

What is a cooperative?

- A cooperative is an autonomous association of persons, united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise.

History of Cooperatives in India

- The introduction of the Co-operative Credit Societies Act in 1904 marked the commencement of the cooperative movement in the country. The goal, as specified in the preamble of this Act, was to boost thrift, self-help and co-operation amongst farmers, artisans and persons of limited means.
- However, the movement did not make the progress expected of it. By 1911, there were only 8,177 credit societies consisting of around 4 lakh members throughout the country, with a share capital of around Rs. 50.5 lakh. This concern pushed the government to take stock of the circumstances, and a committee headed by Sir Edward Maclagan, was appointed in 1915, to study and report whether the cooperative movement was proceeding on reasonable and financially sound lines.
- The Committee submitted its Report in 1915 and it resulted in reorganisation and thorough overhauling of the whole administration of Co-operatives. An attempt was made to get rid of societies which did not live up to the ideals of co-operation, and in particular, to insist upon prompt repayments.
- Under the Reforms Act of 1919, co-operation became a transferred subject with the result, that the control and course of the movement passed completely into the hands of the new Provincial Governments. This gave the movement the advantage of greater flexibility since it could now be modified in accordance with the needs of every province.
- Thereafter, the Government in the year 1945 appointed the Cooperative Planning Committee to draw up a plan of cooperative development in the country.

- A distinct shift in cooperative guidelines happened in 1958 when the National Development Council passed a resolution, which in effect, led to 'the rejection of the old large-sized credit society and the emergence of small sized 'Service Cooperatives'.

Need for Cooperatives in Agriculture

- Lack of sufficient numbers significantly reduces the bargaining power of small and marginal farmers both in case of input procurement as well as sale of produce.
- Small and marginal farmers require agricultural inputs in small quantities, which they procure from local traders at a considerably higher price than the wholesale rate. Most of the times, inferior quality of these inputs further aggravates the problem.
- Often for small and marginal farmers transporting small quantities of produce to urban markets is not a feasible option, and they end up selling their produce (most often perishable produces) to local traders at lower prices than normal.
- Lack of techniques for access to credit and insurance services and vulnerability to several forms of risks (climate change, pests and other risks) complicate the scenario for small and marginal farmers in India.

Different types of agricultural cooperative societies

1. **Farming Cooperative Societies:** Planning Commission proposed the idea to pool the land owned by small farmers for joint management. The proposed approach was either to retain individual ownership of the land and lease to the cooperative or transfer land ownership to the cooperative and collect shares worth the value of the land. The Cooperative could then pool the holdings for land improvement and intensive cultivation, using modern technologies. These farming cooperatives were supported financially to develop land and water resources.

2. **Agricultural Processing Cooperatives**: cooperatives for sugar processing, paddy milling, groundnut decorticating, copra and oil seed crushing, processing of fruit, vegetables, tea and jute have been established in India. These processing cooperatives with individual farmers, cooperative marketing societies and local service cooperatives as members are regulated under the cooperative rules and by-laws.
3. **Agricultural Marketing Societies**: Establishment of marketing cooperatives was encouraged to provide marketing facilities to small farmers. The anticipated advantages were increase in bargaining strength of farmers, removal of intermediaries and direct interaction with consumers. There was also scope for availing credit and cheaper transport, storage facilities, grading and processing of agricultural produce to fetch better prices.
 - a. **The National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED)** was established in 1958 for promoting cooperative marketing of agricultural produce. NAFED procure food grains, pulses, oilseeds, spices, cotton, tribal produce, jute products, eggs, fresh fruits and vegetables from farmers through its cooperative network in selected areas whenever farmers have faced problems of marketing their produce as manifest in low remunerative in the market.
 - b. **The Indian Farmers' Fertiliser Cooperative Limited (IFFCO)** was established in 1967 to produce and distribute fertilisers through cooperatives. Presently, over 40,000 cooperative societies are members of IFFCO.
4. **Agricultural Service Cooperatives**: Cooperatives play an important role in disbursement of agricultural credit. These cooperatives have been aiming at increasing agricultural production through credit supply to agricultural producers, agricultural labourers, artisans, supply of agricultural inputs, arranging storage, marketing and processing of agricultural produce, arranging raw materials for industries and providing technical guidance, while promoting social and economic welfare.

- a. The **Primary Agricultural Cooperative Credit Society (PACS)** at the village level is the base for many of these activities. They federate into Central Cooperative Bank at the district level (DCCB) and further into Apex Bank at State level.

Benefits of Cooperatives

- **Information and Farm Advisory Centre:** Cooperatives can play an effective role in providing extension and advisory services for crop cultivation and animal husbandry, fishery and aqua-culture.
- **Market Led Extension:** Cooperative personnel can be trained for linking farmer produce to the market.
- **Value Creation, Processing and Branding:** Individual farmers can be organized through cooperatives to go for value creation and brand building of their produce. Farmers can bring their produce to cooperatives for value addition and market integration.
- **Storage and Warehousing:** Warehousing of agricultural produce and inputs can be effectively done by the cooperatives as they present at village level and are in close proximity to the farmer fields.
- **Better Market Price Realisation:** Cooperative registered warehouse can act as a mandi (market) or hub for shifting produce, physical grading, cold-chains for perishables, etc. so that better price realisation of farmers produce is possible. Farm produce can further be assayed for export purpose.
- **Soil-Water-Seed-Fertiliser Testing:** Cooperatives can be provide accredited services for soil testing, water testing, seed and fertilizer testing, etc. This will help farmers get assured product quality for higher crop yields and also diversification of business cooperatives.
- **Farm Machinery and also Other Facilities for Custom Hiring:** Cooperatives can provide custom hiring services for farm mechanisation. They can also tender their services for farmers for transportation of their farm produce.

Successful Cooperatives in India

- Maharashtra has been home to some successful cooperative movements in agriculture, with the strong emergence of sugarcane farming and sugar production cooperatives, as well as in consolidation of cooperative credit banking system.
- The dairy cooperative is another success story in India. The Anand model for cooperative milk marketing in Gujarat launched in the year 1946, with its well-recognized Amul brand, provided later the blueprint for replicating its success elsewhere under the National Dairy Development Board program, contributing to the success of Operation Flood.
- In case of fertilizer production and distribution, the Indian Farmers Fertilizer Cooperative (IFFCO) controls over 35 per cent of the market.
- In the production of sugar, the cooperative share of the market is 58 per cent, while in the marketing and distribution of cotton it is 60 per cent. Cooperative sector accounts for 55 per cent of the production in the hand-woven textiles sector, whereas cooperative marketing and distribution channels account for 50 per cent of the edible oil market in India.

Major areas of concern

1. **Government interference:** Right from the beginning, the cooperative movement in India has been patronized by the government, which also provided a window for interference. Cooperative institutions were treated as if they were part and parcel of the administrative set up of the government making such intrusion an indispensable element in working of these institutions. Also, often cooperative societies are enforced upon the people irrespective of their desire or willingness for such togetherness. This top down approach has only brought about increase in number of members, while compromising the cooperative spirit.

2. **Mismanagement and manipulation:** The essence of the cooperative movement is that it gives the farmers the status of shareholders and assures them of agricultural, educational and medical facilities. Over the years, this truly democratic idea got corrupted and farmers with larger holdings grew more powerful. A more disturbing trend, however, was the domination of co-operative institutions by group politics. Various other parochial interest associate into its vitals. The result was that either a society did not do much work or there was favouritism and nepotism in the grant of loans restricting the benefits to favoured members. There were instances where members of rival faction persuaded people not to repay their dues.
3. **Lack of awareness:** People are not well informed about the objectives of the movement, the contributions it can make in rebuilding the society and the rules and regulations of cooperative institutions. Members did not understand and appreciate the aims, objectives, and the possibilities of the coopeartives. Lack of education, politics of the village, caste-ridden elections to the offices of cooperative societies, bureaucratic attitudes of the government officers, particularly, at the lower rank are some of the hurdles in diffusion of right information and spread of cooperative spirit.
4. **Restricted coverage:** The cooperative movement has also suffered on account of two important limitations in its working.
 - a. One, is that the **size of these societies has been very small**. Most of these societies are confined to a few members and their operations extend to only one or two villages. As a result, their resources remain limited, which makes it impossible for them to expand their means and extend their operations.
 - b. Two, most of the societies have been **single purpose societies**, rendering them unable to take a total view of the persons seeking help, nor be able to analyse and solve problems from different angles.
5. **Functional weakness:** The cooperative movement has suffered from **inadequacy of trained personnel** right from its inception. As a consequence, often co-operative institutions suffered with issues

such as the **lack of proper accounting, irregularities of loans, maintenance of records** etc. Despite the introduction of training programme, the quality of staff in the co-operative institutions has failed to attain high standard of efficiency.

Farmer Producer Organizations

- **Cooperatives being traditional in structure, lack linkages with buyers, input suppliers**, etc., who are vital actors across the larger supply chain. This undermines long term sustainability of cooperatives. Thus came a new **form of collectives called Farmer Producer Organisations (FPOs)** to address the challenges faced by the small and marginal farmers, particularly those to do with enhanced access to investments, technological advancements, and efficient inputs and market.
- The basic purpose envisioned for the FPOs is to **collectivise the small farmers for backward linkage** for inputs like seeds, fertilizers, credit, insurance, knowledge and extension services; and **forward linkages** such as collective marketing, processing, and market-led agriculture production.
- While cooperatives entail benefits to farmers via state intervention, FPOs are perceived to empower farmers **through collective bargaining along with imparting an entrepreneurial quality** to farming, which otherwise is practised as a subsistence, particularly by the small and marginal farmers.

Benefits provided

Major services delivery by FPOs leverage the **benefits of economics of scale for both production and marketing** enabling more efficient production and better price discovery. Some of the major services that is being delivered are as follows:

- **Farm inputs:** The FPO buys essential inputs such as seed, fertilizer, pesticide in bulk and sells through its retail outlet. The inputs are sold to the members at a price which is far below the market price and thereby help the member farmers to reduce the cost of inputs.
- **Custom Hiring Centre:** To address the ever increasing cost of farming by small and marginal farmers many FPOs have established Custom Hiring Centres with assistance from Central/ State Schemes on farm machinery. The FPOs rent out machineries and implements to members at affordable cost (much below the cost charged by private players).
- **Output market linkage:** Many FPOs have succeeded in creating market linkages for their produce. FPOs have tied with major retailers for selling their produce and have succeeded in getting remunerative prices for their produce. Besides, many FPOs, with assistance from State Government, have established retail outlets for marketing their produce. Some of the FPOs have also gone ahead with value addition, processing and branding of their produce.

Government Measures to promote FPOs

1. **The Small Farmers Agri-business Consortium (SFAC)** mandated by Department of Agriculture, Cooperation and Farmers Welfare, Ministry of Agriculture and Farmers Welfare, Govt. of India, supports the state governments in the formation of Farmer Producer Organisations (FPOs). Besides providing initial grant, it also provides venture capital assistance.
2. **Central Sector Scheme of “Formation and Promotion of 10,000 Farmers Produce Organization (FPOs)”** under which professional handholding support is to be provided for a period of five years to the new FPOs formed under the scheme. Provision of financial assistance to the tune of Rs.18 lakhs to each FPOs under the scheme towards establishment cost for 3 years has been made.
 - a. In addition to this, provision has been made for matching equity grant upto Rs. 2,000 per farmer member of FPO with a limit of Rs. 15.00 lakh per FPO and a credit guarantee facility upto Rs. 2 crore of project loan per FPO from eligible lending

institution to ensure institutional credit accessibility to FPOs. Suitable provision for skill buildings of the FPOs has been made.

3. Under Deendayal Antyodaya Yojana- National Rural Livelihood Mission (DAY-NRLM), Ministry of Rural Development, Government of India, had been **promoting FPOs by mobilizing farmers, building market linkages through a value chain development approach for farm based livelihood is an important strategy under this mission.** DAY-NRLM has promoted 177 FPOs in the country.
4. **National Bank for Agriculture and Rural Development (NABARD)** has been also promoting FPOs in the States.
 - a. NABARD had set up dedicated Funds, viz., **Producers Organization Development Fund and PRODUCE** and so far promoted 4878 FPOs. During 2020-21, NABARD promoted 394 FPOs and provided grant assistance of Rs 38.41 crore leading to a cumulative grant support of Rs 244.40 crore.
 - b. Subsidiary NABKISAN complements NABARD's efforts in formation and nurturing of FPOs by sanctioning credit facilities to the tune of Rs 108 crore to 365 FPOs both directly and indirectly. Cumulatively, NABKISAN has supported 675 FPOs directly and 400 FPOs indirectly so far and in the process carved out a niche for itself as the largest lender in the FPO ecosystem.

Types of Farmer Producer Organizations

Farmers can be mobilised into farmer producers organisations (FPOs) through different instruments. These include:

- FPOs registered under Societies Act.
- FPOs registered under State Cooperatives Act. □ FPOs registered under Indian Companies Act.

FPOs registered under the Companies Act are called as farmer producers companies (FPCs). These are a hybrid that combine the strength of cooperatives and companies. FPCs stand to benefit from the collective spirit of a cooperative society and management flexibility of a private company.

Challenges and Issues in Building Robust FPOs

- 1. Lack of technical Skills/ Awareness-** Inadequate awareness among the farmers about the potential benefits of collectivization & non availability of competent agency for providing handholding support are the major constraints in the rural areas in promoting strong FPOs. Further, there is lack of legal and technical knowledge about various Acts and Regulations related to formation of FPOs and statutory compliances thereunder.
- 2. Lack of/ Inadequate Professional Management-** A Farmers' Organization is required to be efficiently managed by experienced, trained and professionally qualified CEO and other personnel under the supervision and control of democratically-elected Board of Directors. However, such trained manpower is presently not available in the rural space to manage FPO business professionally.
- 3. Weak Financials-** FPOs are mostly represented by small and marginal farmers having poor resource base and, hence, initially they are not financially strong enough to deliver vibrant products and services to the members and build their confidence.
- 4. Inadequate Access to credit-** Lack of access to affordable credit for want of collaterals and lack of credit history are also major constraints the FPOs are facing today. Further, the credit guarantee cover being offered by SFAC for collateral-free lending is available only to Producer Companies (other forms of FPOs are not covered) having minimum 500 shareholder membership. Due to this, large number of FPOs, particularly those which are registered under other legal statutes as also FPOs with lesser than 500 members are not able to access the benefits of credit guarantee scheme.
- 5. Lack of Risk Mitigation Mechanism-** Presently, while the risks related to production at farmers' level are partly covered under the

existing crop / livestock / other insurance schemes, there is no provision to cover business risks of FPOs.

- 6. Inadequate Access to Market-** Marketing of produce at remunerative prices is the most critical requirement for the success of FPOs. The input prices are largely fixed by corporate producers. The cultivators lose through the complex gamut of market processes in the input and output prices. There are more market opportunities, if FPOs can identify local market needs of the consumers and have tie-ups for sale of its produce. A linkage with industry/ other market players, large retailers, etc. is necessary for long term sustainability of FPOs.
- 7. Inadequate Access to Infrastructure-** The producers' collectives have inadequate access to basic infrastructure required for aggregation such as transport facilities, storage, value addition (cleaning, sorting, grading, etc.) and processing, brand building and marketing. Further, in most of the commercial farming models, the primary producers are generally excluded from the value chain.

Needed Policy Support/ Suggested Measures

Some of the critical policy reforms and other suggested measures to be initiated by the Govt. of India/ other stakeholders for further strengthening the FPO movement in the country are as under:

- **Suitable amendments in the APMC Act** to treat the country as a single, unified market for agri produce with no restrictions on commodity movement as also to enable FPOs market their produce directly to the consumers/ bulk-buyers, without payment of mandi fee would go a long way in strengthening FPOs. Buyers may be encouraged to set up collection centres near to FPOs /crop clusters". Provision may also be made in the amended Act to provide direct market access to FPOs, treating the FPO as a place of Gramin Agri Market (GrAM) and building up of required marketing infrastructure to be owned and managed by FPO.

- **Convergence of resources for creation of farm level infrastructure at FPO level** for cleaning, grading, sorting, assaying, processing, branding & transportation of agri commodities up to delivery/ market centres as also for establishment of custom hiring centres for the benefit of shareholder members. Specific fund allocation may be made under these schemes by Govt. of India for FPOs.
- **Appropriate provisions may be made in the Food Grain Procurement Policy** of GoI specifying procurement of agricultural commodities directly through FPOs under MSP scheme.
- **Suitable amendments in the Producer Companies Act, 2013 may be made to make provision for small private equity participation/ refundable long-term capital infusion by the private investors so as to strengthen the financials of FPOs** and create appropriate business model for commercial sustainability. Also, Angel/ Venture capital support to FPOs on the lines of Start-ups may be extended.
- The benefits of Equity Grant & Credit Guarantee Fund schemes of SFAC may be extended to all forms of FPOs as also to FPOs having shareholder membership of less than the existing limit of 500 producers.
- The concerned Ministries/ Departments of the Central / State Governments may be **mandated to implement all “Farmer-centric Schemes” through the FPOs** for efficient delivery of services and improved outcomes.
- **Relief to FPOs from various statutory compliances** may be provided at least during initial 5 years so as to help them adjust with the regulatory business environments and stabilize business operations as a part of “ease of doing business” concept of GoI.
- **Private Institutions and Agricultural Universities may introduce special courses on FPO promotion and agribusiness**

management, with focus on rural youth including women, so as to create large pool of professionals in rural areas for managing FPO activities. Further, the existing scheme of Agriclincs and agribusiness Centre (ACABC) may be redesigned to create professionals for not only promoting FPOs but also acting as CEOs of the FPOs in their local areas.

NITI AAYOG

Critique of the role of the Planning Commission-

1. **Role of an extra-constitutional body-** It is argued that while the Constitution earmarks spheres of authority and responsibility over specific subjects and areas of activity in a federal set up between the Union and the states, the Planning Commission, which has **come into existence by an executive order of the Union government, acts as a 'super -cabinet' in economic matters for the Union and the states.**
2. **Impinging on the federal character-** The whole exercise of giving **approvals to state plans was more based on political factors** than economic. The proliferation of various centrally-sponsored schemes (CSS) with “one size fits all” design and conditionality contributed to severe distortions in public spending.
3. **Conflict with the Finance Commission-** Often, the Planning Commission came up with **discretionary transfers to states** to meet non-plan revenue deficits negating the norms set by the Finance Commissions.
4. **Lack of expertise-** the authority and power in the Planning Commission had shifted from the **expert groups to civil service personnel**. In practice, barring a handful of persons drawn from academia or scientific institutions, **civil servants on deputation** to the Planning Commission, had managed to **occupy key positions as advisors and planners replacing experts.**
5. **Political influence-** The Planning Commission is also subjected to the criticism that even during plan formulation the Commission is guided **more by political pressures or expediency** than by its expert judgement.

There **were two contradictions** between the Indian development strategy and the institutional framework (planning) constraining the economic environment over the years.

1. The initial years after Independence required a planning frame to allocate the low levels of savings to invest in much needed infrastructure and priority sectors to overcome severe infrastructure deficits and the lack of competitiveness of the economy. However, the **framework failed to adapt to the transition after the liberalizing reforms were initiated**. With fiscal constraints becoming more and more binding and political economy factors crowding out infrastructure spending with subsidies and transfers, the planning exercise lost much of its relevance.
2. The second contradiction was between the **centralised command over resource allocation and the developmental role of the states in a federal polity**. The end of single party rule and the emergence of coalition governments and regional parties as members of the central coalition brought to the fore the contradiction between centralised planning in a federal framework. The response of the central government was to further centralise even by intruding into the legislative domains of the states by various means including the proliferation of CSS.

The consequence of the above was that the two important sources of economic dynamism, **the private sector and the states**, had to function in a constrained environment.

NITI AAYOG

- NITI Aayog was formed via a resolution of the Union Cabinet on 1 January 2015.
- It is the premier policy think tank of the Government of India, providing directional and policy inputs. Apart from designing long-term policies and programmes for the Government of India, NITI Aayog also provides relevant strategic and technical advice to the Centre, States, and Union Territories.

- NITI Aayog acts as the quintessential platform for the Government of India to bring States to act together in national interest and thereby foster cooperative federalism.
- NITI Aayog is developing itself as a **state-of-the-art resource centre** with the **necessary knowledge and skills** that will enable it to act with speed, promote **research and innovation**, provide **strategic policy vision** for the government, and **deal with contingent issues**.
- It is supported by an attached office, Development Monitoring and Evaluation Organisation (DMEO), a flagship initiative, Atal Innovation Mission (AIM) and an autonomous body, National Institute of Labour Economics Research and Development (NILERD).

NITI Aayog's entire gamut of activities can be divided into four main heads:

- **Cooperative Federalism**-Fostering **cooperative federalism** by providing structured support to states on a continuous basis.
- **Policy and Programme Framework**- Formulation of a **strategic vision and long-term policies and programme** framework both for the macroeconomy and for different sectors;
- **Think Tank, and Knowledge and Innovation Hub**- Acting as a **knowledge and innovation hub** and **providing research inputs** by undertaking and accessing globally available research.
- **Monitoring and Evaluation**- of various government policies, schemes and action plans.

Cooperative Federalism: Platform for Interface between the Centre and States

- The Seventh Schedule to the Constitution demarcates the legislative domains and functional responsibilities of the union and states in terms of union, state and concurrent subjects. However, there is

considerable overlap in the functions requiring coordination between the union and the states and among the states inter se. Carrying out **stable and sustainable developmental agenda** requires fostering the spirit of cooperation and cementing the federal structure.

- There is considerable overlap in carrying out legislative and executive functions in concurrent subjects. Recent years have shown the need for **cooperation in areas such as energy and environment, education and poverty alleviation** where the need for **coordinated action and speedy decisions** are critical for pursuing the developmental agenda.
- The union government may have to intervene in the national interest even if they are in the State List or Concurrent List. There may be some public service in the State List, which, for reasons of **nationwide externalities or for redistribution require coordinated action** to ensure minimum standards throughout the country. The examples include healthcare, urban development and poverty alleviation. In these cases, the **state governments are the partners in achieving a common goal.**
- In the case of union subjects too, the states may be involved in **implementation as agencies** due to their proximity to the people.
- In addition, NITI can **facilitate exchange of information and experiences** and **promote healthy intergovernmental competition** through monitoring and regulation.

Policy and Programme Framework

- The **strategy and policies required to improve** the standard of living of the projected population and improve human development to empower the people to productively engage them in economic activities over a long-term horizon are important. These should be **constantly revisited** to ensure their relevance. This function can be performed by the Aayog.

- Grass-roots planning entails building up of the plan right from the village level based on the resource envelop, with each higher level aggregating the plans and adding the investment requirements for the category. In other words, the planning should be built right from the village, block and district levels and these should be harmonised with planning at the state level. Similarly, national planning should be the consolidation of state-level plans along with the planning infrastructure and service requirements for the country as a whole worked out at the union level. **NITI can provide a framework for preparing the plans to the states** and the latter, in turn, to the **lower levels of government**. It can have a unit to advise and guide if any state is in need of such assistance.

Innovation and Knowledge Hub:

- Closely aligned to policy and programme framework is the role of NITI Aayog as a **think tank facilitating partnerships** between the stake holders.
- Formulation of strategic vision and policies and programmes aligned to it as well as initiating and monitoring them requires **state of the art research, technology upgradation and capacity building**. As a major think tank of the government working on various developmental policies, it shall not only have **basic research capabilities but also should access and outsource research on relevant subjects globally**.
- It shall have a **strong data bank** consolidating data and information on economic, demographic, geographic and social variables relevant for research and policy. Among other functions, the institution should also provide a **platform for experience sharing among the states**.

Monitoring and Evaluation-

- **Evidence-based policymaking** is integral to the overall governance structure of New India. To achieve this, it is important to be able to **track performance, determine outcomes** to understand how well a

scheme is performing, **help diagnose reasons for poor performance**, and generate recommendations for course corrections.

- This requires not only the collection of data but also putting in place proper frameworks with measurable parameters to strengthen the effective management of limited public resources and achieve a deeper and broader impact of schemes.
- The Development Monitoring and Evaluation Office (DMEO), an attached unit of NITI, is driving accountability in governance through proper monitoring and evaluation, along with the other Verticals.

GOVERNING COUNCIL OF NITI AAYOG

- Governing Council of NITI Aayog comprises the Hon'ble Prime Minister of India; Chief Ministers of all the States and Union Territories with legislature; Lt Governors of other UTs; Ex-Officio Members; Vice Chairman, NITI Aayog; Full-Time Members, NITI Aayog; and Special Invitees.
- It came into effect on 16 February 2015 via a notification by the Cabinet Secretariat. The Governing Council was reconstituted vide a notification dated 19 February 2021 by the Cabinet Secretariat.
- The Governing Council is the **premier body tasked with evolving a shared vision of national priorities and strategies**, with the active involvement of States, in shaping the development narrative.
- The Governing Council, which embodies the **objectives of cooperative federalism, presents a platform to discuss inter-sectoral, interdepartmental and federal issues** to accelerate the implementation of the national development agenda.

Some of the initiatives of NITI Aayog

Policy and Programmes

1. **Aspirational Districts Programme-** started in 2018, it seeks to transform 115 districts with the least progress, across 28 states, along certain development parameters like health and nutrition, education, agriculture and water resources, financial inclusion, skill development and basic infrastructure. The initiative **involves the Niti Aayog ranking the aspirational districts through a public ranking system** — thereby, instilling a sense of competitiveness among local-level governments to bolster development. The districts whose performance is judged the best by the Aayog are allocated additional token grants to further improve their performance.
2. **National Monetisation Pipeline-** NITI Aayog is handholding the States/UTs in undertaking asset monetisation through innovative structures such as InvITs/REITs/securitization for various sectors and the appointment of transaction advisers.
3. **R&D and Innovation for Pharma and Med-Tech-** A high-level committee—comprising senior representatives of NITI Aayog and other Central Ministries, along with industry captains—was constituted in May 2020 to finalize a policy on research and development (R&D) and innovation in the pharmaceuticals and medical devices sectors. **NITI Aayog contributed to the formulation of the sections on ‘industry-academia linkage’, ‘regulatory enablement’, and ‘governance and infrastructure’ in the draft policy report.** The Department of Pharmaceuticals will take the recommendations forward.
4. **Poshan Abhiyaan- Niti Aayog tracks the performance of the scheme and recommends interventions for better implementation of the scheme.** The fourth Poshan Abhiyaan progress monitoring report, ‘Preserving Progress on Nutrition in India in Pandemic Times’, was submitted to the Prime Minister’s Office (PMO) in August 2021.

5. **Rice Fortification-** NITI Aayog has been tasked to conduct an audit study on the preparedness of the ecosystem of rice fortification. The study is being done by the Development Monitoring and Evaluation Office in collaboration with NITI's Women and Child Development Vertical.

Monitoring and Evaluation-

- DMEO is the apex monitoring and evaluation (M&E) office of the Government of India. Its ambit of work also includes technical advice to the States, under NITI Aayog's mandate of cooperative and competitive federalism.
- DMEO's role is to:
- monitor the progress and efficacy of strategic and long-term policy and programme frameworks as well as initiatives to facilitate their improvements, including necessary mid-course corrections; and
- actively monitor and evaluate the implementation of programmes and initiatives to strengthen the probability of success and scope of delivery.
- **DMEO's major projects in 2021-22 included:**
 - **Output-Outcome Monitoring Framework-** The framework has nearly 5,000 output and outcome indicators for around 500 Central Sector (CS) and Centrally Sponsored Schemes (CSSs), which form the primary mode of Government service delivery to beneficiaries.
 - **Data Governance Quality Index-** The Data Governance Quality Index (DGQI) exercise was initiated in May 2020 to assess the data preparedness of Ministries and Departments using a standardized framework.
 - **Global Indices for Reforms and Growth-** DMEO is supporting the Cabinet Secretariat in monitoring India's performance in 30

global indices. The goal of the exercise is to use these indices as tools for self-improvement and bring about reforms in policies while improving the last-mile implementation of Government schemes.

PERFORMANCE DASHBOARDS

- **Asset Monetisation Dashboard-** As part of a multi-layer institutional mechanism for the overall implementation and monitoring of the Asset Monetisation Programme, a dashboard has been created to facilitate real-time data input and monitoring of individual transactions.
- **Champions of Change-** to track the performance of Aspirational Districts programme. It empowers the District Administrations towards data-driven governance and evidence-based policymaking.
- **India Energy Dashboards-**The India Energy Dashboards aim to provide single-window access to energy data in the country. They are a step towards building a comprehensive, open, and freely accessible energy data portal for India.
- **SDG India Index Dashboard-** The SDG India Index dashboard allows users to visualize and explore the data in the SDG India Index reports. The dashboard is updated annually—every time a new edition of the index is launched—and has cross-sectoral relevance for policymakers, civil society, business and academia

KEY INDICES TO PROMOTE COMPETITIVE FEDERALISM

1. **Composite Water Management Index-** The Composite Water Management Index assesses the incremental improvement made by States/UTs on water-management initiatives.
2. **Gender Index-** NITI Aayog is in the process of developing a National Gender Index. The Gender Index seeks to measure the progress and identify the persisting gaps in gender equality to make informed policy decisions. It will serve as a tool to map the progress of India's States and UTs on defined gender metrics and build the foundation for positive change.
3. **India Innovation Index-** The India Innovation Index is released by NITI Aayog and the Institute for Competitiveness every year.

The index attempts to create an extensive framework for the continuous evaluation of the innovation environment in all States and Union Territories.

4. **Multidimensional Poverty Index-** The Multidimensional Poverty Index (MPI) is an internationally accepted high-resolution household-level measure of non-monetary poverty covering over 100 developing countries. Under the Cabinet Secretary's Global Indices for Reforms and Growth (GIRG) initiative, **NITI Aayog is the nodal Ministry for the MPI.** The national MPI project is aimed at deconstructing the global MPI and creating a globally aligned but customized Indian MPI for drawing up comprehensive reform action plans with the larger goal of improving India's position.
5. **School Education Quality Index-** The School Education Quality Index (SEQI) evaluates the performance of States and UTs in the school education sector.
6. **State Energy and Climate Index-** NITI Aayog has developed a draft State Energy and Climate Index to assess the performance of States on indicators such as discoms' viability and competition; access, affordability and reliability of energy; clean energy initiatives; energy efficiency; generation capacity; and environmental sustainability and new initiatives. The index will help States to efficiently manage their energy resources and provide better access to energy to the people.
7. **Sustainable Development Goals India Index-** The Sustainable Development Goals (SDGs) India Index has been comprehensively documenting and ranking the progress made by the States and UTs towards achieving the Sustainable Development Goals.
8. **Sustainable Development Goals North-Eastern Region District Index-** The index ranks the Districts of the eight States of the NER—Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, and Tripura—based on their relative

performance on Sustainable Development Goals and their corresponding targets.

9. Sustainable Development Goals Urban Index- The SDG Urban Index, a result of the NITI Aayog–GIZ and BMZ collaboration, is focused on driving SDG localization in Indian cities, under the umbrella of Indo-German Development Cooperation. The index ranks 56 urban areas on 77 SDG indicators across 46 targets of the SDG framework.

10. State Health Index- The State Health Index is an annual tool to assess the performance of States and UTs. It is a weighted composite index based on 24 indicators grouped under the domains of 'Health Outcomes', 'Governance and Information', and 'Key Inputs/Processes'.

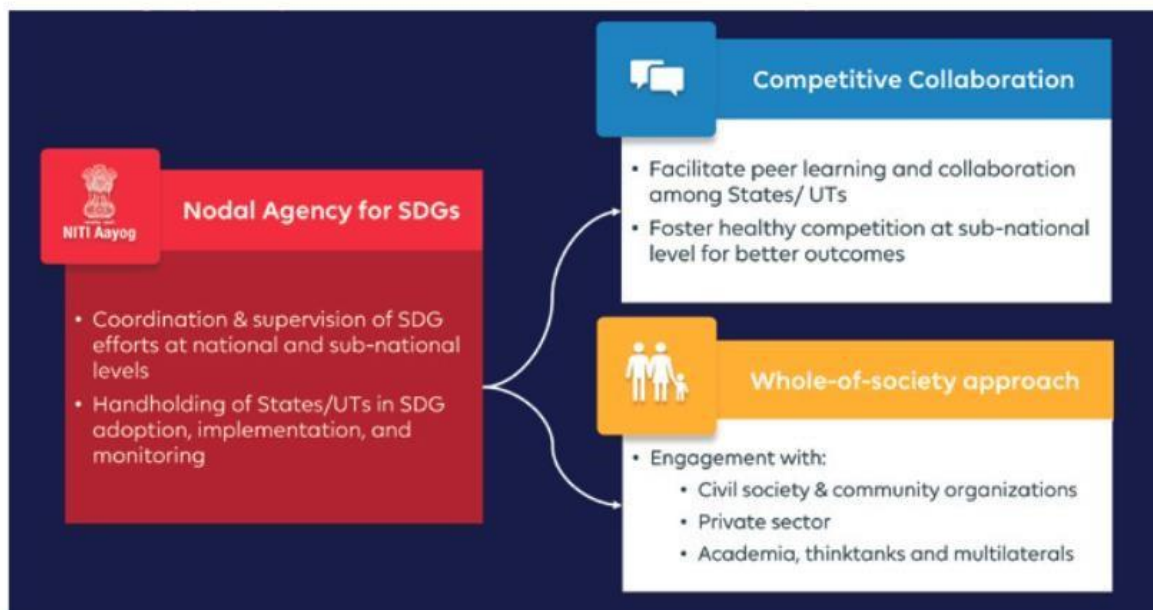
Cooperative Federalism

- **DEVELOPMENT SUPPORT SERVICES FOR STATES AND UNION TERRITORIES-** Development Support Services for States (DSSS) is an initiative by NITI Aayog with the vision to achieve transformational and sustained delivery of infrastructure projects. The key objective behind the initiative is to create public-private-partnership success stories and reboot infrastructure-project delivery models so that a sustainable infrastructure creation cycle can be established.
- **PROJECT SATH-E-** Project SATH-E, 'Sustainable Action for Transforming Human Capital-Education', was launched in 2017 to identify and build three 'role model' States for the school education sector. After an elaborate selection process, Jharkhand, Odisha and Madhya Pradesh were chosen.

Key Interventions



SDG LOCALIZATION- As a quintessential federal institution, NITI Aayog progressively devised a strategy for the implementation of SDGs, which has been firmly ensconced in a participatory and bottom-up approach and incremental localization of SDGs.



NITI Aayog's approach to SDG localization



THINK-TANK ACTIVITIES

1. **Unified Logistics Interface Platform** -Aimed at digitizing India's supply chain, the Unified Logistics Interface Platform (ULIP) is designed to provide an integrated, vendor-agnostic platform that can be effectively utilized for connecting various logistics stakeholders spread across multiple Ministries, enterprises, and associations. ULIP is currently being led and developed by NICDC in consultation with NITI Aayog.
2. **SamShiksha**- SamShiksha is India's first virtual university with a curated catalogue of courses mapped to the UGC curricula with high-quality, low cost, flexible, outcome-driven degree offerings.
3. **Unnati** -A technology platform to digitally enable livelihood access for 22 crore blue and grey collar workers, Unnati is open, multi-channel and uses AI backend to match job providers with seekers.
4. **Kaashi**- Kaashi is a low-risk lending product for the lower-middle-income class that leverages Direct Benefit Transfer (DBT) income for underwriting.

Medicines from the Sky

NITI Aayog, in collaboration with the Government of Telangana and the World Economic Forum (WEF) launched the 'Medicines from the Sky'

project on piloting the use of unmanned aerial systems for the delivery of vaccines in remote areas.

Shoonya Campaign

In September 2021, NITI Aayog, with the support of Rocky Mountain Institute, launched Shoonya: an initiative to promote zero-pollution delivery vehicles by working with consumers and industry. The campaign aims to accelerate the adoption of EVs in the urban deliveries segment and create consumer awareness about the benefits of zero-pollution delivery.

E-Amrit Portal

India launched 'E-Amrit', a web portal on EVs at the COP26 Summit in Glasgow, UK, in November 2021. E-Amrit is a one-stop destination for all information on EVs—their purchase, investment opportunities, policies, subsidies, etc. The portal has been developed and hosted by NITI Aayog under a collaborative knowledge exchange programme with the UK government.

Atal Innovation Mission

- Atal Innovation Mission (AIM) is the Government of India's flagship initiative to promote a culture of innovation and entrepreneurship in the country. It was set up in 2016. AIM has taken a holistic approach to nurture a problem-solving innovative mindset among schoolchildren and create an ecosystem of entrepreneurship in universities, research institutions, private sector and MSME.
- **Atal Tinkering Labs (ATLs)** is a flagship initiative of AIM to nurture an innovative mindset amongst high-school students. ATLs encourage students to come up with out-of-the-box ideas. The programme is designed to equip students with skills such as design thinking, critical thinking, computational thinking, and digital fabrication. Under the ATL scheme, grant-in-aid of up to Rs 20 lakh is provided to select schools to set up an Atal Tinkering Lab.
- **Atal Incubation Centres (AICs)** aim to foster the entrepreneurial spirit while creating a supportive ecosystem for start-ups and entrepreneurs in India. AIM has been tasked with establishing and

supporting world-class incubators. Under this initiative, AIM supports 59 greenfield AICs and nine established incubation centres (EICs).

- **Atal Community Innovation Centres (ACICs)** are a means to drive innovations towards achieving the Sustainable Development Goals through novel solutions. ACICs seek to promote and propagate the benefit of technology-led innovations through:
 - Suitable infrastructure for operating facilities;
 - Financial support through AIM grant-in-aid fund of Rs 2.5 crore, provided matching contribution is offered;
 - Knowledge and capacity support (training and workshops, detailed operations manual, and networking connections); and
- **Atal New India Challenge (ANIC)** is an initiative aimed towards selecting, supporting, and nurturing innovations based on advanced technologies in areas of national importance and social relevance, through a grant-based mechanism, while addressing bottlenecks due to which innovators are unable to access resources for piloting, testing, and market creation.