UNDP

**Case Study
India**

EVALUATION OF THE NATIONAL HUMAN DEVELOPMENT REPORT SYSTEM

HUMAN
DEVELOPMENT

By Prof. Carl Riskin and Dr. Narasimha Saxena

CONTENTS

Acronyms

HD	human development
HDR	human development report
HDRC	Human Development Resource Centre
NGO	non-governmental organization
NHDR	national human development report
SHDR	state human development report
UNDP	United Nations Development Programme

Executive summary[1]

India's system of SHDRs

India's experience with the production of human development reports (HDRs) is characterized by the strong role of the individual states in inaugurating, owning and controlling the production process. There has been only one national human development report (NHDR) produced in India, while all of the major states have produced, or are presently in the process of producing, state human development reports (SHDRs). UNDP supports this process through its Human Development Resource Centre (HDRC) in partnership with the central Planning Commission and the state governments. UNDP has sought to ensure state ownership, editorial independence and integrity, high quality analysis and widespread dissemination for the SHDRs.

At time of writing, 15 reports had been prepared and 10 more were under preparation (Annex 1). The average cost per report to UNDP has been US $50,000 - $60,000.

Accomplishments

More sub-national HDRs have been produced in India than in any other country. More HDRs have been produced in India than the total number of global HDRs. The majority of these reports have had substantial UNDP inputs. UNDP has been able to leverage a modest amount of financial support, together with its dedicated technical and advisory resources, to help produce a substantial and influential product.

India's SHDR programme has been successful in realizing the mandate of UNDP regarding the NHDR programme. A large number of reports on a wide variety of relevant themes have been prepared and vigorously disseminated. A dedicated team with expertise in human development (HD) issues has been developed within UNDP.

The SHDRs have had varying degrees of influence, depending on the particular state. In some states they have played a very important role, getting major media attention, being mentioned in Assembly debates and giving rise to important new government policies to address issues raised. Social policies, especially toward education and health, have been most affected by the reports. The findings of SHDRs have led to more policy-oriented research. The concept of HD has become much better known through the SHDRs. School curricula and universities now include HD modules. HDRC has begun initiatives on HD course curricula for postgraduate students, and HD training for civil servants, parliamentarians, non-governmental organizations (NGOs) and the media. The private sector has also been influence by the SHDR programme.

With these accomplishments in hand, UNDP has now shifted away from directly supporting further production of SHDRs, toward supporting a wide range of follow-up initiatives.

Need for deepening analysis
Many of the SHDRs do help in understanding why fast economic growth has not been translated into greater improvement in social indicators by focusing on issues such as caste and gender discrimination, inequality, powerlessness and corruption, all of which impede the translation of economic growth into HD. However, as first-time reports, the SHDRs generally focus on providing a snapshot of HD status in their states, and in so doing tend to be stronger on data than on analysis. Thorough analysis of the persistence of HD obstacles and of methods of addressing them awaits future work.

Data have been disaggregated geographically but less often by social category, including scheduled castes, scheduled tribes, slum dwellers and minorities. Most SHDRs have not given critical and detailed attention to the problem of state fiscal stringency and the enormous role and responsibility of the Government of India in its states' respective fiscal situations. Serious impediments to HD in India that are traceable to governance problems – for example, the crucial issue of public expenditure management – do not get the sustained and systematic attention they require. Women's issues have received considerable attention in some reports and UNDP continues to support important work on the gender dimensions of HD. While education and health are widely dealt with, the underlying issues that create a disconnect between expenditure and outcome in these sectors – such as absenteeism and poor quality – and the incentive issues implied by these are not cogently identified and analysed. The crucial issue of decentralization and the structural problems of *panchayat raj* also need more attention.

Analysis of the underlying causes of lagging progress in HD and cogent discussion of policy options for dealing with this constitute the most difficult tasks faced by HDRs. It is therefore understandable that India's first-time SHDRs have not yet fully tackled these objectives and that much work remains to be done in future reports.

State ownership, editorial independence and objectivity
India's system of SHDRs requires a balancing of the virtue of state ownership with that of editorial independence and objectivity. The two are necessarily in tension to some degree. India's strong functioning democracy and vigorous public media make the likelihood of outright falsification and distortion far less likely than in a less democratic environment. Any infringements on the ideal of disinterestedness are likely to be more subtle. Nevertheless, there have been state reports that have not seen the light of day because they have displeased the state government sponsor. In general, however, the reports have evidenced considerable editorial independence, including raising sensitive topics and criticizing governments. UNDP must continue to monitor this issue closely, as the tension engendered by such strong state control of the HDR process is endemic.

Recommendations
The following recommendations are implied by the findings of this evaluation report:

1. Deepen analysis of the SHDRs, going beyond the findings of initial reports to focus on cross-cutting intransigent issues that impede India's HD progress.

2. Focus on the problems inherent in strong state ownership, continuously urging a participatory approach on states in their planning, production, dissemination and follow-up activities around the SHDRs and bringing attention to important issues not being addressed by states, for whatever reason.

3. Make background papers publicly available in a medium unconnected with state government.

4. Consider preparing state-wise follow-up notes incorporating not only the policy findings of the SHDRs, but indicating a road map as to how recommended policy options could be implemented, and what constraints need to be overcome.

5. Develop mechanisms to monitor and track the outcomes of SHDR recommendations, documenting steps taken on the way to meeting goals, changes in investment in HD (e.g. social sector expenditures), new laws being passed, institutions created, etc.

6. Consider supporting, in conjunction with other potential donors, the strengthening of an institution (or institutions) that engages in analysis, research and writing about HD issues on a long-term basis. Such an institution would have the benefit of time to master the extraordinarily rich supply of data available in India, much of which have not made their way into the SHDRs, and to bring this wealth of information to bear in the analysis and discussion.

1. India's system of state human development reports

1.1 Ownership and production process
The Indian experience with production of human development reports (HDRs) is characterized by the role of the individual states in inaugurating, owning and controlling the production process. There has been only one national HDR (NHDR) while all of the major states have produced, or are presently in the process of producing, state HDRs (SHDRs).[2] Many of these have had considerable influence in their respective states' media and policy debates and have undoubtedly contributed to building greater awareness of human development (HD) issues and the HD perspective among the population.

The Government of India believes that HD should first and foremost be a concern of the government itself. Within the national government, it is the Planning Commission that has been most involved with the HDRs, supporting various SHDR production efforts. Similarly, state planning boards/commissions have generally been the executing bodies for SHDRs. The NHDR and the first couple of SHDRs were prepared without UNDP collaboration. When UNDP became involved, it did so in cooperation with the state governments and the central Planning Commission. The relevant project document was entitled 'Capacity Building for Preparation of State Human Development Reports', and described a programme intended originally to last from 1999 to 2002, and subsequently extended to 2005.[3] The broad principles governing UNDP's participation are as follows:

1. There should be government ownership of the reports
2. The HDRs should have editorial autonomy
3. Analysis and contents of the HDR should be undertaken by an independent team of experts at the behest of the state government
4. Contents of the HDRs should reflect integrity and coherence, and should present a value addition to users of the HDR
5. There should be a commitment to widespread dissemination and discussion of the SHDRs through a variety of methods
6. Preparation of HDRs should be cost-effective[4]

1.2. Number of reports, cost and partners

At the time of writing, 15 SHDRs had been prepared, starting with Madhya Pradesh in 1995, and another 10 were under preparation (see Annex 1, 'Status of SHDRs in India'). UNDP support has been in the range of US $50,000-60,000 per state report, and has taken the following principal forms: a) fees for consultants (background paper writers and authors);   b) workshops/consultations; c) editing/finalization (including translation

---

[2] See Annex 1, Status of State Human Development Reports in India, prepared by the UNDP HDRC. This information is current as of October 2005.
[3] This document can be found at http://www.undp.org.in/hdrc/shdr/.
[4] This statement of principles is taken from a UNDP document, 'HDR Toolkit for National and Regional HDR Teams', which can be found on the HDRO website.

where required); and d) printing. Furthermore, up to 20 percent of these funds have been routed through the Planning Commission in the form of Grants-in-Aid. The Planning Commission, out of its own funds, also provides Additional Central Assistance to state governments. The states themselves provide in-kind support in various ways.

UNDP's principal partners in the dissemination of the SHDRs are the state governments and the media. The support network behind the SHDRs includes government officials, academics and various non-governmental organizations (NGOs). The relations among UNDP, the state governments and the Government of India vis-à-vis the preparation of SHDRs are described in Annex 2, 'Process of Preparation of SHDRs'.

UNDP's goal in inaugurating the global HDR programme was to stimulate the spread of awareness on the HD paradigm and build capacity to incorporate that approach into development planning and policies. In India, the main goals of UNDP and the Government of India for the SHDRs include the following:

1. Establish a network of experts capable of providing the necessary expertise to the states for the preparation of SHDRs.
2. Develop capacity in the selected states to prepare the SHDRs.
3. Prepare SHDRs that can then be used as tools for planning, resource allocation and targeted spending and implementation.
4. In consultation with the stakeholders, identify action plans and responsible parties for the implementation of the SHDRs' recommendations.[5]

In addition, general goals include focusing public investment on providing basic minimum services, strengthening human capital, and analysing the causes facilitating or impeding the provision of adequate social services and physical and social infrastructure.[6]

---

[5] UNDP and Government of India Project Document, 'Capacity Building for Preparation of State Human Development Reports', IND 98/444/01/A/99, 1999, pp. 8-10.
[6] Ibid., p. 3.

2. Accomplishments of the state human development report programme

2.1 General accomplishments

More sub-national HDRs have been produced in India than in any other country. More HDRs have been produced in India than the total number of global HDRs produced. The majority of these reports have had substantial UNDP inputs. This is a major accomplishment for UNDP India. On the whole, the SHDR experience in India seems to have accorded well with both the global and India-specific goals, which have been realized or are in the process of being realized in several states. UNDP India has developed a Human Development Resource Centre (HDRC). Staffed by a team of dedicated people, the Centre assists the SHDR planning, production, dissemination and follow-up processes, including extensive training activities. UNDP has been able to leverage a modest amount of financial support, together with its dedicated technical and advisory resources, to help produce a substantial and influential product – much bang for the buck.

A valuable indirect product of the SHDR experience is that it prompted the central Planning Commission to begin producing state development reports as a sequel to the SHDRs. These development reports discuss additional development issues such as fiscal constraints and infrastructure.

2.2 Influence

The SHDRs appear to have had varying degrees of influence, depending on the particular state. In some states they have played a very important role, getting major media attention, being mentioned in Assembly debates and giving rise to important new government policies to address issues raised. Social policies, especially toward education and health, have been most affected by the reports. The findings of SHDRs have led to more policy oriented research, such as surveying landlessness and rural indebtedness in West Bengal. They have also led to the appointment of commissions to discuss specific issues, such as the Commission on Regional Disparities in Karnataka. Also in Karnataka, a poverty and HD monitoring cell was established to assess changes in poverty and HD.

The concept of HD has become better understood among the public. Several SHDRS have been translated into local languages, greatly increasing their circulation and accessibility. School curricula now contain modules on HD. At least four universities will offer HD courses in 2006 The HDRC has begun initiatives on HD course curricula for postgraduate students and on HD training for civil servants, parliamentarians, NGOs and the media. The latter programme, in collaboration with relevant government bodies, comprises HD training for Administrative Training Institutes; training on financing HD; and training on HD indicators and statistical methods.

The influence of the SHDRs has also spread to the private sector. For instance, the TATA Group has prepared the TATA HD Index, intended to integrate sustainable HD into TATA's management and monitoring system. The TATA Council for Community Initiatives has spearheaded this exercise with technical support from the HDRC and

UNDP. All the major companies under the TATA Group (TATA Steel, TATA Tea, TATA Chemicals, TAJ Hotels etc;) are participating in this system.

On the whole, the Indian experience with HDRs has been positive, influential and important. With the completion of a large number of first-time SHDRs and the completion in 2005 of the initial programme for capacity building for the reports, UNDP has shifted away from directly supporting further production of these reports and toward supporting a wide range of follow-up initiatives. These initiatives include building institutional capacity in the State Planning Boards and Departments; strengthening state statistical systems for collection and reporting of human development indicators; and identifying options for state-level financing of HD.[7] Many of these activities take the form of training programmes. Also included, however, is some direct support for HDRs or HDR-like reports, such as the production of at least five pilot district-level HDRs – which is consistent with another UNDP project on fostering decentralized planning – and production of a number of thematic reports on crucial HD issues.

---

[7] See 'Strengthening State Plans for Human Development', a programme document for the Government of India supported by UNDP, and ancillary materials, at http://www.undp.org.in/hdrc/SSPHD.htm. The project summary is reproduced as Annex 3 of the present report.

3. Deepening analysis in state human development reports

If they are to succeed, policies to promote HD must be predicated upon a fundamental analysis of the most important bottlenecks to HD progress. This is indeed anticipated in the passage cited above from the original project document guiding the production of SHDRs, which called for an analysis of causes of improved or impeded human well being. It is also a goal of the new project document, which repeatedly calls for strengthening or deepening HD analysis. The principal questions are old ones, although the context of post-reform India in which they are now playing out is relatively new:

- o Why have substantial economic growth and decades of economic and social planning not produced better HD results? While progress has certainly been made on various fronts, why are fundamental problems of lagging literacy, high morbidity and mortality, inadequate sanitation and nutrition, lack of clean water, oppression of women, etc. etc., so persistent?

- o How can the fundamental cross-cutting issues of social and political inequality, powerlessness, corruption and poor programme delivery best be understood and responded to?

Many of the SHDRs do provide help in understanding why fast economic growth has not been translated into greater improvements in social indicators, in so far as the reports identify issues such as caste and gender discrimination, inequality, powerlessness and corruption, all of which impede the translation of economic growth into HD. However, as first-time reports, the SHDRs generally focused on providing a snapshot of HD status in their states, and in so doing tended to be stronger on data than on analysis. Thorough analysis of the persistence of HD obstacles, many of which are deep-rooted, and of methods of addressing them, awaits future work. Data have been disaggregated geographically but not by social category (although this has been proposed, e.g. in the Goa workshop, and has evidently been done in the upcoming second Karnataka HDR). The recent availability of improved data should permit more such disaggregation in the future.

The problem of fiscal stringency facing most states and its impact on state social sector policies are central to explaining the limitations in the capacity of states to advance HD. Many of the SHDRs allude to this problem, sometimes as an implicit excuse for lack of greater state progress. Yet most reports have not given critical and detailed attention to the enormous role and responsibility of the Government of India in their states' respective fiscal situations, but rather have tended to accept it as an unavoidable back-ground reality (the West Bengal report gives relatively more attention to this issue). Under the Government of India/UNDP project, Strengthening State Plans for Human Development (see footnote 7), issues pertaining to financing HD are to receive special focus. The National Institute of Public Finance and Policy is conducting a series of studies for eight states that is expected to include policy options for relieving the fiscal stringency faced by states. Fiscal reforms in centre-state transfers are included on the

agenda. Such a programme, if implemented with will and imagination, has the potential to make a major contribution to India's HD.

Many of the most serious impediments to HD in India are directly traceable to governance problems that, while mentioned in SHDRs, do not get the sustained and systematic attention they deserve. A note circulated by the Department of Administrative Reforms and Public Grievances as far back as 1996 observed that "…lack of transparency and the scope for manipulation of the system results in the criterion of merit being undermined by considerations of personal loyalty and complicity with unethical dealings."[8] The Tenth Plan (Chap. 6, Vol. 1) recognizes that the amount of money spent on rural development and public investment in rural infrastructure, if given directly to the poor, would be enough to substantially lift them out of poverty. It comments: "The fact that benefits are not percolating at the desired pace is a reflection on the governance of [development] schemes." Bad governance speaks directly to the conditions of life of the poor and vulnerable, who are often shut out of decision-making institutions and deprived of real chances for improved nutrition, education and health care not because money hasn't been spent on such programmes, but because of indifference, corruption or perverse incentives in service delivery. The initiative of the Government of India and UNDP on Successful Governance Initiatives and Best Practices represents a start in coming to grips with this crucial set of issues.

The SHDRs have also tended to ignore the crucial issue of public expenditure management, whose deficiencies reduce the effectiveness of public spending. They have focused more on regional than on social disparities, such as those involving scheduled castes, scheduled tribes, slum dwellers and minorities. Women's issues have received considerable attention in some reports (e.g., in a good chapter of the Tamil Nadu SHDR) and UNDP continues to support important work on the gender dimensions of HD. While education and health are widely dealt with, the underlying issues that create a disconnect between expenditure and outcome in these sectors – such as absenteeism and poor quality – and the incentive issues implied by these are not cogently identified and analysed. The crucial issue of decentralization and the structural problems of *panchayat raj* also need more attention.

It is appropriate to begin the SHDR process by taking stock of the history and current status of HD in each state. Some reports are indeed eloquent, frank and informative in describing HD problems, e.g., the oppression of women or of scheduled castes. Yet their 'way forward' chapters tend to be curiously general and anemic in suggesting approaches to overcoming these problems. The Punjab report may serve as an example. Its discussion of the state's disturbingly low – and declining – sex ratio and related issues is very good. The final chapter's recommendation that laws be enforced, NGOs pressed into service, and the religious spirit awakened, however, seems grossly inadequate to the size and urgency of the problem. Nor is there any mention of Dalits or scheduled castes in the final 'way forward' chapter, despite a thorough description of this issue in the body of the report.

---

[8] Letter No. K-11022/23/96-P dated 6th November 1996.

Analysis of the underlying causes of lagging progress in HD and a cogent discussion of policy options for dealing with this constitute the most difficult tasks faced by HDRs. It is therefore understandable that India's first-time SHDRs have not yet fully tackled these objectives and that additional work remains to be done.

Nor is it possible to cover in depth all of the important underlying issues associated with promoting HD in a single SHDR. Many such issues are relevant to many or all of the states, which suggests that there is a synergy to be realized by treating them on a national or regional scale rather than state by state. The joint UNDP/Planning Commission project, Strengthening State Plans for Human Development, includes a component on Thematic Reporting on Human Development that promises the treatment of important issues such as financing for HD, social security, environment and poverty, social justice, gender and HIV/AIDS. It is to be hoped that this module will be used to undertake serious analyses of such issues, especially the governance and state-central fiscal issues mentioned above.

From UNDP's standpoint, NHDRs are the "…chief policy analysis and advocacy tools in the organization's field operations."[9] They are intended to serve several goals, including to "…raise public awareness and trigger action on critical human development concerns…"[10] but also to "…present independent and objective analysis . . . applying the human development perspective to priority national concerns, emerging challenges and visions."[11] Moreover, the findings of this analysis "…should be robust enough to serve as a sound basis for the formulation of policy options and recommendations."

The first goal of raising public awareness on HD needs and triggering action to meet these needs has been admirably accomplished or is in the process of being accomplished by India's SHDR programme. It is the latter goal of presenting analysis "robust enough to serve as a sound basis" for policy that has yet to be fully achieved. This goal does not require that analysis be obscure and difficult to grasp by the public; only that it cogently attack the decisive cross-cutting issues as a prerequisite to building a sound basis for presenting policy options.

UNDP India is participating in efforts to deepen research on HD needs. For instance, it has sponsored a series of books and discussion papers on crucial aspects of HD[12] and has entered into a project with the Ministry of Human Development of the Government of India to promote gender equality, a component of which involves action-oriented research on important issues concerning the well-being of women. It also has a programme with the State Planning Commission to implement a national research programme on growth and HD to commission and discuss new research on HD that would promote a deeper research agenda in future SHDRs. Together with the

---

[9] Foreword by Mark Malloch-Brown to 'UNDP Corporate Policy on NHDRs', which can be found at http://hdr.undp.org/docs/nhdr/corporate_policy/nhdr_cp_english.pdf.

[10] Introduction by Sakiko Fukuda-Parr to 'UNDP Corporate Policy on NHDRs'.

[11] This and the next quotation in this paragraph are from 'UNDP Corporate Policy on NHDRs'.

[12] 'Decentralization in India: Challenges & Opportunities', and 'Estimating Informal Employment and Poverty in India', HDRC Discussion Papers, available at http://www.undp.org.in/hdrc/resources/dis-srs/Challenges/.

Government of India, UNDP/HDRC prepared and disseminated in 2002 a manual on Successful Governance Initiatives and Best Practices. Subsequently, 17 films have been made on specific case studies covered in the manual and the Department of Personnel and Training, Government of India, is using these films in training programmes across the country. These case studies address important governance issues that need to be integrated into the state HD analyses and serve as an excellent beginning to such an integration process.

4. State ownership, editorial independence and objectivity

India has a vibrant democracy with free expression and a free, competitive press and media. In the sphere of civil liberties, comment openly critical of government and its policies is unimpeded. Political constraints on the nature of HDRs are for the most part subtle. Editors and writers of the majority of SHDRs were given editorial independence. In a few cases there has been overt interference with or suppression of reports by state governments displeased with them. Moreover, in some cases the writers themselves decided not to raise embarrassing issues, or use data collected by agencies outside government, under the apprehension that this might delay the acceptance of their reports. The possibility of such problems developing may be inherent in government control of the report process.

Yet in India, state ownership and control of HDRs is a firm reality and brings several benefits:

- State ownership is likely to make states more sensitive to HD issues.[13]
- States are more likely to pay attention to the reports.
- States are more likely to participate in preparing for the reports.
- States are more likely to participate in disseminating the reports. [14]
- It is more difficult for states to ignore shortcomings exposed by the reports and criticisms of state record and policies contained in them.

Along with these benefits, however, come some delicate questions. First of all, will state government ownership and control be compatible with a fully participatory approach to planning, preparing, disseminating and following up on their respective HDRs? Some states (e.g., West Bengal) have done an admirable job in this respect while others have not. Karnataka's first HDR was done entirely in-house with very little outreach; however Karnataka has adopted a more participatory approach in preparing its second report. UNDP India has strongly promoted such an approach and should of course continue to do so. In the context of state ownership and control of the SHDR process, UNDP's role in promoting democratic and participatory processes is especially important.

Second is the question of whether state ownership is fully compatible with independence and objectivity. Given the open nature of Indian society and media, it seems that overt distortions, such as falsification of statistics, would be a futile and self-defeating practice and is thus unlikely to occur. However, even where there is editorial independence, either the choice of editors/writers or the knowledge on the part of the latter that they were working for the state government, could result in some fudging or avoidance of critical underlying issues, muting of criticisms of government departments,

---

[13] Some Chief Ministers quoted from the SHDRs at the National Development Council meetings chaired by the Prime Minister, justifying their demands for higher fiscal devolution from the Centre to their states. In West Bengal, a Task Force on Nutrition was set up as a result of the finding of the SHDR.

[14] The SHDRs were translated into the local language and free copies were sent to districts and *panchayats* for better dissemination.

and the production of less incisive reports than if ownership had been vested in an independent entity.

In our judgment, the tension between independence and objectivity on the one hand, and state ownership on the other, is unavoidable and can be managed only through critical oversight by independent entities, including UNDP, and especially civil society organizations, academia and the media. India's record of a free and unfettered discussion and an adversarial media suggests that the opportunities for suppressing, fudging, misstating or avoiding critical issues are less here than in many other countries.

UNDP has rightly sought to contribute to the independence side of the scale, given continued state ownership, and has achieved significant results. It has fostered the use of independent consultants, preparatory workshops and peer reviews from a wide range of stakeholders. An innovative method of incorporating participation in report preparation has been used to prepare the Chhattisgarh HDR, which was built up from more than 19,000 village-level reports. Focus group discussions were held in each village on issues such as livelihoods, education, health, institutions and natural resources. The village-level reports were consolidated into district-level reports, which finally formed the basis of a state-level report (which has not yet been published).

5. Recommendations

i) Deepen analysis of the SHDRs The usefulness of HDRs in analysing India's intransigent HD challenges in depth as a precondition for formulating effective HD policies has certainly not ended. There remains a strong need to dig deeper into HD shortcomings exposed by the first SHDRs; to move from a focus on regional disparities to one on social disparities; and to isolate and rigorously analyse the basic cross-cutting issues that prevent well-intended policies at the national and state levels from translating into effective delivery of services and rapid improvement of social indicators, especially the constellation of issues that come under the rubric of governance. Room for addressing such issues exists in UNDP's follow-up programme of building capacity among the states, tackling the crucial issue of centre-state financial relations, strengthening thematic reporting on HD, piloting district-level and participatory HDR exercises, and providing technical assistance to states in establishing monitorable HD targets. In particular, the production of more analytical thematic HDRs at the state, regional or national level that deal cogently with the difficult cross-cutting issues that impede the translation of economic growth into better HD results, would be an excellent follow-up to the generally more descriptive SHDRs already produced.

ii) Focus on challenges posed by state ownership There is an ongoing need for attention to the challenges inherent in state ownership and control of HDRs. This means continuously urging states to adopt a participatory approach in their planning, production, dissemination and follow-up activities around the SHDRs. It also means bringing attention to important issues not being addressed by states, for whatever reason, and possibly commissioning follow-up studies that explore these issues.

iii) Make background papers publicly available UNDP should arrange for the independent publication of background papers commissioned for SHDRs, perhaps with additional papers if necessary, in a medium completely unconnected with the state government. Fuller versions of papers could be used, including analyses based on high quality independent data. The level of analysis could be deeper and the technical apparatus more sophisticated than is possible in the HDR itself, and the independence of the publication venue would protect the state from embarrassment.

iv) Consider preparing follow-up notes UNDP should consider preparing state-wise follow-up notes incorporating not only the policy findings of the SHDRs, but indicating a road map as to how recommended policy options could be implemented, and what constraints need to be overcome. These notes would greatly assist the Planning Commission in pursuing policy issues with the central ministries and the state governments. At the very least, the already prepared technical papers and individual chapters should be on the UNDP and Planning Commission websites, so that civil society may use them for advocacy.

v) Monitoring and tracking It is encouraging that UNDP's follow-up plans for a selection of eight states that have produced reports include an emphasis on developing mechanisms to monitor and track the outcomes of SHDR recommendations. While

actual changes in HD conditions may take a long while to materialize, intermediate steps implemented on the way to meeting the goals, changes in investment in HD (e.g. social sector expenditures), new laws being passed, institutions created, etc., need to be documented. In addition, where feasible, indicators to measure progress should be established. The post launch or follow-up activities to SHDRs can be used to identify these measures through broad-based consultations with targeted beneficiaries and stakeholders (state government, statistical bodies, etc). Linking follow-up activities to dissemination and involving civil society in this process will strengthen broad-based ownership of the SHDRs. The technical know-how of academia and think tanks can be harnessed to add rigour and objectivity to the tracking and monitoring system. Information from tracking and monitoring should be integrated into the design of future reports as well as the follow-up activities of published reports. Follow-up strategies should be strengthened and if necessary, reoriented based on the feedback from the tracking system.

vi) Strengthen HD institutions UNDP should consider supporting, in conjunction with other potential donors, the strengthening of an institution (or institutions) that engages in analysis, research and writing about HD issues on a long-term basis. Such an institution would have the benefit of time to master the extraordinarily rich supply of data available in India, much of which have not made their way into the SHDRs, and to bring this wealth of information to bear in the analysis and discussion. The staff of such an institution could work with academics, advocates and activists, building networks on a long-term basis. Not only would such an institution be a resource base for states preparing HDRs, but its work would also serve to hold states to a higher standard in their own reports.

The basic goal of such efforts would be an extension of the initial SHDR objectives of raising awareness, stimulating discussion, building capacity and channeling more resources to social sectors. It would also be to pinpoint the most intransigent impediments in India to advancing HD, and to come up with innovative ideas for overcoming them.

Annex 1: Status of state human development reports

SHDRs Published	Under Preparation/To be published
Assam (2003)	Andhra Pradesh
Gujarat (2004)	Arunachal Pradesh
Himachal Pradesh (2002)	Chhattisgarh
Karnataka (1999)	Delhi
Madhya Pradesh (1995, 1998, 2002)	Karnataka (second Karnataka HDR)
Maharashtra (2002)	Kerala
Nagaland (2004)	Madhya Pradesh (fourth MP HDR)
Orissa (2004)	Manipur
Punjab (2004)	Tripura
Rajasthan (2002)	Uttar Pradesh
Sikkim (2001)	
Tamil Nadu (2003)	
West Bengal (2004)	

Source: HDRC/UNDP India. Information current as of October 2005.

Annex 2: The process for preparation of state human development reports[15]

The project dealing with the preparation of state human development reports (SHDRs) is executed by the Planning Commission. The Planning Commission is primarily responsible for the overall planning and management of the project activities at the national level. The concerned state governments are the implementing agencies of the project activities at the state level.

The guiding principles followed by the UNDP in its cooperation with the state governments are:

1. There should be government ownership of the reports
2. The SHDRs should have editorial autonomy
3. Analysis and contents of the SHDR should be undertaken by an independent team of experts at the behest of the state government
4. Contents of the SHDRs should reflect integrity and coherence, and should present a value addition to users of the report
5. There should be a commitment to widespread dissemination and discussion of the SHDRs through a variety of methods
6. Preparation of SHDRs should be cost-effective

The various steps involved in the preparation of SHDRs are:

1. A state interested in preparing an SHDR should first write to the Planning Commission (Dr. Rohini Nayyar, Adviser, Rural Development) and to the Human Development Resource Centre (HDRC) at UNDP (Dr. K. Seeta Prabhu, Head HDRC) expressing its interest. Initial consultations are then held between the state government, the Planning Commission and the HDRC.

2. The initial consultations are followed by a brainstorming meeting in the state, which is attended by various resource people and stakeholders. These are jointly identified by the state government, Planning Commission and HDRC, thus ensuring that the report reflects various viewpoints. This workshop helps in identifying key issues pertinent to human development (HD) that the report should address. The nodal officer in the state government who will coordinate the preparation of the SHDR is identified.

3. The project is formalized with the signing of a Memorandum of Understanding between the state government, the Planning Commission and UNDP/HDRC.

4. The actual approaches followed in the preparation of an SHDR could differ from state to state, although they will always involve continuous collaboration and partnership between the state government, the Planning Commission and UNDP. An institution could

---

[15] Prepared by the HDRC, UNDP India.

be entrusted with the task of preparing the report, or various resource persons could be requested to prepare background papers. If the background papers are written by subject experts, then an institution could prepare a draft report from the background papers. Another option is that the state government itself undertakes to prepare the report.

5. Once a draft of the report is ready, a workshop is organized to review it. This provides an opportunity for peer review of the draft by experts. Taking cognizance of the comments received, the draft report undergoes revision. It is then edited to ensure a reader-friendly style and consistency and flow in the arguments. This helps ensure that public debates and dialogue are suitably influenced.

The following key points should guide the preparation of SHDRs:
  a. The broad structure of the SHDR should be as follows
     i. it is imperative to have a succinct Executive Summary
     ii. SHDRs could have state specific themes if deemed essential. Some of the chapters that could be part of the SHDR are livelihoods, education, health, water and sanitation, and gender.
  b. District level analysis is emphasised
  c. The latest data available should be used for analysis.
  d. Number of tables to be included should be kept to a minimum.
  e. The analysis and observations should be accompanied by an attempt to look into the causal factors.
  f. Gender dis-aggregated analysis should also be incorporated.
  g. The recommendations emerging from the analysis should also be mentioned.

6. Once the report has been finalized and accepted by the state government in consultation with the Planning Commission and UNDP, it should be published (also in the official language of the state, if suggested by the state government).

Annex 3: Strengthening State Plans for Human Development (project summary)

PROJECT SUMMARY
Project No. IND/03/010(99)
Project Title: Strengthening State Plans for Human Development
Duration: June 2004 to December 2007
Executing Agent: Planning Commission (State Plans Division), Government of India

Development context
The paradigm shift in the concept and measures of development from economic development to human development (HD) has put people at the centre-stage of development. The objective of expanding the range of people's choices and creating an enabling environment for people to lead a long, healthy and creative lives, and to participate in decision-making with a focus on the poor and the marginalized embodies the idea of HD. Preparation of human development reports (HDRs), which has helped to promote this vision of development, has been catalytic in moving the agenda of Human Development: Analysis, Advocacy and Action, forward. Reflecting on the importance of promoting sustainable HD, the Tenth Five Year Plan (2002-2007) for the first time introduced monitorable targets for the states.

The human development *problematique* in India is comprehensively defined in the national human development report (NHDR) prepared by the Planning Commission, and in the state human development reports (SHDRs) prepared by several state governments. Some of the main challenges for the SHDRs, as instruments for creating and sustaining an enabling environment for HD in India, are:

- A need to further strengthen understanding at all levels, including line departments, district administrations and local bodies, of the concept of HD and of the possible modalities for operationalizing it

- A need for emphasis to be placed on continued and deepened action research, so as to help identify best options for high-impact HD interventions

- A requirement to address limitations of data systems and to build the expert networks that are required to provide hard data for planners and objective data feedback to programme implementers

- Rigidities in the state-planning framework, given the inertial tendencies for incremental enhancement, as also the 'hard budget constraint' imposed by the crisis of state finances

Priority issues

The key outcomes under the project can be grouped under the priority issues of analysis, advocacy and action. The activities would address the need:

- to further deepen HD analysis, and to strengthen the capacity for analysis, so as to ensure a better understanding, at all levels, of key HD issues, priorities and challenges

- to strengthen HD advocacy through the dissemination and outreach of SHDRs and the outputs from their follow-up to ensure that their messages are internalized by planners and implementers of development programmes, including line departments, agencies, district administration and local bodies

- for effective HD action, by contributing to informed decision-making through the identification and selection of high-impact HD strategy, policy and programme options as well as of convincing and sustainable HD financing options

Key components

A. State specific activities

1) *Follow-up to the SHDRs*
Capacity building of State Planning Departments/Boards to further institutionalize the SHDR process

Human Development Research and Coordination Units would be set up in at least eight State Planning Boards/Departments to facilitate systematic follow-up to SHDRs. Training, equipment and research support would be provided to operationalize these Units. These would identify priority HD sectors requiring policy attention and initiate action research on specific themes with a view to arriving at concrete action plans and programmes. Training activities and expert consultations would be organized, building upon ongoing initiatives. This would be consonant with UNDP's niche as a global development network and a window to international experience.

Thematic reporting on human development

A systematic focus on thematic reporting on a range of HD issues would be undertaken. This would deepen the process started with the Human Development Discussion Papers series. Emerging issues that are relevant to individual states as well as regions would be analysed in depth to facilitate formulation of state and national level strategies. Possible themes, following the suggestions that emerged from the Goa retreat, could be financing for HD, social security, environment and poverty, social justice, gender, HIV/AIDS and related issues. At least eight thematic as well as state-specific reports would be prepared.

Pilot district-level and participatory HDR exercises in selected states

It is proposed to support the preparation of district HDRs on a pilot basis in at least five districts. This would synergize with UNDP's project on decentralized planning, Rural Decentralization and Participatory Planning for Poverty Reduction. Also executed by the Planning Commission, this project targets districts under the *Rashtriya Sam Vikas Yojna*, and is led by the respective State Planning Departments/Boards/Commissions. It is prepared in a participatory manner, and feeds into programmes to be implemented at the district level. In addition, the participatory process of preparation of district HDRs will be documented for wider dissemination both within India and internationally.

Technical assistance for supporting state planners for HD

The achievement of the monitorable targets would require an in-depth analysis of the state plans and strategies. The capacity of the State Plans Division of the Planning Commission would be strengthened to manage the above, within India's federal framework. The Human Development Research and Coordination Units in the state would be headed by an officer designated by the state government for this purpose, and as per a Memorandum of Understanding signed by the state government, Planning Commission and UNDP. The exact Terms of Reference for each HD Unit would be based upon a systematic needs assessment for the selected states.

Strengthening state planners' capacity in the context of a stronger focus on action and results as well as a wider and more intense dialogue on the Tenth Plan's monitorable goals (state plan meetings are now expected to be convened once every quarter) would require technical assistance in the form of training, best practice and process documentation, and advisory support in undertaking pilot reports. The messages that emerge from the SHDRs would have to be widely disseminated not only among state and district government officials but also among members of the civil society (NGOs, CBOs, etc.). Ensuring sensitization on the need to have more disaggregated data by region, gender and social groups, highlighting the need for composite indices despite all their limitations, would be crucial.

Eight major training workshops and courses on the concept of HD, the main messages emerging from SHDRs across sectors, index construction, interpretation of data and possible policy options for improving HD attainments would be conducted.

Information and communication

It is critically important that SHDRs are not only produced in a participatory manner, but also that the reports' conclusions and recommendations are easily accessible to as many individuals and organizations as possible. This would ensure that all can participate in advocating for the implementation of the report's recommendations and that participation extends from the formulation of the report to the monitoring of progress. This would be instrumental in creating a stronger sense of accountability for follow-up and results.

Under this project, emphasis will be placed on media strategies, which could be state specific and designed in consultation with the Planning Commission and concerned state governments, to ensure that the reports – and the action agenda they contain – are creatively brought into the public domain so that they can become advocacy tools for HD action. SHDRs prepared thus far have been and are being translated into the official language of their respective states. In addition, short versions of SHDRs could be prepared and audio-visual documentation as well as workshop/consultations could be considered to promote dissemination of the findings. In order to ensure that SHDR messages are also understood better at the grass roots level, executive summaries and key action points would be documented for implementers and local bodies. This would also facilitate dissemination of information of best practices identified in the reports. Activities would be undertaken based on request or demand for the above from the executing and implementing agencies.

2) *Strengthening state statistical systems*

Benchmarking and progress measurement

Statistical measurement of current status and progress is a key step in strengthening analysis. Many of the first SHDRs have already started to provide disaggregated data by sector, by geographical area and by socio-economic group. The continued collection of information on developments in each of these data areas will provide a foundation to move into deeper causal analysis, a major step forward in assessing the impact of policies and programmes (or the absence thereof) and the search for possible alternative policies, strategies and programmes. Periodic documentation of progress/performance could reflect on trends of allocation, and achievement of national (Tenth Plan targets) and international (Millennium Development Goals) goals of HD. This could be formalized in the shape of an annual State of Human Development Report.

Strengthening statistical systems, particularly at the state level

The Indian statistical system is a highly decentralized one with a fairly well organized structure at the state level, at the district level, and to some extent at the block level. This decentralized set-up has been a key asset, as it has helped the centre to obtain several key statistics flowing from the grass roots level to the districts, the states and ultimately to the centre. The decentralized setup is also in conformity with the position that statistics is a subject included in the concurrent list in the constitution.

It is also well recognized that India has developed a statistical system that is comparable to the best anywhere in the world. Several countries have borrowed statistical methodology and expertise from India and many developing countries have been looking to India for professional advice and support.

However, the state statistical systems still require strengthening, especially the data collection and reporting mechanism at the field level and the need to adapt data collection to what is of key importance for HD analysis. As the National Statistical

Commission indicated in its comprehensive review report to the government in September 2001, urgent action is required to improve the quality and timeliness of statistics. The respective SHDRs, as well as the Tenth Plan document, equally point to the urgency of having better data for decision making and tracking performance on various HD parameters at both the national and state levels.

Indeed, tracking performance with regard to national and global development goals through appropriate database development, and the availability of relevant data at appropriate levels of disaggregation (state, district and local level) are crucial elements in any analysis of HD parameters.

It would be useful to devote one or two rounds of the National Sample Survey for indicators of HD on the basis of the problems of non-availability of data that the 2001 NHDR highlighted. A dialogue would be conducted with the Ministry of Statistics and Programme Implementation and NSSO to access relevant poverty data (including small area estimates) for better calculation of district poverty as also data pertaining to vulnerable and marginal groups (eg. gender, scheduled castes and scheduled tribes).

Training, equipment and research support may be required for the state statistical departments and agencies. Five state government statistical personnel in each participating state should be identified for intensive training and exposure to best practices.

Generation and compilation of HD statistics on a regular basis could be undertaken, learning, among others, from the Brazilian experience of providing HD statistics at the municipality level.

3) Financing of human development

Identification of issues and options for financing of human development in states

During recent years, countries all over the world at all levels of development have been engaged in a creative search to find better ways of organizing and financing development. In India, the initiation of economic reforms during the 1990s and the onset of the process of globalization have led to far reaching changes in the economy. Though economic reforms were initiated at the level of the union government, the reduction in tax rates in which state governments had a substantial share, the pruning down of the grant component in central assistance to states, the rise in the rate of interest at which the state governments borrow funds, the greater reliance on markets for finances, and such other developments have meant that the states have had to face new resource challenges and certainly major resource constraints. Therefore, in view of the social costs of such reforms, the process of ensuring macroeconomic stability, even as progress on critical HD goals is ensured, has emerged as a dilemma that needs to be satisfactorily resolved.

Financing of the social sector has primarily been through domestic resources. While acknowledging the resource constrains at the union and state levels, the Tenth Plan

document recognizes the complementary role that the private sector and civil society can play with the public sector in the provision of infrastructure and social services, as well as in developing financial innovations to widen access to financing for all segments of society. Further, the Tenth Plan has recommended exploring and testing of suitable strategies for levying and collecting charges from people above the poverty line and utilizing the funds obtained for health care services.

A major programme of research and analysis at the national and state level on financing for development would be undertaken to review the broad range of financing issues and options, ranging from fiscal reform to centre-state transfers, user charges, public-private partnerships and private investment stimulation, so as to come up with feasible and sustainable policy options for financing the HD priorities identified.

In addition to action research, a set of training programmes could be developed and offered in partnership with national institutions (National Institute of Public Finance and Policy RBI Training College, National Institute of Banking Management) and state training institutes (ATIs, SIRDs).

In addition, one pilot would be initiated to assess the cost implications and range of financing options available in order to meet national and international development goals within the perspective period set out in the Tenth Plan and the Millennium Declaration, including state level targets identified in the Tenth Plan document, and a possible road map for it. This component will be implemented with the participation of the Reserve Bank of India, national institutions such as National Institute of Public Finance and Policy, in coordination with the state governments and bodies such as the Finance Commissions at the national and state level. Issues such as financing for HD would also be taken up in partnership with the state governments, and the State Finance Commissions in particular.

Analysis of selected schemes (central and state) for human development

The establishment of a compendium of good – and thus replicable – HD practices would benefit greatly from the analysis of a few selected schemes pertaining to HD priority sectors (both central and state schemes). The selection will be done in consultation with the Executing Agency. Findings, both with respect to the assessment of individual schemes and with respect to the synthesis of the review, would be a major addition to the portal and HD knowledge management contributions under this project.

Major investment would be required by the project to take stock of, as well as document and make accessible, policies and programmes that work or have worked, so as to be able to include them in the menu of possible options to be considered for each subsequent SHDR. Action research studies would be commissioned and while deepening analysis on issues such as livelihood security, health and nutrition, education, decentralization and gender equality, a policy matrix and tentative resource allocation proposal or plan would be included.

B. National level activities

Human development appraisal in the mid-term review of the Tenth Plan

At the request of the Planning Commission, assistance would be provided for an HD appraisal in the mid-term review of the Tenth Plan. This would also provide a major analytical input into a possible revisiting and mid-course correction of HD action plans at the state level.

Compilation, documentation and dissemination of best practices (national and international)

The Planning Commission, in collaboration with HDRC/UNDP, came out with a first compendium of successful programmes and practices that has been widely acclaimed. This compendium provides access to the 'what and how' of HD action that have proven effectiveness. It highlights actions that can be adapted to local circumstances, and can be replicated in other states.

The continuation and expansion of this initiative will figure dominantly in the new project, as it makes such an immediate and valuable contribution to the design of efficient and effective programmes. This participatory process will build upon the findings of existing SHDRs, and the primary focus would be on programmes and experiences of state governments, district administration and local bodies. Two compendiums of best practices would be produced.

Outreach for outputs and deliverables (compendiums, audio-visual documentation etc.) under this component would be through in-country consultations as well as international dissemination. Global best-practices, where relevant, would also be included in the scope of this exercise.

The HDR knowledge portal

With so much information on HD now available as a result of the substantial analysis and strong HD focus over the last years, a web-based portal needs to be established to bring all this information together, and thus provide to HDRs under formulation the advantage of access to the accumulated experience. The portal will contain all SHDRs; the current data on HD and all relevant analysis.

It is expected that this new initiative will fill a major information and network facilitation gap, and will thus provide a major input into the HD discussion, performance comparison and advocacy. Furthermore, it could be instrumental in the creation of a web-based academy for state government officials interested in learning about HD, HDRs and related subjects.

In sum, the key interventions would include:

- Assisting state governments in follow-up to the SHDRs by building institutional capacity in the State Planning Boards and Departments through the modality of Human Development Units in the state government. These will be the principle anchors for the various activities undertaken under this project such as research, training, and formulation of action plans and programmes for improving HD attainments particularly in the low HD Index districts. In order to provide advocacy support, networks of resource persons and institutions would be formed. Training support for this would be provided by national and state level training institutes such as the Lal Bahadur Shastri National Academy of Administration, Centre for Public Policy, Administrative Training Institutes and apex training institutes for the relevant thematic areas.

- Strengthening the state statistical systems for better collection and reporting of district and local level indicators of HD. It is necessary to improve the quality and credibility of data at the district and local level, as this data could provide better benchmarks for designing and monitoring plans, budgets and programmes. Manuals and toolkits for better estimations of district income, poverty, vital statistics and gender would be developed for the Directorates of Economics and Statistics. Training of statistical officers at the state and district level as well as training of the users of data, including civil society organizations, would be undertaken. The National Sample Survey Organization and the Central Statistical Organization would provide necessary guidance and expertise. Cutting edge research would be carried out on construction of indices, including better reporting on outcomes related to marginalized and vulnerable social groups, and adapting global and national indices to local contexts.

- While SHDRs have identified the HD deficit, the fiscal stringencies faced by state governments is a major constraint in implementing the recommendations of SHDRs. Four major research initiatives and four training activities to identify and implement options for greater and more effective financing of HD would be carried out. Accordingly, leading national institutions such as the National Institute of Public Finance and Policy and RBI Training College would assist in the implementation of the above.

Annex 1V: List of people consulted on India mission

Mr. Gautam Basu, Principal Secretary, Planning, Government of Karnataka
Prof. Ahalya Bhat, Singamma Sreenivasan Foundation
Mr. Pradip Bhattacharya, Principal Secretary (Planning) with Planning and Development Department, Government of West Bengal
Mr. P.R. Bindhumadhavan, Member-Secretary, Tamil Nadu State Planning Commission, Government of Tamil Nadu
Prof. Ashish Bose, Emeritus Professor
Mr. Sumit Bose, Principal Secretary (Finance), Government of Madhya Pradesh
Dr. Malati Das, Additional Chief Secretary, Government of Karnataka
Mr. Sandeep Dikshit, Hon'ble Member of Parliament
Dr. Jayati Ghosh, Principal Author and Coordinator, West Bengal HDR
Mr. Naresh Gupta, Chief Electoral Officer, Government of Tamil Nadu
Mr. Anwar Jafri, Eklavya / Samavesh (NGO)
Dr. Devaki Jain, Singamma Sreenivasan Foundation
Dr. Gopal Kadekodi, Director, Institute of Social and Economic Change
Dr. Rajan Katoch, Resident Commissioner, Government of Madhya Pradesh (Former Joint Secretary, State Plans Division, Planning Commission , Government of India and Project Director of first sub-national HDR – Madhya Pradesh HDR)
Mr. Manish Kumar, Sanket
Dr. Suraj Kumar, UNDP India
Prof. Amitabh Kundu, Jawaharlal Nehru University
Mr. Ashok Lahiri, Chief Economic Adviser, Department of Economic Affairs
Prof. Mahendra Lama, Jawaharlal Nehru University
Prof. N. Shantha Mohan, National Institute of Advanced Studies
Dr. B.L Mungekar, Member of the Planning Commission, Government of India
Mr. B.N Nanda, Economic Adviser, Department of Economic Affairs
Dr. Rohini Nayyar Senior Consultant (RD), Planning Commission
Dr. Maxine Olson, Resident Representative, UNDP India
Ms. Seetha Parthasarathy, freelance journalist
Mr. Samuel Paul, Director, Public Affairs Centre
Dr. Seeta Prabhu, Head, HDRC, UNDP India
Mr. Shankar Rao, Director, Human Development Division, Planning Department, Government of Karnataka
Mr. Raghavji Sanwla, Hon'ble Minister for Finance & Planning
Dr. N.C. Saxena, former Secretary, Planning Commission, Government of India
Mr. Jo Scheuer, Senior Deputy Resident Representative, UNDP India country office
Dr. Abhijit Sen, Member of Planning Commission, Government of India
Mr. Nirupam Sen, Deputy Chief Minister and Minister in-charge Planning and Development and Industry, Government of West Bengal with the State Planning Board

Mr. Digvijay Singh, former Chief Minister of Madhya Pradesh

Dr. Madhura Swaminathan, Indian Statistical Institute
Prof. M.S. Swaminathan, Chairman, M.S. Swaminathan Research Foundation
Ms. Shahrbanou Tadjbakhsh Consultant, UNDP
Prof. S.K. Thorat, Director, Indian Institute of Dalit Studies, New Delhi
Prof. A.K Vaidyanathan, Professor Emeritus
Mr. L.N Vijayaraghavan, Principal Secretary, Social Welfare, GOTN Principal author &
    coordinator of Tamil Nadu HDR