

HEALTH, NUTRITION, AND POPULATION WORK IN INDIA

Key Features

India has made significant health progress in the last few decades. Average life expectancy rose from 44 to 63 between 1960-2002; infant mortality has been more than halved to 68 per thousand; total fertility has declined to 2.9; and there has been progress in control of major communicable diseases. But at the current rate of progress, India will not achieve the MDGs for health. Infant and child mortality declines have slowed, and 45% of children between the ages of 0-4 are stunted. Prevalence of HIV has recently been estimated to be .41% or approximately 2.45 million individuals, lower than previously thought. However, this is still a very significant burden and continued efforts are needed to avoid a devastating, more generalized epidemic. Non-communicable diseases are emerging as key issues for the future. Stark disparities exist between and within states. Poor and socially excluded households suffer from a significantly higher burden.

India can do better. Unregulated private providers, many unqualified, consume 80% of health spending. Health is a major cause of financial insecurity and one of the most significant causes of households falling into poverty. The current government acknowledges that public sector health spending had declined to unacceptably low levels of 0.9% of GDP. Government health care delivery is weak and of poor quality, with significant absenteeism and inadequate key inputs. Poor performance of government service delivery has been much worse in the lagging northern states. Serious governance problems also require urgent attention.

The Government at the Centre has focused new energy and attention on the sector. A National Rural Health Mission was launched in April 2005 and government departments have been reorganized at national and state level. National health budgets have increased significantly in the last two years with additional resources promised and there are encouraging efforts to address problems in the states with the poorest performance.

While there is encouraging evidence of progress and new initiatives in the last two years, it is too early to draw definitive conclusions about the likely effectiveness of these efforts. The NRHM supports a number of novel approaches to improving health outcomes with some more traditional approaches of strengthening government service delivery. Much will depend on the effectiveness of efforts to improve capacities and functioning at state and local levels and whether sub-national institutions are effectively mobilized to improve their performance. The introduction of some specific new technical strategies to improve outcomes, for example in relation to malaria, child undernutrition, and institutional deliveries, is also still at an early stage.

World Bank Involvement

The World Bank has been lending for nutrition and health since the early 1990s (population lending started much earlier). Operations that are currently active, or about to open, exceed US\$2 billion in IDA commitments. Loans to the health sector are on IDA terms, which are for 35 years with a 10-year grace period and charges well below 1% per annum declining as the loan is repaid. These include: (a) projects supporting national programs to provide basic health/nutrition/population and disease control services, including the National AIDS Control Program, the Tuberculosis Control Program and the Integrated Child Development Services; (b) projects for state-level health systems development, focused on rural health service delivery and public health; and (c) and projects supporting cross-cutting health functions at national level such as food and drug regulation, and national disease surveillance. The World Bank's analytic work has also contributed to the public policy dialogue in the country, notably with the 2000 publication *Better Health Systems for India's Poor*, and reports this year on persistent child undernutrition and the trajectory and determinants of the HIV/AIDS epidemic.

Plans for Future Involvement

Our priority is helping India to achieve the health MDGs and to reduce the impact of disease on poverty. This includes eradicating polio, controlling HIV/AIDS, and strengthening national programs in Reproductive and Child Health, TB, child nutrition, and vector-borne diseases, all part of the National Rural Health Mission. Our "second generation" of state-specific projects will help improve basic health systems in both the government and private sector, increasingly in the worst-off states. We are currently preparing a new program of support to improve the effectiveness of the Integrated Child Development Services (ICDS).

A new HNP strategy, agreed with GoI, emphasizes consolidating our program, tighter geographic focus, more emphasis on cross-cutting, system-strengthening aspects including better governance, monitoring and evaluations systems, and upgrading our technical partnership to improve the coverage and quality of services for the poor. We have increased our collaboration with the government to improve governance, including capacity building and strengthening the Empowered Procurement Wing, the MOHFW's focal unit for health sector procurement.

Our support in India identifies strengthening the coverage, quality, efficiency, and effectiveness of basic health and nutrition service delivery as the most important constraint to accelerating improved outcomes. It is particularly important to improve these factors in the poorer states and in settings which will reach the poor and excluded. Current initiatives include four major strategies for these improvements, all of which are receiving support through our projects: strengthening government services; enhancing the role of local governments (PRIs) and communities; engaging the non-government sector more effectively in supporting priority health outcomes; and innovative demand-side strategies to increase service uptake and accountability. All these are important towards forging a larger strategy of innovation and not a "one size fits all" approach.

Key issues for Discussion

This is a promising moment in the sector. But the challenges are daunting. The World Bank has a large and fairly traditional portfolio of support for government programs. Public authorities are also challenged with rapidly increasing efforts under new initiatives like NRHM and are seized of the need to rapidly improve the performance, quality, and governance of government systems. A

key overall question for us is how can we improve our effectiveness to support these opportunities? Some specific challenges are:

- The current government has proposed increasing government spending to 2-3% of GDP from the current level of a little more than 1%. The challenge for the government remains how to achieve both more and better public spending. There is a need to focus both on accelerating the flow of resources and improving governance and accountability. What role should new financing strategies, such as health insurance, play?
- National schemes drive efforts to improve health outcomes, but states and local governments determine performance because they control the management of government services. The challenge is how to improve services in this pluralistic environment.
- Government recognizes the potential for public-private partnerships to improve basic health, but efforts remain small and limited. The challenge is successful and replicable innovation to improve the contribution of India's large non-government sector to health outcomes.
- India faces an emerging epidemic of non-communicable disease. How should health systems prepare for these new challenges without losing focus on the incomplete agenda of achieving the health-related MDGs?
- The states and districts with the greatest need are also the least able to access and use Bank-supported inputs. The challenge is better focus to reach the poor in the worst-affected areas.
- There is an expanded role for communities and local governments in India's new health initiatives. How can the Bank effectively support this direction? How can approaches beyond sector-specific assistance contribute?
- Some large-scale programs, for example, malaria control and child undernutrition, need technical strengthening. How can the Bank best support this effort?

Our strategies require a more nimble Bank that can provide effective technical support for improving implementation and governance. But our portfolio is large and diverse. The challenge is providing more technical and knowledge inputs while maintaining effective project management.

Education

Education

The Government is increasingly aware of the need to invest in education as a critical input into human capital development and economic growth, and progress is being made. However, the demand for quality education far outstrips the supply. Basic education is a fundamental right, as well as an important Millennium Development Goal to which India and the World Bank are both committed.

Key Educational Issues and Challenges

Universalization of basic education of satisfactory quality:

- Almost two decades of focused programs in basic education have succeeded in expanding access to school facilities and reducing the number of out-of-school children in the 6-14 years' age group. Within the last five years, the number has

decreased from 25 million (2003) to an estimated 9.6 million children (2007) most of whom are from marginalized social groups. The Net Enrolment Rate has increased to 85%, but gender and social disparities remain.

- The key challenge is to ensure education of satisfactory quality – with some independent surveys showing that half of children in the 7-14 age group cannot read. Some of the underlying causes include inadequate attention to classroom processes, low priority to learning in early grades, insufficient attention to teacher quality and accountability, weak accountability to communities/parents, and a lack of emphasis on monitoring and evaluation.

Expanding access to secondary education and improving quality:

- At the secondary level, both access and quality remain a challenge. Gross enrolment rates at the secondary level are around 40% (with a significant proportion of enrolment in the private sector) - partly owing to dropouts after the primary cycle, and the lack of emphasis on increasing supply at the secondary level.
- The low quality of education exiting the elementary level also adversely affects the quality of students at the secondary level. Other issues which impact quality relate to the relevance of the curriculum and teaching practices.

Reforming Vocational Education and Training (VET):

- While the VET system is quite small, analysis shows that it is not responding to the needs of the labor market, with less than 40 percent of graduates finding employment.
- Key challenges include the limited involvement of industry in the management of the vocational training system, and lack of incentives to public training institutions to improve their performance

Expanding and Improving Technical and Tertiary Education:

- India has long recognized the importance of tertiary education and technical education. With over 330 universities and 18,000 colleges, it is one of the largest systems in the world (with substantial private provision in professional education). However, it caters to only 11% of the cohort of 18-23 years, which is far below OECD norms.
- Although, there are some institutions of world class quality, the majority suffers from problems of limited capacity, poor quality and relevance, as well as lack of public funding. They are unable to attract and retain qualified faculty. Research and innovations are confined to a handful of universities/ institutions. Shortage of qualified teachers produced by the system also affects quality of education in elementary and secondary education.

GOI Strategy

- The Government of India (GoI) is giving unprecedented priority to the universalization of elementary education. A Central legislation, enacted in 2002, has made elementary education of eight years a fundamental right for every Indian child aged between 6-14 years. GoI, in partnership with the state governments, is implementing a nation-wide program, titled *Sarva Shiksha Abhiyan* (Education for all Mission) to fulfill its commitment made in this legislation, with the goal of universalizing elementary education, closing gender and social gaps and improving quality by 2010. The Prime Minister is the Chairman of the General Council for *Sarva Shiksha Abhiyan*. An education cess of 2% on income tax, corporation tax, excise duties, customs duties and service tax has been levied for the last three years to generate resources to support the program and the Central government's financial allocations to the program have increased 15-fold during this period.
- GoI also aims to expand access and improve quality of secondary and vocational education and training, in order to improve the 'school to work' transition. In the context of shortage of skilled workforce, a National Mission for Skills is being set up. The government has also announced a Centrally-sponsored program to upgrade all Industrial Training Institutes (ITIs), with a view to produce technicians of international standard to meet the growing demand of industry for quality skilled manpower. This is envisaged with strong private sector participation.
- GoI has recognized shortage of skilled manpower in several key sectors and is planning to make significant investments tertiary education for major reforms and expansion.

Bank Support to Government Programs

Projects

Since FY00, the Bank has committed over \$1 billion in loans to the education sector, in addition to providing technical and analytical support. Loans are 0% interest, with 35 years to repay and 10 years of "grace" (no repayment). Current and proposed assistance includes:

- *Elementary/Primary education:* Over the last decade, the Bank supported eight District Primary Education Projects, of which seven have closed. After India launched its *Sarva Shiksha Abhiyan* in 2003, the Bank, UK's Department for International Development (DFID) and European Commission (EC) pooled funds with GOI and the states (\$3.5 billion in total -- \$500m IDA) to support this program for four years. The Government has requested support for a second phase of the program in this FY07 which is under preparation. While the first phase focused on expansion of facilities and closing infrastructure gaps, and on getting children into school, the emphasis in the current phase will be on promoting quality of education. The thrust on quality has the following main pillars: ensuring basic provisioning to create enabling learning conditions for all children; capacity building and academic support to state and sub-state structures; and monitoring learning outcomes and research and evaluation of quality initiatives.

- *Vocational education and training:* The Bank has supported the Government in the preparation of a project for improving the quality and relevance of vocational education and training. The project, for US\$ 280 million, will support 400 Industrial Training Institutes (ITIs) to become centers of excellence in selected areas. In addition, the project will promote innovations in the delivery of both formal and informal training, design and implement policy-level reforms; and enhance the capacity to monitor and evaluate interventions.
- *Technical education and Tertiary education:* The Bank is financing a large (US\$ 250 million) Centrally-coordinated multi-state project that supports major reforms in 128 competitively selected engineering institutions in 13 states to promote excellence and production of high-quality professional manpower to meet the demands of the fast growing economy. Another project (US\$ 70 million) supported the establishment/up-gradation of polytechnics in six remote states of North East India, Jammu & Kashmir and the Andaman & Nicobar Islands. Following the success of these projects, GoI and the states are requesting support for another project of US\$ 300 million. The Bank has also been providing technical advice on reforms in tertiary education.
- *Support to States:* The Bank is also supporting state-level initiatives in education in a few states under the Development Policy Loans. These include Andhra Pradesh and Orissa.

Analytical Activities

- *Elementary Education:* Impact evaluation/analytical studies are contributing to the policy dialogue for the elementary level. These include: examining the impact of incentive payments and schooling inputs on pupil learning; impact of education information dissemination on school governance and educational outcomes; learning outcomes and school characteristics; and instructional time on task.
- *Early Childhood Development:* Recent multi-sectoral analytical work by the World Bank focused on the need for decentralized and integrated approaches to early childhood development. Based on the recommendations of this analytical work, the Bank is implementing an action research in the state of Madhya Pradesh which is exploring improvements in service delivery through convergence among various social sector programs for children, along with micro-planning. In addition, the Bank is also preparing its financial support for the next phase of the Integrated Child Development Services (ICDS IV) in which early childhood education for 3-6 year old children will be a distinct component.
- *Secondary Education:* The Bank is in the process of completing an analytical work on secondary education which examines issues related to expanding access to secondary education, particularly for girls and other marginalized groups. The study also examines the role of the private sector, which already has a huge presence in the sector, and how effective public-private partnerships can be developed to facilitate the private provision of secondary education, including the possible role of per student subsidies (vouchers).

- *VET*: The VET project design benefited from an analytical and advisory activity on VET which focused on policy innovations and interventions to improve the demand responsiveness of the system.
- *Higher Education*: A study is also being initiated to identify the investments, reforms and financing required to increase access, relevance and quality of higher education, in order to address current skill shortages and reduce graduate unemployment.

Collaboration with Civil Society

- Over 7,000 NGOs participate as partners in SSA:
 - Alternative education programs: “bridge courses”
 - Monitoring of quality
 - Capacity-building of VECs
 - Reference Groups advising States, Districts and Blocs
 - Contracting (e.g. MP with Pratham)
- Need to find ways to increase exchanges with civil society on substantive issues

Bank’s Limitations

- In education, the Bank’s engagement is largely with Centrally-sponsored schemes. While this involves significant dialogue with the Central government, the opportunities for dialogue and technical assistance to state governments (where most of the implementation is taking place) is limited.

Additional Issues for Discussion

- Access versus quality tradeoffs
- Role of public and private sectors in education financing and provision
- Prioritization of education levels (basic, secondary, VET, higher)
- Role of civil society in policy debates and project implementation