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COUNTRY DEVELOPMENT COOPERATION STRATEGY (CDCS)

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ACRONYM LIST

AIF	Alternative Investment Fund
ASEAN	Association of Southeast Asian Nations
BRI	Belt and Road Initiative
CBO	Community Based Organization
CCNPSC	Cooperating Country National Personal Service Contractors
CDCS	Country Development Cooperation Strategy
CLA	Collaborating, Learning, and Adapting
CLAIM	Collaborating, Learning and Adapting in India Mechanism
CLEEO	Clean Energy and Environment Office
CSR	Corporate Social Responsibility
CTA	Central Tibetan Administration
DIO	Development Innovations Office
DO	Development Objective
DOE	U.S. Department of Energy
DOH	Department of Health
DPA	Development Partnership Administration
DRM	Disaster Risk Management
EGR	Early Grade Reading
FCS	U.S. Foreign Commercial Service
FSO	Food Security Office
GBV	Gender-Based Violence
GDO	General Development Office
GDP	Gross Domestic Product
GIS	Geographic Information System
GOI	Government of India
HIV	Human Immunodeficiency Virus
ICASS	International Cooperative Administrative Support Services
ICT	Information and Communication Technology
IR	Intermediate Result
J2SR	Journey to Self-Reliance
LGBTI	Lesbian, Gay, Bisexual, Transgender, Intersex
LPG	Liquefied Petroleum Gas
TB	Tuberculosis
MCA	Ministry of Corporate Affairs
MCH	Maternal and Child Health
MDR	Multi Drug Resistant
MEL	Monitoring, Evaluation, and Learning
MOHUA	Ministry of Housing and Urban Affairs
NDRF	National Disaster Response Force
NEC	New Embassy Compound
NGO	Non Governmental Organization
NIDM	National Institute of Disaster Management
NSP	National Strategic Plan
OE	Operating Expenses
OGAC	Office of the Global AIDS Coordinator

OSSI	Office of Social Sector Initiatives
PEPFAR	President's Emergency Plan for AIDS Relief
PFOC	Program-Funded Operational Cost
PM 2.5	Particulate Matter 2.5 (Fine Particles or Fine Particulate Matter)
PMP	Performance Management Plan
PS	Program Support Office
PSE	Private Sector Engagement
ROAA	Regional Office of Acquisition and Assistance
SC	Scheduled Caste
SO	Special Objective
ST	Scheduled Tribe
TAR	Tibet Autonomous Region
TPA	Tibetan Policy Act
UNDP	United Nations Development Programme
USAID	U.S. Agency for International Development
USD	United States Dollar
USDH	U.S. Direct Hires
US-IDF	U.S.-India Development Foundation
USG	U.S. Government
USPSC	U.S. Personal Service Contractors
WASH	Water, Sanitation, and Hygiene
WHO	World Health Organization

I. EXECUTIVE SUMMARY

During the life of the Country Development Cooperation Strategy (CDCS) from 2020-2024, USAID/India prioritized key aspects to further India in its Journey to Self-Reliance (J2SR). USAID/India's CDCS goal - *India Accelerates its Own Inclusive Development and Fosters Enhanced Regional Connectivity* - embodies these two shared USG and Government of India priorities.

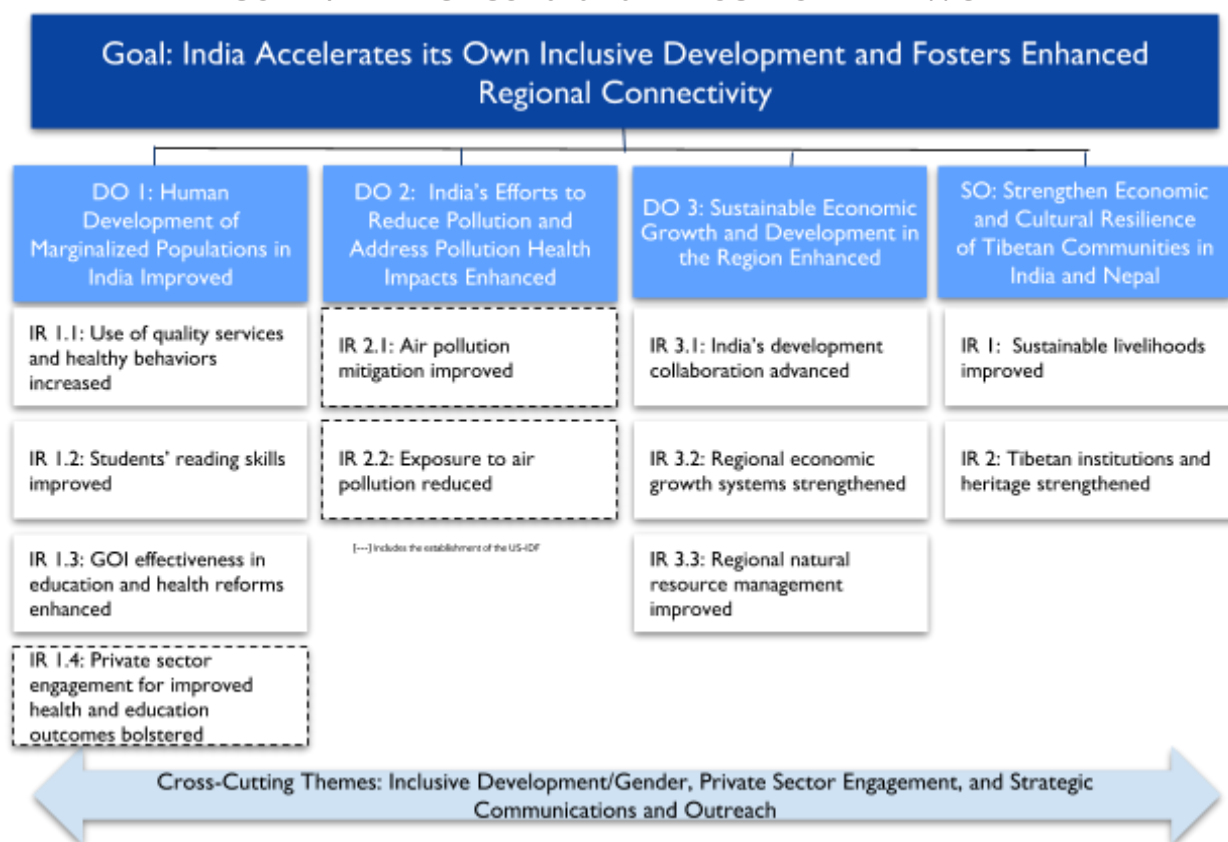
USAID/India prioritized three sector metrics from the J2SR in this CDCS: Child Health, Biodiversity and Habitat Protection, and Education Quality. Child Health, and maternal health and infectious diseases in general, is a large theme of the CDCS given the disproportionate effects of maternal and child health (MCH), tuberculosis (TB), and water, sanitation and hygiene (WASH) on mortality in India compared to the rest of the world. Biodiversity and Habitat Protection have been highlighted for intervention as they are crucial for clean air and water and inversely, the significant impact of pollution on health. Overall, education quality in India remains very poor, despite achieving near universal access to free primary education.

Across these sectors, the CDCS weaves three metrics - Government Effectiveness, Social Group Equality, and Economic Gender Gap - as cross-cutting issues that define its strategic approach. Despite high rankings of government effectiveness and social group equality, in reality, these issues are very complex and fluctuate depending upon the region, sector, and interlocutor. India has made important strides towards addressing the Economic Gender Gap and improvements in the lives of women, girls, and sexual minorities over the last 20 years; however, women's workforce participation has declined particularly among urban educated women. Gender inequality intersects with and exacerbates other forms of social exclusion based on caste, religious minority status, sexual identity, and disability.

Lastly, India's Poverty Rate metric ranking is comparatively low despite its thriving and vibrant economy. Poverty is an underlying issue that all future programs, projects, and activities used to implement this CDCS will need to tie themselves back to and will ultimately be a measure of USAID/India's success.

USAID/India has invested heavily in poverty reduction, health, and education for more than 20 years, yielding innovations and sustainable partnerships, and gaining Government of India (GOI) support to adopt best practices and scale them up to the general population. Nevertheless, development gaps continue to persist and USAID/India perceives them as a problem of inclusiveness. If marginalized groups are included in development efforts, preventable child and maternal deaths will decrease, the basic literacy rate will improve for all, pollution-related mortality for all groups will decrease, multidimensional poverty will decrease, and the most impoverished in India will start to catch up to the development of the rest of the population. USAID also believes that regional connectivity will improve the self-reliance of India and other countries in South Asia as well as globally. Increased regional trade and a reliable energy supply will bolster regional economic growth, as will improved cross-border management of natural resources and climate risks vital to domestic economic development.

USAID/INDIA CDCS 2020-2024 RESULTS FRAMEWORK



II. COUNTRY CONTEXT

Despite India's impressive gross domestic product (GDP) growth and poverty reduction over the past decade, being one of the top ten largest economies in the world, with an extensive entrepreneurial culture and world-class scientific community which leads in innovation, over a quarter (27.9%) of Indians still live in multidimensional poverty.¹ This multidimensional poverty is largely characterized by high child mortality, poor access to water and sanitation, and low rates of school completion. Moreover, income growth among the poorest 40% of Indians remains below that of the rest of the population, effectively maintaining them in the "shackles" of poverty. While India's pro-poor development policies have resulted in remarkable strides in alleviating poverty, it has not enabled all Indians to "catch up," leaving some, more marginalized groups unable to lift themselves out of poverty and stay there.

It is estimated that more than 63 million people have been pushed into poverty every year as a result of catastrophic out-of-pocket health expenditures. TB alone is estimated to have reduced India's GDP by 0.7% in 2017 (approximately \$18 billion USD).

Limited access to adequate health care and education in India has tremendous economic effects. It is estimated that more than 63 million people have been pushed into poverty every year as a result of

¹ United Nations Development Programme (UNDP) and the Oxford Poverty and Human Development Initiative (OPHI). (2019). Global Multidimensional Poverty Index 2019 - "Illuminating Inequalities". Retrieved from UNDP website http://hdr.undp.org/sites/default/files/mpi_2019_publication.pdf.

catastrophic out-of-pocket health expenditures.² TB alone is estimated to have reduced India's GDP by 0.7% in 2017 (approximately \$18 billion USD). Despite near universal access to primary school for all Indian children, about half of the students in Grade 5 are unable to read a Grade 2 level text, and 29% of students drop out before completing five years of primary school. Reasons include a mix of socio-economic, attitudinal, and educational factors such as poverty, low expectations of marginalized children (scheduled castes [SC] and scheduled tribes [ST]) and girls), ill-adapted and inflexible curriculums, and lack of teacher training and support.

As an unintended result of rapid growth, seven of India's major cities are considered among the top ten most polluted cities in the world according to particulate matter pollution scores.³ The estimated costs of air pollution in India were \$505 billion in welfare losses or 7.7% of total GDP in 2013; labor losses due to air pollution were estimated at \$55 billion,⁴ and India has the largest burden worldwide of mortality due to air pollution (estimated at 1.7 million deaths in 2017).⁵ Increasing temperatures and heat waves are exacerbating pollution impacts by directly contributing to mortality⁶ and by degrading air and water⁷ quality.⁸ Extreme heat is now negatively impacting living standards over much of India.⁹

With India at its heart, South Asia, and its high, steady growth rate and large population concentration, is considered one of the most dynamic regions in the world. Existential water scarcity and extreme weather events, which climate change will exacerbate, coupled with a lack of interconnectedness have the potential to undermine current progress in the region. Intra-regional trade accounts for only five percent of South Asia's total trade, compared to 25 percent in ASEAN countries. It costs more to trade within South Asia than between South Asia and the world's other regions.¹⁰

Nevertheless, the dichotomy of widespread multidimensional poverty and an active economic, entrepreneurial, and philanthropic Indian class creates a unique opportunity to leap ahead in self-reliance by crowding-in Indian investment and rallying India's commitment and capacity to address key sectors that hinder India's development.

INDIAN PRIORITIES

India - its government and the private sector - is the largest driver and backer of development in India. The GOI establishes regular development strategies and prioritizes national initiatives to address what it considers the most pressing development needs in India. The Indian private sector also works in tandem with the GOI and other stakeholders to create, test, and distribute for-profit development innovations that improve the quality of life for Indians.

² Berman, P., Ahuja, R. & Bhandari, L. (2010). The impoverishing effect of healthcare payments in India: new methodology and findings. *Economic and Political Weekly*. 45, 65–71.

³ IQAir / AirVisual. (2018). 2018 World air quality report. Region and City PM2.5 ranking. Retrieved from: <https://www.airvisual.com/world-most-polluted-cities>.

⁴ World Bank and Institute for Health Metrics and Evaluation. (2016). *The Cost of Air Pollution: Strengthening the Economic Case for Action*. Washington, DC: World Bank.

⁵ Health Effects Institute. (2019). *State of Global Air 2019*. Special Report. Boston, MA: Health Effects Institute.

⁶ Mazdiyasi, O. et al. (2017). Increasing probability of mortality during Indian heat waves. *Science Advances* 3: e1700066. Retrieved from - <https://advances.sciencemag.org/content/3/6/e1700066/tab-pdf>.

⁷ Moors, E. et al. (2013). Climate change and waterborne diarrhoea in northern India: Impacts and adaptation strategies. *Science of The Total Environment*. Volumes 468-469, Supplement: S139-151. Retrieved from - <https://doi.org/10.1016/j.scitotenv.2013.07.021>.

⁸ Gordon, T. et al. (2018). Air pollution health research priorities for India: Perspectives of the Indo-U.S. Communities of Researchers. Retrieved from - <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6489448/>.

⁹ Mani et al. (2018). South Asia's Hotspots. The Impact of Temperature and Precipitation on Living Standards. The World Bank. Retrieved from - <https://openknowledge.worldbank.org/handle/10986/28723>.

¹⁰ Kathuria, Sanjay. (2018). A Glass Half Full: The Promise of Regional Trade in South Asia. South Asia Development Forum. Washington, DC: World Bank. <https://openknowledge.worldbank.org/handle/10986/30246>.



Among the various development strategies at work in India, the most notable and comprehensive is the *Strategy for New India at 75*,¹¹ which aims to sustain broad-based economic growth over the next three decades by supporting the drivers of economic growth in India, improving infrastructure, building the capacity of all Indians, and strengthening governance. Similarly, the GOI sponsors “Missions” or initiatives to address specific development issues such as water and sanitation, health, basic education/literacy, and pollution. Additionally, India has longstanding historical commitments to “South-South” development assistance, technology transfer, and regional leadership, and is intensifying its external outreach - called “Neighborhood First” - to take advantage of India’s geographic centrality, cultural kinship, and economic/natural resource issues to strengthen ties with countries in South Asia.

UNPACKING THE JOURNEY TO SELF-RELIANCE COUNTRY ROADMAP

Under this strategy, USAID/India has prioritized certain metrics for investment to further India on its J2SR trajectory. (See <https://selfreliance.usaid.gov/> for further information on the J2SR.)

Based upon the country roadmap metrics, USAID/India has prioritized three distinct sectors for action in this CDCS: Child Health, Biodiversity and Habitat Protection, and Education Quality. Child Health, and maternal health and infectious diseases in general, will be a large theme of the CDCS given the disproportionate effects of MCH, TB, and WASH on mortality in India compared to the rest of the world. Health indicators paint a serious picture of high child and maternal mortality, poor sanitation and access to clean water, and high rates of multidrug resistant tuberculosis. India accounts for 20% of the global deaths among children under five. Annually, 32,500 women die in childbirth. This represents 10% of all the women in the world who die in childbirth each year. Biodiversity and Habitat Protection have

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been highlighted for intervention as they are crucial for clean air and water and, inversely, the significant impact of pollution on health. Education quality in India varies and does not always meet the needs of the majority of children who are first generation learners, from poor and socially marginalized groups, and lacking educational resources at home. Their best option is to learn at school; and improving education outcomes requires targeted reforms throughout the education system - in curriculum, pedagogy, education infrastructure, and mind-sets and practices related to gender and social inclusion. Each additional year of schooling raises average annual GDP growth by 0.37% and individual earnings by up to 10%.¹²

Across these sectors, the CDCS weaves three metrics - Government Effectiveness, Social Group Equality, and Economic Gender Gap - as cross-cutting issues that define its strategic approach. Despite high government effectiveness and social group equality, these issues are very complex and fluctuate depending upon the region, sector, and interlocutor. With the richest 10% of Indians owning 77.4% of the country’s wealth, equality in many ways is a vague notion rather than a reality.¹³ Similarly, while India’s overall government effectiveness continues to improve, effectiveness varies at the national and sub-national level.

¹¹ NITI Aayog. (2018). Strategy for New India @ 75. Retrieved from - <https://niti.gov.in/strategy-new-india-75>.

¹² UNESCO. (2010). Education Counts: towards the Millennium Development Goals. Paris: UNESCO.

¹³ Credit Suisse Research Institute. (2018). Global Wealth Report 2018. Zurich: Switzerland. Retrieved from Credit Suisse - <https://www.credit-suisse.com/about-us/en/reports-research/global-wealth-report.html>.

India has made important strides towards addressing the Economic Gender Gap and improvements in the lives of women, girls, and sexual minorities over the last 20 years; however, women's workforce participation has declined particularly among urban educated women. Women's participation and leadership in government, business, and civil society is low relative to men. Women in India currently spend 352 minutes per day on unpaid work, compared to the 52 minutes spent by men. This chore gap is among the highest in the world.¹⁴ Gender-based violence (GBV) also exists. Gender inequality intersects with and exacerbates other forms of social exclusion based on caste, religious minority status, sexual identity, and disability. Lesbian, Gay, Bisexual, Transgender, and Intersex (LGBTI) and third gender persons experience stigma, discrimination, and violence with high costs in terms of health, and job and productivity losses. India has the highest absolute number of child brides in the world. Patriarchal norms of son preference, the dominance of male authority, and a strict division of labor in care and paid work exacerbate gender inequalities.

Most importantly to this CDCS is India's Poverty Rate, despite its thriving and vibrant economy. Poverty is an underlying issue that all future programs, projects, and activities used to implement this CDCS will need to tie themselves back to and will ultimately be a measure of USAID/India's success.

STRATEGIC TRANSITION PLANNING

By the end of the CDCS period, USAID expects several strategic and programmatic transitions to occur at various times and levels.

GENERAL DEVELOPMENT APPROACH

Previously, USAID's general approach was acutely focused on developing partnerships (particularly with local actors), innovation, and leverage. Using lessons learned from the last CDCS period, USAID/India will transition its approach to focus more on ensuring that domestic actors in India - both the public and private sectors - are able to finance self-reliance to address India's remaining development challenges (such as education, tuberculosis, water and sanitation, and pollution and its health impacts) in the most effective and productive ways. Partnerships, innovation, and leverage will continue; however, they are a means to different ends, including the establishment and transition of some programs to the U.S.-India Development Foundation (US-IDF) - a new development model that will at some point culminate as one of USAID's legacies in India and which mobilizes private sector resources to resolve India's remaining development challenges. When enacted in the near future, the US-IDF will be a flexible, new locally-registered entity strongly affiliated with USAID, that can:

- 1) implement the strategic use of development funding to catalyze private and commercial capital towards development objectives, including impact investing and CSR capital;
- 2) build and support key markets and market players through loans, grants, and other technical and financial support, including blended finance methods such as seed funding, first-loss capital, and operating support grants; and,
- 3) fill gaps in and build upon existing USAID initiatives and programs in ways that are complementary and additive to GOI efforts.

REDEFINING THE DEVELOPMENT RELATIONSHIP

USAID's relationship with the GOI will evolve during the CDCS period as USAID/India redefines not only how it collaborates with the GOI to scale-up successful tested concepts and mobilize domestic resources to fund Indian development issues, but also how USAID partners with the GOI on regional

¹⁴ OECD Database. Employment: Time spent in paid and unpaid work by sex. *OECD.Stat*. Paris: OECD.

development issues. For example, USAID/India will increase engagement with the Ministry of Corporate Affairs (MCA) to strengthen the effective implementation of India's Companies Act and the subsequent use of its corporate social responsibility (CSR) funds. USAID will also collaborate with the MCA on innovative and blended financing opportunities that the Ministry can adopt for its own needs. Similarly, USAID will increase collaboration with the Ministry of External Affairs' Development Partnership Administration (DPA). USAID recognizes that Non-Governmental Organizations (NGOs) are central to civil society and its role in the Journey to Self Reliance and will continue to partner with them as the development relationship is redefined.

PRIVATE SECTOR RELATIONSHIP

During the CDCS period, USAID will intensify its use of innovative private sector engagement models (see III. Strategic Approach for more information) in large part due to changes in the country context and India's innovative, complex, and diverse private sector, which allows for the use of pay-for-success models like impact bonds and blended finance through the social impact sector and commercial institutions. In 2013, the GOI mandated that companies of a certain size spend 2% of profits on "CSR," according to the guidelines established in Schedule VII of the Companies Act. While creating an opportunity to amass CSR resources, local development organizations face challenges accessing these funds, such as a lack of credibility, poor impact, and narrow development opportunities. USAID/India believes that the CSR law creates a unique opportunity for USAID to establish a new development model - the US-IDF - to work with the GOI and to engage with the private sector to leverage funds to implement development activities. While USAID will continue to pursue innovative partnerships in the lead up to the US-IDF's launch, it fully expects the US-IDF to model a new development approach to self-reliance by self-raising and programming funds in key development areas.

III. STRATEGIC APPROACH

USAID/India's strategic aims within the CDCS reflect a duality - one of domestically increasing self-reliance and responsible handover of programming to the GOI, the US-IDF, and other partners; and another of increased engagement to address regional issues. To implement these aims, several strategic approaches or themes have emerged as critical to accomplishing USAID's goals in this country context.

INCLUSIVE DEVELOPMENT

There are critical challenges - most importantly inclusive development - that need to be addressed in order to further the GOI's effectiveness to plan, finance, and implement solutions for India's continued development. USAID/India defines "inclusive development" in this CDCS as: "All stakeholders, including marginalized groups, who are excluded from mainstream development because of (but not limited to) their gender, ethnicity, age, caste, sexual orientation, disability, religion, cultural practices, or poverty are instrumental in the transformation of their own societies and need to be included throughout the development process to achieve better development outcomes." To illustrate, this strategy considers the gaps identified in poverty, health, and education as effectively a problem of inclusiveness in a country context where great wealth and social improvements are being created; however, these are not reaching large portions of the population, particularly women, girls, and minorities. As evidence of this, in 2017, 73% of the wealth generated went

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to the richest one percent, while 670 million Indians who comprise the poorest half of the population saw a meager one percent increase in their wealth.¹⁵ There is high demand for skilled workers by employers in the private sector and elsewhere, but because educational levels are low and unequal, it cannot be readily filled and prospects for economic and social advancement remain limited among the poor, women, and other marginalized people. Similarly, natural resource management and air pollution has an inclusiveness gap; certain populations have access to and control over natural resources to the detriment of others, resulting in displacement, poor health, and mortality. Furthermore, socially marginalized individuals are disproportionately affected by climate change, highlighting the need for inclusive development efforts to account for climate risks.¹⁶ Studies demonstrate that this type of inequality hampers long-term economic growth.¹⁷

India has achieved great strides in bridging the inequities created through the caste system; the GOI's *New India @ 75* strategy recognizes that these excluded groups based on caste should be brought at par with the rest of the population to accelerate their socio-economic development. Where feasible, USAID will include programmatic strategies to address all forms of stigma and discrimination issues including caste, in collaboration with community stakeholders and leadership.

By including all populations - men, women, youth, SCs, STs, persons with disabilities, LGBTI, and other minorities - in access to services, decision-making, and strengthened governance systems, USAID believes that a greater number of Indians can take part in India's development progress, therefore overcoming one of India's last mile development challenges and ensuring that all Indians are able to prosper. This CDCS has therefore intentionally shifted and elevated inclusive development from a cross-cutting issue to one which requires specific attention at every level of the strategy in order to achieve the goal statement.

PRIVATE SECTOR ENGAGEMENT (PSE)

Private sector engagement is the foundation to enterprise-led development in India and the cornerstone of USAID/India's strategic approach and overall business model. During the CDCS period, USAID will intensify its use of new private sector engagement models by convening industry, supporting enabling environment improvements, encouraging incubation/demonstration, and facilitating investment/finance.

USAID/India's approach to PSE:

- 1) Promotion of an enterprise-driven approach
- 2) Mobilization of private sector resources
- 3) Incubation and demonstration of new technologies, innovations, and research
- 4) Strengthening the enabling environment for private investment in target sectors

USAID/India has traditionally been a leader in innovative private sector partnerships, with both U.S. and local actors across a myriad of sectors such as health, WASH, energy, and women's empowerment. For example:

- In 2018, USAID established the public-private USAID-India End TB Alliance to guide the acceleration of innovative approaches to combat TB. In 2019, USAID and the Alliance launched a "Corporate TB Pledge" that encourages the private sector to increase resources to combat TB, raise awareness of TB as a curable disease, and, ultimately, improve TB health outcomes. Fifty-eight American companies (including Johnson & Johnson, Exxon Mobile, Lockheed Martin, Cepheid and Hewlett Packard

¹⁵ Oxfam India. (2019). *India: extreme inequality in numbers*. Retrieved from <https://www.oxfam.org/en/india-extreme-inequality-numbers>.

¹⁶ Islam, S. Nazrul and Winkel, John. (2017). *Climate Change and Social Inequality*. United Nations Department of Economic & Social Affairs Working Paper 152. New York, New York: United Nations.

¹⁷ Joseph Stiglitz, in "Inequality and Economic Growth," demonstrated that inequality creates economic instability, shortens potential growth spells, and weakens overall medium-term growth.

Enterprise) and Indian companies (including RJ Corp, GAIL India, NALCO, Bata India, the Oriental Bank of Commerce, and the Apollo Tyres Foundation) pledged resources to the Alliance. By adopting TB workplace policies, implementing TB workplace programs, and funding TB programs through corporate social responsibility resources, these companies will reach hundreds of thousands of people over the next few years.

- India has the world’s most ambitious renewable energy targets; however, the availability of capital for private sector renewable energy project developers continues to remain a challenge. Through USAID support on knowledge creation, market development, and capacity building, the GOI was able to launch the country’s now-flourishing Green Bond market, reaching \$7 billion by the end of 2018 and unlocking large amounts of capital for project developers to fund activities linked to clean energy.

Like inclusive development, this CDCS has intentionally shifted and elevated private sector engagement from a cross-cutting issue (as it is normally addressed) to a transformative principle on how USAID does business in India. In doing so, USAID/India not only desires to hold itself accountable on private sector engagement, but illustrates its belief that it cannot achieve CDCS objectives and goals without engaging the private sector.

This transformation is evident in the proposed US-India Development Foundation (US-IDF). USAID’s relationship with India has evolved in parallel to the country’s growth, and the Mission’s overall structure and programming has shifted over time to reflect the country’s development progress. The US-IDF, a proposed locally-registered entity strongly affiliated with USAID, would be well-suited to address key development challenges the Mission has identified, and has aligned with GOI priorities, in WASH, TB, air pollution, and basic education.

The proposed US-IDF not only represents a new way to partner with the Government of India, but also the vibrant private sector in India. It will address multiple strategic needs with both development and blended finance. On the activity level, the proposed US-IDF will provide crowd-in capital for innovation, incubation, and scale up. On the enabling environment level, the proposed US-IDF will support multi-stakeholder alliances and strategies to address key issues facing India’s development.

INDIA’S COMMITMENT AND LEADERSHIP

The GOI is the largest contributor to its development needs and accordingly takes ownership and responsibility for strategic development and implementation in all technical areas of development. Similarly, at the regional level, the GOI is a long-time partner supporting its neighbors’ development needs.

Indian civil society also plays a large role in accountability, public dialogue, public partnership, and service provision where government services are not able to meet all of the needs. As a provider of livelihoods, basic services, and other needs, civil society remains an important economic and social influencer on Indian society, completing the “picture” of India’s commitment to development leadership.

The GOI’s willingness to hold itself accountable, to self-fund development solutions, and to exercise responsible global leadership provides a unique opportunity within this CDCS to leverage common goals, resources, and comparative advantages in pursuit of further self-reliance in India, the South Asia region and globally. By integrating this strategic approach into its programs, USAID/India expects to more effectively support the GOI for the eventual scale-up and roll out of USAID’s tested development innovations and create a clear choice for partners in the region and globally.

OTHER STRATEGIC CONSIDERATIONS

USG PARTNERS

Other USG agencies are at work in India, many of which complement CDCS efforts. Below are some of those agencies and illustrative examples as to how they relate to the CDCS.

The Department of State, Foreign Commercial Service (FCS) and Trade and Development Agency (USTDA) seek private sector feedback on investment issues, identify U.S. technology and service providers, and disseminate investment opportunities within various sectors related to this CDCS, including energy, healthcare, digital technology, and others.

The Department of Energy's (DOE) knowledge of advanced energy technologies, national and sub-national energy policies, and energy experts through DOE labs will be leveraged by USAID to carry out technical assessments, increase knowledge exchange to advance deployment of energy systems, and extend diplomatic reach within the GOI for further host-country support and engagement in USAID's energy programs.

The Department of Health and Human Services' Centers for Disease Control and Prevention and National Institute of Health work towards developing new strategies to find a cure for MDR-TB, TB and TB-HIV. They strengthen surveillance systems to identify and target hot spots; transforming the world's approach to diagnosing TB among HIV positive people, and establishing best practices for treatment of drug-resistant TB.

The Office of the Global AIDS Coordinator (OGAC) oversees the President's Emergency Plan for AIDS Relief (PEPFAR) funding, providing technical assistance to the GOI National AIDS Control Organization for HIV testing services and treatment to at-risk hidden key populations.

The Department of State provides an array of assistance to Tibetan refugees and Tibetan organizations through several programs managed by the Bureau of Democracy, Human Rights and Labor Affairs; the Bureau of Population, Refugees, and Migration; and the Bureau of Educational and Cultural Affairs. These programs include Fulbright scholarships through the Tibetan Scholarship Program, institutional capacity building, governance and legislative strengthening, and immediate health and education assistance for recently arrived refugees.

OTHER DONORS

Other donors are at work in India, many of which complement CDCS efforts. Below are some of those donors and illustrative examples as to how their programs are related to the CDCS.

DONOR PRESENCE IN INDIA

DONOR NAME	AREAS OF FOCUS RELATING TO THE CDCS AND CDCS DO
World Health Organization (WHO)	Polio, TB, HIV/AIDS, Health Systems Strengthening, Air Pollution (DO1 and DO2)
United Nations Development Programme (UNDP)	Disaster risk management (DRM) and disaster risk reduction (DO3)
Asian Development Bank	Gender related issues and urban development (cross cutting)

The Joint United Nations Programme on HIV/AIDS	Human Rights and Civil Society Organization Capacity Building (DO1)
The Bill and Melinda Gates Foundation	Co investors in Urban Health, Innovations in Health and in the Digital Health Space (DO1)
The World Bank	TB (focused on the private sector) and the health impacts of air pollution (DO1 and DO2)
German Development Cooperation Agencies	Renewable Energy, Energy Efficiency, Environment, Urban Development, Natural Resource Management (DO1 and DO2)
Japan International Cooperation Agency (JICA)	Water and Sanitation, Power and Energy, Forestry, Urban and Regional Development (DO1 and DO3)
United Nations Children’s Fund	Reproductive and Child Health, Child Development and Nutrition, WASH, Quality Education, Adolescent Health, Social Inclusion, Disaster Risk Reduction (DO1 and DO3)

STRATEGIC COMMUNICATIONS AND OUTREACH

With Inclusive Development, Private Sector Engagement, and GOI Cooperation at its core, this CDCS places a premium on being able to effectively communicate USAID’s vision and accomplishments to a wide array of audiences. Not only does USAID/India want to raise awareness of its development programs, it actively seeks partners to become involved in development innovations, to demand and promote better service delivery, and take ownership of development transformations. While USAID will continue to promote traditional outreach methods, it will redefine and focus its strategic communications strategy to better pinpoint the audiences it seeks to influence, adapting its tools and messages to match.

IV. RESULTS FRAMEWORK

GOAL STATEMENT

USAID/India’s 2020-2024 CDCS Goal is “India Accelerates its Own Inclusive Development and Fosters Enhanced Regional Connectivity.” This goal statement is purposefully divided into two parts - “Inclusive Development” and “Regional Connectivity” - given the bifurcated nature of the proposed strategy and results framework, which will both have an internal India focus and an external regional focus.

USAID/India has invested heavily in the poverty reduction, health, and education for more than 20 years, yielding innovations, sustainable partnerships, and most importantly, gaining GOI support to adopt best practices and innovation and scale them up to the general population. Nevertheless, gaps continue to persist in several sectors. As stated in section *III. Strategic Approach*, USAID/India perceives these gaps as a problem of inclusiveness. Inversely, USAID/India believes that if these groups are included in development efforts, preventable child and maternal deaths will decrease, the basic literacy rate will improve for all, pollution-related mortality for all groups will decrease, multidimensional poverty will decrease, and the most impoverished in India will start to catch up to the development of the rest of the population. By building on innovations, past successes, and effective relationships, USAID believes that it can include all Indians in access to services, decision-making, and strengthened governance systems. The “low-hanging fruit” has already been picked in India concerning development progress in these key areas; USAID therefore wants to adapt its past successes towards reaching those that are not easy to find and that are habitually marginalized (intentionally or unintentionally), including them in the Indian growth miracle so that they too can benefit from increased self-reliance.

The Mission emphasized “Regional Connectivity” in the goal statement as an overarching term so that it could speak broadly to the efforts needed to operationalize the U.S. Government’s (USG’s) Indo-Pacific Vision by building government effectiveness in India and the Indo-Pacific region in a host of sectors that would benefit from more open, free, and transparent cross-border cooperation. Concretely, USAID believes that enhancing regional connectivity will improve not only India’s self-reliance, but also the self-reliance of other countries in the region. For example increased regional trade (through regional trade agreements, improved trade policies, and better trade regulations) and a more reliable supply of energy (harmonized regulations across countries, transmission networks) will increase economic growth within the region, as will improved cross border management of climate and geophysical risks, as well as natural resources vital to domestic economic development.

In large country contexts with finite development budgets, such as USAID/India, effective geographic targeting maximizes impact and, when appropriate, serves as a catalyst for host government scale up. USAID/India employs a people-focused (marginalized communities) geographic targeting approach, coupled with GOI priorities to identify suitable locations for activity interventions. Given this approach, activities are often implemented in multiple geographic locations and can be spread across the country.

DEVELOPMENT OBJECTIVE I

Entitled “Human Development of India’s Marginalized Populations Improved,” Development Objective (DO) I relates directly to the Goal Statement’s mention of “Inclusive Development.”

Development Hypothesis: “IF the use of quality services and the practice of healthy behaviors increases (IR 1.1); student’s reading skills improve (IR 1.2); the GOI’s effectiveness in education and health reforms is enhanced (IR 1.3); and private sector investment for improved health and education outcomes is bolstered (IR 1.4); THEN the human development of India’s marginalized populations will be improved (DO I).”

Development Hypothesis Narrative: DO I seeks to improve human development in India by addressing inequalities among the most marginalized populations in India. Despite India’s consistent GDP growth, the income of the poorest 40% of Indians is not growing as fast as the rest of the population. India ranks 158th out of 195 countries in the global ranking on human capital, largely due to low levels of health and education¹⁸ and low human capital has been linked to poorer GDP performance.¹⁹ India ranks 122 out of 162 countries in the UNDP’s Gender Inequality Index, highlighting the multi-dimensional challenges faced by women in marginalization populations.²⁰ Gender-based violence, affecting educational achievement and health outcomes, is a particularly significant challenge for women and girls in India. Attempts by marginalized and impoverished Indians to access quality health, WASH, and education services often pushes them into (or keeps them in) cycles of poverty due to the exorbitant cost of those services and inherent social exclusion or stigma, ultimately preventing them from productive participation in society and benefitting from the Indian growth story. Climate change will amplify these challenges.²¹ In a joint effort with the GOI (for later scale-up and roll-out across the country) and the

¹⁸ Lim, S. S. et al. (2018). Measuring human capital: a systematic analysis of 195 countries and territories, 1990–2016. *The Lancet*, 392 (10154), 1217-1234.

¹⁹ Countries in the top 25% of human capital improvement between 1990 and 2016 registered 1.1% higher annual GDP growth rate than those in the bottom 25%.

²⁰ UN Development Programme. (2019). “Inequalities in Human Development in the 21st Century. Briefing Note. India.” *United Nations Human Development Report 2019*. Retrieved from - http://hdr.undp.org/sites/all/themes/hdr_theme/country-notes/IND.pdf.

²¹ For example, due to rising temperatures, shifting precipitation patterns, and other factors, 21 Indian cities could run out of groundwater by 2020 and 40% of Indians may have no access to safe drinking water by 2030. See Niti Aayog (2018). Composite Water Management Index. Retrieved from - https://niti.gov.in/writereaddata/files/document_publication/2018-05-18-Water-index-Report_vS6B.pdf.

private sector (to determine private sector solutions, leverage resources, and bring innovation), USAID/India will implement innovative health, water, sanitation and hygiene (WASH), and education solutions for people who are typically denied full access to social and economic programs, whether in practice or in principle, for either historical, cultural, political, economic, or other contextual reasons. Activities will build upon prior successes, case studies, or will test new methods in a local context to determine best practices. Improving outcomes in these areas will help the marginalized break free (in targeted Indian states) from the cycle of poverty that currently maintains their exclusion and marginalization from productive participation in society and improve India's human development.

CONTRIBUTING TO THE JOURNEY TO SELF-RELIANCE

To support India on its path to self-reliance, this DO will ensure that all segments of the population are included in health and education development programs so that all can reap the benefits of India's development.

DOI will address six of the seven Country Roadmap metrics prioritized by the Mission for this CDCS period. Among these six, poverty rate is the most important metric for the Mission as it relates to the overall goal of the DO statement. While beyond the manageable interest of USAID/India, improvements in human development - specifically the ability of marginalized populations to access quality health and education services - should translate into improvements in the poverty rate. Secondly, Social Group Equality & Economic Gender Gap also relate to the DO statement and specific attention will be paid to ensuring that all social groups, including women, play an equal part in development (under this DO). The root causes of gender inequality, including GBV, will be considered across the Mission's portfolio. Education quality and child health (and maternal health and infectious diseases in general) are the metrics through which USAID/India expects to have the most direct impact; however, the Mission is cognizant that given its limited geographic scope, much will depend upon the ability of the government to implement wide-spread scale-up of the innovative interventions piloted in USAID programs.

Given its broad technical scope, DOI aligns with several GOI national initiatives and commitments:

- **National Health Mission 2017**, comprising the rural health mission and the newer urban health mission, promotes quality of care, and focuses on emerging diseases and investment in promotive and preventive healthcare, with a high degree of involvement from the private sector. In 2017, the GOI pledged to eliminate TB by 2025 and launched a bold **National Strategic Plan (NSP) for Tuberculosis (TB) Elimination** (2017–2025). The NSP remains ambitious, with the bulk of the burden for implementation shouldered by individual states.
- The first iteration of the **Swachh Bharat Mission (SBM)-Urban** from 2014-2019 was a GOI/Ministry of Housing and Urban Affairs (MOHUA) nation-wide campaign to eliminate open defecation through the construction of household-owned and community-owned toilets by October 2, 2019, the 150th birth anniversary of Mahatma Gandhi. The second iteration of SBM will be from 2020-2025 and will focus on fecal sludge management proliferation and sustainability.
- The **Atal Mission for Rejuvenation and Urban Transformation** is a GOI/MOHUA nationwide campaign to accelerate outcomes related to water supply and wastewater treatment and reuse in urban areas.
- The goal of the **Jal Shakti Ministry's National Mission for Clean Ganga/Namami Gange Program** is the effective abatement of pollution, conservation, and rejuvenation of the Ganges River Basin with a focus on eight states in northern India.

- Launched in 2014, **Padhe Bharat Badhe Bharat (Read India, Progress India)** is designed to improve comprehensive early reading, writing and early mathematics for children in Classes I and II.
- The **National AIDS Strategic Plan** (2017-2024) paves the way for an AIDS-free India and ensures sustainability through greater integration with the National Health Mission and hence, efficient resource utilization. It will result in a more efficient use of resources existent under health, including human resources, infrastructure, service centers, supply-chain and information systems.

DOI INTERMEDIATE RESULTS (IR)

Given USAID/India's prior work in health, WASH and education, its experience in innovating and testing technical development solutions in India, and its ability to mobilize both public and private financing to scale-up and roll out those development innovations, USAID is well placed to assist India in furthering its goals of human development for all population groups, in both rural and urban areas. DOI's IRs harmonize a variety of approaches to improve human development in health, WASH, and education that will require shifts at an individual, community, and societal level, all the while strengthening government institutions as well as catalyzing markets to respond to the health (including WASH) and education needs of Indians.

IR 1.1: USE OF QUALITY SERVICES AND HEALTHY BEHAVIORS INCREASED: To effectively increase the use of quality health services and increase healthy behaviors, USAID will invest in activities to support the GOI to improve supply (access), increase demand, and reduce social and financial barriers. This IR recognizes that rapid rates of urbanization require a differential approach towards any sustained health impact in urban areas. Throughout this IR, USAID will invest at the policy, community, and individual levels, addressing the entirety of health systems needed to improve the planning, development, and delivery of services. USAID programs will also apply significant resources and attention to ensure that social and financial barriers are mitigated, including gender-based violence and the harmful gender norms that perpetuate gender inequalities, so that all populations are able to access the quality services that they require.

IR 1.2: STUDENTS' READING SKILLS IMPROVED: Under this IR, USAID/India will focus on historical high performing programs, with an effort to consolidate and complement mechanisms that demonstrated substantial results in early grade reading (EGR). Moreover, USAID interventions will address the low rate of schooling that has led to illiteracy in India. Less than half of males aged six years and above have seven years of schooling as compared with 4.4 years for females. Poor, rural men and women and those in marginalized groups such as SCs and STs have even less schooling. Women in the lowest wealth quintile have no schooling. Main reasons for dropping out include "disinterest" (44% of boys and 25% of girls), affordability, work for income (boys) and stay at home (for girls), and marriage for girls (8.1%).²² To address these gaps, USAID/India will improve teachers' and other stakeholders' knowledge and skills on early literacy, support activities that develop and disseminate study materials available in native/local languages and State languages as required, to help children learn with ease, build the capacity of key state governments (as a pilot) to understand the role of children's literature in early grade literacy and formulate guidelines for selecting books for primary grade libraries, and support learning and action around the impacts of gender and social inequalities on learning.

IR 1.3: GOI EFFECTIVENESS IN EDUCATION AND HEALTH REFORMS ENHANCED: USAID will invest significant time and resources to collaborate with the GOI to scale-up and sustain innovations that USAID has successfully piloted in a variety of areas (early literacy, clean water and sanitation services, TB diagnosis and treatment, maternal and child health, reproductive health, family planning, and

²² International Institute for Population Sciences (IIPS). (2017). National Family Health Survey (NFHS-4), 2015-16: India.

HIV/AIDS). USAID cannot match the resources that India invests in these sectors; however, it can provide important assistance to render GOI interventions and scale-up more effectively. While certain innovations and practices will be scaled-up during the CDCS period, in some cases, the results of USAID's investments may not be seen during the life of this strategy. This is a limitation to USAID's adaptive management. Nonetheless, USAID has successfully piloted various interventions in health systems strengthening (supply chain management systems, health management information systems) that have been scaled up and institutionalized using GOI resources and health outcomes have improved in those targeted states better than the national averages for key indicators. Similarly, successful basic literacy models will be scaled up through NGO and government partnerships. The scale of work (geographies and students reached) as well as improved reading skills will be indicative of the success of the interventions.

IR 1.4: PRIVATE SECTOR ENGAGEMENT FOR IMPROVED HEALTH AND EDUCATION

OUTCOMES BOLSTERED: USAID will also increase private sector engagement and focus on the development of innovative financing models (such as the US-IDF) to leverage CSR and philanthropic funds, and accelerate other enterprise-driven solutions to address India's development challenges. Under this IR, USAID/India will seek to apply innovative financing solutions to cost-effectively deliver state-of-the-art products and services to improve health and education outcomes; harness CSR, grant capital, and philanthropic resources so that they can be applied towards USAID goals; support use of CSR funds to implement high-impact gender and socially inclusive projects; and leverage opportunities to catalyze business solutions for processes along the entire value chain of delivering health, WASH, and education outcomes, both in the public and the private sector.

DEVELOPMENT OBJECTIVE 2

Entitled "India's Efforts to Reduce Pollution and Address Pollution Health Impacts Enhanced," DO2 links to the goal statement's emphasis on "accelerating development," particularly reducing pollution and its health impacts so that self-reliance gains in economic productivity and poverty reduction are not lost due to poor natural resource management, strains on the healthcare system, and loss of human capital.

Development Hypothesis: "IF air pollution mitigation is improved (IR 2.1) and exposure to air pollution is reduced (IR 2.2), THEN India's efforts to reduce pollution and address pollution health impacts will be enhanced (DO 2)."

Development Hypothesis Narrative: The sources of air pollution are diverse and manifold. On an all-India, population-weighted basis, ambient fine particulate matter, PM_{2.5} (a subset of particulate matter emissions - liquid or solid droplets - that have diameters less than or equal to 2.5 micrometers and pose the greatest health risk), is made of the following sources: residential biomass; coal combustion; open burning; transportation; brick production; distributed diesel generation; and anthropogenic dust. Collectively, energy processes, ranging from biomass cooking, to power sector emissions due to fossil fuel combustion, and transportation, account for roughly 73% of anthropogenic sources of ambient PM_{2.5}, on a population-weighted and all-India basis.²³

Use of biomass for cooking creates indoor and ambient pollution and is a significant contributor to poor health and mortality. Residential biomass burning²⁴ was responsible for 267,700 deaths, or nearly 25% of the deaths attributable to PM_{2.5}, making it the largest anthropogenic source of PM_{2.5} related to

²³ GBD MAPS Working Group. (2018). Burden of Disease Attributable to Major Air Pollution Sources in India. Special Report 21. Boston, MA: Health Effects Institute.

²⁴ As of 2014, 42.7 percent of households in India relied on fuel wood, 38.1 percent on liquefied petroleum gas (LPG)/piped natural gas, 9.4 percent on dung cakes, and 5.9 percent on crop residue.

mortality in 2015.²⁵ Respiratory diseases are the second highest cause of death in India, and women and children are disproportionately affected. An estimated 800 million days of productive work are lost due to compromised health from indoor pollution. Delhi and other urban areas in India are subject to six times acceptable air pollution levels and half of all children in Delhi suffer from lung disease from air pollution.²⁶ Extreme heat induced by climate change will cause residents to consume more energy for cooling, increasing the amount of fossil fuels consumed and contributing to India's air pollution challenges. Additionally, the warmer climate will lead to the formation of secondary pollutants, like ozone.

Given the tremendous burden of air pollution in India - both in terms of financial and human lives lost - USAID/India considers that not addressing pollution and its health effects would ultimately be detrimental to USG and GOI development interests in India and the region. Essentially, the two IR's reflect the two ways to address air pollution and its health impacts that are within our manageable interest: (1) the amount of pollution generated by anthropogenic processes can be reduced AND (2) measures must be taken to minimize exposure to air pollution once it has been generated (particularly on human health). As such, efforts to reduce pollution from conventional energy sources and/or replace these with non-polluting energy sources are the primary ways to mitigate air pollution and climate change. Moreover, by addressing pollution in India through a mix of international and local, public and private stakeholders, USAID sets the stage for others to address the effects of air pollution in their countries sustainably. USAID/India has had considerable success in implementing behavior change, health, and energy programs; lessons learned and best practices will be used and applied to air pollution programs in order to achieve results under this DO.

CONTRIBUTING TO THE JOURNEY TO SELF-RELIANCE

DO2's approach is to identify and develop regulatory interventions for improved governance on air pollution mitigation; leverage innovation for actualizing mitigation and reducing exposure; and strengthen community governance systems to both drive pollution mitigation efforts and reduce pollution health impacts. DO2 will also harness Indian private sector, philanthropic, and corporate social responsibility resources to address pollution and its health impacts, and will eventually collaborate with the US-IDF to further leverage private sector resources. Furthermore, this DO will increase accountability and tools needed for effective regulations and controls, and a suite of interventions that reduce pollution through clean energy programs and interventions that better manage exposure to pollutants and reduce climate risks. DO2's technical approach to furthering India's J2SR is fully aligned with GOI priorities, particularly the newly launched National Clean Air Programme, which seeks to reduce two key measures of air pollution by 2024, as well as GOI commitments to shift to cleaner energy sources and by increasing forest cover from 24% to 33% by restoring or growing new forests on 6 million hectares.

As such, DO2 will directly address three Country Roadmap metrics - Biodiversity and Habitat Protection, Child Health (and health in general), and Government Effectiveness - and contribute indirectly to reducing Poverty Rate and Social Group Inequality. By taking into account: 1) the disproportionate and severe health effects of indoor pollution generated by biomass cooking fuels on poor rural and urban women, men, and children; 2) support for women's empowerment throughout the energy value chain; and 3) innovations that improve women's access to and use of clean energy products; DO2 will ensure that women, marginalized groups, and youth are more meaningfully engaged

²⁵ GBD MAPS Working Group. (2018). Burden of Disease Attributable to Major Air Pollution Sources in India. Special Report 21. Boston, MA: Health Effects Institute.

²⁶ Dhaor, Ashni. (2015). "Delhi children suffer from lung damage as pollution levels spike daily." *Hindustan Times*. 4 June. [Online] Available at: <http://www.hindustantimes.com/delhi-news/delhi-children-suffer-from-lung-damage-as-pollution-levels-spike-daily/story-MVLPblwIOROc7dE7Cr0ie.html>

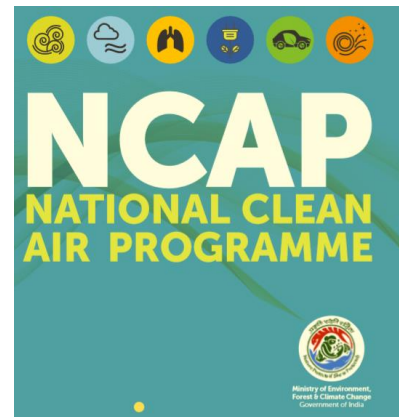
as actors in efforts to prioritize and address the challenges of pollution, reducing social group inequality and narrowing the economic gender gap.

DO2 INTERMEDIATE RESULTS (IR)

Given USAID/India's prior work in energy, its experience in building consensus and partnerships, and its ability to rally subject matter experts on pollution, USAID is well placed to assist India in furthering its goals of pollution reduction and abating the effects of pollution on its population. DO2's IRs are institutional approaches among three major stakeholders - communities, government, and the private sector - to build capacity, mobilize resources, and strengthen policy for change on pollution.

IR 2.1: AIR POLLUTION MITIGATION IMPROVED: To effectively improve air pollution mitigation in India, IR 2.1 links policies, evidence/science, behavior change, technology, and the private sector together in an effort to consolidate the knowledge, means, and demand for reducing air pollution.

- **Knowledge:** Air pollution mitigation begins with linking science to action. USAID will improve the capacity of GOI regulators to assess the appropriate courses of action to reduce air pollution, the required regulations for implementation, and measures for enforcement. A part of this knowledge will be examining the multiple benefits of sustainable landscapes, including reduced greenhouse gas emissions and mitigated air pollution impacts, both directly and indirectly. USAID will convene a wide variety of stakeholders, including private sector emitters, regulators, and communities.
- **Means:** USAID will engage with the private sector to identify and deploy infrastructure or technology inputs needed to mitigate air pollution.
- **Demand:** To change behavior and practices related to emissions, USAID will work at both the individual and community levels as well as at the policy level. USAID will also work with GOI counterparts to accelerate deployment of non-polluting energy sources such as renewable energy.



IR 2.2: EXPOSURE TO AIR POLLUTION REDUCED: With one of the world's highest rates of premature mortality due to air pollution, this IR seeks to counter the rise in non-communicable diseases typically associated with air pollution, including stroke, heart attack, lung cancer and chronic lung disease. These health impacts of air pollution are exacerbated by increasing temperatures driven by climate change. Reducing exposure to air pollution can strengthen resilience to climate impacts. To improve the use of empirical evidence tailored to the individual's ability to act on that evidence, USAID will work with a variety of health professionals to translate research into action so that evidence can inform the advice that health professionals give to patients, or how behavior may need to be altered to reduce their exposure. Efforts will also address the severe effects of indoor health pollution on women and families and will focus on people who have challenges benefitting from our programs. USAID will leverage behavior change experience at the individual, community, and policy levels and expand USAID/India's current health programming to more effectively incorporate environmental health.

DEVELOPMENT OBJECTIVE 3

Entitled "Sustainable Economic Growth and Development in the Region Enhanced," DO3 is the driving

force behind the Goal Statement’s reference to fostering enhanced connectivity across countries.

Development Hypothesis: “IF India’s development collaboration is advanced (IR 3.1), and regional economic growth systems are strengthened (IR 3.2), and regional natural resource management is improved (IR 3.3); THEN sustainable economic growth and development in the region will be enhanced (DO 3).”

Development Hypothesis Narrative: The DO’s underlying approach is to support the GOI’s to engage in and finance development activities across the region and globally, recognizing that there are significant social, cultural, historical, and gender barriers inherent in all these sectors (e.g., energy, DRM, digital connectivity, cross-border trade, access to finance and investment) throughout the region that must be addressed. By addressing key regional systems and issues that hinder continued economic growth and development, USAID believes that it will be able to influence sustainable growth for countries in the region, all the while promoting stability and transparency.

While DO3 will measure its success through economic growth and development in South Asia, many of the interventions proposed in this DO will have wide ranging benefits beyond the South Asia region, whether it be bolstering partnerships with the GOI in Africa, improving the enabling environment for foreign investment, or reducing transnational environmental crime, among others.

CONTRIBUTING TO THE JOURNEY TO SELF RELIANCE

DO3 is specifically designed to improve Government Effectiveness through enhanced collaboration to support Indian leadership and external assistance; however, it will also increase self-reliance across different countries within the region, through various connectivity programs in energy, digital technology, trade, environmental protection, infrastructure safeguards, and climate and disaster risk management. USAID will collaborate with India in its role as a development leader supporting regional connectivity in line with the USG’s Indo-Pacific Vision and South Asia Strategy.

DO3 INTERMEDIATE RESULTS (IRS)

Given USAID/India’s history of programming and partnering with the GOI on development assistance and its experience in building partnerships throughout the region, and globally, USAID is well placed to build upon previous work to establish joint development partnerships in third countries. DO3’s IRs are based on proven effective programming and leverage India’s experience to advance the GOI’s objective of becoming a leading development partner globally.

IR 3.1: INDIA’S DEVELOPMENT COLLABORATION ENHANCED: To effectively enhance India’s development collaboration in the region and globally, IR 3.1 leverages both USAID’s and India’s comparative advantages and achievements to improve economic outcomes in the region. Under this IR, USAID/India will collaborate with India’s Development Partnership Administration (DPA) to provide technical assistance to countries (regionally and globally) in a variety of areas, including: energy; natural resource management; digital technology and connectivity; trade and competitiveness; democracy and governance; agriculture; health; gender equality; and disaster risk management. USAID will also facilitate partnerships with USAID Missions in other countries where DPA is interested in amplifying its work. USAID will provide support to India and countries in the region to be better prepared and more resilient to the impact of disasters. USAID aims to: i) reduce climate and disaster risks by enhancing institutional capacities; ii) improve disaster risk reduction knowledge management; iii) help South Asian countries to mainstream disaster risk management into development planning; and iv) support establishing the Coalition for Disaster Resilient Infrastructure (CDRI) to serve as a platform to generate

and exchange knowledge on different aspects of disaster and climate resilient infrastructure with country representatives in the region and globally.

Across this DO's IRs, USAID will promote internationally-accepted standards-based competition to attract foreign direct investment and spur intra-regional investment. USAID will identify and create partnerships with private sector enterprises across multiple industries, whether headquartered in the U.S. or the Indo-Pacific region, with unique skills, technologies, and/or expertise that desire to act as leaders in addressing development challenges in the region. Throughout this work, USAID will make explicit our commitment to and requirements for gender and social inclusion.

IR 3.2: REGIONAL ECONOMIC GROWTH SYSTEMS STRENGTHENED: To achieve the USG's vision for a free, open, and secure Indo-Pacific region, in which all nations are independent, strong, and prosperous, USAID will improve open trade, investment, and connectivity. This IR addresses constraints on the region's commercial competitiveness and will aim to strengthen intraregional connectivity to bolster economic growth by: building the capacity of partner governments; promoting women-led businesses' engagement in regional trade; facilitating business-to-business ties; and promoting free, fair, and reciprocal trade. Specifically:

- USAID/India will support the USG's Digital Connectivity and Cybersecurity Partnership to enhance the capacity of countries in the region to implement and regulate digital economy standards, consistent with international best practices, and partner with the private sector on innovative digital approaches to address common development challenges, including cyber hygiene and upskilling, online GBV, and gender inequities in digital literacy and access.
- USAID/India will strengthen South Asia's interconnectivity, working with USAID Missions in the region to promote commerce and investment, mobilize financial services, support digital financial inclusion, and improve private sector competitiveness by: aligning legal, regulatory, and policy frameworks to facilitate cross border trade, clarifying import and export compliance requirements, reducing barriers to doing business, and strengthening regulatory capacity.
- With the region's annual infrastructure investments falling far short of what is required, USAID/India will strengthen Indo-Pacific governments' ability to implement and manage sustainable, transparent, and high-quality resilient infrastructure projects by supporting transparent procurement processes, assisting in prioritizing public-private partnerships in infrastructure, and implementing activities to support domestic resource mobilization.

IR 3.3: REGIONAL NATURAL RESOURCE MANAGEMENT IMPROVED: As part of USAID's strategic approach to advancing America's vision for a free and open Indo-Pacific, USAID will accelerate energy sector transformation, advance environmental safeguards, and reduce transnational environmental crime. This IR aims to strengthen intra-regional connectivity to advance natural resource management by: building the capacity of partner governments, strengthening legal frameworks for natural resource management, and ensuring enforcement of environmental safeguards; fostering private sector engagement on sustainable supply chains, energy sector transformation, and safeguards; promoting the adoption of international environmental standards; and supporting water and energy security, as well as legal and sustainable forestry and fishing. Specifically:

- USAID/India will support the USG's Asia EDGE (Enhancing Development and Growth through Energy) initiative to assist countries in the South Asia region to scale up USAID's work to develop integrated, smart, secure, profitable and stable energy sectors; promote utility modernization through digitization and performance enhancement; foster regional energy connectivity; attract

increased levels of private sector investment; and accelerate the adoption of regional and bilateral competitive energy markets that will increase Asian households' and businesses' access to power.

- USAID/India will assist partner countries to formulate and implement environmental safeguards, which will help protect valuable natural resources, support economic growth and improve governance.
- USAID/India will support activities to combat wildlife poaching and trafficking, and illegal logging.

SPECIAL OBJECTIVE

USAID/India has created a special objective (SO) entitled “Economic and Cultural Resilience of Tibetan Communities in India and Nepal Strengthened” to capture a recurring earmark for the Tibetan communities in India and Nepal. Rather than continue to treat Tibetan communities' funding and programs as an outlier, this CDCS is proactive in incorporating, defining, and measuring assistance to Tibetan communities. While this assistance does not directly relate to the CDCS goal statement, it supports the USG's commitment to assist Tibetans to achieve their goal of self-reliance and sustainability as outlined under the Central Tibetan Administration's Five-Fifty Vision.

Since the Dalai Lama fled from Tibet to India in 1959, the GOI has maintained a policy of accepting Tibetan refugees and provided land in various States where these refugees could establish formal settlements. Since that time, refugees have also fled Tibet for Nepal and Bhutan, and various settlements were established for them there. Currently, more than 100,000 Tibetan refugees live in India and Nepal, mostly in 39 settlements. The settlements provide shelter and livelihoods, and preserve Tibetan culture and national identity.

Development Hypothesis: “IF sustainable livelihoods are improved (IR 1), and Tibetan institutions and cultural heritage are strengthened (IR 2), THEN the economic and cultural resilience of Tibetan communities in India and Nepal are strengthened (SO).”

Development Hypothesis Narrative: Recent trends are exacerbating the sustainability of the settlements and the ability of Tibetan refugees to preserve their culture and national identity. More refugees are moving from the settlements to the major cities of India and Nepal or are moving from India and Nepal to Europe or North America. Also, the number of refugees fleeing the Tibetan plateau has declined for various reasons. As a result of these trends, the population in the settlements is in significant and rapid decline, especially among young families and working age adults. Meanwhile, global attention on Tibetan independence and autonomy has diminished since peaking in the 1990s and anecdotal evidence suggests that external donations to organizations working on these issues have also declined.

Additionally, the integrity and stability of the institution of the Dalai Lama - the importance of which to Tibetan society, culture and politics cannot be overstated - is in question given his advancing age. This is particularly important because it underscores the urgent need to strengthen the ability of the Central Tibetan Administration (CTA) to act as a leader for Tibetan refugees and potentially for Tibetans in Tibet who currently do not have a strong connection to their government in exile. Although the Dalai Lama abdicated all political power to the democratically elected leadership of the CTA in 2011, there may be political instability once he is gone.

By improving livelihoods and strengthening local Tibetan institutions, USAID/India believes that it can counter the outflow of migration from Tibetan settlements, reinforce local institutions to preserve and defend Tibetan culture, and strengthen the overall management and sustainability of Tibetan governing institutions.

CONTRIBUTING TO THE JOURNEY TO SELF-RELIANCE

As the population size of Tibetan settlements is small relative to the populations of the two main host countries (94,203 Tibetans in India and 13,514 in Nepal) this SO will have no direct contribution to either Nepal or India's J2SR. However, while there is no Country Roadmap for these communities, the J2SR provides a useful framework for discussing how the SO will interact with Tibetan exile communities, and is illustrated in the IR sections.

The CTA currently operates under a policy framework known as the "Five-Fifty Vision" which calls for maximizing efforts to resolve the Tibet issue in five years based on the Middle Way Approach while ensuring the CTA's resilience to sustain the Tibetan freedom struggle and preserve Tibetan culture for the next fifty years if needed. The Five-Fifty Vision is concerned with sustaining Tibetan culture, strengthening Tibetan education, improving Tibetan public health, and improving the economic development of the Tibetan exile community.

SPECIAL OBJECTIVE INTERMEDIATE RESULTS (IRS)

The SO has two IRs which will: 1) support an integrated multi-sector approach toward livelihoods development combining strategies to increase household incomes and reduce underemployment, improve basic education quality, increase access to higher education, and improve community health; and 2) strengthen key Tibetan institutions essential to ensuring continuity of effective development strategies and long-term impact on community self-reliance and resilience.

IR 1: SUSTAINABLE LIVELIHOODS IMPROVED: This IR links together two intertwined aspects of improved livelihoods - economic opportunity and human capital - all the while tethering investments and needs back to local communities and incorporating gender empowerment in project design and implementation.

- To increase economic opportunity, USAID will promote skill development, entrepreneurship promotion, agribusiness development and increasing access to finance. Investments in this will be community focused to improve the coherence of settlements, contribute to cultural preservation, and counter emigration from settlements to the rest of India or abroad.
- To improve human capital - education and health - USAID/India will work closely with the CTA's Department of Education and Department of Health to improve basic and higher education policies, infrastructure, and outcomes; and strengthen health systems, health financing, and service delivery.

Given the vast differences in Tibetan refugee communities across India and Nepal, USAID will integrate community-based planning throughout this Special Objective to maximize local participation and ownership of the development process. USAID/India will actively solicit community and beneficiary input from the various stakeholder groups within Tibetan settlements for each activity or sub-activity with a special emphasis on incorporating gender perspectives in the design, implementation, and monitoring of all program activities.

IR 2: TIBETAN INSTITUTIONS AND HERITAGE STRENGTHENED: Strengthening Tibetan institutions and the cultural heritage of Tibetan refugee communities is important to shore up the sustainability of other investments in IR 1 to improve the resiliency of Tibetan communities, and preserves and maintains Tibetan identity from those that wish to weaken it. With recent developments in Tibet and the demographic changes within Tibetan refugee communities, sustaining Tibetan culture has become a critical challenge. Fewer Tibetans are joining monastic institutions or pursuing traditional

Tibetan arts and crafts; there has been a disturbing decline in the use of Tibetan language among Tibetan families and in a broad range of social, educational, and livelihood situations while living in exile. IR 2 will strengthen the Tibetan institutions critical to ensuring the continuity of development strategies and long-term impact on community self-reliance and resilience, focusing in particular on the CTA, partner organizations affiliated with the CTA, and institutions contributing to community resilience through culture preservation. USAID will bolster the CTA's institutional capacity, effectiveness, and sustainability as it is critical for the efficient delivery of services to Tibetan refugees and to achieve community self-reliance over the long term. USAID/India will also support a myriad of cultural institutions to improve their performance skills, develop cultural and performance curricula, improve multimedia equipment, build and improve libraries, strengthen museum curation, and provide small grants to individual artists and small cultural organizations. Finally, USAID/India will improve the ability of CTA institutions to manage external resources, in particular from bilateral and multilateral development partners, in accordance with international best practices and the procedural and regulatory frameworks of those partners, so that the CTA is better able to secure external resources.

V. MONITORING, EVALUATION, AND LEARNING

USAID/India will adopt Collaborating, Learning and Adapting (CLA) principles and approaches throughout the CDCS period to generate and share learning for adaptive management, and facilitate effective collaboration with the GOI, private sector, and civil society to assist in the Mission's understanding and planning for furthering India on the J2SR.

In order to ensure that the Mission is advancing toward these goals and to understand the impact of its various activities, USAID/India will develop and implement a robust Monitoring, Evaluation, and Learning (MEL) strategy that will guide the implementation of the CDCS and ensure learning and adaptation as needed. The strategy will foster a results-oriented learning culture consistent with USAID's CLA and Evaluation policies. The Mission will adapt its implementation approaches by redefining and operationalizing strategic frameworks to inform the new CDCS, such as the J2SR and Private Sector Engagement policy.

As a first step towards setting up a MEL strategy for the CDCS, the Mission will develop a Performance Management Plan (PMP) consisting of three components. The Mission will update the PMP continually over the life of the CDCS taking into consideration the design of new and amended projects and activities to ensure plans are in place for effective monitoring, evaluation, and organizational learning.

1. The monitoring component will include performance indicators, baseline and targets, including J2SR monitoring with context indicators to verify the Results Framework's assumptions and risks. The Mission will use its Geographic Information System (GIS) in close coordination with the overall MEL process to link data collection, analysis, and visualization services with assessments, portfolio reviews, and annual Performance Plan and Report. This will strengthen the Mission's ability to effectively design, implement, evaluate, monitor, and learn from development programming and clearly communicate its impact. Innovative data analysis and various maps and graphics will use geographic data to assist USAID/India in understanding, acting upon, and communicating information related to a range of development topics internally and externally.
2. The evaluation component will develop and implement a multi-year evaluation plan for assessing the effectiveness of outcomes, scale-up and sustainability of CDCS interventions, including progress towards achieving J2SR. Evaluation studies will test the development hypotheses that the Mission has postulated and whether it has successfully facilitated inclusive and innovative

solutions, partnerships with the private sector, leveraging of resources, and regional cooperation. The Mission will evaluate the effectiveness, efficiency and outcome of its interventions for the Indo-Pacific Vision and regional cooperation, and revise its strategy based on the results.

3. The CLA component will include a comprehensive plan outlining knowledge management for learning and adaptive management. In addition, the Mission will continuously review information and data pertaining to various activities and approaches through portfolio reviews, implementing partner workshops, GOI review meetings, pause and reflect sessions, and mid-course stocktaking of the CDCS. CLA will also assess whether climate risk management measures are effectively safeguarding investments or adjustments are needed.