTRICT PRIMARY EDUCATION PROGRAM**

**APPRAISAL MISSION**

**Second IDA Credit**

**(February 18 - March 8, 1996)**

NIEPA DC



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## **DISTRICT PRIMARY EDUCATION PROGRAM**

### **Aide-Memoire Appraisal Mission Second IDA Credit**

#### **Introduction**

1. The proposed second investment of IDA in India's District Primary Education program (DPEP) was appraised between February 18 and March 8, 1996 by an IDA team led by Adriaan Verspoor (Education Adviser NDO), and comprising Donna Bjerregaard, (Social Development Specialist, consultant), Roger Bonner (Civil Works Specialist, consultant), Kevin Casey (Senior Implementation Specialist), Philip Cohen (Textbook Specialist, consultant), Keith Hinchliffe (Senior Economist), N.K. Jangira, (Education Specialist, NDO), Sudesh Mukhopadhyay (Education Specialist, Consultant), Juan Prawda (Senior Education Specialist), Vijay Rewal (Civil Works Specialist, consultant) and Clayton Vollan (Distance Education Specialist, consultant). The mission was supported by Saurabh Banerji for the finalization of the civil works documentation, Hemamalini Kanugo for general research assistance and Sudesh Ponnappa for secretarial services. Ms. Gita Poyck joined the mission on behalf of the Government of the Netherlands (GON) which confirmed to GOI its interest in supporting the implementation of DPEP in Gujarat through IDA. The mission wants to record its appreciation for the assistance it received from the DPEP Bureau, the Technical Support Group, and the state and district planning teams in Gujarat, Himachal Pradesh, and Orissa. The spirit of collaboration which had characterized the preparation phase of the proposed investment extended into the appraisal and made it possible to complete the project development process in record time.

2. This aide-memoire summarizes the missions findings and records the agreements reached. It describes first the project composition agreed with DOE/GOI.<sup>1</sup> It then discusses the mission's findings with respect to the key appraisal issues: managerial capacity of the DPEP Bureau, implementation progress of DPEP I<sup>2</sup>, program management capacity in the new states, quality of state and district plans, effectiveness of the national appraisal process and the financial sustainability of the program. Annex 1 presents the pool of districts that will be eligible for support by the second IDA credit. Annex 2 lists the project components and sub-components that are eligible for funding by the project. Annex 3 presents the project cost and procurement tables. Annex 4 discusses the key management and implementation issues to be addressed at key points in the next nine months. Annex 5 summarizes the processing schedule. The agreements, recommendations and project cost and financing plan are provisional, pending review and confirmation by IDA management, GOI and GON.

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<sup>1</sup> agreements mentioned in this aide-memoire referred to agreements reached between DOE/GOI and the mission

<sup>2</sup> refers to the first IDA credit extended in support of DPEP

## Project composition

3 **Coverage.** The second IDA credit would provide support for the expansion of the coverage of DPEP into (i) 12 districts in three new states - Gujarat (3 districts), Himachal Pradesh (4) and Orissa (5) - and (ii) about 45 districts in the following eight "expansion" states

- Assam, Haryana, Karnataka, Kerala, Maharashtra and Tamil Nadu which are already participating in DPEP I;
- Madhya Pradesh which is already participating in DPEP with EC financial support;
- Uttar Pradesh which is currently implementing, with IDA assistance in 10 districts, the UP Basic Education Project with objectives, components and a management structure similar to DPEP.

4 The DPEP existing guidelines for determining the eligibility of districts for financial support would apply to DPEP II<sup>3</sup>. Accordingly, the proposed credit would support districts in the eight expansion states:

- with a female literacy rate of less than the national average of 39.1 %;
- with female literacy rates below the state average where the Total Literacy Campaign has been successfully implemented.

*It was agreed that no more than 15% of the total number of districts selected as expansion districts would fall into this second category. A table showing the potentially eligible districts in each of the expansion states is shown in Annex 1.*

5. **Components.** The project objectives and the investment components would be the same as for DPEP I (Annex 2). The implementation period would, however, be shortened from seven to six years and a new national component would be included to develop a distance education program in support of the DPEP in-service teacher training program. Limited support would be included for the state and national capacity building components to complement the funding available through DPEP I and UP BEP. Eligibility criteria for DPEP support of specific investments proposed by the participating states and districts will be as specified in the DPEP guidelines.

*It was agreed that the guidelines would be amended to clarify that:*

- *mainstream special education programs will be eligible for DPEP support under certain well defined conditions;*
- *the number of classrooms to be funded by DPEP in a particular habitation will be related to the number of 6 -11 year olds in the school's catchment area as defined by a school map; the DPEP Bureau will in consultation with the DPEP states prepare a sliding scale for this purpose.*

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<sup>3</sup> refers to the proposed second IDA credit in support of DPEP

*discuss this scale with IDA by October 31, 1996 and apply it starting the financial year 97/98.*

6. Following the review of the composition and the costing of state and district plans and the National State Appraisal Reports (NSAR) for the new DPEP states, the mission recommended a few additional possible project items. *It was agreed that:*

- *an allocation for stocking libraries/bookbanks in primary schools with an adequate supply of supplementary reading materials, and a limited numbers of core textbooks to be held in bookbanks and loaned to poor non SC/ST boys and trunks for storage would be included in all district plans;*
- *an allocation of Rs.50 lakhs would be provided to each new state for the establishment of a Classroom Construction Innovation Fund to provide resources for the research, experimentation and evaluation of "alternative" cost-effective techniques for the construction of classrooms (see Annex 4D for details).*
- *an increased allocation for consultant services, and staff visits to in-state and out-of-state resource institutions would be included in all state plans to strengthen the state capacity building component.*
- *an extra allocation of instructional materials would be made to one and two classroom schools.*

7. **Design.** The program is designed to provide program support to DPEP with the DPEP Bureau acting as the national management authority which appraises state and district investment plans and reviews and approves annual work programs and budgets (AWPB). IDA has appraised and will continue to review capacity of the DPEP Bureau in this regard. Plans for expansion districts are expected to be appraised within the next 18 months by the DPEP Bureau. *It was agreed that IDA will conduct a review of the effectiveness of appraisal process in one or two districts in each of the states that requests funding of expansion districts, before DOE releases funds for implementation. Thereafter, provided IDA is satisfied with the effectiveness of the national appraisal process, IDA will conduct only an ex-post review of the national appraisals in a sample of the other expansion districts.*

8. **Project cost.** The total project costs are estimated at \$ 534.4 million (including taxes \$19.7 million) These estimates are based on (i) detailed review of the cost of district and state plans in the three new states and the distance education components; and (ii) average estimated cost of project inputs in DPEP I districts adjusted for inflation and population size. They include the standard provision for physical and price contingencies. Details are presented in Annex 3. The project is expected to be financed by an IDA credit of \$425.2 million, a grant of \$25.8 of GON and a contribution of the participating states of \$83.4 million. GOI will pass the credit funds on to the states as a grant and carry the foreign exchange risk.

9. GON has confirmed that is planning a grant contribution of up to \$25 million, through a joint financing arrangement with IDA for the implementation of the program in

the districts of Dang, Banaskantha and Panchmahal in the state of Gujarat. Credit documentation and negotiations in Washington will therefore include the contribution to DPEP Gujarat with the understanding that a final decision by the Netherlands' Minister of Development Cooperation is expected in May 1996.

### Key Appraisal Issues

10. **National Management Structure (NMS).** The capacity of the NMS to manage the preparation, appraisal and implementation of state and district programs is central to the effective implementation of DPEP. The program will expand within two years to cover 110 districts in 13 states (of which 12 are major states) from the current 42 districts in 7 states. This makes it imperative to strengthen and adapt the management structure and processes of DPEP (see Annex 4A for a detailed discussion). DOE/GOI and the mission agreed that this process would comprise four major elements:

- accelerating delegation of the responsibility to the state;
- increasing the staff of the DPEP Bureau;
- strengthening the TSG;
- expanding the network of resource institutions.

11. **Delegation.** States will have to take increased responsibility for the provision of technical support to the district, review of district AWPBs and the supervision of implementation of the district level. Almost all DPEP I states have already begun to do this, but the process needs to be accelerated and formalized. This will require strengthening the staffing of the SPOs, training of the staff, identification of suitable resource institutions in the public, the NGO and the private sector and the development of a standardized supervision reporting system. GOI/DOE has prepared a broad strategy for the implementation of this process of management decentralization. The details of this plan need to be further developed. Most importantly, specific management development activities need to be identified and a time table with measurable benchmarks prepared. *It was agreed that DOE will submit to IDA for discussion during negotiations an action plan for decentralization of supervisory and technical support tasks by effectiveness.*

12. **Staffing DPEP Bureau.** The two joint supervision missions and the preparation review mission have expressed concern about the ability of the DPEP Bureau to meet the demands of accelerating implementation and expanding coverage. They emphasized the need to strengthen the staffing Bureau without delay. The IDA preparation review mission had requested that by appraisal:

- the JS position and the three DS positions be established as separate full time positions to meet the staffing levels agreed for DPEP I;
- agreement be obtained to create two new DS positions to cater to the needs of the three new DPEP states.

13. So far the Expenditure Department has not agreed to create these positions. While the mission appreciates the need for caution in the creation of senior level positions, it must insist that the demands of an expanded DPEP program with a total investment of

more than \$1 billion in 13 states and in more than 100 districts, fully justify the strengthening of the DPEP staffing. *The appraisal mission will therefore recommend to the management of the South Asia Department that GOI will only be invited to negotiate the proposed credit after it has confirmed that it is ready to present evidence that:*

- *additional full time positions have been sanctioned to staff the DPEP Bureau with full time positions at the level agreed for DPEP I (i.e. 1 JS and 6 DSs);*
- *steps have been taken to ensure that these positions will be filled by August 31, 1996,*
- *DOE/GOI will submit to IDA by December 31, 1996 a full management and staffing development plan taking into account the findings of the ongoing DPEP management study and the decentralization .*

14. **Strengthening the TSG.** The TSG has made valuable contributions to the implementation of the DPEP. It has on the whole been able to attract qualified consultants for short term assignment but has found it difficult to attract a sufficient number of senior consultants to fill all the long term coordinating positions. The civil works unit remains understaffed and has not been able to provide technical support to the states as needed and ensure the effective appraisal of the civil works component in the state programs; the MIS unit has not been able to operationalize the state MIS units as planned or implement the project costings as expected; the Appraisal Unit is not staffed at a level that will allow it to effectively meet the demands of appraisal of fifty district plans within the next six months. The problems are exacerbated by the uncertainties surrounding the extension of the Ed.CIL contract (due to expire in March 1997) given IDA concerns about the proposed sole source procurement. The mission has noted the strong desire of DOE/GOI to continue to use the services of Ed.CIL for staffing the TSG and contract management. *It was agreed that IDA will clarify its position on the proposed sole source contract extension by negotiations.*

15. The mission considers the role of TSG as a source of high quality expertise critical to the effectiveness of the DPEP, especially in the next twelve months as five new states are joining DPEP with SPOs with inexperienced staff, while staff of the existing SPOs will need to be trained to take on increased supervision and review responsibilities with regard to the districts. *It was agreed that prior to negotiations the DOE/GOI will submit a plan for the strengthening of the TSG against the background of the increase in operational activities related to the start-up of DPEP II. By effectiveness additional staff in the TSG will have been appointed in accordance with this plan.*

16. **Expanding the Network of Resource Institutions.** The SAR of DPEP I describes the elements of a strategy for the strengthening of the national capacity to provide professional support in a number of key areas. Additional support for capacity building is available through the EC program. The National Technical Assistance Program (NTAP) included in DPEP I has been slow to take off and has been largely limited to NCERT and NIEPA. Successful implementation of an enlarged DPEP will require a broadening of the network of resource institutions. *It was agreed that a revised plan for the implementation*



*of the NTAP would be submitted to IDA by December 31, 1996.*

17. **Implementation of DPEP I.** The DPEP I implementation progress overview prepared for the mission presents evidence of an accelerating rhythm of implementation in all DPEP I states. This is also reflected in a steadily rising level of expenditure. IDA disbursements have now increased to Rs.35 crore. *The DPEP Bureau confirmed that it expects a further acceleration in project activity resulting in disbursement claims totaling about Rs. 45 crore by April 10, 1996 and Rs. 70 crore by June 30, 1996.*

18. **District and State Implementation Organization.** All districts have established implementation task forces. Implementation Societies have been established and registered and bank accounts opened in all new states; Orissa has appointed a full time project director as agreed. In Himachal Pradesh and in Gujarat a full time project director has not yet been appointed. The mission is especially concerned about the effectiveness of the leadership exercised by the State Project Office in Gujarat. The DPEP Bureau has agreed to closely monitor the progress in staffing the SPO in Gujarat. Furthermore, *the mission agreed with DOE/GOI that a full time project director is essential for the expeditious launch of the project in the new DPEP states and that only states that have followed the confirmed DPEP practice and appointed a full time project director would be invited to participate in the negotiations.*

19. To ensure a rapid start-up of project implementation in the new states it is essential that the project management structures at the state and district level are strengthened and operationalized without delay. *It was agreed that before project effectiveness, expected around August 31st, 1996, in each SPO in addition to a full time project director, at least three key staff (typically a financial/procurement officer, a civil works specialist and a training specialist) would be in place and that a full time project coordinator and a finance/procurement officer would be posted in each DPO and project accounts opened.*

20. As important as the creation of District Project Offices is the establishment or activation of Village Education Committees (VEC). *It was agreed that this would be a special focus of the awareness campaigns planned for the first year of implementation and that VECs would be established in all villages in the project districts in the new states by June 30, 1997 and within one year after implementation start-up in the expansion districts.*

21. **National Appraisal Capacity.** The National State Appraisal Reports (NSAR) were reviewed by the mission following discussion with the state and district planning teams. The mission found continued progress in the quality of the district and state plans and in the effectiveness of the appraisal work done by the DPEP Bureau/TSG. This has convinced the mission that the basic project strategy of delegation of the responsibility for the appraisal of district plans for "expansion" districts to the DPEP Bureau and a gradual shift from ex-ante to ex-post IDA review is justified. Yet the mission is concerned that shortages of staff, especially in the TSG (para 12) may hamper the effectiveness of the process. The mission discussed with the DPEP Bureau and the national appraisal teams a

strategy to further develop the national appraisal capacity. *The following key elements were agreed:*

- *preparation of revised NSARs in a standard format for each of the three new DPEP states incorporating the observations of the IDA appraisal mission and the agreements reached between the appraisal mission and DOE, and discussion of the revisions with the states;*
- *strengthening the staffing of the national appraisal missions to include at least (i) education specialist; (ii) civil works specialist; and (iii) education planner/economist;*
- *extending the duration of the appraisal mission to at least one full week (probably two weeks in states with more than three districts) to allow time for a visit to one or more sample district(s) and detailed review discussions with the state and district planning teams;*
- *preparation of a plan for the appraisal of the first batch of "expansion" districts for discussion with IDA at least two weeks before the first national appraisal mission.*
- *IDA discussions with the DPEP Bureau and the national appraisal teams of the effectiveness of the national state appraisal process following IDA review of the NSARs and related field visits.*

22. **Financial Issues.** The mission reviewed the performance of the DPEP I states with regard to the additionality criteria and sustainability of the DPEP investments in DPEP I and DPEP II states. Annex 4B provides some more details.

23. **State Contributions and Additionality.** The requirement of **DPEP I states** to meet 15 percent of project costs has been met for 1994/95 by all states apart from Assam (10.5%). A further Rs.42 lakhs would be released shortly by the Assam state government. The 1995/96 contributions are expected at the end of the financial year. Regarding the additionality condition in the DPEP Guidelines, in all states except Tamil Nadu, both plan and non plan real expenditures were higher in 1994/95 and 1995/96 compared to 1991/92. In Tamil Nadu, total real expenditures were just maintained in 1994/95 but are budgeted lower for 1995/96. *It was agreed that if Tamil Nadu requests funding for expansion districts, the DPEP Bureau will review the adequacy of expenditures and inform IDA of its findings.*

24. The investments envisaged for the **three new project states** were judged by the mission to be sustainable within a context of continuing fiscal adjustment. In addition the states should be able to meet the additionality condition. The base year for the additionality condition will change from 1991/92 to 1995/96. The burden will be highest for Himachal Pradesh where the investment costs are relatively high compared to current expenditures and where the resulting incremental recurrent requirements of the project districts will be almost equal to projected total incremental departmental expenditures if past trends continue. Especially in this state, a continuing focus on cost-effective solutions will be required throughout the project.

25. **Sustainability.** The proposed expansion of districts in the majority of DPEP I states need not cause serious problems in terms of the financial conditionalities of the Guidelines, again in a context of continuing fiscal adjustments. The number of additional districts is likely to be small. However, in the cases of Assam and Haryana some attention will be required. Of the six states, Assam is more dependent on grants and loans than other states, and while Haryana is a relatively rich state, past expenditures on education have been relatively low. Uttar Pradesh and Madhya Pradesh will also be included in DPEP II. These states are already implementing programs in 10 and 19 districts respectively. Both are educationally backward and have many more districts which would qualify for inclusion. Both are among the group of poorest states. While both should be able to maintain total real expenditures on elementary education they may find it difficult (though not impossible) to maintain real plan expenditures in addition to their required contributions for the new districts. Past trends suggest that in these two states sustaining the DPEP program and funding a considerably expanded and improved primary education system is likely to require substantial changes in the pattern of revenues and state expenditures. It is encouraging that the governments of these states have repeatedly confirmed the high priority given to the development of basic education. The DPEP Bureau will monitor expenditure trends in all DPEP states carefully and share its findings with IDA. *Specifically it was agreed that:*

- *existing DPEP states applying for additional support should be required to update their Finance Studies to include, as a minimum, a detailed analysis of plan and non plan expenditures on elementary education from 1991/92 to 1996/97 (BE), the incremental recurring costs resulting from DPEP I and II expansion and the anticipated non plan budget allocation in 2002/03 based on recent trends.*
- *in preparation for each of the in-depth implementation reviews scheduled for late 1998 and early 2001, an independent study be commissioned by the DPEP Bureau reviewing each participating state's financial performance (including Madhya Pradesh and Uttar Pradesh) in the DPEP program and a sustainability analysis examining the ability of each state to meet the recurrent cost liability that is being created by DPEP (and the UPBEP) and which would result from universal schooling. The results, and recommended measures, would form the basis for discussion by the Government and IDA.*

### **Status of Preparation**

27. **State and District plans.** All state and district plans for the new states were reviewed by the mission. All state and districts had made a commendable effort to take into account the observations of the preparation mission. Although the quality remained uneven the mission found considerable progress in the description of issues the operationalization of proposals, the identification of convergence with other programs and the recognition of the importance of quality improvement strategies. While the treatment of cost-effectiveness issues was not as rigorous as expected, the discussion with state and district planning teams, the national appraisal teams and the DPEP Bureau helped to

clarify several issues of cost-effectiveness, most notably the need to establish criteria for the funding of classrooms (para 5).

28. Institutional Development. Annex 4C summarizes the mission's comments on the institutional development program. Of paramount importance is an early start on the strengthening of SCERTs and DIETs. SCERTs will need to strengthen their ability to deliver high quality primary education training programs and develop cost-effective education materials. The staffing of DIETs needs to be strengthened in many districts. *It was agreed in addition to the revision of the NTAP (para. 16) that:*

- *DPEP states would establish a DPEP resource group inside or outside SCERT with an adequate number of staff to meet the needs of DPEP implementation by October 31, 1996;*
- *all DIETs for the project districts in the new DPEP states, would be appropriately staffed and operational by December 31, 1996, DIETs for expansion districts would be operational within one year after the start of implementation.*

29. Quality Improvement. Annex 4D summarizes the mission's observations on the quality improvement strategies proposed for the three new states. Key elements are the need to (i) communicate and disseminate widely the DPEP pedagogical vision and (ii) support pedagogical renewal in the form of:

- new teacher training modules and core textbooks that reflect child centered teaching/learning; and
- ample supplementary materials, classroom libraries and low cost aids to enrich the learning environment. *It was agreed that additional provision for supplementary materials would be made in the state and district plans (para. 6)*

30. Civil Works. Annex 4E summarizes the main elements and the priorities for action of the civil works program in the new states. It emphasizes the need to (i) develop designs that reflect education environments consistent with the DPEP pedagogical vision; and (ii) ensure cost-effectiveness and quality construction through adequate supervision. *It was agreed that (i) all states would experiment with new cost-effective designs with the support of a Classroom Construction Innovation Fund; (ii) developing the capacity of the SPOs and the TSG to review designs and manage construction supervision would be given a high priority; and (iii) standard designs would be submitted to IDA for review after vetting by SPOs and DPEP Bureau prior to the start.*

31. Readiness. The mission found that all districts are ready and eager to start implementation and considers that the value added of another full scale revision of the district plans would be limited. *It was therefore agreed that the next step would be the development of detailed state and district action plans for implementation in*

*FY96/97 within the framework specified in the revised NSARs. The DPEP Bureau would synthesize these action plans and submit them to IDA for review prior to project effectiveness.*

32. **National State Appraisal Reports.** The mission conducted a detailed review of the NSARs and provided detailed feedback to the DPEP/TSG appraisal teams that had conducted the appraisal of the state and district plans. The principal comments of the IDA appraisal mission concerned the need to:

- reach agreement with state authorities on outstanding issues;
- record agreements reached in the NSAR instead of formulating recommendations;
- conduct a more rigorous appraisal of the cost of the district proposals;
- specify the cost by activity and sub-activity;
- describe for each (sub) activity what the project would finance;
- specify first year work programs and budgets in more detail;
- strengthen some project activities as described in para 5.

33. The NSARs would be revised to incorporate the comments of the IDA appraisal team and the agreements reached during the appraisal mission. The revised draft would then be discussed with the states. *It was agreed that revised drafts of NSAR would be submitted to IDA by April 10, 1996 for discussion at negotiations.* A final version would be produced following the conclusion of negotiations to incorporate all changes agreed at that time. This version would be the basis for the preparation of state and districts AWPBs.

34. **Expansion Districts.** DPEP I states are expected to propose expansion districts for funding under DPEP II in the first 18 months of project implementation. Preparatory studies are already underway in about 20 districts. IDA will conduct a field review of the national appraisal of one or two districts in each state. *It was agreed that DOE/GOI would release funds for the implementation of these district plans only after IDA has completed its review and found the NSARs acceptable.* For the remaining expansion districts IDA will conduct an ex-post review of the NSARs and share its observations with GOI.

35. States requesting funding for expansion districts would submit a proposal for appraisal by the DPEP Bureau that would include:

- base line survey of student achievement;
  - social assessment study and participation report;
  - finance study (para 47)
  - district plan
  - evidence of good implementation progress under DPEP
- evidence that the financial additionality conditions and the state project contributions to project cost (15%) have been fully met

*It was agreed that the DPEP guidelines would be amended to specify these requirements for the expansion districts*

36. **Procurement.** DOE/GOI has reviewed the experience with the procurement procedures of DPEP I. It has suggested some modifications in the procurement procedures, specifically:

- increasing the limit for civil works procurement through local shopping, force account or community construction to \$20,000;
- elimination of the ICB requirement for the procurement of vehicles;
- provision for direct contracting in accordance with IDA guidelines;
- streamlining of the prior review procedures for small consultant contracts.

*It was agreed that the mission would recommend to IDA management the modification of the procurement procedures to take into account the DPEP experience; these procedures would apply also to DPEP I.*

### **Distance Education**

37. The distance education component has undergone considerable rethinking and revision during this mission. The component is now more clearly oriented to offering a variety of distance education services to the DPEP states with the goal of increasing the effectiveness of the DPEP in-service training program through the planning and production of attractive, interesting and effective audio-visual support and self-instructional materials. This needs to be featured in the proposal and shown more clearly in the budget which is to be provided to the DPEP states to cover materials production costs. A more detailed discussion can be found in Annex 4F. The program will provide distance education planning and materials development services to an additional group of DPEP states each year and emphasize the strengthening of the national and state level capacity to plan these materials and manage their production by public or private sector producers. This will allow an opportunity to startup program activities and to add to staff in a planned and manageable fashion. Arrangements for the component to be managed as an activity under the Indira Gandhi Open University (IGNOU), in cooperation with National Council for Educational Research and Training (NCERT), have been clarified.

38. It was agreed to revise the project plan submitted to the mission as follows:

- The objective of support to and integration with the training efforts already underway in the DPEP states will to be stated more explicitly and to permeate the design of the component;
- The number of states to be served in the first year, the criteria for the selection of states, and a strategy to serve all DPEP states in the early years of the project will be stated explicitly;
- The “capacity building” aspects and objectives will be emphasized and specified. A major output of the component will be the development of new capabilities at the state level to plan and produce educational

materials in print, audio and video media. This output will be quantified in order to show the cost and benefits of the component;

- The contribution of the component to the production of printed materials for the DPEP in-service training program will need to be clarified. Print materials will make up the major portion of teacher training materials to be used in the state programs, but funding is already included in the cost of staff training programs to be carried out by SCERT or other resource institutes;
- The role and number of managerial staff, needs to be reviewed to determine if that level of manager is needed and, if needed, are as many needed as envisioned;
- The project costings (currently estimated at \$4.9 million) remain tentative and will be firmed-up;
- The project design will explicitly allow for the contracting of private sector contractors for production and duplication of materials.

39. *It has been agreed that by negotiations a revised draft of the proposal for the distance education component will be submitted to the World Bank, New Delhi by April 1st, 1996 for forwarding to the distance learning consultant for review.*

40. As the distance education component is a new component under DPEP, and not part of a pre-existent program, its greatest initial challenges will be to get staff in place very quickly and to begin the project activities in a timely manner. *It has been agreed that the staff needed for the first phase of the project will be recruited immediately and will be in place by May in order to take up responsibility for the project launch and the annual state distance education planning meetings to be held in each of the states that will be part of the 1996-97 program work plan.*

41. **Studies.** The completion of baseline studies of learning achievement, social assessment and finance had been agreed as a condition of negotiations at the time of the identification mission. Progress has been slower than expected and targeted action will be needed to ensure that the studies are all completed prior to negotiations. The specific status of each of the studies is discussed below.

42. **Baseline Studies Of Student Learning Achievement.** Baseline studies on learning achievement are progressing in all the three states. Gujarat shared preliminary findings and summary tables with the state and district planning teams on March 24. Himachal Pradesh has submitted summary tables and preliminary findings. In Orissa data collection has been started and summary tables should be available by negotiation. To ensure that the agreed deadlines are met, NCERT technical assistance for data analysis and presentation should be intensified. In addition to ensure that the final product meets the standards of analysis agreed for DPEP I, NCERT should submit the framework for data analysis to IDA by March 20. Findings of the baseline studies should be shared with state and district planning teams as well as stakeholders by project effectiveness. These findings would be

used to review district plans and AWPBs . *It was agreed that draft reports of baseline studies on learning achievement should be submitted to IDA by negotiation.*

43. Social Assessment And Participation Reports. The mission reviewed the status of the social assessment studies. For appraisal, the institutions had been requested to provide a preliminary report on at least two districts. This deadline was met by Orissa and Himachal Pradesh, the Gujarat study is expected shortly. However, the states require more time to finalize the studies at the expected level of quality. In addition, the DPEP Bureau will give high priority to helping the states use the information gained from the studies effectively. *It was agreed that (i) by negotiations each state will present studies on two districts revised in accordance with IDA/DPEP comments; (ii) by effectiveness the remaining districts will be completed; (iii) a national working seminar will be conducted to discuss SAS findings and to assist districts in the development of an action plan for the integration of these findings into the AWPB.*

44. Substantial progress has been made in both the documentation of participation meetings and the analysis of the issues presented. Consultative meetings took place in all districts except in Lahaul and Spiti district in Himachal Pradesh where weather consultations made it impossible to organize consultative meetings. All districts with the exception of the Banaskantha (Gujarat) have documented the process. Implementation strategies, within the guidelines of DPEP, are beginning to reflect the stated needs of the ultimate stakeholders. Progress varies across states and districts, more training in the integration of the results of participation and the planning process would be helpful. The challenge is now to integrate the findings of the social assessment and the participation process in the annual work program planning process. *Baraskantha district will submit the necessary documentation as part of the final social assessment report and consultations would be organized in Lahaul and Spiti as soon as weather conditions permit. It was agreed that following the national workshop every state would prepare an action plan for ongoing consultations and their integration in the preparation of AWPBs for review by IDA by October 31, 1996.*

45. Textbook Studies. All three DPEP II states have returned completed questionnaires. These will now be analyzed by the Publications Department of NCERT with the assistance of the IDA textbook consultant and the findings will be summarized in a report and be made available to IDA by December 31, 1996.

46. State Finance Studies were produced by the new states. Each represented a serious attempt to present trends in state public finances and in educational expenditures. None of the studies, however, provided information up to 1995/96. States were requested to forward this during the mission. So far, Orissa only has responded. The major deficiency of the reports was in their attempt to respond to the final part of the terms of reference dealing with the projected recurrent cost implications of the project. Only in Orissa was an attempt made. *It was agreed that states either produce a further version of their report or provide an attachment to the DPEP Bureau covering these aspects of the TORs by negotiation.*



## **Project processing.**

47. ***Retro-active financing.*** To continue start-up activities of the project in the new DPEP states, retro-active financing of recurrent expenditures (salaries and operating cost), furniture and equipment and consult services up to \$ 4 million will be included in the project.

48. The tentative processing schedule for the project is attached in Annex 5. IDA would negotiate a Credit Agreement with GOI and a Project Agreement with each of the eight states eligible for project support under the proposed credit. The documentation to be submitted to IDA prior to negotiations should reach NDO by April 7, 1996.

## **Conditions and Covenants**

49. The mission will recommend the following conditions to IDA management:

### ***Conditions Of Negotiations.***

- Sanction by the expenditure department of the additional full time positions for 1 JS and 3 DSs in the DPEP Bureau needed to reach the staffing agreed for DPEP I;
- Submission of revised NSARs for the three new states;
- Appointment of full time Directors of the SIS in each of the new states;
- Submission of plan for strengthening the TSG;
- Submission of preliminary reports on baseline achievement studies;
- Completion of revised social assessment studies for two districts in each state;
- Submission of the missing elements in State Finance studies in Gujarat and Himachal Pradesh;
- Submission of a revised version of the distance education component;
- Presentation of evidence of a continued strong DPEP I disbursement performance.

### ***Conditions Of Effectiveness.***

- Appointment of full time staff to the additional positions created in the DPEP Bureau;
- Submission of a plan for the decentralization of responsibility from the DPEP Bureau to SPOs in DPEP I states;
- Appointment of key full time staff in SPOs and DPOs in the new states;
- Appointment of staff to TSG in accordance with a plan agreed at negotiations;
- Submission of completed social assessment studies for all project districts in new DPEP II states;
- Submission of a synthesis of first year (FY96/97) state and district work programs for the new DPEP II states;
- Appointment of core staff for distance education unit.

### **Implementation Covenants**

- 50 At negotiations GOI will be requested to provide assurances that:
- Comprehensive proposals for staffing of the DPEP Bureau and the progressive decentralization of responsibility on the basis of the findings of a management study will be submitted to IDA by December 31, 1996.
  - The project will be implemented in accordance with DPEP guidelines and proposed changes in the guidelines would be discussed by IDA.
  - No more than 15% of the expansion districts would be in districts that have female literacy rates above the national average; these districts would however have female literacy rates below the state average and have successfully implemented the Total Literacy Campaign.
  - Reports on the national appraisal of expansion districts in new DPEP states will be submitted to IDA for review and that the DPEP Bureau will release funds for implementation of the project to the states only after IDA has reviewed and approved the national appraisal report for one or two districts in each state. Further IDA reviews will be ex-post and conducted in a sample of about 20% of the expansion districts.
  - A revised plan, including terms of reference, for the implementation of the National Technical Assistance program (funded by DPEP I) designed to accelerate the national capacity building process would be submitted to IDA by December 31, 1996.
  - DPEP Bureau will prepare a sliding scale to determine the number of classrooms eligible for funding by DPEP in a particular habitation, discuss this scale with IDA by December 31, 1996 and apply it starting the financial year 97/98
  - Baseline assessments of student achievement will be carried out in all expansion districts and repeated two times during the life of the project according to a schedule to be agreed with IDA not later than December 31, 1997 using methods satisfactory to IDA.
  - Standard designs for classrooms and BRCs should be submitted to IDA for review by each of the new DPEP states prior to the start of the construction program.
  - The MTR agreed for DPEP I will be designed as an in-depth implementation review all DPEP states and districts and be carried out by December 31, 1998; a second in-depth review of DPEP will be carried out by June 30, 2001.
  - In preparation for each of these in-depth reviews a special study will be prepared by DOE/GOI on the trends in education expenditure in each of the participating states and the financial sustainability of DPEP in each of the participating states for review by IDA and the joint review mission.

51. States will be asked to provide assurances that:
- Project resources will be allocated for the education of tribal students at least in proportion to the share of the tribal population in the district.
  - Action plans to integrate the findings of the social assessment studies and the findings of the beneficiary consultations will be developed by each state and submitted to IDA by October 31, 1996.
  - DIETs for project districts will be established, adequately staffed and functioning all project districts by December 31, 1996 and for implementation districts within one year after implementation starts.
  - DPEP states will establish a DPEP resource group and staff this RG with an adequate number of appropriately qualified staff by October 31, 1996
  - IDA will be provided the first two proposals for the establishment of ST residential schools complete with school maps and evidence of demand for review.
52. The creation or activation of VECs would be a special focus of the awareness campaigns that are being planned for the first year of implementation in the project districts and that VECs would be established in all villages the new states by December 31, 1998 and two years after implementation start-up in the expansion districts.

March 8, 1996

**DISTRICTS ELIGIBLE FOR EXPANSION OF DPEP**

Annex 1

S.NO STATE/DIST	LITERACY(%)	S.NO STATE/DIST	LITERACY(%)	S.NO STATE/DIST	LITERACY(%)	S.NO STATE/DIST	LITERACY(%)
<b>ASSAM</b>		<b>MADHYA PRADESH</b>		<b>UTTAR PRADESH</b>			
1 Barpeta	33.2	1 Balaghat	39.0	1 Agra	30.8	27 Meerut	35.6
2 Bongaigaon	38.7	2 Bastar	15.3	2 Azamgarh	22.7	28 Mirzapur	22.3
3 Goalpara	37.6	3 Bhind	28.2	3 Bareilly	19.9	29 Moradabd	18.3
4 Kokrajhar	30.9	4 Chhindwara	32.5	4 Basti	17.8	30 Muzaffarnagar	29.1
5 Sonitpur	38.6	5 Damoh	30.5	5 Bijnor	26.5	31 Pithoragarh	38.4
6 Tinsukia	34.0	6 Datia	23.7	6 Budaun	12.8	32 Pratapgarh	20.5
<b>6</b>		7 Dewas	25.6	7 Bulandshahr	24.3	33 Rae Bareli	21.0
<b>HARYANA</b>		8 East Nimar	31.5	8 Faizabad	23.0	34 Shahjahanpur	18.6
1 Bhwani	35.1	9 Hoshangabad	37.6	9 Farrukhabad	32.0	35 Siddharth Nagar	11.8
2 Gurgaon	34.9	10 Jhabua	11.5	10 Fatehpur	27.3	36 Sonbhadra	18.7
3 Mahendragarh	36.8	11 Mandla	22.2	11 Firozabad	29.9	37 Unnao	23.6
<b>3</b>		12 Morena	20.8	12 Ghaziabad	38.8	38 Uttarkashi	23.6
<b>KARNATAKA</b>		13 Raipur	31.0	13 Ghazipur	24.4	<b>39</b>	
1 Bangalore (rural)	38.2	14 Sagar	37.8	14 Gonda	12.6	<b>RESERVE DISTRICTS UNDER UTTAR-</b>	
2 Bellary	32.0	15 Seoni	31.1	15 Hamirpur	20.9	<b>PRADESH BASIC EDUCATION PROJECT</b>	
3 Bidar	30.5	16 Shajapur	19.8	16 Hardwar	34.9	1 Bahraich	10.7
4 Mysore	38.0	17 Shivpuri	15.6	17 Jalaun	31.6	2 Ballia	26.1
<b>4</b>		18 Ujjain	32.6	18 Jaunpur	22.4	3 Barabanki	15.4
<b>MAHARASHTRA</b>		19 Vidisha	27.8	19 Jhansi	33.8	4 Deoria	18.8
1 Bid	32.3	20 West Nimar	23.2	20 Kanpur Dehat	35.9	5 Etah	22.9
2 Dhule	38.8	<b>20</b>		21 Kheri	16.4	6 Hardoi	19.8
3 Gadchiroli	28.9			22 Lalitpur	16.6	7 Pilibhit	17.2
4 Jalna	27.3			23 Maharajanj	10.3	8 Rampur	15.3
<b>4</b>				24 Mainpuri	33.1	9 Sultanpur	20.8
				25 Mathura	23.0	10 Tehri Garhiwal	26.4
				26 Mau	27.9	<b>10</b>	

**ELIGIBILITY CRITERION FOR DISTRICTS**

1 DISTRICTS WITH FEMALE LITERACY RATE LESS THAN NATIONAL AVERAGE: 39.2%

2 DISTRICTS WITH FEMALE LITERACY RATE LESS THAN STATE AVERAGE, WHERE TOTAL LITERACY CAMPAIGN HAS BEEN SUCCESSFULLY IMPLEMENTED

**NOTE: SIX DISTRICTS HAVE BEEN IDENTIFIED UNDER CRITERION (2) ABOVE : KERALA : 3, TAMIL NADU : 3.**

## **PROJECT COMPONENTS**

- I. *National Components* (Estimated Total Cost: \$ 5 7)
  1. DPEP Bureau Capacity Development: Technical Support Group
  2. Distance Education
  
- II. *State Sub-projects\** (Estimated Total Cost: \$ 7 3 million)
  1. State Implementation Society Capacity Development (\$ 6.4 m)
  2. Capacity Development for State Education Agencies (\$ .9m)
    - i. MIS
    - ii. In-service Teacher Training
    - iii. Textbook and Learning Material Development and publication
    - iv. Educational Research and Evaluation
    - v. Educational Planning and Management
  
- III. *District Sub-projects\** (Estimated Total Cost: New states \$115 million ,  
“expansion districts” \$ 406 million )
  1. Management and Planning Capacity Development
  2. Programs to Reduce Dropout
    - i. Strengthening community / school organizations
    - ii. Facilities Improvements
    - iii. Awareness Campaigns
  3. Programs to Improve Learning Achievement
    - i. Teacher In-service Training
    - ii. Learning Materials and Teaching Aids
    - iii. Targeted Interventions for Girls and ST Students
    - iv. Early Childhood Education
  4. Programs to Improve Access
    - i. Construction of New Schools and Classrooms
    - ii. Opening of Non-formal Education Classes

\* General categories. Specific priorities, programs and implementation arrangements vary across states and districts.

## INDIA: District Primary Education Program II

### Cost by Component

Component	(Rupee Million)			(US\$ Million)			% Foreign Exchange	% Total Base Costs
	Local	Foreign	Total	Local	Foreign	Total		
<b>National Component</b>								
Distance Education	147.0	1.7	148.7	4.2	0.0	4.3	1%	1%
Extension of TSG beyond DPEP I Closing	50.0	-	50.0	1.4	-	1.4	-	-
<b>Build State Institutional Capacity</b>								
Building Capacity in 3 new states	214.3	9.5	223.8	6.2	0.3	6.4	4%	1%
Extension of U.P. State Bureau beyond BEP	29.5	0.4	29.9	0.8	0.0	0.9	1%	-
<b>Improve Quality &amp; Access in Primary Education</b>								
Build District Institutional Capacity	1,135.3	44.0	1,179.3	32.7	1.3	34.0	4%	7%
Improve Retention	2,869.3	103.4	2,972.7	82.7	3.0	85.7	3%	17%
Increase Access	6,896.0	288.4	7,184.4	198.7	8.3	207.0	4%	42%
Improve Learning Achievements	5,262.0	151.8	5,413.9	151.6	4.4	156.0	3%	31%
<b>Total BASELINE COSTS</b>	<b>16,603.3</b>	<b>599.3</b>	<b>17,202.6</b>	<b>478.5</b>	<b>17.3</b>	<b>495.8</b>	<b>3%</b>	<b>100%</b>
<b>Contingencies</b>								
Physical Contingencies	1,328.3	59.9	1,388.2	38.3	1.7	40.0	4%	8%
Price Contingencies	4,775.7	244.3	5,020.0	-2.9	1.5	-1.4	-114%	-
<b>Total PROJECT COSTS</b>	<b>22,707.3</b>	<b>903.5</b>	<b>23,610.8</b>	<b>513.9</b>	<b>20.5</b>	<b>534.4</b>	<b>4%</b>	<b>108%</b>

## INDIA: District Primary Education Program II

### Cost by Categories of Expenditure

Component	(Rupee Million)			(US\$ Million)			% Foreign Exchange	% Total Base Costs
	Local	Foreign	Total	Local	Foreign	Total		
<b>Investment Costs</b>								
Civil Works	3,663.4	362.3	4,025.7	105.6	10.4	116.0	9%	23%
Furniture	507.8	-	507.8	14.6	-	14.6	-	3%
Equipment	376.7	125.6	502.3	10.9	3.6	14.5	25%	3%
Vehicles	65.5	21.8	87.4	1.9	0.6	2.5	25%	1%
Books & Libraries	775.5	40.8	816.3	22.3	1.2	23.5	5%	5%
Consultants	253.2	-	253.2	7.3	-	7.3	-	1%
Sports Equipment & Amenities	81.8	-	81.8	2.4	-	2.4	-	-
Staff Training (Incl TA/DA)	1,833.7	-	1,833.7	52.8	-	52.8	-	11%
Awareness Campaign Expenses	333.5	-	333.5	9.6	-	9.6	-	2%
<b>Total Investment Costs</b>	<b>7,891.2</b>	<b>550.6</b>	<b>8,441.7</b>	<b>227.4</b>	<b>15.9</b>	<b>243.3</b>	<b>7%</b>	<b>49%</b>
<b>Recurrent Costs</b>								
Salaries of Additional Staff	5,410.2	-	5,410.2	155.9	-	155.9	-	31%
Consumables (office expenses, etc)	238.5	12.6	251.0	6.9	0.4	7.2	5%	1%
Teaching Materials	1,746.2	-	1,746.2	50.3	-	50.3	-	10%
Contingency at District/BRC/School level	673.1	35.4	708.5	19.4	1.0	20.4	5%	4%
Vehicle Operation and Maint	18.9	-	18.9	0.5	-	0.5	-	-
Equipment Operation and Maint	14.3	0.8	15.1	0.4	0.0	0.4	5%	-
Civil Works Maint	101.3	-	101.3	2.9	-	2.9	-	1%
Honorarium	509.7	-	509.7	14.7	-	14.7	-	3%
<b>Total Recurrent Costs</b>	<b>8,712.2</b>	<b>48.7</b>	<b>8,760.9</b>	<b>251.1</b>	<b>1.4</b>	<b>252.5</b>	<b>1%</b>	<b>51%</b>
<b>Total BASELINE COSTS</b>	<b>16,603.3</b>	<b>599.3</b>	<b>17,202.6</b>	<b>478.5</b>	<b>17.3</b>	<b>495.8</b>	<b>3%</b>	<b>100%</b>
Physical Contingencies	1,328.3	59.9	1,388.2	38.3	1.7	40.0	4%	8%
Price Contingencies	4,775.7	244.3	5,020.0	-2.9	1.5	-1.4	-114%	-
<b>Total PROJECT COSTS</b>	<b>22,707.3</b>	<b>903.5</b>	<b>23,610.8</b>	<b>513.9</b>	<b>20.5</b>	<b>534.4</b>	<b>4%</b>	<b>108%</b>

## INDIA: District Primary Education Program II

### Expenditure Accounts by Years (Costs in Rs. Millions)

	Base Cost in Calendar Year						Total	Foreign Exchange	
	1997	1998	1999	2000	2001	2002		%	Amount
<b>Investment Costs</b>									
Civil Works	201.3	402.6	805.1	1,409.0	1,006.4	201.3	4,025.7	9%	362.3
Furniture	25.4	50.8	101.6	177.7	127.0	25.4	507.8	-	-
Equipment	25.1	50.2	100.5	175.8	125.6	25.1	502.3	25%	125.6
Vehicles	63.8	13.1	10.5	-	-	-	87.4	25%	21.8
Books & Libraries	40.8	81.6	163.3	285.7	204.1	40.8	816.3	5%	40.8
Consultants	10.8	21.5	41.8	71.7	47.8	59.6	253.2	-	-
Sports Equipment & Amenities	4.1	8.2	16.4	28.6	20.5	4.1	81.8	-	-
Staff Training (Incl TA/DA)	183.4	260.0	318.8	359.8	373.6	338.1	1,833.7	-	-
Awareness Campaign Expenses	33.3	46.7	56.7	63.4	70.0	63.4	333.5	-	-
<b>Total Investment Costs</b>	<b>588.0</b>	<b>934.7</b>	<b>1,614.6</b>	<b>2,571.8</b>	<b>1,975.0</b>	<b>757.7</b>	<b>8,441.7</b>	<b>7%</b>	<b>550.6</b>
<b>Recurrent Costs</b>									
Salaries of Additional Staff	538.9	755.5	918.4	1,027.6	1,084.9	1,084.9	5,410.2	-	-
Consumables (office expenses, etc)	24.3	34.2	41.7	46.7	52.1	52.1	251.0	5%	12.6
Teaching Materials	174.6	246.3	300.9	338.4	343.0	343.0	1,746.2	-	-
Contingency at District/BRC/School level	37.0	101.1	124.5	147.9	149.0	149.0	708.5	5%	35.4
Vehicle Operation and Maint	1.9	2.6	3.2	3.6	3.8	3.8	18.9	-	-
Equipment Operation and Maint	1.5	2.1	2.6	2.9	3.0	3.0	15.1	5%	0.8
Civil Works Maint	-	5.0	10.0	25.1	30.6	30.6	101.3	-	-
Honorarium	51.0	71.4	86.6	96.8	101.9	101.9	509.7	-	-
<b>Total Recurrent Costs</b>	<b>829.2</b>	<b>1,218.2</b>	<b>1,487.9</b>	<b>1,689.0</b>	<b>1,768.3</b>	<b>1,768.3</b>	<b>8,760.9</b>	<b>1%</b>	<b>48.7</b>
<b>Total BASELINE COSTS</b>	<b>1,417.2</b>	<b>2,152.9</b>	<b>3,102.6</b>	<b>4,260.8</b>	<b>3,743.2</b>	<b>2,525.9</b>	<b>17,202.6</b>	<b>4%</b>	<b>599.3</b>
Physical Contingencies	109.8	170.1	254.3	361.5	307.2	185.2	1,388.2	4%	59.9
Price Contingencies	63.8	285.4	690.0	1,318.8	1,467.6	1,194.4	5,020.0	5%	244.3
<b>Total PROJECT COSTS</b>	<b>1,590.8</b>	<b>2,608.4</b>	<b>4,046.9</b>	<b>5,941.1</b>	<b>5,518.0</b>	<b>3,905.6</b>	<b>23,610.8</b>	<b>4%</b>	<b>903.5</b>
Taxes	47.2	84.2	151.6	253.0	210.0	95.1	841.2	-	-
Foreign Exchange	54.6	82.8	166.7	299.2	235.1	65.2	903.5	-	-



## INDIA: District Primary Education Program II

### Expenditure Accounts by Years (Costs in US\$ Millions)

	Base Cost in Calendar Year							Foreign Exchange	
	1996	1997	1998	1999	2000	2001	Total	%	Amount
<b>Investment Costs</b>									
Civil Works	5.8	11.6	23.2	40.6	29.0	5.8	116.0	9%	10.4
Furniture	0.7	1.5	2.9	5.1	3.7	0.7	14.6	-	-
Equipment	0.7	1.4	2.9	5.1	3.6	0.7	14.5	25%	3.6
Vehicles	1.8	0.4	0.3	-	-	-	2.5	25%	0.6
Books & Libraries	1.2	2.4	4.7	8.2	5.9	1.2	23.5	5%	1.2
Consultants	0.3	0.6	1.2	2.1	1.4	1.7	7.3	-	-
Sports Equipment & Amenities	0.1	0.2	0.5	0.8	0.6	0.1	2.4	-	-
Staff Training (Incl TA/DA)	5.3	7.5	9.2	10.4	10.8	9.7	52.8	-	-
Awareness Campaign Expenses	1.0	1.3	1.6	1.8	2.0	1.8	9.6	-	-
<b>Total Investment Costs</b>	<b>16.9</b>	<b>26.9</b>	<b>46.5</b>	<b>74.1</b>	<b>56.9</b>	<b>21.8</b>	<b>243.3</b>	<b>7%</b>	<b>15.9</b>
<b>Recurrent Costs</b>									
Salaries of Additional Staff	15.5	21.8	26.5	29.6	31.3	31.3	155.9	-	-
Consumables (office expenses, etc)	0.7	1.0	1.2	1.3	1.5	1.5	7.2	5%	0.4
Teaching Materials	5.0	7.1	8.7	9.8	9.9	9.9	50.3	-	-
Contingency at District/BRC/School level	1.1	2.9	3.6	4.3	4.3	4.3	20.4	5%	1.0
Vehicle Operation and Maint	0.1	0.1	0.1	0.1	0.1	0.1	0.5	-	-
Equipment Operation and Maint	0.0	0.1	0.1	0.1	0.1	0.1	0.4	5%	0.0
Civil Works Maint	-	0.1	0.3	0.7	0.9	0.9	2.9	-	-
Honorarium	1.5	2.1	2.5	2.8	2.9	2.9	14.7	-	-
<b>Total Recurrent Costs</b>	<b>23.9</b>	<b>35.1</b>	<b>42.9</b>	<b>48.7</b>	<b>51.0</b>	<b>51.0</b>	<b>252.5</b>	<b>1%</b>	<b>1.4</b>
<b>Total BASELINE COSTS</b>	<b>40.8</b>	<b>62.0</b>	<b>89.4</b>	<b>122.8</b>	<b>107.9</b>	<b>72.8</b>	<b>495.8</b>	<b>4%</b>	<b>17.3</b>
Physical Contingencies	3.2	4.9	7.3	10.4	8.9	5.3	40.0	4%	1.7
Price Contingencies									
Inflation									
Local	1.7	7.8	18.7	35.4	39.9	33.7	137.2	-	-
Foreign	0.0	0.1	0.2	0.5	0.5	0.2	1.5	100%	1.5
Devaluation	-3.19	-9.62	-20.24	-35.67	-38.99	-32.42	-140.13	-	-
<b>Total PROJECT COSTS</b>	<b>42.5</b>	<b>65.2</b>	<b>95.4</b>	<b>133.5</b>	<b>118.2</b>	<b>79.5</b>	<b>534.4</b>	<b>4%</b>	<b>20.5</b>
Taxes	1.3	2.1	3.6	5.7	4.5	1.9	19.1	-	-
Foreign Exchange	1.5	2.1	3.9	6.7	5.0	1.3	20.5	-	-

**INDIA: District Primary Education Program II**

**Disbursement Categories by Financiers  
(Total Costs in US\$ Million)**

Disbursement Categories	GOI		IBRD		Dutch Government		TOTAL		For.	Local (Excl. Taxes)	Duties & Taxes
	Amount	%	Amount	%	Amount	%	Amount	%			
Civil Works	12.8	10%	110.0	86%	5.1	4%	128.0	24%	12.4	106.6	12.4
Furniture	1.6	10%	14.0	87%	0.4	3%	16.0	3%	-	14.9	-
Equipment	1.6	10%	14.4	89%	0.2	1%	16.2	3%	4.3	10.8	4.3
Vehicles	0.3	10%	2.3	85%	0.1	5%	2.7	1%	0.7	1.8	0.7
Books & Libraries	2.6	10%	21.8	84%	1.5	6%	25.8	5%	1.4	23.2	1.4
Consultants (Local and Foreign)	-	-	16.0	90%	1.7	10%	17.7	3%	-	17.7	-
Training, Workshops & Fellowships (incl Staff TA/DA)	-	-	53.8	93%	4.0	7%	57.8	11%	-	57.8	-
Salaries of Additional Staff	38.7	24%	116.9	72%	7.1	4%	162.8	31%	-	162.8	-
Honorarium	3.6	24%	11.4	74%	0.3	2%	15.3	3%	-	15.3	-
Maintenance	1.1	27%	2.6	63%	0.4	10%	4.1	1%	0.0	3.9	0.0
Consumables & Teaching Materials (incl Contingencies)	21.0	24%	62.1	71%	4.9	6%	88.0	17%	1.7	80.2	1.7
<b>Total</b>	<b>83.4</b>	<b>16%</b>	<b>425.2</b>	<b>80%</b>	<b>25.8</b>	<b>5%</b>	<b>534.4</b>	<b>100%</b>	<b>20.5</b>	<b>494.8</b>	<b>20.5</b>

Calculation of IDA + Dutch Share (Net of Tax and Duties)	=	$\frac{425.2 + 25.8}{534.4 - 20.5}$	=	87.8%
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IDA + Dutch Credit is 84.4% of total project costs (including Taxes)

## INDIA: District Primary Education Program II

### Expenditure Accounts by Project Components (Costs in US\$ Million)

	National Component		Build State Capacity		Improve Access and Learning Achievement				Total	Physical %	Contingencies Amount
	District Education	Extension of TSG beyond DPEPI	Building Capacity in 1 New State	Expanding U.P. State Cell Beyond REP	Build District Institutional Capacity	Improve Access and Learning Achievement					
						Improve Retention	Increase Access	Improve Learning Achievement			
<b>Investment Costs</b>											
Civil Works	-	-	1.2	-	0.1	23.0	76.9	14.8	116.0	10%	11.6
Furniture	-	-	0.1	-	0.4	4.7	6.3	3.1	14.6	10%	1.5
Equipment	0.0	-	0.3	-	3.2	0.9	4.2	5.9	14.5	10%	1.4
Vehicles	-	-	0.1	-	1.3	-	-	1.1	2.5	10%	0.3
Books & Libraries	-	-	0.3	-	0.1	8.7	0.9	13.5	23.5	10%	2.4
Consultants	0.3	1.4	0.5	-	4.6	0.0	0.2	0.2	7.3	5%	0.4
Sports Equipment & Amenities	-	-	-	-	-	1.6	0.7	-	2.4	10%	0.2
Staff Training (Incl TA/DA)	1.6	-	0.4	-	2.6	19.9	2.0	26.4	52.8	10%	5.3
Awareness Campaign Expenses	-	-	0.7	-	0.0	5.2	3.5	0.2	9.6	5%	0.5
<b>Total Investment Costs</b>	<b>1.9</b>	<b>1.4</b>	<b>3.6</b>	<b>-</b>	<b>12.2</b>	<b>64.1</b>	<b>94.7</b>	<b>65.3</b>	<b>243.3</b>	<b>10%</b>	<b>23.5</b>
<b>Recurrent Costs</b>											
Salaries of Additional Staff	0.5	-	1.5	0.6	17.5	6.7	90.7	38.4	155.9	5%	7.8
Consumables (office expenses, etc)	0.1	-	0.5	0.2	1.8	1.9	1.2	1.6	7.2	10%	0.7
Teaching Materials	0.9	-	0.3	-	0.1	6.1	3.6	39.4	50.3	10%	5.0
Contingency at District/BRC/School level	0.9	-	0.5	-	1.0	2.7	4.9	10.4	20.4	10%	2.0
Vehicle Operation and Maint	-	-	0.1	-	0.4	0.0	-	0.0	0.5	5%	0.0
Equipment Operation and Maint	-	-	0.0	-	0.2	0.2	0.0	-	0.4	5%	0.0
Civil Works Maint	-	-	-	0.0	0.5	2.0	0.1	0.2	2.9	5%	0.1
Honorarium	-	-	0.0	-	0.1	2.0	11.9	0.7	14.7	5%	0.7
<b>Total Recurrent Costs</b>	<b>2.4</b>	<b>-</b>	<b>2.9</b>	<b>0.9</b>	<b>21.8</b>	<b>21.5</b>	<b>112.3</b>	<b>90.7</b>	<b>252.5</b>	<b>7%</b>	<b>16.5</b>
<b>Total BASELINE COSTS</b>	<b>4.3</b>	<b>1.4</b>	<b>6.4</b>	<b>0.9</b>	<b>34.0</b>	<b>85.7</b>	<b>207.0</b>	<b>156.0</b>	<b>495.8</b>	<b>8%</b>	<b>40.0</b>
Physical Contingencies	0.4	0.1	0.5	0.1	2.2	7.8	15.4	13.6	40.0	0%	-
Price Contingencies	-0.1	0.0	-0.0	0.0	-0.1	-0.2	-0.4	-0.6	-1.4	6%	-0.1
<b>Total PROJECT COSTS</b>	<b>4.6</b>	<b>1.5</b>	<b>6.9</b>	<b>0.9</b>	<b>36.1</b>	<b>93.2</b>	<b>222.0</b>	<b>169.1</b>	<b>534.4</b>	<b>8%</b>	<b>39.9</b>
Taxes	0.1	-	0.3	0.0	0.7	3.8	7.6	6.6	19.1	9%	1.7
Foreign Exchange	0.1	-	0.3	0.0	1.5	3.6	9.9	5.2	20.5	9%	1.9

## INDIA: District Primary Education Program II

### Project Components by Year (Base Costs in Rs. Million)

Components	Base Cost in Calendar Year						Total
	1997	1998	1999	2000	2001	2002	
<b>National Component</b>							
Distance Education	14.9	29.7	44.6	59.5	-	-	148.7
Extension of TSG beyond DPEP I Closing	-	-	-	-	-	50.0	50.0
<b>Build State Institutional Capacity</b>							
Building Capacity in 3 new states	20.1	28.1	40.3	55.2	48.7	31.4	223.8
Extension of U.P. State Bureau beyond BEP	-	-	-	-	14.9	14.9	29.9
<b>Improve Quality &amp; Access in Primary Education</b>							
Build District Institutional Capacity	127.6	152.3	205.7	263.5	245.0	185.3	1,179.3
Improve Retention	217.8	355.7	541.1	786.7	679.9	391.5	2,972.7
Increase Access	554.8	881.7	1,313.8	1,861.9	1,597.3	974.9	7,184.4
Improve Learning Achievements	482.0	705.5	957.1	1,234.0	1,157.4	877.9	5,413.9
<b>Total BASELINE COSTS</b>	<b>1,417.2</b>	<b>2,152.9</b>	<b>3,102.6</b>	<b>4,260.8</b>	<b>3,743.2</b>	<b>2,525.9</b>	<b>17,202.6</b>
Physical Contingencies	109.8	170.1	254.3	361.5	307.2	185.2	1,388.2
Price Contingencies	63.8	285.4	690.0	1,318.8	1,467.6	1,194.4	5,020.0
<b>Total PROJECT COSTS</b>	<b>1,590.8</b>	<b>2,608.4</b>	<b>4,046.9</b>	<b>5,941.1</b>	<b>5,518.0</b>	<b>3,905.6</b>	<b>23,610.8</b>
Taxes	47.2	84.2	151.6	253.0	210.0	95.1	841.2
Foreign Exchange	54.6	82.8	166.7	299.2	235.1	65.2	903.5

## INDIA: District Primary Education Program II

### Project Components by Financiers (Total Costs in US\$ Million)

	GOI		IDA		State Government		TOTAL		For. Exch.	Local (Excl. Taxes)	Duties & Taxes
	Amount	%	Amount	%	Amount	%	Amount	%			
<b>National Component</b>											
Distance Education	0.4	9%	4.2	91%	-	0%	4.6	1%	0.1	4.4	0.1
Extension of TSG beyond DPEPI Closing	-	0%	1.5	100%	-	0%	1.5	0%	-	1.5	-
<b>Build State Institutional Capacity</b>											
Building Capacity in 3 new states	1.0	14%	4.3	62%	1.7	24%	6.9	1%	0.3	6.4	0.3
Extension of U.P. State Bureau beyond BEP	0.3	35%	0.6	65%	-	0%	0.9	0%	0.0	0.9	0.0
<b>Improve Quality &amp; Access in Primary Education</b>											
Build District Institutional Capacity	6.0	17%	29.2	81%	0.9	2%	36.1	7%	1.5	33.9	0.7
Improve Retention	10.2	11%	80.8	87%	2.2	2%	93.2	17%	3.6	85.9	3.8
Increase Access	38.0	17%	174.3	79%	9.7	4%	222.0	42%	9.9	204.5	7.6
Improve Learning Achievements	27.5	16%	130.3	77%	11.3	7%	169.1	32%	5.2	157.3	6.6
<b>Total Disbursement</b>	<b>83.4</b>	<b>16%</b>	<b>425.2</b>	<b>80%</b>	<b>25.8</b>	<b>5%</b>	<b>534.4</b>	<b>100%</b>	<b>20.5</b>	<b>494.8</b>	<b>19.1</b>

**INDIA: District Primary Education Program II**  
**Procurement Arrangements**  
**(Total Costs in US\$ Millions)**

	Procurement Method							Total
	Local Competitive Bidding	Local Shopping	Direct Contracting	Force Account	Community Construction	Consulting Services	Other	
<b>CIVIL WORKS</b>								
Civil Works	26.2 (22.4)	45.9 (39.2)	-	13.1 (11.2)	45.9 (39.2)	-	-	131.0 (111.9)
<b>GOODS</b>								
Furniture	4.8 (4.2)	11.2 (9.8)	-	-	-	-	-	16.0 (14.0)
Equipment	4.9 (4.3)	11.3 (10.1)	-	-	-	-	-	16.2 (14.4)
Vehicles	-	2.7 (2.3)	-	-	-	-	-	2.7 (2.3)
Books	7.8 (6.5)	15.5 (13.1)	2.6 (2.2)	-	-	-	-	25.8 (21.8)
Consumables & Teaching Materials	19.2 (13.6)	68.9 (48.5)	-	-	-	-	-	88.0 (62.1)
<b>TRAINING AND CONSULTANTS</b>								
Project Preparation & Implementation (Incl Training, Workshops & Fellowships)	-	-	-	-	-	-	57.8 (53.8)	57.8 (53.8)
Institutional Development (includes Local and Foreign Consultants, Studies)	-	-	-	-	-	17.7 (16.0)	-	17.7 (16.0)
<b>MISCELLANEOUS</b>								
Salaries of Additional Staff	-	-	-	-	-	-	162.8 (116.9)	162.8 (116.9)
Honorarium	-	-	-	-	-	-	15.3 (11.4)	15.3 (11.4)
Vehicle Operation & Maint	-	-	0.3 (0.2)	-	-	-	0.3 (0.2)	0.6 (0.4)
Equipment Operation & Maint	-	0.2 (0.2)	0.2 (0.2)	-	-	-	-	0.5 (0.3)
<b>TOTAL</b>	<b>62.8</b> (51.0)	<b>155.8</b> (123.1)	<b>3.1</b> (2.5)	<b>13.1</b> (11.2)	<b>45.9</b> (39.2)	<b>17.7</b> (16.0)	<b>236.1</b> (182.2)	<b>534.4</b> (425.2)

Note: Figures in parenthesis are the respective amounts financed by IDA

**INDIA: District Primary Education Project II**  
**FORECAST OF EXPENDITURES AND DISBURSEMENTS**

IDA Fiscal Year	Expenditures		Disbursements /b		Cumulative as % of Total	Semester From Appraisal Date
	Semester	Cumulative	Semester	Cumulative /c		
----- SUS Million -----						
<b>FY97</b>						
2nd (Jan 97 - Jun 97)	-	-	15.0	15.0 /a	4%	1
<b>FY98</b>						
1st (Jul 97 - Dec 97)	1.2	1.2	18.3	33.3	8%	2
2nd (Jan 98- Jun 98)	1.2	2.3	16.5	49.8	12%	3
<b>FY99</b>						
1st (Jul 98 - Dec 98)	1.8	4.1	26.2	76.0	18%	4
2nd (Jan 99 - Jun 99)	1.8	5.8	26.2	102.2	24%	5
<b>FY2000</b>						
1st (Jul 99 - Dec 99)	2.3	8.2	37.1	139.3	33%	6
2nd (Jan 2000 - Jun 2000)	2.3	10.5	37.1	176.4	41%	7
<b>FY2001</b>						
1st (Jul 2000 - Dec 2000)	3.1	13.6	53.2	229.6	54%	8
2nd (Jan 2001 - Jun 2001)	3.1	16.8	53.2	282.8	67%	9
<b>FY2002</b>						
1st (Jul 2001 - Dec 2001)	2.7	19.4	42.5	325.3	77%	10
2nd (Jan 2002 - Jun 2002)	2.7	22.1	44.4	369.7	87%	11
<b>FY2003</b>						
1st (Jul 2002 - Dec 2002)	1.9	24.0	27.7	397.4	93%	12
2nd (Jan 2003 - Jun 2003)	1.9	25.8	27.7	425.2	100%	13

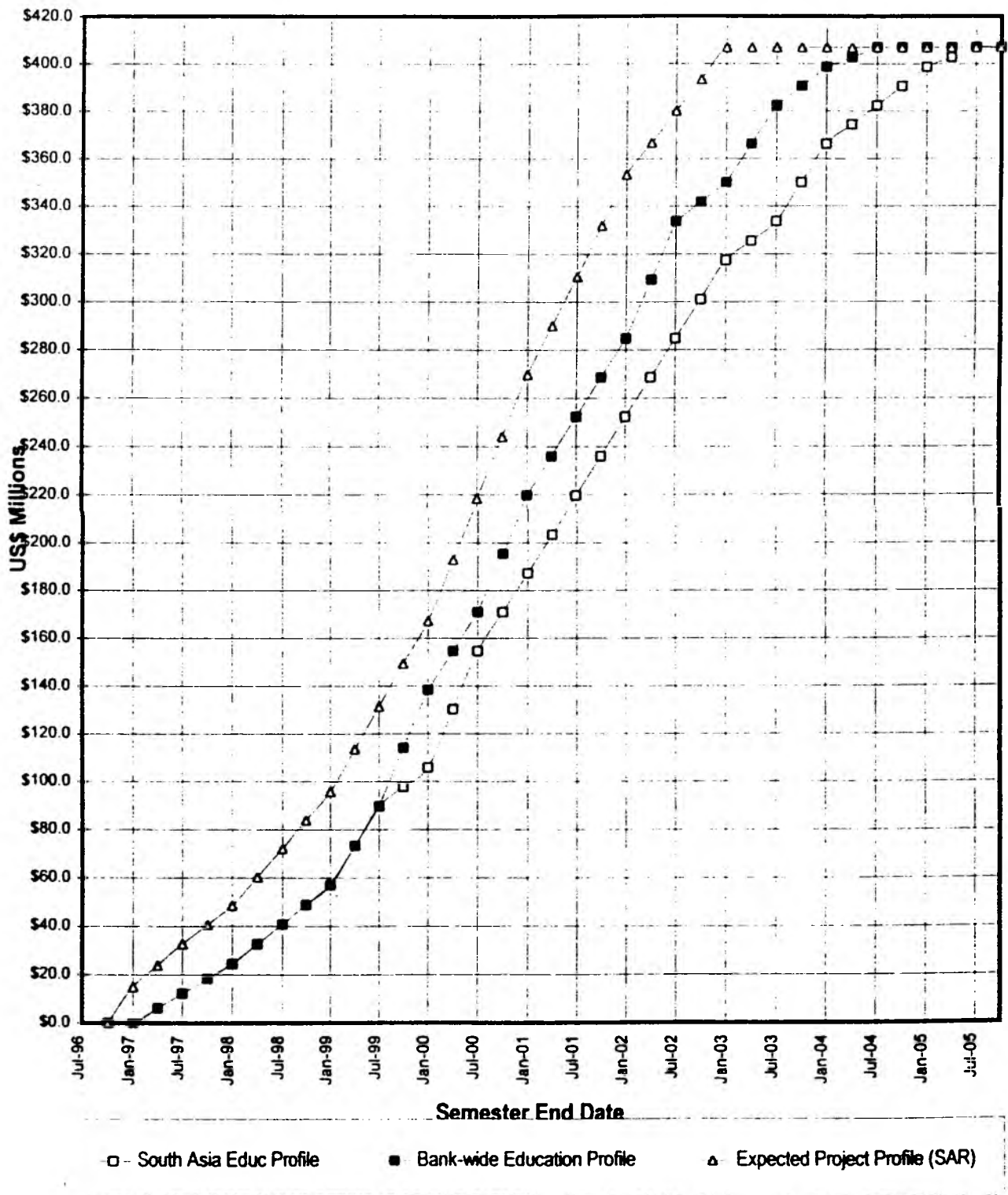
Closing Date: June 30, 2003

a/: Including Special Account and Retroactive Financing

b/: Figures may not appear to add due to rounding

c/: Disbursement projections take into account the Regional Profiles for similar type projects

## DPEP II Disbursement Profiles





## **PROJECT MANAGEMENT**

### **National Management Project Structure**

DPEP has established a national, state and district management structure to address the innovative nature of this program. At the national level, this structures aims at: (a) accessing good educational policy; (b) exercising substantial authority; (c) displaying a high degree of flexibility in appointing staff and consultants; (d) performing at sound levels of professional competence; and (e) accessing good information on program activities, accomplishments and problems.

To meet these requirements, the Department of Education (DOE) of Government of India (GOI) established with DPEP I financial support a new national organizational unit, the DPEP Bureau, to serve as an intermediary organization to appraise, finance and supervise state and district sub-projects according to established criteria and procedures set forth in the DPEP Guidelines and in consonance with external financing agreements. The DPEP Bureau is in turn assisted by a technical support group (TSG) employed under contractual arrangements to the DOE. Through this arrangement, the DPEP Bureau has acquired substantial flexibility with respect to appointment of temporary staff and consultants, including levels of remuneration. The DPEP Bureau is governed by the General Council, which reviews policies and progress annually, and the Project Board, which is fully empowered for program implementation and financial approvals. The DPEP Bureau is headed by a Joint Secretary in the Department of Education (JS-DPEP), acting on a second charge and reporting to the Secretary of Education of the Ministry of Human Resource Development (MHRD). The JS-DPEP has overall responsibility for program implementation, including coordination with State Education Secretaries, within approved guidelines and annual work plans and budgets (AWPB), and authority to approve consultants appointed by contractors for program and technical services, as well as to request specific services through terms of reference.

**Issue.** The assessment of capacity of the national management structure to manage the preparation, appraisal and implementation of state and district programs is the key element of the appraisal of between 50 to 60 expansion districts under DPEP II. The two joint DPEP I supervision missions, and the pre-appraisal mission for DPEP II emphasized the need to strengthen the staffing of the DPEP Bureau to meet the demands of accelerating implementation and expanding coverage. During the appraisal of DPEP I, it was agreed that the DPEP Bureau would be headed by a full time JS, and comprise 6 DS, 4 US and support staff. The JS position has not yet been created and the position has so far been occupied by the JS for planning as an additional charge. Similarly, 3 DS positions have been created and filled, and another 3 remain to be sanctioned by the Ministry of Finance (MOF). All four US positions are filled. In addition, the implementation of DPEP II will require additional strengthening of the DPEP Bureau, estimated to 14 new positions (2 DS, 2 US and 8 support staff). Thus, even with the recently established positions, the DPEP Bureau has not yet reached the agreed staffing levels for the implementation of the DPEP I program. These staffing shortages have, on

occasion, slowed down the start up of DPEP I, and if not addressed immediately, will certainly constrain the timely and effective implementation of DPEP II.

So far, the Expenditure Department of MOF has not agreed to create these positions. While the mission appreciates the need for caution in the creation of senior level positions, it must insist that the demands of an expanded DPEP program with a total investment of more than US\$1 billion in more than 100 districts of 13 states fully justify the strengthening of the DPEP staffing

**Action.** The appraisal mission will therefore recommend to the management of the South Asia Department of The World Bank, that GOI will only be invited to negotiate the d credit after it has confirmed that:

- positions have been sanctioned to staff the DPEP Bureau with full-time personnel at the level agreed for DPEP, that is one JS and 6 DS;
- steps have been taken to ensure that these positions will be filled by August 31, 1996; and
- DOE/GOI will submit to IDA a full management development plan for DPEP taking into account the findings of the decentralization plan and ongoing DPEP management study by December 31, 1996.

**Issue.** The DPEP Bureau has been appraising and monitoring the implementation of state and district sub-projects in DPEP I states through the assistance of a TSG, established largely as agreed. The consulting firm providing the TSG (Education Consultants India Limited-Ed.CIL) was selected by the DPEP Bureau following a sole source procurement procedure authorized on an exceptional basis by IDA. Professionals staffing TSG are contracted following norms and procedures set out in a contract with Ed.CIL.

Consultants are selected on the basis of their experience and expertise in relation to the needs of the program. This arrangement has facilitated recruitment of professionals and engagements of institutional and individual consultants and enabled the DPEP Bureau to meet additional staffing needs arising from increased responsibilities. Consultants in TSG carry out annual work programs in Supervision, Pedagogy and Teacher Training, Procurement and Disbursement, MIS, Planning and Management, Appraisal, Research and Evaluation, Media, Gender as integral components of the annual work plans and budgets of the DPEP Bureau.

Recruitment of senior long-term technical consultants by Ed.CIL has been slow and vacancies persist. Substantial strengthening of the TSG may be required to ensure a timely and effective assistance in the implementation of DPEP I district and state sub-projects, appraising of incoming districts under DPEP II, and the monitoring of the early stages (first 12 to 18 months) of the DPEP II implementation process.

**Action.** DOE/GOI will prepare a staffing plan to strengthen the TSG for discussion with the Bank at negotiations.

**Issue.** DOE/GOI has expressed to the mission its interest in continuing the arrangements with Ed.CIL, once the current consulting contract comes to an end in March 1997. The mission recognizes the value of institutionalizing the current arrangements with Ed.CIL and avoiding upheavals in the technical support and capacity building assistance. For this to materialize, the sole source consulting procurement issue will need to be reviewed with the Bank Procurement officials. The mission considers that, given the crucial importance of the TSG for the effective implementation of DPEP, this issue must be addressed immediately to take away the uncertainty that prevents Ed.CIL from recruiting additional qualified technical staff.

**Action.** The mission will request IDA to clarify its position on the proposed sole source contract extension by negotiations.

**Issue.** As states gain experience and the state level planning and management capacity develops, the focus of the effort of the DPEP Bureau and the TSG can increasingly be on: (a) the states that have recently joined DPEP; and (b) the supervision of project implementation in already participating states. Concurrently, the expansion of the coverage of DPEP raises the need to transfer some of the DPEP Bureau and TSG tasks -- especially the appraisal of district AWPBs and technical support to district planning teams -- to the states, as the state project offices (SPO), other state level institutions, and the district project offices gain experience.

**Action.** DOE/GOI will prepare a plan for the decentralization of authority to the DPEP I states with specific actions and bench marks to be discussed with the Bank before effectiveness.

**Issue.** The mission reviewed the appraisal reports prepared by the TSG for each one of the three new states. Recognizing a notable improvement over the pre-appraisal exercise of last November, the mission identified gaps and provided guidance on the structure and content of a revised appraisal exercise to be conducted in each new state before negotiations.

**Action.** As a condition for negotiation, DOE/GOI will submit to the Bank revised national staff appraisal reports of Gujarat, Himachal Pradesh and Orissa, incorporating the observations made by the appraisal mission, previously discussed and agreed with these states.

### **State Management Project Structure**

The DPEP is implemented in each state through a registered state implementation society (SIS). Each implementation society is accountable to a General Council chaired by the Chief Minister or Education Minister of the State and an Executive Committee chaired by the Chief Secretary/ Education Secretary of the State. Membership in both bodies includes representatives from other State Government departments and the GOI. These structures have shown to have administrative flexibility combined with public accountability. Registered societies receive funds from the GOI, and State Governments

directly and can disburse funds to the operational level of the project through bank transfers. Under DPEP, these transfers are made to district-level implementing bodies on the basis of approved annual work programs and budgets (AWPB). SIS for the three new DPEP II states have been constituted and registered. Bank accounts have been opened and a first transfer of US\$150,000 equivalent (Rs. 50 lakhs) has been made for each SIS for project preparation purposes.

**Issue.** State project directors have been appointed in each one of the three new states, but only the one in Orissa is on a full time basis. State project offices have been staffed with some personnel, although not to the agreed levels discussed during the pre-appraisal mission.

**Action.** It was agreed that by negotiations:

- states ensure that the state project director has been appointed on a full-time basis; and
- SPO have been fully staffed with the following core personnel: financial/procurement officer; civil works specialist; and in-service teacher training specialist.

The mission expects that by effectiveness, the above-mentioned personnel will have been appropriately trained to effectively implement the DPEP.

#### **District Management Project Structure**

DPEP is coordinated at the district level by a district project office and implemented through district level bodies including the Panchayati Raj structures and the Village Education Committees (VEC), which play a major role in educational management, supervision and monitoring at the village/school level. All districts have established a district DPEP Committee, headed by the District Collector or Chief Executive Officer of the Zilla Parishad, with representatives from the district education department, non-governmental organizations as well as functional specialists. The district DPEP Committee reviews the progress of DPEP in the district and widens networking with participating agencies. Also, all districts have established a District Task Force which is the executive body at the district level, and to whom well-defined powers are delegated.

**Issue.** District project offices (DPO) have been established in all the districts of the three new states. In most cases, the district education officer is also the District Primary Education Officer. However, not all districts have been staffed with the agreed core personnel.

**Action.** It was agreed that by:

- negotiations, states ensure that the district project director has been appointed on a full-time basis; and
- effectiveness, DPOs have been fully staffed with a financial/procurement official, and that the DPO's staff has been appropriately trained to effectively implement the DPEP.

**Issue.** Not all VECs have been established in the three new states. The constitution of VEC is more or less similar across states and includes the Gaon Panchayat President, head teachers, headmasters, NGO representatives, members of panchayat, and representatives of parents/ guardians of the village. Seats are earmarked for women representatives.

**Action.** It was agreed that a special focus of the awareness campaigns planned for the first year of project implementation would be the constitution of VECs in all villages comprising participating districts of the three new states by June 30, 1997, and within one year after implementation start-up in the expansion districts of DPEP I states and Uttar Pradesh.

## FINANCIAL ANALYSIS

The DPEP Guidelines for DPEP II include three financial conditions to which states applying for assistance must agree:

- states will contribute 15 percent of total project cost;
- program resources are a net addition and states must at least maintain the 1995/96 real level of expenditures on elementary education, in addition to those earmarked for the DPEP;
- annual recurrent costs of the project must be shown as sustainable on state, non-plan budgets at the end of the project.

Credit for program activities in six IDA-supported DPEP states became effective in March 1995 though expenditures were incurred from June 1994. For the financial year 1994/95, Haryana, Kerala, Karnataka and Tamil Nadu each contributed the required 15 percent. Maharashtra has contributed 12.1 percent and Assam 10.5 percent. Action has been taken to ensure full compliance. The contributions for 1995/96 will be transferred to the state societies at the end of the financial year.

According to the revised budget estimates for 1994/95 and the budget estimates for 1995/96, the additionality criterion has been met in each state, with one qualification. While real expenditures on elementary education in both the plan and non plan budgets are above the levels in 1991/92 in Assam, Haryana, Kerala, Karnataka and Maharashtra, plan expenditures in Tamil Nadu are below the 1991/92 level. This implies that expansion is slowing down in that state and that DPEP funds are substituting for state funds. Part of the reason for the slowing down may be due to the past rapid expansion of enrollments which has resulted in a primary GER of 140 percent. Whatever the cause, the DPEP Bureau might choose to investigate further.

Analysis for the DPEP I credit suggested that the investments in the small number of districts included in the program (between 3 and 5) should be sustainable in each state provided that Assam continued to receive substantial central support and that Haryana was prepared to utilize its considerable potential resources.

The proposed credit for DPEP II will fund activities in three additional states. The position regarding public finances differs between these states. Finances are strongest in Gujarat and have shown improvements in recent years. Deficits and the debt stock have been falling as a share of domestic product. Himachal Pradesh depends heavily on grants and there is a worsening trend in the revenue deficit. In Orissa, the fiscal deficit as a proportion of state domestic product is among the highest in the country and the measures of debt stock and interest payments are very high.

For a number of reasons, the DPEP I states supported by IDA did not include any of the economically or educationally most backward states. Among the new states, Orissa falls

into that category. Public finances are weak. However, the requirement to strengthen these results from overall unsustainable trends in revenue and expenditure growth, not from requirements simply of the education sector. The need to provide for the necessary recurring costs at the end of the project is one more reason for structural change in the state's finances. The level of investment proposed should be sustainable within a reformed structure of public finances. However, during project implementation the state should consider its very low pupil:teacher ratio when districts apply for additional sanctioned teaching posts. Of the three new states the largest burden resulting from the project is for Himachal Pradesh. Proposed project expenditures and the incremental costs are much higher as a share of existing expenditures in this state than in the others. The annual work plans will need to be carefully monitored to ensure that the adopted norms are not totally out of line with other states.

The proposed expansion of districts in the existing DPEP I states again should not cause major problems in terms of the additonicity conditions of the DPEP Guidelines. The number of districts falling within the eligibility criteria is small in each case. The qualifications noted for Assam and Haryana in the DPEP I appraisal report remain, and the fall in real plan expenditures in Tamil Nadu is of concern, but the condition should be within the reach of each government. A doubling of districts would add to pressures on sustainability. These should be noted when the size and composition of district programs are being considered.

Potentially more problems arise with the inclusion in DPEP II of Uttar Pradesh and Madhya Pradesh. Both are educationally backward and have many districts which would qualify for inclusion in the project. Both are among the group of poorest states. As a significant number of additional districts is to be funded, while both states should be able to maintain real total expenditures on elementary education, it may be difficult (though not impossible) to maintain real plan expenditures in addition to the required contributions to the districts. On the basis of past trends, sustainability may provide a problem. Sustaining the program, and ultimately covering all districts, would require substantial changes in the levels and patterns of revenues and expenditures. It is encouraging that project supervision reports note that the government in each state is demonstrating a strong commitment to the expansion of primary schooling. However, both the DPEP Bureau and IDA will need to monitor financial trends carefully.

It has been agreed that:

- existing DPEP states applying for additional assistance under DPEP II will be required to update their Finance Studies to include, as a minimum, a detailed presentation of plan and non plan expenditures on elementary education between 1991/92 and 1996/97 (BE), the incremental costs resulting from DPEP I and II (and in the case of Uttar Pradesh from the Basic Education Project) and the anticipated non plan budget allocation in 2002/03 based on recent trends.

- **an independent study will be commissioned by the DPEP Bureau for each of the in-depth implementation reviews of DPEP scheduled for the second half of 1998 and the first half of 2001. This study would review the financial performance of each state involved in the program (including the UPKEEP) and undertake a sustainability analysis examining the ability of each state to meet the recurrent cost liability that is being created by DPEP/UPKEEP and which would result from universal schooling. The results, and recommended measures, would form the basis for discussion between the Bureau and IDA.**



## QUALITY IMPROVEMENT

### **Introduction**

Improving the quality of primary education is a crucial part of DPEP. This will be brought about by major changes in the classroom. Of prime importance is the introduction of child centered pedagogy.

For this to take place there will be major programs of teacher training and both new curriculum and new teaching/learning materials will be introduced in all the project districts. These activities are interdependent and must be subject to regular evaluation and assessment.

DPEP II state and district proposals include many of the building blocks required for quality improvement. As yet, states have only limited understanding of the amount of work required, the time that it will take to achieve and the number of skilled personnel needed to carry it out.

State Project Officers should appoint a Technical Support Group to offer advice on all aspects of preparation, production, trialling, revision and distribution of teacher training modules and teaching/learning materials.

DPEP II states can learn from the experience of DPEP I states. They must undertake a major process of exploration in order to discover what resources are available within the state, elsewhere in India and abroad. These can be in the form of institutions, individual specialists or groups of specialists and existing materials of all kinds (training modules, textbooks, supplementary materials and so on). As the experience of Maharashtra in DPEP I illustrates, exploration should not be limited to the public sector, nor solely to the field of education.

Thorough evaluation of all that is on offer is essential. Once states have decided which institutions, specialists and materials they can use they can then start a process of experimentation. They must not tackle too many tasks in the first year of the project. They must evaluate everything on a continuing basis. Only after ample trialling and evaluation can state wide implementation be considered.

### **Methods**

Of the three DPEP II states, Himachal Pradesh has had no experience of child centered pedagogy whereas both Orissa and Gujarat have benefited from limited Unicef and NGO activity in this field and are therefore better oriented

Himachal Pradesh will hold a visioning workshop to enable key persons in primary education to understand more clearly what the new pedagogy entails and what classrooms will look like by the end of the project. This should be held as soon as possible, but not later than August 31, 1996.

Trialling of new approaches to alternative methods of schooling, ECCE and multi-grade teaching will be undertaken on a limited basis by the states during the first and second years of the project and will be thoroughly evaluated before being introduced throughout the project districts.

### **Curriculum**

Of the three new states in DPEP II only Gujarat has so far adopted Minimum Levels of Learning. Himachal Pradesh and Orissa will be able to make use of the revised document published by NCERT in December 1995 and plan to complete state specific MLLs in the first year of the project.

Once MLLs have been established these states will prepare new curriculum which will constitute the core of both teacher training modules and new teaching/learning materials.

States must clearly understand that MLLs in themselves do not constitute curriculum. They show the expected outcomes of the teaching/learning process. Curriculum gives the route to be followed. MLLs, curriculum and teaching/learning materials will be the subject of regular evaluation throughout the life of the project.

Gujarat has already prepared competency based curriculum for Classes I and II and introduced it on a trial basis.

### **Materials**

The new pedagogy requires a new generation of teaching/learning materials. States will evaluate the materials that are already in use in their schools. They will also seek to identify materials that are in use in India and elsewhere in the world, from which authors and illustrators can learn. These activities will take place in the first year of the project.

State level project proposals include workshops for the development of new core textbooks which incorporate the principles of Minimum Levels of Learning. They also include training for authors and illustrators. None of the states has sought funding for the preparation of film or camera ready copy for new titles, even though DPEP guidelines allow for this to be funded.

Apart from new core textbooks, states will also develop materials for use in multi grade classrooms and in experimental forms of alternative schooling. Overall the number of new publications that will be developed, trialled, revised and produced throughout the life of the project is substantial. States are not making adequate provision for the vastly increased workload that this will entail for staff in SCERTs and textbook boards or their equivalent.

Himachal Pradesh have until now used NCERT's textbook titles virtually without alteration. The SCERT in Solan is well below its authorized pre-project establishment. Vacant posts must be filled before project implementation. The state level project proposal includes provision for a new department of 'Curriculum, Textbook and Reading Material

Development'. Until this is set up and staffed progress on the preparation of curriculum and new teaching/learning materials cannot start. The posts must be filled within six months of project effectiveness.

Production and distribution have been handled by the Board of School Education in Dharamsala. It will be essential for the BSE to strengthen its resources to handle the volume of work required. Existing staff will need training and additional staff will almost certainly be required. At present the state project proposal makes no provision for this. Proposals should be submitted to the DPEP bureau before negotiations.

Orissa's request for printing machinery and skilled production staff for its Textbook Press have been disallowed under DPEP guidelines. The state also plans to strengthen its SCERT but so far has not proposed training or additional staff for its Institute of Textbook Production. Proposals are to be submitted to the DPEP bureau

In Gujarat teaching/learning materials are both developed and published by the School Textbook Board, Gandhinagar which is an autonomous organization. The state's project proposal includes no equipment, training or additional staff for the Textbook Board. Budgets for revision of textbooks are meager. Further proposals are to be submitted to the DPEP bureau for inclusion in the revised NSAR.

States that do not already provide SC and ST children in the project districts with free textbooks will do so as part of the project. Girls who are neither SCs nor STs will also be provided with free textbooks and poor boys (non SC/ST) will be able to borrow core textbooks from book banks/libraries to be funded by DPEP.

In Orissa substantial funds have been budgeted for steel almirahs/foot lockers for new schools and for the provision of library books. Both Gujarat and Himachal Pradesh are expected to follow Orissa's lead. During the identification process described above, states should seek to identify suitable titles for their classroom libraries. Schools should then choose their own titles from the available range.

Rayagada district in Orissa plans large scale expenditure of 'Alphabetical Charts and Picture Books'. The district must avoid supplying identical packs of titles to all schools. Schools must be allowed to choose.

Additionally teachers will have Rs 500 to spend each year on teaching/learning aids and consumables. A grant of Rs 2000 will be made jointly to each school and VEC each year. This money can be spent on a number of different items which include books (but not textbooks) and journals.

One and two classroom schools where multi-grade teaching is practiced will be provided with extra allocations of teaching/learning materials.

### **Training**

The adoption of activity based teaching/learning, the introduction of Minimum Levels of Learning and the previous dearth of in service teacher training have brought about the need to build training capacity at all levels of the education system and to develop appropriate training materials. In those states where Unicef has already introduced 'Joyful Learning' new teacher training modules will incorporate many of the same principles.

Training will be organized on a 'whole school' basis so that teachers of all grades will benefit simultaneously. During the course of the project every teacher will receive about 25 days training allocated as approximately 5 days a year. To realize this goal distance education techniques will be used in parallel with traditional face to face training.

Apart from primary teachers themselves, training will be provided for headteachers, instructors of alternative schooling, coordinators of BRCs and CRCs, ECCE facilitators, VEC members, education officials and members of technical support groups at state, district and subdistrict level.

Only limited training is planned for the first year of project implementation. Initially states will identify and prioritize training inputs. Documentation on good practice will be available from NCERT. States will identify institutions and individuals both in the state itself and elsewhere in India that can design training modules.

In line with the experience of DPEP I states, DPEP II states will trial training modules and analyze feedback before embarking on wider dissemination.

### **Supervision and Support**

DPEP envisages a move away from traditional forms of inspection of schools and teachers. Every school will belong to a cluster which will have a Cluster Resource Center (CRC). Each CRC will have a coordinator who will be an experienced primary school teacher.

CRC coordinators will have monthly meetings with head teachers and teachers throughout the project period starting from the middle of the first year. The supervisors of the school system will receive training at the Block Resource Centers (BRCs) to be in tune with DPEP inputs and reinforce the same during their visits to and interaction with schools.

### **Priority Actions**

The following are essential activities to be undertaken before project effectiveness:

- Set up State Technical Resource Group
- Hold visioning workshop
- Initiate the process of exploration
- Evaluate existing materials
- Initiate renewal process

## **INSTITUTIONAL DEVELOPMENT**

### **Context and Objectives**

The proposed project would support district based activities aimed at improving access to quality primary education, reducing drop out and increasing learning achievement.

Priority would be given to girls, SC and ST students through both targeting and focused interventions. Schools would be encouraged to respond to special educational needs. By the end of the project schools in the project districts would be inclusive schools where all children learn and achieve to their potential. Participation of local communities in school management and mobilization of resources would be enhanced to increase stakeholder ownership.

To achieve the objectives outlined above the project will support the development of the capacity of the state, district and sub-district institutions to provide technical support for textbook and supplementary reading material development, improving teaching, evaluation and research, and planning and management in the three new states. This implies strengthening in the expansion states the capacity of the professional institutions (SCERT and SIEMT, textbook Board) and at national level ensuring that there is an adequate base of resource institutions to support this process (with support of national capacity building component in DPEP I). Furthermore, the project will assist enhancing of district institutional capacity to plan and manage program delivery, strengthen community participation and awareness, provide in-service training of teachers backed by on-site supervision and support, learning materials and teaching aids, target interventions for girls, SC, ST and students with special education needs. Inputs from line and parallel institutions including NGOs are critical for implementation. Institutional development to perform specified roles in the changing pedagogy and managerial environment would converge on school improvement and effectiveness. A framework for institutional development in the three new states and in expansion states is presented below

### **Lessons Learned**

Two lessons have been learned in the process of implementing DPEP I. First, the establishment of state resource groups on curriculum and learning material, and in-service teacher training is time consuming and delays implementation of pedagogy renovation activities. Second, operationalization of DIETs, BRCs and CRCs takes time which delays training and on-site support. Similarly, (delay in operationalization of SIEMT or the planning and management unit in an existing unit results in lack of mobilization of managerial back up for integrated school improvement after in-service training) *It was agreed that in the new DPEP II states, the state resource group on pedagogy in SCERT for primary education and full staffing of DIET according to GOI scheme and their orientation to DPEP would be completed by December 31, 1996, well before actual training is expected to start.* The BRCs and CRCs will also be expected to start operating in the first year so that the staff is involved in planning staff development activities for themselves and teachers to stimulate ownership and consequent commitment to implement

the program. Similarly, at least core staff for SIEMT or a unit in an existing institution will be positioned early on so that integrated teacher training and technically improved managerial support is available for school improvement and effectiveness.)

In DPEP I the stress on building institutional capacity has been mostly on technical assistance for training. This, however, is not sufficient for effective implementation of a complex program like DPEP. Training needs to be complemented by sustained inputs through a variety of integrated activities like, supervision and support, supply of supplementary reading material, teaching aids. Like DPEP I, the states in the three new states would identify resource institutions within or outside the state for specific task and carry out systematic assessments of their capacity.

### **Strategies**

The institutional development strategy would have the following elements:

- (a) *Identifying resource institutions and networking:* The resource institutions and NGOs for specific tasks would be identified and their capacity assessed and terms for collaboration or a memorandum of understanding would be negotiated through a transparent process. Functional networking of institutions, consulting firms and NGOs would be established.
- (b) *Variety of arrangements:* Institutional capacity building goes beyond training and workshops. Besides these activities, monitoring, twinning, information exchange and on-site study visit within the state, outside the state in the country and outside the country would be supported to develop institutional capacity. Fellowships and longer training in critical areas would also be supported.
- (c) *Consultancies:* Institutional capacity building at the state, district, BRC and CRC level will require technical resource support to complement the line institutions to implement several activities in the expansion scenario. Consultancies would be supported by the project.

The National Technical Assistance Program included in the DPEP I project, is critical to strengthen the capacity of institutions involved in the research, policy analysis, design and delivery of primary education programs in India. A plan for funding the NTAP has been prepared for EC funding. The DPEP Bureau will submit to IDA a revised plan for IDA funded NTA to complement the EC program by December 31, 1996.

### **Implementation**

Specific requirements for institutional capacity building at the national, state, district and subdistrict levels are discussed below:

## **National**

*TSG:* The TSG is involved in appraisal, supervision, review of AWPBs, monitoring and evaluation of the implementation progress, stimulating innovations and change, and coordinates technical assistance to states. It would be strengthened to undertake the additional load of DPEP II to support SPO. A separate unit on appraisal and supervision needs to be added. It was agreed that the DOE will submit a plan for the strengthening of the TSG before negotiations and the agreed additional staff will be in position by effectiveness.

*NCERT:* NCERT is involved in pedagogical renovation, experimenting with innovative pedagogical practices in primary and early childhood education, documentation and dissemination of good practices, organizing training of SCERT and DIET faculty, and research and evaluation. NCERT has been recently restructured to respond to the increasing demand of DPEP. It has four Regional Institutes of Education that have been assigned specific states for technical assistance. The faculty of the RIEs that were more oriented to secondary education is to be reoriented to primary education. Role clarity and its relationship with TSG would enhance NCERT contribution in capacity building in line institutions. It was agreed that specific DPEP activities identified by DPEP or proactive activities planned by NCERT and approved by DPEP bureau would be supported by the project.

*NIEPA:* NIEPA is involved in capacity building at the state and district level in planning and management. It would also support capacity development activities for SIEMTs and planning and management units being established in existing institutions and DIETS. NIEPA would continue to extend support to the three new states in developing capacity in using PMIS and school mapping. It has initiated networking with relevant institutions. It was agreed that DPEP would continue to support the identified activities as is being done at present in DPEP I.

## **State Level**

*SCERT:* The capacity of SCERT to develop active learning based textbooks and other learning material, design training, develop training material, monitor training quality, provide technical assistance to DIETs for building capacity to train master trainers, and carry out planning and management functions(Gujarat, Himachal Pradesh) and mobilize services from networked institutions is critical to the overall success of DPEP. Yet in most states SCERT is not staffed with personnel that have the background or experience for this task. DPEP will need to implement a program designed to strengthen SCERT to prepare for the new challenges. This implies first a restructuring in SCERTs for DPEP activities or the establishment by the state of a Resource Group inside or outside SCERT. It was agreed that a state level technical resource group for learning material and teacher training would be constituted and oriented to new pedagogy by October 31, 1996. The process of filling the vacant primary education posts is expected to be completed by effectiveness. In Gujarat a hostel has been proposed for GCERT, but the land has been

allotted in Gandhinagar which is about 20 Kms away. It was agreed that the proposal will be reviewed from the logistics point of view and an alternative solution would be explored. *The revised NSAR would include a plan agreed to by GOG. It was also agreed that the skills required by the additional staff to be funded under DPEP II and the method and time frame for recruitment would be specified in an annex to the NSAR.*

**SIEMT:** Himachal and Orissa have proposed the establishment of a SIEMT. Gujarat has proposed units on planning and management in SCERTs. SIEMT building construction will take time. It was agreed that the Director SIEMT/Head planning and management unit in SCERT with a small team for training and development would be in place early at the latest by December 31, 1996. The Director would be involved in the design and furnishing of the building. The faculty would be oriented in DPEP philosophy and the program. Another advantage would be that training of education managers at different levels could be synchronized with in-service teacher training of teachers. As a result it will be possible to link improved pedagogy and managerial competence for school improvement and effectiveness. Similarly, the project would support civil construction, improvement of libraries, furniture and equipment, agreed staff, vehicles, and opportunities for participation in national and international workshops and seminars. It was agreed that NSAR would include benchmarks for establishing SIEMT/planning and management unit.

#### ***District and Subdistrict Level***

**DIETs:** DIETs train master trainers for in-service training, provide support to BRCs to conduct training, monitor quality of training, develop district specific learning material, assist SCERTs in trialling textbooks and other learning material, and conduct research on district specific issues. The project would support agreed equipment, strengthening of library, limited civil construction. a vehicle and a driver. It was agreed that staffing of DIETs and training in respective technical areas would be completed by December 31, 1996.

**BRC:** BRCs would provide at least one week residential in-service training to teachers, headmasters/headteachers and cluster resource teachers every year. It would also train supervisors of early childhood education and non-formal education. The BRC is provided a training coordinator and two support staff. The coordinator is complemented by at least two resource persons identified as far as possible from the local area. The team is trained and supported by DIET. In the initial training cycles BRC team should have one of the trainer of trainers for providing support and quality of delivery in the cascade. The project would support BRC coordinator, a clerk and an attendant, small library, furniture and equipment. and contingency and building. It was agreed that BRC will be established in the first year.

**CRC:** Being nearest to the school, the CRC is critical for school improvement and effectiveness inputs. CRC organizes monthly meetings of the satellite schools in the cluster in which teachers (a) share experiences and innovations, and demonstrate good practices, (b) discuss problems and solutions, and (c) transact new training modules.



In addition the CRC is expected to visit schools at least once every two months for on-site supervision and support. In class demonstration and peer coaching is also organized. The CRC would be provided a room wherever necessary, contingency to organize monthly meetings, small library, storage facility, and material for making learning aids and display board(s). It was agreed that CRCs will be made functional in the first year.

*School:* Inputs from all institutions described above converge on school improvement and effectiveness. The project would provide for improve physical facilities, encourage community participation and local management through VEC. Each school gets Rs 500 per teacher per year for purchasing material for making learning aids and making teaching activity based, Each VEC is also provided Rs 2000 for school improvement.

Institutional development is continuous activity. It involves linkages with both parallel and line institutions. It also requires policy decisions to come out of the traditional bureaucratic mould. Making functional network of institutions and making it work is as challenging a task as it is complex. Systematic planning, flexibility to operate, mutual trust, clear roles, good communication and transparency tend to make it successful. It was agreed that the state plans for capacity building will be reviewed and that additional requirements will be included in the revised NSAR. Priorities for action are to:

- establish state resource pedagogy group in SCERT and position director with small core team for SIEMT/ planning and management unit in SCERT, and staff DIETs by December 31, 1996. Make BRC and CRC fully operational by June 30, 1997;
- review the capacity building plans to be funded by EC and additional requirements from IDA funds. Provide revised plans to IDA by December 31, 1996. Identify resource institutions from within and outside the state for specified tasks and establish a network of institutions by December 31, 1996.

## CIVIL WORKS

### **Present Status**

In general, a great deal of effort has been made in the area of civil works plans since the last mission, however, the progress has not been consistent throughout all three states. Specific comments below relate to the areas of concern that were outlined in the Aide Memoire for the Pre-Appraisal mission:

- **Identification of the responsible staff officials at the state and district levels for the planning and conduct of the civil works program.** Staff positions have been identified for the DPEP project offices at the state and district levels in all three states, but none of these positions has been filled as yet. Orissa expects to have their state Executive Engineer in place by mid-March, but Gujarat anticipates that it will take at least three months to hire the state officer charged with monitoring civil works.
- **Formulation of specific strategies and procedures for the design, construction, and supervision efforts.** Strategies and procedures were proposed in each of the states, however, the Gujarat plan was not well developed and did not seem workable when scrutinized by the mission team. The State is in the process of revising the plan. The mission was pleased to see that Orissa has already engaged a consultant firm to assist them in the design work for the project.
- **Involvement of the educational community in the design development activities for classrooms, BRCs, and Cluster Resource Centers.** This involvement and collaboration between designers and educationalists has generally not been done. The mission again noted many instances of designs that had been developed by PWD designs without input or guidance from the education departments. Even in Orissa, where the consultant firm was hired to do the design work, there still needs to be a healthy interaction between the SCERT, DPO, SPO and the design team to further define the functioning and requirements of the schools, BRCs and other proposed buildings on the project.
- **Initiation of a school mapping exercise which will largely determine the scope of the construction activities during the entire project period.** In all states, requirements for classroom construction were proposed, but these proposals were based on population projections and other indicators rather than school mapping exercises. Since no state proposed large scale classroom construction programs during the first year of the project, the projections made were adequate at this time, however, detailed school mapping will still need to be done in the upcoming months as a part of the planning for construction in fiscal year 1997-98.
- **Prioritization of work efforts and formulation of the specific program of construction for the first year of the project.** H.P. has proposed limited classroom construction in the first year as well as some BRC construction. (H.P. expects to build one third of its BRCs in year 1, but Orissa is planning less than

5%). Gujarat has proposed no construction activities during the first year. It was agreed that Orissa and Gujarat would reconsider the impact that the delay in the construction of the BRCs will have on their training program and focus their initial civil works efforts on completion of these critical facilities early in the project implementation period.

- **Preparation of a budget plan and construction manual for any works to be undertaken during the first year of the project.** All states prepared budget plans for their construction works as well as some form of construction manual. Revisions to the budget have been made during the mission to give the entire program some consistency in pricing of classrooms (which will now be assumed to cost Rs.85,000) and BRCs (Rs. 8.5 lakh). The construction manuals produced were a good first step in the process, but as indicated above, the entire issue of collaborative design effort needs to be addressed in each of the states.

### **Directions for the Project**

*Design Consultants:* In preparing the construction manuals and designs for the classroom and BRC construction, the states have continued to promote the “classic” classroom approach commonly associated with PWD construction. Designs for SIEMTs, Ashrams, and other unique facilities proposed under the project would likely follow the same pattern. What is needed is a change in attitude on the part of the educationalists so that they view themselves as involved owner, rather than a passive recipient of whatever the engineers provide them in the way of facilities. Experience thus far has been that the PWD offices are not accustomed or organized to provide this collaborative type of arrangement. Therefore, the first step in this new direction should be the hiring of a design consultant who would be responsible to the ministry in the preparation of plans and specifications which complement and respond to the education programs espoused by DPEP. Simply hiring an architect does not absolve the Education Team from their responsibilities relating to the civil works; the Team must work with the designers and other “stakeholders” in the process to help them understand the needs and requirements of the program - whether it be a classroom earmarked for multi-grade teaching, a GCERT renovation, or a Block Resource Center. Other “stakeholders” might include the PWD, if they are eventually expected to construct the facility, or occupants of the facility itself, such as a teacher, or a GCERT official.

To carry out the task of hiring an architect, the civil works specialist at the state level should be well versed in the steps needed to hire a consulting firm. In this regard, the World Bank Procurement Training Meeting for DPEP scheduled in Delhi on April 10-11, 1996 will have a special session devoted to Bank procedures for procurement of small consulting contracts.

*Supervision Arrangements:* An identified weakness in nearly all the plans for the civil works program is the arrangements for supervision of the works under construction. Most plans call for inspection by PWD personnel, or junior engineers at local Panchayat levels. Inherently, there is nothing wrong with this method, especially if the PWD has been charged with the responsibility to tender and award the construction by contract arrangements. Nevertheless, experience has shown that supervision by staff engineers

alone is too erratic to insure the necessary quality control. Consequently, states should consider contracting for third party supervision by contract arrangement with an architectural or engineering firm. Terms of reference for such a contract would provide for site visits to active construction sites at a frequency of roughly 3 times per month over a given period of time, say 6 months. Travel and per diem costs would be included within the contract fees, and the supervision firm would be responsible for providing site visit reports to the State/District project team. Such an arrangement is not meant to replace the PWD/Panchayat inspectors, but rather to supplement them. The primary function is to alert the State/District project management team to construction quality issues that need immediate attention.

*Classroom Construction Innovation Fund:* While the construction programs proposed by the states address the physical needs of the program in one sense (i.e. new classrooms will be built), the evidence from BEP, DPEP I and the DPEP II state plans suggest that little is being done to advance the “state of the art” in classroom construction. Given the present classroom shortage, it is imperative to reduce the unit cost of the buildings. Throughout the country there are many reputable agencies specializing in alternative building technologies and cost effective construction techniques. Accordingly, to assist the states in tapping into the pool of expertise that might be used in advancing the local “state of the art”, a new element being introduced to the project is the establishment of a Rs.50 lakh *Classroom Construction Innovation Fund* at each of the state level societies in Gujarat, Himachal Pradesh and Orissa. The purpose of the fund will be to provide the resources for a state effort directed toward the research, experimentation and evaluation of alternative, “low cost” techniques for construction of classroom facilities.

The *Innovation Fund* would be utilized in part for a design undertaking through a collaborative effort involving consultant architects, regional polytechnics, educationalists, and state construction agencies. The fund would also finance the actual construction of prototype designs in communities covered by the DPEP II project. Initially, the construction of these prototype classrooms would be a parallel activity to the ongoing construction of more traditional designs during the early stages of the DPEP II implementation period. However, once an evaluation has been made of successful, replicable techniques in the prototype classrooms, it is expected that these alternative methods of construction would be incorporated into the classroom construction program during the remaining project period.

*Review Process at State and Bureau Levels:* The quality of the design effort observed thus far, and the general absence of involvement by educationalists in the design process speaks to the urgent need for a quality control process to be put in place at the SPO and TSG levels. It was agreed that such a capacity would be developed, most likely through contractual arrangements with experienced design firms. Establishment of this hierarchy of review will ensure that standard designs would be submitted to IDA for review ONLY after having been vetted by competent specialists at the state and DPEP Bureau.

**Activities Prior to Negotiations**

There will be no conditions of negotiation related to the civil works aspects of the project proposal. By effectiveness, it was agreed that a Civil Works Specialist will be appointed to the staff of the SPO in each of the new states. In addition, each new states, and as many districts as possible, should send responsible officials to the procurement training session scheduled in Delhi on April 10-11, 1996. At this meeting, mandated Bank procedures for the project will be explained for contracting of small construction works and consulting contracts.

## DISTANCE EDUCATION

Because of the great variety of geography, culture, languages and levels of economic development both within and among the states of India, the DPEP has focused on building capacity for improving primary education at state level through an initiative supported from the national level government.

In order to mirror this DPEP state centered approach the Distance Education Component now being proposed for DPEP II has been planned as a departure from many other distance education programs for teacher training conducted in developing countries. Most other programs have provided centrally planned and created curriculum and materials which were administered to teachers on a national scale. Smaller nations with less variety in language and culture, have conducted successful programs dominated from the center. In India only a program developed to serve the great variety of states and their districts can provide for the wide diversity of needs.

Thus, the distance education component planned to support DPEP efforts has been required by circumstances to develop an innovative approach that will help design and deliver a flexible program responding to state needs with variations for different districts. The integrated, state service based approach of the distance education component is expressed in the distance education plans aimed to:

- include the required distance education efforts in the annual workplans of each DPEP state;
- have a state coordinator on the staff of the central resource group working directly with the DPEP training directors in the states;
- conduct annual distance education planning meetings in each state to appraise progress and prepare plans for the coming year;
- provide a number of materials planning and development workshops in each DPEP state to support the planning and preparation of the distance education materials in all media;
- support each states distance education planning, training and materials development efforts with visits on demand by experts to provide hands on training and advice; and
- provide a substantial budget to DPEP states to pay for the actual production of planned print, audio and video educational materials to support teacher education at a distance.

The program proposed has a strong capacity building element intended to develop competencies at state level to develop a variety of educational materials to support distance education.

During earlier visits regarding this project the mission has had discussions regarding the potential role that satellite linked one way video teleconferencing might play in the

distance education program. It has been decided that the distance learning program will not provide funds to build facilities to extend the reach of satellite teleconferencing. Further, the distance education program has not planned any satellite delivered distance education activities for regular teacher training. However, where such facilities do exist the distance learning program will make use of such communication links to manage, coordinate or train when the use of such technologies can effectively substitute for staff travel and face-to-face meetings.

The distance education program was not part of the earlier DPEP project and so will need to be staffed, housed, equipped and activated rapidly. Functions which were carried out over a year or more to establish DPEP will need to be done rapidly and simultaneously to quickly establish the distance education program. Keeping this in mind, the project director, the senior manager(s), and the needed state distance education coordinators need to be appointed and put to work promptly. These staff positions will need to be full-time. The amount of work that needs to be done to start up this program and maintain momentum is quite large and any delay through lack of appointments being made or reduced effort through appointees having other responsibilities will seriously delay the program's start and undermine its chance of successful operations.

Planning will begin immediately for the "launch" meeting for the distance education component which is tentatively scheduled for early summer. This meeting will be hosted by IGNOU and is intended to focus attention on the distance learning project and to create expectations and feelings of ownership among the DPEP states.

## SOCIAL ASSESSMENT

### **Participation**

The introduction of a bottom-up planning process is a major change in the Indian context. Training workshops were held to orient state and district level teams about the methodology and importance of involving stakeholders in the planning process. Taking into consideration the impediment of limited time, the divergence with normal procedures, and numerous other deadlines to a newly appointed team, significant progress was made in developing a process. It is important that this process is viewed as an ongoing component of the project. The extent of that process varied across the districts and states.

In Himachal Pradesh, the process of participation was carefully documented: number of meetings held, category of participants, significant issues raised, as well as the development of strategic responses which addressed the concerns of the participants. This was particularly evident in the Sirmaur district where a range of stakeholders across 37 villages were involved. In Orissa, the documentation lagged behind the actual involvement of beneficiaries in the planning process. This is a result of both the district team's limited understanding of how to document the process and a reflection of poor integration of various components. For example, complementary schemes, e.g. Kalyan Village in Bolangir, Kalahandi development scheme which involve mobilizing large number of villagers and functionaries to discuss issues such as education are not recorded. In Gujarat, Panchmahal district held a number of meetings but attendance was mostly limited to education department administrators, details of specificity of issues discussed and responses were sketchy at best. Dang district conducted a more detailed meeting schedule with a range of participants and relevant responses to issues raised. Banaskantha district failed to provide adequate information although their future strategy includes the use of focus group discussions to study the causes of non-attendance of students and possible methods for improving enrollment.

The social assessment report to be made available at negotiations would include a participation report from Banaskantha district.

### **Social Assessment Studies**

The objective of the Social Assessment Studies was to analyze the specific problems of girls and tribals in relation to enrollment, retention and achievement through focus group discussions and administering of a questionnaire in selected villages. The preliminary report of Orissa's Nabakrishna Chaudhary Center for Development Studies is quite consistent with the objectives and methods listed in the TORs. Obtaining feedback from parents, community leaders, teachers and students, it should provide valuable information for state and district planning teams. The report furnished by the Institute of Tribal Studies in Shimla, HP presents preliminary information but more specificity is required in the final version along with a thorough review of the literature and ongoing schemes. *The report from Gujarat is still pending.*



*By negotiations:* Social Assessment Studies comprising two districts should have been submitted to IDA with the condition that HP would have revised their current study in line with the existing TORs and comments by the national and IDA appraisal teams.

*By effectiveness:* All SAs, revised according to IDA/DPEP comments, will be submitted.

### **Strategies**

Decreasing the educational disparity between female and tribal students and the remainder of the society is a stated objective of DPEP. District teams have focused on the issues which render lower enrollment, achievement and retention levels for these special groups. Strategies have been drawn up with the objective of increasing the three significant indicators. Access strategies rely heavily on awareness campaigns to enlist the support of families in encouraging student enrollment. Opening of additional schools, and improving the physical quality of others is another strategy. Special schemes for girls, range from developing ECCEs and NFEs, providing additional tutoring, a review of text books for gender basis, construction of toilets and increasing the number of female teachers and the appointment of gender coordinators. Soliciting the involvement of women's groups, MTAs and MS will further support the need for education for girls. Strategies for tribal populations include teacher training courses on tribal culture and language, ashram schools, development of tribal relevant curriculum, and appointment of tribal coordinators.

Factors affecting the enrollment and attendance of these special groups in primary schools involve quality as well as access problems and family and cultural constraints. In order to ensure cost effective and well researched solutions, it would be wise for DPEP II districts to continue consultations with beneficiaries and DPEP I districts and to institute new programs on a trial basis before attempting large scale solutions. Before implementation surveys of existing programs and proposed evaluation methods of innovative programs should be available. Before the preparation of the 97/98 AWPB begins in October 1996, a national workshop should have been held to help districts utilize both the participatory method and the social assessment studies to the fullest.

The workshop will concentrate on how to integrate the findings of the SAS and the outcome of the participatory process into the planning cycle. The workshop should include among other things:

- how to analyze data from the SAS
- how the data impacts planning for special groups
- how to effectively select participants
- how to elicit views that reflect educational issues
- how to document the process
- how to integrate participants' views into strategic planning
- how to continue the process across the life of the project

Following the national workshop each state would prepare an action plan which should include:

- a specific program for consulting with DPEP I districts regarding strategies for special groups;
- evidence of integration of SAS findings and issues raised in participatory meetings into strategies addressing gender and tribal needs;
- an activity schedule for implementation of gender and tribal strategies in the first year;
- where innovative programs are included, i.e. ashram schools, a plan for surveying the need and documenting the success of existing programs should be in place.

The action plan would be submitted to IDA by October 31.

**Priority**

To ensure that SASs and participation do not become isolated events, DPEP will concentrate on making them part of the ongoing planning process. To this end, concentration should be placed on the following:

- Ensuring the social assessment studies are complete and concur with the terms of reference provided
- Training state/district staff in the use of the studies and participation
- Developing a strategic action plan based on SAS, participation and the needs of special focus groups
- Integrating the plan into annual AWPBs.

## SUPERVISION PLAN

The current DPEP supervision strategy needs to be adjusted to take into account the increased scope and complexity of the program as it expands to increase the coverage to 120 districts and 13 states including UP. To ensure effective supervision in a program of this magnitude the following steps will be implemented:

- explicit and immediate delegation of the supervision responsibility to the state offices in all DPEP I states and UP;
- a gradual decentralization of supervision responsibility in the second generation DPEP states to the SPOs;
- full operationalization of the PMIS in the first generation states by July 1996 and in the second generation states by January 1997;
- implementation of the education management information system in all states starting September 1996;
- full operationalization of the research, monitoring and evaluation program, including the monitoring in sample districts, focusing especially on qualitative and process indicators by September 1996 in already participating states and gradual expansion into the second generation states.

The supervision of DPEP I, DPEP II and UP BEP will be integrated as follows:

- SPOs will institute a process of systematic supervision of the districts. Each district will be visited by state teams at least twice a year. The SPO will submit formal supervision summary reports in a standard format for review to the DPEP Bureau. A supervision plan will be included in the AWPB prepared by the state.
- The DPEP Bureau will supervise each state once a year through a national supervision mission which will take place at different points in time in November/December. This mission will (i) review the effectiveness of the state supervision; (ii) visit three or four districts in each state for an on the ground spot check of implementation progress (double that number in UP and MP); (iii) review the AWPB prepared by the districts and the states. A format for a summary supervision report- including a set of performance indicators- will be developed. These supervision summaries may be provided to the donors concerned.
- A joint supervision mission will supervise the effectiveness of the DPEP Bureau supervision twice year a for about two weeks. Each mission would visit six states, so all states would be visited by a joint supervision mission once a year.
- Every year, starting in 1997 a supervision workshop would take place on one or at most two selected topics bring together all states. In this workshop states

would report on their experience with a specific components of the DPEP program (e.g. micro planning, NFE, ECCE, civil works , teacher training, multigrade teaching, etc.). The topics will be selected by the DPEP Bureau in consultation with the donors. The workshop would typically last one week and take place outside Delhi in one of the states that has some notable achievements. An external speaker could be invited to deliver a keynote address on the selected topic.

- At this workshop the DPEP Bureau would present a progress report and each state would also present its annual report. Each state could present an overview of its achievements in an exhibition space
- In addition a report on (i) findings of completed DPEP funded research and evaluation studies ; (ii) new research and evaluation proposals approved for funding by DPEP would be available for discussion.
- In the first two years a special supervision effort would be required to (i) monitor the start-up of the DPEP program in the new states (Gujarat, Himachal Pradesh and Orissa); and (ii) review the effectiveness of the national appraisal process for the expansion districts in already participating states where IDA will review a sample of expansion districts. These appraisal review missions would include a review of implementation progress in each of the participating states. As part of the joint supervision process other donors, providing support for the national program or to a particular state would be invited by IDA in consultation with GOI, to participate in some of these appraisal review missions. Starting the third year two joint supervision missions would be organized each covering six DPEP states.

In addition IDA will provide continuous implementation support, especially through participation of resident education staff in the many thematic workshops organized by the DPEP Bureau and designed to exchange implementation experience.

**PROCESSING SCHEDULE**

<b>INVITATION TO NEGOTIATE ISSUED</b>	April 10,1996
Documentation due by negotiations submitted to IDA	April 12, 1996
<b>NEGOTIATIONS</b>	April 18-24 , 1996
First two days technical discussions, followed by negotiations Development Credit Agreement (with GOI) and Project Agreements(with all eight DPEP states)	
<b>BOARD PRESENTATION</b>	May 26, 1996
<b>EFFECTIVENESS</b>	August 31, 1996

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