

*IDA in*  
**India**

A Retrospective





*IDA in*  
**India**  
A Retrospective

# A LONG – STANDING PARTNERSHIP

Over time, IDA moved from single-sector interventions to more transformational approaches, from undertaking individual projects of service delivery to helping build and sustain systems and institutions of service delivery – all towards achieving impact at scale.

The partnership between International Development Association (IDA) and India is amongst the longest standing in the World Bank's history. Not only was India one of the founding members of this concessional financing institution but, in 1961, when IDA first opened its doors for business, the country was one of the first to avail of IDA assistance. Given India's size, diversity, and the complexity of its development challenges, the country has also been IDA's largest borrower. While, in the early years, India accessed over half the IDA envelope, its share of IDA funds continued to remain high throughout, with 14 percent of IDA's historic commitments going to India.

IDA's partnership with India reflects the country's remarkable development journey. At independence in 1947, India's per capita income was amongst the lowest in the world. Half the population was chronically poor, famines were frequent, and food shortages loomed large over the entire economy.

Since then, the country has undergone a remarkable transformation. It has dramatically reduced poverty, vastly improved literacy, and made major gains in health conditions. Today, India is a low middle-income nation with the sixth largest economy in the world. What's more, this densely-populated country that once depended on grain imports to feed its population is now a major exporter of food grains and other agricultural commodities to several parts of the world. And all this in a vast and extraordinarily diverse federal democracy.

Now, as India is poised to transition to higher levels of prosperity, IDA stands proud of its own small role in the country's development.

In the early years, as the young nation sought to lay the foundations of a modern industrial state, IDA assisted its efforts to build core infrastructure. In the late 1980s, India chose to reorient IDA assistance away from infrastructure to place greater focus on the social, agricultural, rural and human development sectors.

Throughout its lending history, IDA supported the country with development finance and technical assistance, brought in global expertise, and helped build and strengthen institutions. More recently, as India's development gathered pace, IDA shifted its focus from first-generation issues of providing access to services, to helping address second-generation issues of quality. For instance, after supporting India's efforts to bring record numbers of children into elementary school, IDA reoriented its assistance to improving the quality of education; from helping tackle age-old diseases, to equipping public hospitals with modern health systems; and from providing poor rural women with access to basic credit services, to empowering them socially, economically and politically.

All along, agriculture remained a key focus of IDA assistance. In one such engagement, a series of IDA projects in India's rainfed areas helped introduce cropping patterns and agronomic practices that enhanced climate resilience among farming communities, laying the foundations for today's climate smart agriculture.

Over time, IDA increased its focus on India's low-income states, where the need for assistance was the greatest. Some of these states are larger than many countries in terms of population; Uttar Pradesh, for instance, one of India's most populous states, is home to more than 200 million people, making it almost the size of Brazil.

IDA also moved from single-sector interventions to more transformational approaches, from undertaking individual projects of service delivery to helping build and sustain systems and institutions of service delivery – all towards achieving impact at scale.

With a vast array of social and economic conditions prevailing across the country, India was frequently the crucible in which India and IDA innovated, tested and refined various reform options.

These new approaches often paved the way for a paradigm shift in the way development issues are addressed within the country. For instance, they transformed the way rural roads are mapped and built; promoted a more integrated approach towards the development of dry rainfed lands; and decentralized rural water supply to village-level institutions for better service delivery.

The new approaches pioneered in India have made a major contribution to IDA's stock of development knowledge. Lessons learnt from successive generations of projects as they worked to meet the people's rising expectations, can now be taken to other parts of the developing world.

## India Graduates out of IDA

In 2014, after almost 60 years of partnership that included providing IDA with a preferred creditor status, India transitioned to being a confident donor in its own right.

India's decision to graduate out of IDA at the end of IDA 16 marked a key milestone for the country. It also had a great impact on IDA. In IDA 17, India accessed only transitional support and repaid some \$3 billion in credits at an accelerated pace. At the end of this cycle, India graduated from all IDA financing, freeing up concessional resources for other IDA countries.

In addition, India's strong repayment record – repaying \$18.8 billion of IDA loans of which \$ 7.2 billion was provided between FY14 and FY18 alone – contributed to IDA's financial strength and its AAA-rating. As a donor, India contributed a total of \$383 million in IDA's last two replenishment cycles, IDA 17 and IDA 18. In graduating out of IDA, India joins the ranks of other emerging economies that have made this transition before, including China, Egypt, Indonesia, Korea, the Philippines, and Thailand.

## Milestones in India's Development

Over the years, IDA supported a number of iconic projects that have since become landmarks along India's development journey.

- In the early decades, IDA supported India's efforts to:**
- Enlarge port facilities at Calcutta, Bombay and Madras\*
  - Expand the carrying capacity of the Indian Railways
  - Establish power stations at Durgapur, Koyna and Korba
  - Construct canals and dams, including on the Beas-Sutlej river system
  - Expand irrigation networks, including the construction of the Rajasthan Canal which opened up the desert for cultivation

- In the later years, IDA:**
- Played a key role in India's landmark Green Revolution
  - Helped scale up India's remarkable indigenous program – Operation Flood or the White Revolution – which transformed the milk deficient country into one of the largest producers of milk and milk products in the world

\* Now Kolkata, Mumbai and Chennai



## THROUGH THE DECADES

In the early 1960s, when IDA first started lending to India, its support improved the country's access to much – needed foreign exchange to build core infrastructure – from the enlargement of ports facilities, to expanding the carrying capacity of the Indian Railways, and facilitating the import of industrial machinery. It also supported the country's massive investments in the power, coal and telecommunications sectors where severe shortages were hindering its march towards industrialization.

In the 1960s and 70s – when India made determined efforts to increase food production to ease persistent food shortages and meet the needs of a rapidly rising population – IDA credits helped boost agriculture. They supported the expansion of irrigation, promoted the adoption of high-yielding seeds, helped ramp up the production of fertilizers, and facilitated the construction of facilities to store food grains. Together, these projects played a key role in one of India's most extraordinary successes – the landmark Green Revolution.

Over the 1970s and 80s, following bumper harvests, India turned its attention to the dairy sector, another area of scarcity. In support, IDA helped scale up the outstanding achievements of the farmers' cooperative movement in Anand, Gujarat, to the national level. This remarkable indigenous program – often called Operation Flood or the White Revolution – transformed the milk deficient country into one of the largest producers of milk and milk products in the world.

In the 1990s, as India embarked on an era of economic reforms and redoubled its efforts to reduce poverty,

### IDA Lending to India

Period	No. of Operations	Commitments
1961 – 2017	403	US\$46.7 billion

*These figures include IDA-IBRD blend projects*

IDA helped introduce new initiatives to expand elementary education and control the long – standing burden of disease. Projects sought to address age – old scourges such as leprosy, polio, malaria and tuberculosis, curb the incidence of cataract blindness, and tackle new diseases such as HIV/AIDS. They also worked to improve the condition of women and girls, reduce the high rates of maternal and child mortality, and improve child nutrition.

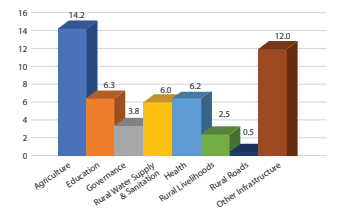
At the turn of the new millennium, as India launched nationwide initiatives to bring every child into school and provide a road to every village, IDA provided financial assistance and technical support to these flagship programs, which were amongst the largest of their kind in the world. At the same time, it supported India in pioneering a unique approach for upgrading rural livelihoods – by empowering poor rural women.

Whenever calamity struck – such as the 2001 earthquake that devastated large parts of Gujarat, the 2004 tsunami that ravaged the southern coast, the 2013 flash floods that took a heavy toll in Uttarakhand, or the cyclones that frequently battered the eastern coast – IDA projects helped communities build back safer and better.

Now that India has graduated out of IDA, its long years of development experience will continue to provide excellent lessons for much of the developing world.

### IDA in India (US\$ Billions)

- Agriculture
- Education
- Governance
- Rural Water Supply & Sanitation
- Health
- Rural Livelihoods
- Rural Roads
- Other Infrastructure





## EDUCATION

**After India brought record numbers of children into elementary school, IDA shifted the focus of its support from increasing access to improving quality.**

Providing universal access to elementary education is an enormous task in a country which has about 200 million children in the age group of 6 – 14 years, living in towns and cities as well as in 640,000 villages across the country. IDA first began lending for primary education in India in the mid – 1990s, after the country committed to the Education for All (EFA) goals in the wake of an international conference in Jomtien, Thailand (1990).

In the initial years, IDA, together with other donors, provided significant support to India's District Primary Education Programs (DPEPs) in areas where female literacy was low. Projects pioneered new initiatives to bring out-of-school children into the classroom and helped create demand for education among communities. They introduced rigorous systems for planning and appraisal and, for the first time, states that were covered by the program were given the flexibility to design their own context – specific strategies. Responsibilities were decentralized to the district level and communities were actively involved. Lessons learnt from these projects were gradually disseminated and scaled up, first in neighboring districts, then in pockets across the country.

In 2001, when India launched its nationwide program to universalize access to primary education through the Sarva Shiksha Abhiyan (SSA) – Education for All – lessons from the DPEPs were scaled up nationwide. While this time, the lion's share of funding came from the government, three phases of IDA support worked with the government to strengthen grassroots level educational institutions, upgrade education management systems, and strengthen monitoring.

After India brought record numbers of children into elementary school, IDA shifted the focus of its support from increasing access to improving quality. The IDA supported SSA III project helped the government shape India's first school-based early learning program and redesign the national level student assessments. The learning assessment of 2.2 million children is now being used to inform policy, reform curriculum, and upgrade teacher training.



*In the harsh deserts of Rajasthan, twelve-year old Madhubala Bishnoi tended the family's cattle, fetched water and firewood, and looked after her five younger siblings. Now Madhubala enjoys using the computer at a girls' residential school, established by SSA in districts where female literacy was low. Fathers and grandfathers in this traditionally patriarchal society say the school has changed family attitudes to girls' education. "These days rather than giving daughters away in marriage, one should give them an education instead."*

**Hira Devi, Mother, Popavas Village, Jodhpur, Rajasthan  
Sarva Shiksha Abhiyan (SSA), Education for All**



**Since 2001, elementary school enrollment has soared by more than 33 million, rising from 156.6 million in 2000 – 01 to 189.9 million in 2016 – 17\*. There is now a primary school within one kilometer of all habitations, and gender and social gaps have reduced. Over two – thirds of India's states have achieved universal primary enrollment. Very few countries can parallel this impressive performance.**

\* Source: Ministry of Human Resource Development, Unified District Information System for Education (U-DISE)

## RURAL LIVELIHOODS

**While earlier efforts focused on enhancing women's access to credit, the more comprehensive approach adopted later worked to empower them economically, socially, and politically.**

From the early – 2000s, IDA supported India in pioneering a unique approach for enhancing rural livelihoods – by empowering poor rural women. Building on Andhra Pradesh's initial experience with women's self-help groups, IDA investments of nearly \$3 billion helped develop this model further. While earlier efforts focused on enhancing women's access to credit, the more comprehensive approach adopted later worked to empower them economically, socially, and politically.

The new approach triggered huge change in the lives of the rural poor. Women are now setting up enterprises – individually and collectively. These enterprises are not only enhancing incomes but also providing jobs to other women.

Importantly, women's collectives have acquired the knowledge and skills to obtain fairer terms of trade for their produce and services and are now looking to scale up their efforts.

Nearly 2.8 million poor women have been elected to local government institutions, giving them greater voice in governance matters.

IDA's support for this pioneering initiative has helped the government transform its flagship rural development program – the National Rural Livelihoods Mission (NRLM) – and replace direct subsidies to communities with longer-term capacity building.



*"I was able to free my land with the help of a self-help group loan. Today I repay the amount of Rs. 10,000 at a very low rate of interest. With better farming methods, my income has also gone up four times, and I am able to send my son to college."*

**Kunti Devi, Shekhwara Village, Gaya, Bihar  
Jeevika Project**



Since 2011, India's National Rural Livelihoods Mission (NRLM) mobilized 50 million poor rural women into self-help groups and their higher-level federations. These groups leveraged \$30 billion from commercial banks.\* These women not only benefitted from greater and more predictable access to a range of financial services. They also gained skills, support in business development, and links to markets. In Bihar, one of India's poorest states, some women-owned collective enterprises recorded a turnover of nearly \$2 million.

\* Source: Ministry of Rural Development, Government of India



## RURAL WATER SUPPLY

**Moving away from the traditional top-down method of providing services, IDA support sought to empower village level governments to choose, construct and operate their own water supply systems, altering the government's role from 'service provider' to 'facilitator'.**

India has long faced the challenge of providing safe drinking water to over 833 million people living in some 640,000 villages across the country. In the mid-1980s, the issue was declared a national priority. From the early 1990s onwards, four generations of IDA projects helped the government test various reform options and pioneer new models of service delivery.

Moving away from the traditional top-down method of providing services, IDA support sought to empower village level governments to choose, construct and operate their own water supply systems, altering the government's role from 'service provider' to 'facilitator'.

Over time, IDA projects progressed from supplying a few hours of piped water a day, to providing 24/7 water supply, in keeping with the people's growing demands for higher levels of service.

Projects also increased their focus on newly-emerging issues, such as promoting the sustainable use of ground water and addressing concerns about water quality.

In Uttarakhand, a groundbreaking state-wide project helped establish 24/7 water supply, while showing that strong community involvement can reduce the capital costs of infrastructure, curb the leakage of funds, and lead to huge savings for the state exchequer. The project, which received an award for good governance and transparency, served as the forerunner for many government reform programs and helped shape national strategy for the sector.



*"Earlier we made many trips a day, travelling 2 km each way to fetch clean water from a borewell. The daily grind made the men late for work, and the children fell sick often. Today, every family in the village has a water connection at home and gets a regular supply."*

**Geeta Bhogan, Bekkinakeri Village, Karnataka  
Jal Nirmal Project**



Since 2000, IDA support of some \$3.4 billion helped 36 million people in 40,000 villages – with populations ranging from 150 to 15,000 – gain better access to drinking water.

## AGRICULTURE

**IDA supported projects helped farmers tackle depleting water resources, reduce soil erosion and recharge groundwater, laying the foundations for climate-smart agriculture.**

Agriculture has always been extremely important for India's economy. Not surprisingly, the country has been the largest recipient of IDA assistance in agriculture.

Throughout its lending history, IDA's overarching goal was to help raise farmer incomes and improve agricultural productivity – through greater research and better farming practices, among other measures.

Over time, IDA reoriented its support in line with India's maturing development agenda, shifting its focus from the cultivation of cereals, to the promotion of a more diversified and market-oriented agriculture.

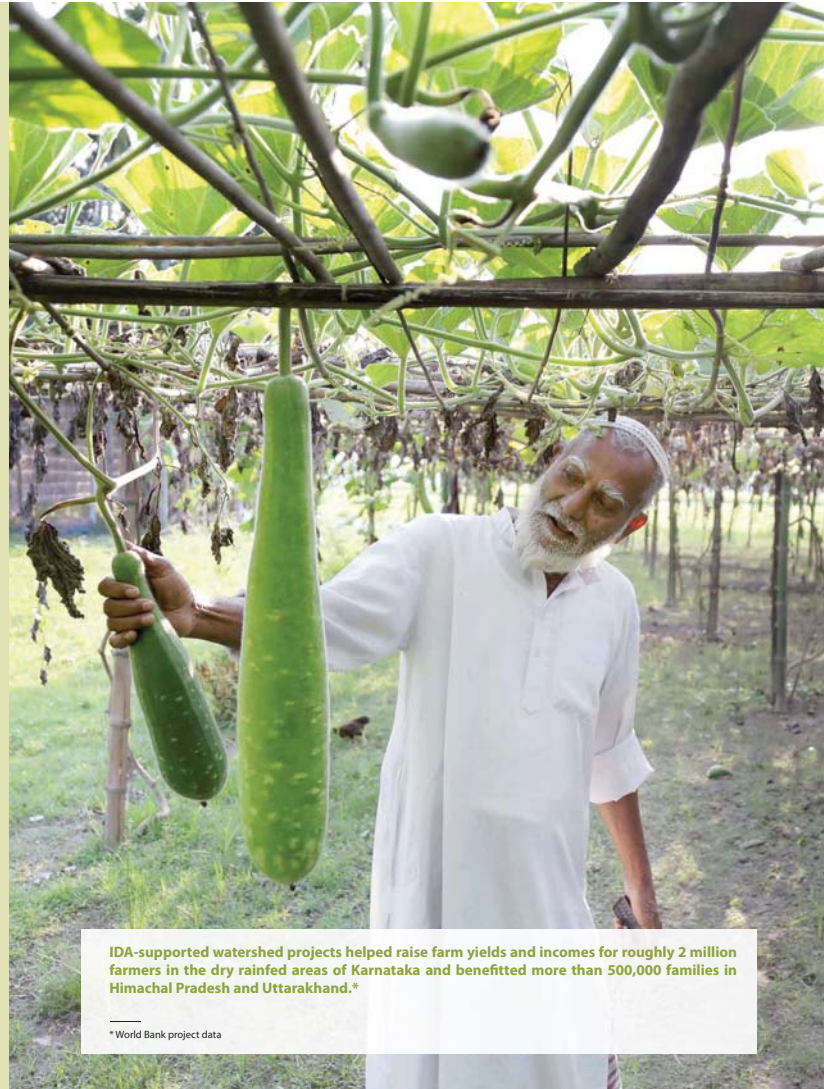
With water being a critical issue, IDA programs spanned the entire spectrum of water projects, from developing irrigation infrastructure, to accelerating rural electrification with an emphasis on energizing irrigation wells, to helping understand the severity of the groundwater situation, and promoting conservation.

In a country which has one of the world's largest area under rainfed agriculture but low yields, IDA supported the development of dry land farming, using participatory approaches. IDA supported watershed development projects helped farmers increase the productivity of their lands by tackling depleting water resources, reducing soil erosion and recharging groundwater. This helped improve resilience among farming communities and laid the foundations for climate-smart agriculture.



*"Although the past few monsoons have brought very little rain, I haven't been worried at all. Ever since a small check dam was built across a nearby stream, my old well has filled up after many years. I now have enough water to keep my fields green."*

**Gundappa, Tumkur District, Karnataka  
Karnataka Watershed Development Project (Sujala)**



**IDA-supported watershed projects helped raise farm yields and incomes for roughly 2 million farmers in the dry rainfed areas of Karnataka and benefitted more than 500,000 families in Himachal Pradesh and Uttarakhand.\***

\* World Bank project data



## HEALTH

From the 2000s onwards, IDA increasingly focused on improving the quality of health services provided by the public sector, using comparatively small amounts of funding to trigger the systemic changes needed to make larger funding more effective .

IDA began lending to India's health sector in 1972. Over the years, IDA helped India move towards meeting the Millennium Development Goals (MDG) for health, as well as improve child nutrition, and tackle the long-standing burden of disease.

From the 2000s onwards, IDA increasingly focused on helping to improve the quality of health services provided by the public sector, using comparatively small amounts of funding to trigger the systemic changes needed to make larger funding more effective.

While working with India's states, IDA calibrated its support to meet their differing needs. In the less developed states, this meant streamlining hospital management, and improving performance by reducing staff absenteeism, addressing the skill-mismatch, and introducing transparency in pharmaceutical procurement, among other measures. In Uttar Pradesh, for instance, IDA supported quality improvements at 50 district hospitals, 19 of which have been accredited.

In states with greater capacity, such as Tamil Nadu, IDA sought to bring secondary health services to the rural areas, strengthen health financing and reorient the system to the emerging burden of non-communicable disease. In Karnataka, IDA helped improve primary health care facilities in lagging regions and pioneer a health insurance program for the poor, as the burden of health expenses often pushes families into poverty.



*"My daughter was born in this hospital; they're doing a better job now than before. This is my grandson, he was born here, and we're not going anywhere else because they're taking care of us very well."*

Manoharmani, Tamil Nadu  
Tamil Nadu Health Project



**Maternal and Infant Mortality** – India's maternal mortality rates fell from 254 per 100,000 live births in 2004 – 06 to 130 in 2014 – 16. The infant mortality rate halved from 68 per 1000 live births in 2004 – 06 to 34 in 2014 – 16. In Tamil Nadu and Karnataka, maternal and infant mortality rates fell by more than 40 percent between 2004 and 2016.

**TB** – Since 1990, India has halved TB mortality rates, and reduced its prevalence by 55 percent. IDA supported programs have helped treat more than 20 million people since 1997 and averted 3.5 million deaths.

**HIV/AIDS** – India's response to HIV/AIDS is a global success story. Prevalence rates among adults have continued to fall, with new infections coming down by two thirds between 2007 – 15.

Source: **MMR & IMR** – Sample Registration System; **TB** – WHO Global Tuberculosis Report & GOI-RNTCP National Strategic Plan 2017; **HIV/AIDS** – India HIV Estimations 2017 – NACO, GOI

## RURAL ROADS

**IDA support helped bring about a paradigm shift in the way rural roads are mapped, designed, monitored and built across the country.**

Since 2004, IDA support of some \$2 billion not only assisted India in building and improving all-weather village roads in some of its poorest and most inhospitable regions, but also helped bring about a paradigm shift in the way rural roads are mapped, designed, monitored and built across the country.

The process of road building was systematized, with new standards in procurement and contract management, including eProcurement, being uniformly applied in all of India's states. Reforms and governance changes helped improve the effectiveness of road agencies and led to more rational and transparent decision making.

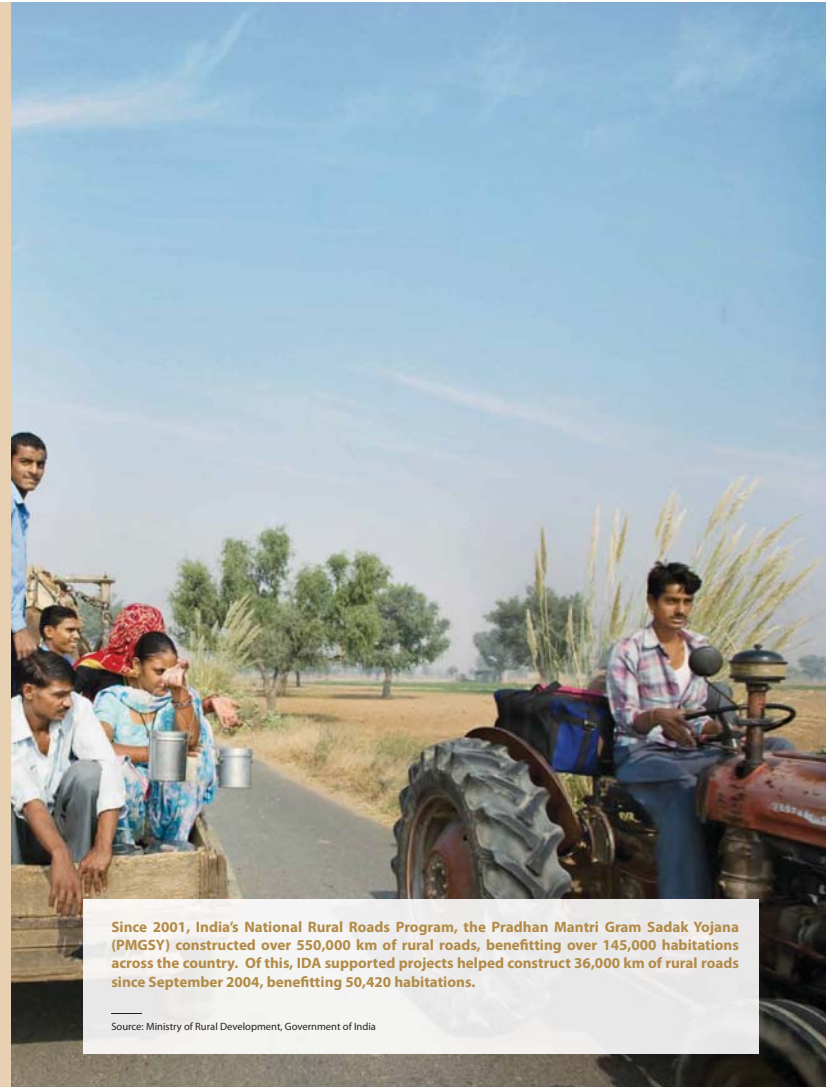
New norms were also established for green and climate-resilient road construction using low-cost, low-energy construction techniques. A major intervention sought to raise the implementation capacity of construction contractors.

Third party monitoring of the quality of works and materials has now become mandatory. People have not only been given a say in deciding the routes of village roads but have also been trained to effectively monitor the quality of construction. Importantly, construction contracts now include a new provision for road maintenance, the lack of which was one of the main causes for their rapid degeneration. These reforms have brought major improvements in India's National Rural Roads Program.



*"It used to be so difficult to take my pregnant wife to the doctor in the nearest town. The local drivers refused to come to our village because the road was bad. Now with the new road, I can easily take my little daughter to get her shots in town."*

**Dhaneshwar Rana, Hazaribagh District, Jharkhand  
Pradhan Mantri Gram Sadak Yojna (PMGSY Project)**



Since 2001, India's National Rural Roads Program, the Pradhan Mantri Gram Sadak Yojana (PMGSY) constructed over 550,000 km of rural roads, benefitting over 145,000 habitations across the country. Of this, IDA supported projects helped construct 36,000 km of rural roads since September 2004, benefitting 50,420 habitations.

Source: Ministry of Rural Development, Government of India



