

Data Sheet

USAID Mission:	India
Program Title:	Economic Growth
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	386-013
Status:	Continuing
Planned FY 2005 Obligation:	\$7,600,000 DA; \$4,500,000 ESF
Prior Year Unobligated:	\$0
Proposed FY 2006 Obligation:	\$12,100,000 DA; \$2,500,000 ESF
Year of Initial Obligation:	2003
Estimated Year of Final Obligation:	2008

Summary: USAID's program to increase transparency and efficiency in the allocation and mobilization of resources includes the following components:

- Strengthen the Financial Sector's Contribution to Economic Growth;
- Protect and Increase the Assets and Livelihoods of the Poor During Periods of Stress;
- Improve Economic Policy and Governance;
- Increase Agricultural Productivity; and
- Promote Public-Private Alliances as a Principal Business Model.

Inputs, Outputs, Activities:

FY 2005 Program: Strengthen the Financial Sector's Contribution to Economic Growth (\$2,650,000 DA; 3,000,000 ESF). USAID will provide technical assistance and training to: (a) increase the institutional capacity of the securities market and insurance supervisors to formulate sound regulations and provide market surveillance, disclosure standards, and compliance and enforcement that increase investment; (b) develop market-support institutions such as the Actuarial Society of India and trade associations; and (c) implement the Government of India's (GOI) initiative for a private pension system for the approximately 90% of workers currently not covered. To promote urban fiscal reforms that help fund urban infrastructure, USAID will: (a) create state-level infrastructure funds and pooled financing mechanisms for financing urban infrastructure; and (b) strengthen municipal financial, asset, and property management systems. The Development Credit Authority (DCA) guarantee of \$800,000 will mobilize resources from capital markets for investment in water and sanitation projects in small and medium municipalities. USAID will promote collaborative ventures in key development sectors; help independent business groups, consumer advocacy and pro-reform non-governmental organizations (NGOs), professional associations, and think-tanks conduct analysis and participate in public debate on economic reforms; and demonstrate financially viable models in the application of information and communication technologies to enhance India's development agenda. Principal agencies are the Securities and Exchange Board of India and the Insurance Regulatory and Development Agency. Contractors/grantees include U.S. Securities and Exchange Commission (prime); IBM Business Consulting Services (prime); Communities Group International (prime); Indian National Institute of Urban Affairs (prime); and Bearing Point (prime).

Protect and Increase the Assets and Livelihoods of the Poor During Periods of Stress (\$2,850,000 DA). USAID's micro and small enterprise support program will increase capital access for job-creating small scale enterprises. Through a \$800,000 DCA guarantee, USAID will provide credit support to a bond issue to expand the outreach of microfinance to about one million poor clients. Principal contracts/grantees include Healing Fields Foundation (prime); Sa-Dhan (prime); and Cooperative Housing Foundation International (prime).

Improve Economic Policy and Governance (\$1,500,000 ESF). To promote fiscal discipline through increased technical competence of selected state governments, USAID will: (a) establish fiscal analysis units in finance departments in three states, enhancing analytic and monitoring competence; and (b) strengthen state treasury operations in selected states. Principal contractor is Bearing Point (prime).

Increase Agricultural Productivity (\$1,300,000 DA). USAID will promote collaborative ventures that generate and adapt technologies in agriculture (biotechnology, improved production methods and

marketing). Principal contractors/grantees include the World Bank (prime); Cimmyt (sub); and Cornell University (prime).

Promote Public-Private Alliances as a Principal Business Model (\$800,000 DA). USAID will promote Indo-U.S. development collaboration through creation of a partnership fund. USAID's long-term vision is to help India complete the "last mile" of its development agenda by 2017. It will create an enduring entity to solve development challenges that remain after USAID finishes its program. A partnership fund will be established to develop operating principles for this entity.

As part of the Methane to Markets Partnership Projects (2005-2009), the Presidential Initiative launched in November 2004, USAID continues to explore opportunities for methane recovery from solid waste in India that could generate electricity using microturbines.

FY 2006 Program: Strengthen the Financial Sector's Contribution to Economic Growth (\$3,574,000 DA; \$1,500,000 ESF). USAID will continue to strengthen the institutional and regulatory capacity of the Indian financial system and increase local government capacity to implement urban infrastructure projects that improve access to basic services for the poor. USAID plans new initiatives to help business groups, consumer advocacy and pro-reform NGOs, and professional associations conduct analysis and participate in public debate on economic reforms.

Protect and Increase the Assets and Livelihoods of the Poor During Periods of Stress (\$3,526,000 DA). USAID will continue to implement the micro and small enterprise support program.

Improve Economic Policy and Governance (\$2,000,000 DA; \$1,000,000 ESF). To reform state fiscal management systems, USAID may expand this program to provide training to elected bodies and civil society to increase public awareness and support for reform.

Increase Agricultural Productivity (\$2,000,000 DA). USAID's agriculture activities are expected to increase the private sector's share in food grain marketing and ultimately decrease selected agricultural subsidies.

Promote Public-Private Alliances as a Principal Business Model (\$1,000,000 DA). USAID plans to promote Indo-U.S. development collaboration through creation of a partnership fund.

Performance and Results: Over its life, the Strategic Objective will help mobilize capital and improve private sector access to long-term financing for investment in infrastructure, increase the percentage of state budgets allocated to social infrastructure investments, and increase the amount of resources raised by urban governments through market-based mechanisms.

During FY 2004, government systems facilitating private resource mobilization were substantially strengthened. The Stock Exchange Board of India is now recognized as a solid, competent overseer of the capital markets. The GOI's insurance sector regulator is well on its way towards creating a safe and competitive environment for insurance, including the critical health insurance sector. Guidance for strong commodities futures and a competitive domestic market was formulated. The Small Enterprise Assistance Fund secured domestic and international investor commitments for an initial fund consisting of \$30 million. The Ahmedabad Municipal Corporation upgraded five slum settlements consisting of approximately 510 households. These poor households now have paved roads, potable water supplies, sewer connections, toilets, and metered electricity. A total of 19 schools (15 in rural Tamil Nadu and four in rural Rajasthan) were computer-enabled, allowing 7,600 children to receive computer aided education. About 20 computer-enabled community information kiosks were established in rural Punjab to enhance job opportunities in rural areas. Resource conservation technologies were adopted by 200 farmers in two new areas, Bihar and West Bengal, demonstrating viable, water-saving rice production through direct-sowing methods.

US Financing in Thousands of Dollars

India

386-013 Economic Growth	DA	DCA	ESF
Through September 30, 2003			
Obligations	14,538	779	2,500
Expenditures	27	0	0
Unliquidated	14,511	779	2,500
Fiscal Year 2004			
Obligations	10,666	0	2,000
Expenditures	0	779	2,548
Through September 30, 2004			
Obligations	25,204	779	4,500
Expenditures	27	779	2,548
Unliquidated	25,177	0	1,952
Prior Year Unobligated Funds			
Obligations	0	0	0
Planned Fiscal Year 2005 NOA			
Obligations	7,600	0	4,500
Total Planned Fiscal Year 2005			
Obligations	7,600	0	4,500
Proposed Fiscal Year 2006 NOA			
Obligations	12,100	0	2,500
Future Obligations	13,787	0	3,500
Est. Total Cost	58,691	779	15,000