1. Key development issues and rationale for Bank involvement

India, a country of over a billion people with a per capita GDP of about $1,046 (2007), has made strong progress in reducing poverty and enhancing access to education. Poverty rates have fallen from 45 percent in the 1980’s to below 25 percent in the last two decades. In 2002 India through its 86th constitutional amendment made elementary education a fundamental right of every child (and in August 2009 the Indian Parliament approved the Right to Free and Compulsory Education Bill), thus reflecting its deep commitment to education. Federal and State Governments responded to this in 2002 with the launch of a nation-wide centrally sponsored scheme (CSS), Sarva Shiksha Abhiyan (SSA), which aims to provide quality elementary education to all children by 2012. (The Bank has provided US$ 1.1 billion to support this program, and another US$ 500 million in Additional Financing is being prepared. DFID and EC have also pooled its resources with the Bank’s and the government’s, via a Sector Wide Approach using country systems.) SSA has been a highly successful program, particularly in achieving greater access to elementary education, whose gross enrollment rate (GER) stands at 101 percent.

The number of Grade 8 graduates is increasing at approximately 4 percent per year and this will almost surely continue for the next seven years or so. The large and increasing numbers of elementary graduates exceeds the capacity of the secondary education system to absorb them in most States, in terms of the total capacity of the secondary education sub-sector and especially in terms of the geographical distribution of this capacity. In fact, the GER for the first two years of

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1 Elementary education is defined as grades 1-8. Primary education is Grades 1-5, and upper primary is grades 6-8.
Secondary education (grades 9-10) is just 53 percent, and for senior secondary education (grades 11-12) it is only 28 percent (2006-07 Selected Educational Statistics, MHRD). Among youth aged 15-24, only 29 percent of young women and 38 percent of young men have completed 10 or more years of education. Secondary education is the new bottleneck in the Indian education system, constraining the development of the human capital India needs to drive inclusive growth and reduce poverty.

To overcome this constraint the GoI launched in March 2009 a new centrally sponsored scheme, Rashtriya Madhyamik Shiksha Abhiyan (RMSA), which means “National Secondary Education Campaign”. The goal is to make secondary education of good quality available, accessible and affordable to all youth completing Grade 8. RMSA’s target is to achieve 100 percent GER in secondary education by 2017, and universal retention by 2020.

To achieve this goal, RMSA will have to simultaneously address the issues of access (through both supply- and demand- side interventions), quality, equity, management and financing.

**Rationale for Bank Assistance**

GoI has requested the Bank (as well as DFID, and perhaps the EC) for assistance in addressing this ambitious agenda, the first time such a request has been made for secondary education. The rationale for Bank support is compelling. First, the India Country Assistance Strategy supports the GoI’s focus on inclusive, sustainable growth and improved service delivery. As mentioned above, RMSA would target a key human capital constraint to this growth, while improving delivery of secondary education services. Second, the Bank would build on its engagement in the elementary education sub-sector in India over the last 20 years, in particular its highly successful partnership with the GoI and other Development Partners (DPs) in the context of SSA. This has demonstrated the Bank’s value-addition in terms of sharing global experience at a technical level, and in contributing to greater rigor and efficiency in the implementation and monitoring of the entire program. Third, the Bank and its Development Partners have extensive global knowledge and experience in improving secondary education; for example, the Bank completed major Analytical and Advisory Activities (AAA) on Secondary Education in India in 2009 which shared this knowledge but not in operational terms. Fourth, the Bank has an opportunity to offer strong fiduciary system oversight and strengthening of country systems via the proposed programmatic approach, which is fully consistent with the Country Assistance Strategy which emphasizes increased use of country systems. Finally, the Bank, with DFID and EC, can play a key role in advocating for and supporting the introduction of greater PPP in secondary education, vital for expansion of access and improvement of quality.

2. **Proposed objective(s)**

The objective is to support the GoI in implementing RMSA and make progress towards achieving its goals of improved access, quality, equity and management of secondary education. The proposed Key Performance Indicators for assistance are:

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2 “A Profile of Youth in India”, National Family Health Survey, India, 2005-06, Ministry of Health and Family Welfare.
• Secondary education GER rises from 52% to 65%;
• Learning levels for secondary education (Grades 9 and 10) would be measured for the first time at a national level, using modern achievement survey methodologies;
• The gender parity index at the secondary level would improve from 0.82 to YYY;
• Participation by rural, SC, ST and Muslim children in secondary education would increase from XX to YY; and
• The percentage of government secondary schools with functioning School Management Committees, managing RMSA funds, would increase from 10% to 90%.

These would need to be discussed with MHRD during preparation to ensure they are consistent with the overall RMSA framework.

**Preliminary description**

To achieve RMSA’s targets huge investments aimed at increasing access and equity, and improving quality and management of secondary education are planned. In the current 11th 5-Year Plan, GoI has allocated approximately USD 4 billion. More specifically, RMSA aims to open over 11,000 new secondary schools and strengthen infrastructural facilities in more than 44,000 existing schools, appoint 90,000 new teachers, expand the integration of information and communication technologies (ICTs) into schooling, provide teacher professional development for all secondary teachers, support reform of the secondary examinations system, decentralize school management to local committees, and introduce a range of demand-side schemes to improve equity for girls and socially disadvantaged students, particularly among SC, ST and Muslims. This is a very large agenda, doubly so because this is the first time the Central government has invested in secondary education in a major way; until now the development and management of secondary education has largely been left to the States.

The RMSA program is a centrally sponsored scheme wherein, based on States’ Perspective Plans (Medium Term Strategic Plans for Secondary Education) and Annual Work Plans and Budgets (AWP&B), the Central government contributes 75 percent of the funding and the States provide a matching 25 percent. AWPBs are developed in accordance with norms and guidelines detailed in the RMSA –Framework for Implementation, and are approved by a Project Approval Board chaired by the Ministry of Human Resource Development (MHRD) together with annual allocations. Among other activities, the program would finance: expansion/rehabilitation of school infrastructure; salaries for new secondary teachers; curriculum reform; free textbooks, scholarships and other incentives for girls and other disadvantaged students; provision of teaching and learning materials; teacher professional development; school principal professional development; establishment and training of School Development Management Committees in all Government secondary schools; and strengthening of monitoring and evaluation systems (including new learning assessment surveys). It is possible that RMSA would include financing for expansion of “second chance” programs to reach out to Grade 8 graduates who never enrolled in, or dropped out of, secondary education. In addition, RMSA would strengthen State M+E systems, primarily the Secondary Education Management Information System (SEMIS), which would provide data tracking the physical progress of RMSA investments.
As with SSA, the Development Partners (DPs) would support the program using a SWAp wherein the DPs agree to finance a percentage of RMSA program expenditures above agreed thresholds with pooled funding, and also rely on government’s own rules and procedures in implementing the program. As part of preparation, DPs would need to evaluate the proposed Financial Management and Procurement Manual and its likely effectiveness at the secondary level. This would lead to agreement with MHRD on actions that need to be taken by States/GoI to address issues of (a) fiduciary capacity constraints; (b) strengthening of internal controls and the external audit processes; and (c) simplification of reporting. The harmonized disbursement procedures would be formalized through a Memorandum of Understanding signed by all partners, with common supervision formats and procedures, a single Results Framework, aligned withdrawal claims and Joint Review Missions.

In addition to this SWAp approach, a second component would finance innovations which would inform the future design of RMSA. These would be activities which are not ripe for inclusion into a nationwide centrally sponsored scheme but appear very promising and deserve significant scale pilots to assess feasibility of implementation and impact. For example, PPPs would be supported in several States, using different modalities, which would test per student funding models and use of public funds for disadvantaged children to attend private schools. Conditional cash transfer programs for girls (or other disadvantaged students) could also be supported, as could more innovative strategies to incorporate ICTs into classroom instruction and learning. States would submit innovation proposals as part of their AWPBs to the Project Approval Board, but approved funds would come from a separate Special Account funded by the DPs.

### 3. Safeguard policies that might apply

<table>
<thead>
<tr>
<th>Safeguard Policies Triggered by the Project</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Environmental Assessment (OP/BP 4.01)</strong></td>
<td>[x]</td>
<td>[ ]</td>
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<tr>
<td>Natural Habitats (OP/BP 4.04)</td>
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<td>Pest Management (OP 4.09)</td>
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<td>Physical Cultural Resources (OP/BP 4.11)</td>
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<tr>
<td>Involuntary Resettlement (OP/BP 4.12)</td>
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<tr>
<td>Indigenous Peoples (OP/BP 4.10)</td>
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<td>Forests (OP/BP 4.36)</td>
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<td>Safety of Dams (OP/BP 4.37)</td>
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<td>Projects in Disputed Areas (OP/BP 7.60)</td>
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<tr>
<td>Projects on International Waterways (OP/BP 7.50)</td>
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**Environmental Assessment (OP/BP 4.01).** The nature of activities proposed under the project does not pose significant environmental risks. Environmental mitigation measures proposed under the project would help in enhancing project benefits and in avoiding/minimizing adverse impacts on environment.

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*By supporting the proposed project, the Bank does not intend to prejudice the final determination of the parties' claims on the disputed areas*
**Indigenous Peoples (OP/BP 4.10).** The RMSA framework calls for special attention to the needs of tribal children. Mitigation measures proposed under the project will lead to enhanced access to quality elementary education for these children.

4. **Tentative financing**

Source: ($m.)

<table>
<thead>
<tr>
<th>BORROWER/RECIPIENT</th>
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<tr>
<td>International Development Association (IDA)</td>
<td>500</td>
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<tr>
<td>UK: British Department for International Development (DFID)</td>
<td>150</td>
</tr>
</tbody>
</table>

Total 4000

5. **Contact point**

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