

NITI AAYOG

POLICY-MAKING & PROGRAMMING

1. Closure of Sick Central Public Sector Enterprises (CPSEs)

The Prime Minister's Office (PMO) has asked NITI Aayog to undertake a thorough analysis of sick CPSEs and make recommendations on their future direction. Accordingly, the Aayog launched a two-layer process whereby a committee headed by the CEO undertook a detailed analysis of the sick CPSEs with the assistance of the National Institute for Public Finance and Policy. This committee reported its findings to a committee headed by the Vice Chairman. A report was prepared with the recommendations and sent to the PMO. A decision was then made by the Cabinet to close several sick CPSEs. The process of closure is now under way.

2. Strategic Disinvestment of CPSEs

The budget announcement 2016-17 had mandated that the NITI Aayog identify CPSEs for strategic disinvestment. The task inter alia included:

- (i) Identification of CPSEs for strategic sale
- (ii) Advice on number of shares to be transferred
- (iii) Recommendation on mode of sale
- (iv) Suggestion on the methods of valuation

To perform this role, NITI Aayog constituted a Committee under chairmanship of Vice Chairman, NITI Aayog. The Committee submitted its recommendations in two tranches in May and August 2016. Cabinet Committee on Economic Affairs (CCEA) approved

seventeen of the committee's recommendations for 'in-principle' strategic disinvestment in October 2016. The Department of Investment and Public Asset Management (DIPAM) is in the process of implementing the recommendations on a case-by-case basis. The Committee is now deliberating on the third tranche of recommendations.

In March 2016, a Committee was constituted under the Chairmanship of Vice Chairman, NITI Aayog to review the status of 74 sick/loss-making and non-performing CPSEs. The Committee finalised its report in May 2016 and its recommendation are in the process of being implemented in consultation with the concerned administrative ministries. In July 2016, a Committee was constituted under the chairmanship of Shri Bibek Debroy, Member, NITI Aayog to monitor the revival packages of all CPSEs. The work of this Committee is under progress.

The steps towards Strategic Disinvestment of CPSEs are the first of their kind being taken after 13 years by the Government. NITI Aayog's work on CPSEs has covered more than half of the 235 operational CPSEs and is the most comprehensive review of the working of CPSEs, with a view to inject them with greater efficient, in recent times.

3. Atal Innovation Mission

The Hon'ble Prime Minister of India formally launched the Atal Innovation Mission (AIM) - subsuming the Self-Employment and Talent Utilisation (SETU) - on 16th January, 2016 as part of the Start-up India Action Plan. The mission was established at the NITI Aayog in keeping with the Hon'ble Finance Minister's announcement in the Budget Speech 2015-16. The Union Cabinet gave its approval for establishment of AIM and SETU in NITI Aayog with appropriate manpower on 24th February, 2016. A Mission Directorate has since been created at NITI Aayog with CEO, NITI Aayog, as the Mission Director. Four Managers have

since been appointed, between September and November 2016, to enable the operation of all mission activities. As per the directions of the Mission High Level Committee (MHLC) that held its first meeting on January 8, 2016, the Mission Directorate initiated the implementation of the following identified key initiatives in consultations with key stakeholders and after studying relevant international best practices.

- a. Grand Challenges: to find ultra-low cost solutions to India's most pressing problems
- b. Establishing Atal Tinkering Laboratories (ATLs)
- c. Establishing Atal Incubation Centres (AICs)
- d. Scaling up Established Incubation Centres (EICs)

The MHLC in its second meeting held on April 19, 2016 under the Chairmanship of Vice Chairman, NITI Aayog approved the guidelines for three of the four key initiatives - establishment of Atal Tinkering Labs (ATLs), setting up Atal Incubation Centres (AIC) and scaling up of established Incubation Centres.

Applications for ATLs and AICs, from both brown-field and green-field, were invited in May 2016. Various schools, higher academic institutions / universities, individuals and corporates were encouraged to apply through wide dissemination and publicity in the media. In all 13,005 applications were received from schools for establishment of ATLs; 3658 applications from entities (academic institutes, corporates, and individuals) for establishment of AICs and 232 applications were received from established incubation centres (EIC) (brown-field AICs) for scale up support.

Two inter-ministerial Screening-cum-Selection Committees (SSCs) were constituted for

selection of AICs/EICs and ATLs under the Chairmanship of Secretary, DST and Secretary (School Education), MHRD respectively. In order to select the ATLs and AICs by a transparent and merit-based process, screening and selection procedures were developed by the AIM team and approved by the respective SSC.

Establishing Atal Tinkering Labs: After an initial screening, 595 schools were invited at six cities around the country in the first week of November for the final round of the selection procedure. Each invited school was asked to identify two challenges in their local areas and propose solutions. These solutions were judged by an independent panel of judges in each of the six centers. Based on the marks in this round, 257 top schools were awarded the ATL grant in December 2016 in the first phase and financial grants are being rolled out currently to these schools.

Establishing Atal Incubation Centres: An extensive screening process was undertaken for the AICs, based on objective parameters approved by SSC. The Inter-Ministerial group, by way of video-conferencing, interviewed more than 60 shortlisted applicants. The selected applicants based on the recommendation of the Inter-ministerial group would be considered by the SSC in the final round.

Scaling up support to Established Incubation Centres: For the program to offer scale up support to established incubation centres, 17 of the top existing incubators from around the country were invited to make presentations to the SSC on EICs and based on their presentations, six of the top applicants have been selected for receiving this grant. Detailed MoA is being worked out for the scale up support to EICs.

Atal Grand Challenges: Appropriate areas for conducting the Grand Challenges to enable efficient, scalable, cost-effective, world-class solutions to India's challenges are currently being evaluated. Since the identification of Grand Challenge Awards is a complex task, it

has been decided that the AGCs will be launched in a phase-wise manner. For instance, two challenges will begin with two problem statements will first be launched. One of these could be completed within a short timespan (about 2 years) and the other may be a long-term effort (about 4 years). Subsequently other identified challenges will be launched after adequate time gap to benefit from the experience of first phase. Government of India ought to be the first buyer of the appropriate solution citizens emanating from the challenge so that they maybe rolled out across India for the benefit of citizens. There is the need to formulate a full-proof procedure in consultation with line ministries to ensure this.

4. Reforms in the Medical Council of India Act, Homeopathy Central Council Act & Indian Medicine Central Council Act

During the review of health sector in March, 2016 Hon'ble PM constituted a Committee under the Chairmanship of Vice Chairman, NITI Aayog comprising Additional Principal Secretary to Prime Minister, CEO, NITI Aayog and Secretary, Health, to examine all options for reforms in the Medical Council of India and to suggest a way forward. The Committee sought views and suggestions of various experts including eminent physicians and surgeons; former Secretaries to the Government of India, Department of Health and Family welfare; public health experts; President/Vice-President and other Members of the MCI; representatives of the State Governments; and lawyers.

Thereafter, the draft 'National Medical Commission Bill' was prepared by the Committee. This bill was also placed in public domain to seek views of public and other stakeholders. Around 14,500 suggestions/opinions were received from public, experts (including those who were invited by the Committee), private medical Universities, advocacy groups, MCI and the States. After extensive deliberations, the Committee finalized the draft National

Medical Commission Bill for replacing the Medical Council of India with the proposed National Medical Commission, to be sent to the Ministry of Health & Family Welfare.

In order to reform the Homeopathic Central Council and Indian Medicine Central Council, on similar lines, a Committee under the Chairmanship of Vice Chairman, NITI Aayog and comprising Additional Principal Secretary to Prime Minister, CEO, NITI Aayog and Secretary, Aayush has been constituted. The mandate of the Commission is to examine the legal provisions, modalities and workings of the Homeopathy Central Council Act and Indian Medicine Central Council Act and suggest necessary reforms. Currently, consultations with stakeholders on the subject are underway.

5. Mumbai-Ahmedabad High Speed Rail Corridor

A high level committee chaired by the NITI Aayog Vice Chairman with the Chairman Railway Board, Foreign Secretary, Secretary DEA and Secretary DIPP as Members has been navigating the first of its kind high-speed railway project being done jointly with Japan. The committee works closely with its Japanese counterpart. The two committees together referred to as the Joint Committee have met four times, once in Mumbai, once in Tokyo and twice at the NITI Aayog in New Delhi. The joint Committee has ensured that the project stays on the tight schedule and progresses smoothly.

6. Digital Payments Movement in India

Promoting digital payment options is an integral part of the Government of India's strategy to weed out black money and corruption from public life by facilitating the maximum of Government–Citizen Transactions on the digital platform. To enable this, a Committee of Secretaries was constituted under the chairmanship of CEO, NITI Aayog on Friday, 25th

November 2016 to identify and operationalize in the earliest possible time frame user-friendly digital payment options in all sectors of the economy.

NITI Aayog also constituted a **Committee of Chief Ministers on Digital Payments** on 30th November 2016 with Hon'ble Chief Minister of Andhra Pradesh, Chandrababu Naidu, as the Convener to promote transparency, financial inclusion and a healthy financial ecosystem nationwide. The committee was also tasked with the responsibility of ensuring that citizens from across the country, including small towns and small businessmen, adopt of digital payments systems.

The aim of the committee of Secretaries was to identify digital payment systems relevant to different sectors of the economy and to coordinate efforts to increase their accessibility and ease of use. The Committee of Chief Ministers also aimed to identify global best practices for implementing an economy primarily based on digital payments and to examine the possibility of adopting these global standards in the Indian context.

The Committee is now working to evolve an action plan to reach out to the public at large with the objective of creating awareness and helping public at large understand the benefits of switching over to a digital economy. It will also prepare a roadmap for the administrative machinery in the States to facilitate the adoption of digital payment methods.

An action plan covering advocacy, awareness and co-ordination of handholding efforts covering public, micro enterprises and other stakeholders has already been devised. Appropriate material for an Information, Education and Communication campaign has been developed to ensure use of digital payments down to the grassroots.

Presentations/ interactions were organized by NITI Aayog for training and capacity building of various Ministries/Departments of Government of India, representatives of State/UTs,

Trade and Industry Bodies as well as all other stakeholders. CEO, NITI Aayog held interactions with Chief Secretaries and all District Collectors to address local issues and ensure that the movement reaches every panchayat and taluk.

That apart, NITI Aayog is playing a key role in organizing **Digi Dhan Melas** for 100 days in 100 cities across India. The Mela's were launched by the Hon'ble Prime Minister on December 25th, coinciding with Christmas and will go on until April 14th, Ambedkar Jayanti. The Melas are aimed at ensuring that citizens are trained to use of various safe, user-friendly digital payment methods. They also promote Digital Payment methods through the draw of lots for NITI Aayog's two major incentives scheme 'Lucky Grahak Yojana' and 'Digi Dhan Vyapar Yojana'. The schemes were launched, on studying international best practices, by NITI to incentivize digital payment methods over the use of cash. In addition, another scheme was launched to provide central assistance of Rs 50 crore by the Centre to the States and UTs for bringing 5 crore Jan Dhan accounts to digital platform.

7. Holistic Development of Islands

NITI Aayog has initiated the process to develop identified islands for maritime trade, shipping, fisheries, eco-tourism, under-sea mining, oil and gas and other socio-economic activities. It also aims to replace the use of diesel by promoting non-conventional energy sources such as Solar Energy, Wind Energy, Tidal Energy, Ocean Thermal Energy etc. in the islands.

NITI Aayog, in consultation with concerned Central Ministries / Departments, UT Administration and other stakeholders, has short-listed 10 islands for holistic development in the first phase viz. Smith, Ross, Long, Avis, & Little Andaman in Andaman and Nicobar Islands and Minicoy, Bangaram, Tinnakara, Cheriya & Suheli in Lakshadweep. The

institution has been mandated to steer the process of holistic development of the identified islands as unique models of sustainable development and prepare a comprehensive development plan for each island with a focus on sustainability.

Request for Qualification cum Request for Proposal (RFQ-cum-RFP) for selection of consultants for 'Preparation of Concept Development Plans and Detailed Master Plans for Holistic Development of identified 10 Islands' has been issued and process for selection of a consultant is underway.

8. Coastal Employment Zones

Following a presentation by the Vice Chairman, NITI Aayog to the Prime Minister, Finance Minister, Minister of Labour and several senior bureaucrats on 18th June 2016 on the subject of Coastal Employment Zones (CEZs), NITI Aayog held an interactive session with the Confederation of Indian Industries (CII) and a team of CEOs on 7th December 2016. The Vice Chairman presented NITI's vision for CEZs along with a comparative analysis of the growth paths taken by countries that have successfully led manufacturing sector employment creation and exports, such as China and South Korea. The presentation was very well received by the CEOs of various companies and a number of crucial inputs have been received on making CEZs a successful model in India.

It is NITI's vision that any firm that would like to be part of the CEZs will benefit from a 10-year tax holiday, along with world-class infrastructure and ease of doing business, on employing 20,000 people. India would follow the successful Shenzhen agglomeration model for the development of CEZs in the country. NITI Aayog teams led by the Vice Chairman have also visited the States of Gujarat and Andhra Pradesh to explore possible locations for the CEZs and both the Governments of both states have expressed keen interest in supporting the initiative. Further discussion on this important initiative is underway at the level of the Central Government.

9. Reforms in Agriculture

a. Model Land Leasing Law

NITI Aayog organized a meeting of the Chief Secretary and Principal Secretaries of Revenue on 24th August, 2015 to discuss Land Leasing & Land Titling. The mandate of the expert group was to review existing agricultural tenancy laws of States including hilly States and scheduled areas; to examine the distinctive features of land system in erstwhile zamindari, ryotwari and mahalwari areas; to suggest appropriate amendments, keeping in view the need to legalize and liberalize land leasing for much needed agricultural efficiency, equity, occupational diversification and rapid rural transformation; to prepare a model agricultural land leasing act in consultation with states .

The Expert Group on Land Leasing held national level consultations with different stakeholders including states, experts, legal experts, farmers, farmer organizations and NGOs was organized on 8th January, 2016 at Vigyan Bhawan. The expert Group submitted its report and Model Agricultural Land Leasing Act to NITI Aayog on 31.03.2016.

Key features of the model agricultural land leasing Act:

- Legalize land leasing to promote agricultural efficiency, equity and poverty reduction. This will also help in much needed productivity improvement in agriculture as well as occupational mobility of the people and rapid rural change.
- Legalize land leasing in all areas to ensure complete security of land ownership right for land owners and security of tenure for tenants for the agreed lease period.

- Allow automatic resumption of land after the agreed lease period without requiring any minimum area of land to be left with the tenant even after termination of tenancy, as laws of some states require;
- Allow the terms and conditions of lease to be determined mutually by the land owner and the tenant without any fear on the part of the landowner of losing land right or undue expectation on the part of the tenant of acquiring occupancy right for continuous possession of leased land for any fixed period.
- Facilitate all tenants including share croppers to access insurance bank credit and bank credit against pledging of expected output.
- Incentivize tenants to make investment in land improvement and also entitle them to get back the unused value of investment at the time of termination of tenancy.

Taking note of increasing incidents of leasing in and out of land and suboptimal use of land with lesser number of cultivators, the Model Agricultural Land Leasing Act, 2016 recognizes the rights of the tenant and safeguard interest of landowners. A dedicated cell for land reforms was also set up in NITI. The Model Act on Agricultural land leasing has been published and circulated to States for facilitating them to enact their agricultural land leasing laws. Based on the model act, Madhya Pradesh has enacted separate land leasing law and Uttar Pradesh has modified their land leasing laws. Some States, including Odisha, Andhra Pradesh and Telangana, are already at an advance stage of formulating legislations to enact their land leasing laws for agriculture.

b. Reforms of the Agricultural Produce Marketing Committee Act

A status note on the implementation of agriculture market reforms by Indian States was prepared by NITI Aayog for circulation among States, followed by a discussion on 21

October 2016 on three critical reforms –

- (i) Agricultural marketing reforms
- (ii) Felling and transit laws for tree produce grown at private land
- (iii) Agricultural land leasing

Three crucial reforms pertaining to marketing in agriculture have been recommended by NITI Aayog with a focus on liberalising markets, de-notification of fruits and vegetables, and creation of IT enabled national market.

c. Agricultural Marketing and Farmer Friendly Reforms Index

NITI Aayog has developed the first ever 'Agriculture Marketing and Farmer Friendly Reforms Index' to sensitise states about the need to undertake reforms in the three key areas of Agriculture Market Reforms, Land Lease Reforms and Forestry on Private Land (Felling and Transit of Trees). The index carries a score with a minimum value "0" implying no reforms and maximum value "100" implying complete reforms in the selected areas.

States and UTs have been ranked in terms of the score of the index. The indicators aim to reveal the position of each State with respect to ease of doing agri-business, opportunities for farmers to benefit from modern trade & commerce, and options for sale of her/his produce. They also represent competitiveness, efficiency and transparency in agriculture markets.

As per NITI Aayog's index, Maharashtra ranks highest in implementation of various agricultural reforms. The State has implemented most of the marketing reforms and offers the best environment for undertaking agri-business among all the States and UTs. Gujarat ranks second with a score of 71.50 out of 100, closely followed by Rajasthan and Madhya Pradesh. Almost two third States have not been able to reach even the halfway mark of

reforms score, in the year 2016-17. Major States like U.P., Punjab, West Bengal, Assam, Jharkhand, Tamil Nadu and J&K are part of this group. The index, therefore, aims to induce a healthy competition between States and percolate best practices in implementing farmer-friendly reforms.

10. Roadmap for Poverty Elimination

This paper was based on the work of the Task Force on Eliminating Poverty constituted by the NITI Aayog, Government of India in March 2015. The paper addressed two different aspects of the debate around poverty – how to measure, and how to combat poverty.

The paper notes that the measurement of poverty, conventionally done through a poverty line, is used in India only for tracking the incidence of poverty across time and space. The other potential uses of a poverty line – identifying who the poor are, and allocation of anti-poverty expenditure across states – are fulfilled through other means. The paper also examines the question of the level at which the poverty line should be set. It recommends further deliberation informed by the idea that the objective behind an official poverty line is to track progress in combating extreme poverty and not identification of the poor for purposes of distribution of government benefits.

On combating poverty, the paper recommends a two-pronged strategy – facilitating rapid and sustained employment intensive economic growth, and making anti-poverty programmes more effective. Sustained rapid growth works through two channels: first, by creating jobs that pay steadily rising real wages and, second, by generating additional revenues that allow the government to expand social expenditures at faster pace. Part of the increased growth can come through agriculture, by increasing productivity,

facilitating remunerative prices to farmers, introducing measures aimed at 'second green revolution' in rain fed areas in general and eastern India in particular, reform of tenancy laws to help small and marginal farmers, and building safety nets to bring quick relief for farmers in times of natural disasters. But given that historically agriculture has not grown in India at rates exceeding 5 per cent per annum on a sustained basis while industry and services have seen much faster growth, in the longer run, the benefits of growth can be shared more equitably only by creating gainful employment opportunities in industry and services for landless workers and marginal farmers who wish to migrate to better paid jobs. India needs acceleration in the growth of organized labor-intensive sectors such as apparel, footwear, food processing, electronic and electrical appliances, other light manufactures, construction and retail trade. Among other things, the paper suggests that this can be achieved through the creation of a handful of Coastal Economic Zones (CEZs) that can provide the focal point for the location of employment-intensive industries allowing them to exploit economies of scale and agglomeration.

Making anti-poverty programs such as the Public Distribution System (PDS), Midday Meal Scheme, MGNREGA and Housing for All more effective represents the second leg of the strategy to eliminate abject poverty. The paper provides numerous specific suggestions on how each of these important programs can be made more effective. The PDS related reforms suggested include biometric verification of PDS beneficiaries, option of cash transfer for beneficiaries of subsidies, increased information dissemination to bring behavioral change on nutrition and improvement in functioning of midday meal schemes. The MGNREGA modifications that were recommended in the paper include allowing the program to impart skills and improve quality of assets created, and better fiscal support to identified beneficiary regions. The Housing for All

(Rural) program has progressed well overall but can be improved along several dimensions by better identification through the Socio-economic census, progress reporting and using prefabricated houses. Jan Dhan Yojana, Aadhaar, Mobile (JAM) trinity could play a vital role in widening the reach of Government to the vulnerable sections. Jan Dhan bank accounts under Prime Minister's Jan Dhan Yojana (PMJDY), biometric identity cards under Aadhaar and accessibility to the accounts through mobile phones promise to eventually revolutionize the anti-poverty programmes by replacing the current cumbersome and leaky distribution of benefits under various schemes by the Direct Benefit Transfers (DBT).

11. Make in India - Strategy for Electronic Products

The Government of India launched the Make in India initiative on 25th September, 2014 to project India as a preferred investment destination and a global manufacturing hub. The major objective behind the initiative was to renew focus on job creation, skill development, fostering innovation and high quality standards in the manufacturing sector. Out of the 25 sectors identified under this initiative, Electronics is one such sector.

NITI Aayog, after careful consideration of various options, has recommended a Shift in the Strategy for Electronics Products. It advocates an Export oriented Strategy with Import substitution to expand production of Electronic goods in the short run. This Strategy will enable India to develop a competitive Electronic Industry in the long run and make a dent in the global market with rising real wages in China. This is India's last opportunity to go global and capture the global market.

The summary recommendations are listed in the following tables:

Export Oriented Strategy

Area	Recommendation
Tax	<p>End Tax Uncertainty and Simplify Tax Regime</p> <ul style="list-style-type: none"> • Clearly establish in writing the tax liabilities applicable to producers of electronic products under different circumstances in full detail. • Eliminate tax exemptions and simplify tax system • Rollout GST
Tariff	<p>End Inverted Duty Structure</p> <ul style="list-style-type: none"> • Bring all input tariffs down to the tariff applicable to the final product • Exports to be subjected to zero taxes: all tariffs and domestic taxes paid to be rebated back at the exit point • Impose Countervailing duty (CVD) equivalent to all domestic indirect taxes on imports
Coastal Economic Zones	<p>Coastal Economic Zones (CEZ)</p> <ul style="list-style-type: none"> • Identify CEZ ranging from 2 to 3 thousand square kilometres under Sagarmala Project for establishment of Electronics Export Clusters • Create Electronic-Industry Specific Zones and Clusters Within the CEZ • Provide each Zone to be provided with State of the art Infrastructure • Provide Ease of Doing Business for Trading across Borders as per International Standards along with relatively flexible labour and land-acquisition laws • Provide Liberal Laws for Development of Urban Spaces
Investment	<p>Investment Incentives</p> <ul style="list-style-type: none"> • A Ten-year Tax Holiday for a firm that invests a Substantial Sum and

	generates a large Employment within CEZ. For this purpose an investment threshold of US\$ 1 billion with the employment of 20,000 may be considered
FTA	<p>Free Trade Agreements (FTAs)</p> <ul style="list-style-type: none"> • Convert FTAs into Opportunities • Forge Free Trade Agreements to capture/ access Duty Free Market for Electronic Goods • Export orientation to eventually enable signing of the Information Technology Agreement 2 (ITA-2)
Products	<p>Low Value Added but High Volume Products</p> <ul style="list-style-type: none"> • Do not shun low Value addition per unit. If produced on a large scale, low value addition per unit still translates in a large total value addition and large number of jobs (for example, i-Phones in China)

Import Substitution Strategy

Area	Recommendation
Tariff	<p>End Inverted Duty Structure</p> <ul style="list-style-type: none"> • Ending Inverted Duty Structure to Enhance Production and to Improve Overall Efficiency of the System • All tariffs and domestic taxes levied on inputs whether sourced domestically or from abroad to be rebated back at the exit point • Impose Countervailing duty equivalent (CVD) to all domestic indirect taxes

	on imports
Incentives	<p>Investment Incentives</p> <ul style="list-style-type: none"> Introducing Ten-Year Tax Holiday to anyone investing about \$US 1 billion and creating around 15,000 jobs in Electronics Industry
PMA	<p>Preferential Market Access (PMA)</p> <ul style="list-style-type: none"> Modify Preferential Market Access policy of DeitY to allow preference in Government Procurement, especially in the Area of Defense
Fiscal Measures	<p>Differential Taxation of Imports versus Domestic Production</p> <ul style="list-style-type: none"> Described in the text, these measures can attract challenges in the WTO

12. National Energy Policy

The President of India, in his address to both Houses of the Parliament on June 9, 2014 expressed the Government's decision of developing a new "comprehensive National Energy Policy" (NEP) for India. Consequently, the Prime Minister's Office delegated the responsibility of formulating this new policy to NITI Aayog.

The last omnibus policy statement for the Indian energy sector, the "Integrated Energy Policy" was launched in 2008. The energy scenario of India has witnessed many transitions since then. In 2014, India was the world's fourth largest primary commercial energy consumer. Additionally, while global energy demand growth slowed down, India's demand grew at 7% in 2014, the highest amongst the leading economies of the world. This changing landscape signals the need for a new vision – and therefore, the new energy policy, which focuses on a market based approach for

achieving India's energy sector objectives, began to be conceptualized. In view of the fact that energy is handled by different Ministries that have the primary responsibility of setting their own sectoral agenda, an omnibus policy is required to achieve the goal of energy security through coordination between these sources.

The new energy policy, therefore, focuses on the four key objectives of Access at affordable prices, improved security and independence, greater sustainability, and economic growth. The NEP proposes actions to meet these objectives in such a way that India's economy is 'energy ready' by the year 2040, the medium term. It builds on the achievements of the "Integrated Energy Policy", and sets the new agenda consistent with the redefined role of emerging developments in the world of energy.

Recognizing the need for making the new policy as inclusive and collaborative as possible by taking key energy sector stakeholders on board, NITI Aayog initiated the process of policy development by conducting a consultation with key think tanks working in the Indian energy space. Subsequently, to lay the foundation for conceptualizing the new policy, Vice Chairman (VC), NITI Aayog met a group of eminent economists of India on 25th August 2015. Following the same, a meeting between MOS (Power), MOS (Petroleum), MOS (Environment) and VC, NITI Aayog was held on 15th September, 2015. In October and November 2015, 9 Stakeholder workshops hosted by NITI and partner think-tanks on an identified equal number of salient themes were held, which witnessed wide participation of State Governments, Central Electricity Authority, Bureau of Energy Efficiency, Central Electricity Regulatory Commission, line ministries, Public Sector Undertakings, the private sector and the academia. A draft version of the policy was then prepared in March 2016, and was circulated to the concerned line ministries for their comments. Following the same, two consultations were held with the MOS (Petroleum) and

MOS (Power) respectively, in April and May 2016 in order to gather their views on the recommendations made by the policy.

Currently, the comments of the ministerial consultations are being incorporated into the draft policy by NITI Aayog. The revised version is intended to be circulated again to the different line ministries, and their specialized agencies, before it is made open to the public for their comments.

13. Regulatory Reform Bill 2016

The regulatory framework across various public utility industries lacks a consistent and coherent approach. This has led to lack of uniformity and predictability in powers and functions of regulators, their selection procedure, independence and accountability, budgetary allocation and mechanism for appealing against orders passed by regulators. The diverse sectoral approaches have resulted in an uneven regulatory environment and leads to considerable delays in setting up of regulatory institutions and process. The Regulator in port sector is mandated to set tariffs only whereas regulators in electricity sector have much wider powers of licensing, market development and imposing penalties apart from tariff fixation. The telecom and gas sector regulators are assigned to promote competition which is not part of the responsibilities of port or electricity regulators

The Hon'ble Finance Minister stated in his budget speech of 2015-16 that there is a need to tackle the lack of common approach and philosophy in regulatory arrangements prevailing within the different public utility Industries. Accordingly, in June 2015, the Draft Regulatory Reform Bill was placed on the NITI Aayog website and comments were received during the stakeholders meeting which were

incorporated in the Draft Regulatory Bill. Subsequently, a meeting was held during April, 2016 under the chairmanship of Vice Chairman, NITI Aayog to discuss the provisions of the draft Regulatory Reform Bill for improvement. During discussions within NITI Aayog, it was felt that a focused discussion with regulators would be helpful in making improvements in the draft Regulatory Reform Bill. Presently, the Bill is ready for Inter-Ministerial Consultation, after cabinet approval the Bill will be placed in the Parliament for Legislative process.

14. Appraisal of Twelfth Five Year Plan (2012-17)

As a follow up of the decisions taken in the first meeting of the Governing Council of NITI Aayog, the exercise of appraisal of the Twelfth Five Year Plan (2012-17) was undertaken in NITI Aayog. The appraisal broadly covers physical and financial targets vis-à-vis achievements for the first four financial years of the Plan (2012-16) and the financial targets (Budget estimates) for the terminal year (2016-17) of the Twelfth Plan.

Twelfth Five Year Plan document has 24 Chapters covering basically all the sectors of the economy. Breaking away from the past traditions, the Appraisal document is based on the following nine broad themes:

- i. The Economy & Policies: An Overview
- ii. Macroeconomic Factors
- iii. Employment and Skill Development
- iv. Governance
- v. Human Resource Development

- vi. Physical Infrastructure
- vii. Environmental Sustainability
- viii. Agriculture and Rural Transformation and
- ix. Urban Transformation

The Twelfth Five Year Plan (2012-17) envisaged three scenarios termed as “strong inclusive growth”, “insufficient action” and “policy logjam”, pegging the average annual GDP growth rate under these at 8 per cent, 6 to 6.5 per cent, and 5 to 5.5 per cent, respectively. The performance in 2012-13 and 2013-14, in line with the projections based on the old GDP series, may be reasonably concluded as below the “policy logjam” scenario. In the later years the economy recovered.

The Appraisal has provided an opportunity for incorporating the shared Vision of National Development and important initiatives taking by the Government. The exercise is not confined to status but also suggests corrective actions and crystallizes learnings on various themes covered. NITI Aayog, has taken a large number of steps to facilitate policy correction reflected in Appraisal document, a few of which are covered below:

- i. A draft road map for PMKSY has been prepared, which is under finalization. Giving importance to the last mile connectivity to fully utilize irrigation potential already created 22 prioritized projects under AIBP were also inspected by the officers of NITI Aayog, Ministry and the concerned State Governments to ensure their early completion.

- ii. A study has been initiated with World Bank assistance to develop a framework for development and sustainable management of water resources in India.
- iii. A Consultation was held with the States and other stakeholders on the proposed amendments in the Inter-State River Water Disputes Act and its observations were forwarded to the Ministry.
- iv. A booklet was published covering details of islands prioritized for holistic development.
- v. NITI Aayog had constituted an Expert Group to prepare a model land leasing Act to enable the States to enact their own leasing Act based on the proposed model. The Expert Group has submitted its Report and action on it is under active consideration.
- vi. It has prepared a report – '*India's Renewable Electricity Roadmap 2030: toward Accelerated Renewable Electricity Deployment* ', which is expected to offer credible options for policy-makers.
- vii. A number of other initiatives like Ease of doing Business, Island development, formulation of Water Index are in the pipeline.

COMPETITIVE, CO-OPERATIVE FEDERALISM

I. Indices Measuring States' Performance in Health, Education and Water Management

In 2016-17, NITI Aayog has undertaken the crucial task developing three major indices that will drive competitive, cooperative federalism in India. The institution is establishing an

outcome-based monitoring framework in the critical economic and social development sectors of Healthcare, Education and Water. The primary objective of this framework is to determine the implementation of crucial policy by States through a review of their performance with respect to Key Performance Indicators (KPIs) in each of these sectors. Each State will be requested to submit their respective KPI datasets for review and validation of the given inputs by NITI.

a. Performance on Health Outcomes Index

A 'Performance on Health Outcomes' index **to assess the quality of healthcare services provided by the States has been** spearheaded by NITI Aayog, along with Ministry of Health and Family Welfare. The index aims to nudge States towards transformative action in the Health sector. NITI has also developed guidelines for the exercise indicating features of the index, measures and methods of data. This index, and guidelines for its use, has been formulated with technical inputs from domestic and international experts in health and economics, including academicians and development partners, seeking feedback from States through multiple iterations and pre-testing the indicators in two States prior to its finalization. The index will capture the annual incremental improvements by States, rather than focus on historical achievements of each State. This initiative is envisioned to bring about much-required improvements in social sector outcomes, which have not kept pace with the economic growth in this country. It will be used to propel action in the States to improve health outcomes and improve data collection systems. Monitorable indicators that form a part of the Sustainable Development Goal in Health have been included in order to align these initiatives. The index will also aid in the monitoring of health performance at the State level,

thereby enabling transparency in the system.

b. School Education Quality Index for Improving Learning Outcomes Measurement

NITI Aayog, in partnership with the Ministry of Human Resource Development, has conceptualized and designed the School Education Quality Index (SEQI). SEQI is a composite index that will report annual improvements of States on key domains of education quality. The larger vision of the index is to shift the focus of States towards outcomes, provide objective benchmarks for continuous annual improvements and encourage state-led innovations to improve quality.

Currently 60 per cent of the SEQI score is based on learning outcomes. Therefore, the availability of high quality learning data is critical. NITI has devised a survey to generate the required data for SEQI with the following features:

- Representation of all children (government, private and out of school children)
- Generating a reliable score at Primary, Upper-primary and Secondary grades
- Calculating percentage of children with basic literacy and numeracy competencies in early grades
- Recording performance of marginalised sections (SCs/STs) and compare them with the general category
- Compares previous cycles (Cycle 3/ Cycle 4) of National Achievement Survey

NITI Aayog plans to host a technical meeting with experts and organisations to discuss key questions related to assessment design and operations. The expected outcome is to generate an outline of the assessment system that could either be operationalised through the existing measurement exercises (for e.g., National Achievement Survey by NCERT) or measured independently.

c. Water Management Index

In view of the criticality of sustainable management of water resources for India, NITI Aayog is developing a Composite Water Management Index, with pro-active engagement of States and Union Territories. The Index is being developed in consultation with the concerned Central Ministries/Departments, the States and other stakeholders. For this purpose, a set of 33 Key Performance Indicators (KPIs) covering irrigation status, drinking water and other water-related sectors have been identified. Critical areas such as source augmentation, major and medium irrigation, watershed development, participatory irrigation practices, sustainable on-farm water use practices, rural drinking water, urban water supply and sanitation, flood management, and policy & governance have been accorded high priority.

II. Sub-Group of Chief Minister's and Task Forces

In the spirit of cooperative federalism, the Governing Council of NITI Aayog in its first meeting on November 8th, 2015, decided that the institution would constitute three major Sub-Groups of Chief Ministers:

- 1. Rationalization of Centrally Sponsored Schemes**
- 2. Skill Development**

3. Swachh Bharat Abhiyan

In this meeting, the Hon'ble Prime Minister urged all Chief Ministers to work with the Centre to forge a model of cooperative federalism, whereby the Centre and the States – Team Indi can come together to resolve differences, and chart a common course to progress and prosperity. In addition, it was also decided that the States will set up two Task Forces on Agriculture Development and Poverty Elimination, under the leadership of the NITI Aayog.

The reports of all the sub-groups groups have been submitted by the NITI Aayog to the Prime Minister's Office. The Sub-Group of Chief Ministers meet helped arrive at a on many contentious issues, not only for the States represented in the sub-groups, but even the others through regional meetings, consultations, etc.

The second meeting of the Governing Council of NITI Aayog was held on July 15, 2015 where the Prime Minister reiterated the vision that States should be the focus of all development efforts. In order to work towards a federal structure, based on a two-way flow of priorities and cooperative action, a series of meetings were held in NITI Aayog with groups of States to develop a strategy of working together. This exercise culminated in the conference – 'Role of NITI Aayog: Consultation with the States' – held on 30th November, 2015, with the Planning and Finance Secretaries of States chalking out the procedure for a structured engagements with the States.

The Second meeting advocated the need for gradual shifting of the focus from Planning to Policy, in order to influence behaviour of both public and private actors.

This is important in the light of changed economic circumstances where the major share of investments today flow from the private sector. It was also observed that most States had achieved sizes of economy larger than many countries. As a result, States needed to interact a great deal not only with the Central Government but also with international government and non-governmental bodies. To enable this, the Governing Council had suggested that NITI Aayog:

- Serve as a repository of best practices for the States and for transfer of knowledge
- Provide advocacy support to States in sorting their issues with Central ministries
- Sort problems of States pertaining to Centrally Sponsored Schemes, particularly the need for transparent norms and timely releases of funds

It was mutually decided that each year there would be at least two meetings, an annual conference in October or November, and a post budget meeting in April to discuss the requirements of the States from the Centre. Honoring the decisions of this conference, two working groups have also been set up, viz., i) Working Group on North Eastern States and Hill States and ii) Working Group on Central Sector Schemes.

SUB-GROUP OF CHIEF MINISTERS

(i) Sub-Group of Chief Ministers on Rationalization of Centrally Sponsored Schemes

This sub-group of CMs was constituted on 9th March, 2015, under the Convenership of the Chief Minister, Madhya Pradesh, with Chief Ministers of Arunachal Pradesh,

Jammu & Kashmir, Jharkhand, Kerala, Manipur, Nagaland, Rajasthan, Telangana, Uttar Pradesh and Lt. Governor of A & N Islands as Members and CEO, NITI Aayog as Coordinator.

The Sub-Group has submitted its report to Hon'ble Prime Minister on 27th October, 2015 after having wider consultation with the Members of the Sub-Group as well as representatives of non-member States and Central Ministries

<i>The recommendations of the Sub-Group on funding pattern are as follows:</i>	
<u>Core Schemes:</u>	(a) For 8 NE and 3 Himalayan States: Centre: State: 90:10
	(b) For other States: Centre: State: 60:40
	(c) For Union Territories: Centre 100%
<u>Optional Schemes:</u>	a) For 8 NE and 3 Himalayan States: Centre: State: 80:20
	b) For other States: Centre: State: 50:50
	c) For Union Territories: Centre 100%
<u>Core of the Core Schemes:</u>	Existing Funding pattern of the core of the core schemes should continue.

	<p>(a). Remuneration for ASHAs, Anganwadis and Contract Teachers to be protected. However, Central Assistance (CA) may be capped at existing level for the next 2 years in this regard.</p>
	<p>(b). Provision for incomplete projects: all works begun in projects in existence in 2014-15 in which work has been awarded till 31st March, 2015 should be funded on the existing pattern for the next 2 years.</p>
	<p>(c). Flexibility in Schemes and Institutional Mechanism: 25% allocation in a scheme should be flexi-fund, to be spent in accordance with Ministry of Finance guidelines.</p>
	<p>(d). Design of CSS should be broadly like Rashtriya Krishi Vikas Yojana (RKVY) with a large number of admissible components in a scheme, and the State being free to choose components to suit their local needs.</p>

	<p>(e). The Ministry of Finance would make scheme wise allocation for Core Schemes. In each Core schemes, there would be transparent criteria for State allocation of funds. There would also be transparent criteria for the lump sum allocation to States for Optional schemes. These criteria to be evolved by NITI Aayog in consultation with State Governments and Central Ministries.</p>
	<p>(f). NITI Aayog to have concurrent jurisdiction in monitoring of Centrally Sponsored Schemes in the States and Central Ministries.</p>
	<p>(g) Third Party evaluation by NITI Aayog.</p>

(ii) Report of the Sub- Group of Chief Ministers on Swachh Bharat Mission:

The Swachh Bharat Mission (SBM) was launched on 2nd October, 2014 to fulfil the

Major recommendations of the Sub-Group on CSS

- Existing CSS should be divided into Core and Optional Schemes. Focus of CSS should be on schemes that comprise the National Development Agenda where the Centre and States will work together in the spirit of Team India.
- Amongst the core schemes, those for social protection and social inclusion should form the core of core and be the first charge on available funds for the National Development Agenda.
- Funds for optional schemes would be allocated to States by the Ministry of Finance as a lump sum and States would be free to choose which optional schemes they wish to implement.
- In any sector there should be one Umbrella scheme having the same funding pattern for all its sub-components.

vision of cleaner India by October 2, 2019 as a tribute to Mahatma Gandhi on his 150th birth anniversary. SBM is a concerted approach and one of the biggest ever drive to accelerate the efforts towards achieving universal sanitation coverage, improving cleanliness and eliminating open defecation in the country. The Swachh Bharat Mission has both Rural and Urban Components - Swachh Bharat Mission (Urban) and Swachh Bharat Mission (Gramin).

The Mission comprises components such as construction of individual household toilets, community & public toilets and solid & liquid waste management etc.

The Sub-Group on Swachh Bharat consists of the Chief Ministers of Andhra Pradesh, Bihar, Delhi, Haryana, Karnataka, Maharashtra, Mizoram, Sikkim, Uttarakhand and West Bengal as Members with Chief Minister of Andhra Pradesh as the Convener of the Sub-Group. The Sub-Group has submitted its report to the Prime Minister on 14th October, 2015, after wider consultation with the Members of the Sub-Group as well as representatives of non-member States and Central Ministries.

(iii) Report of the Sub-Group of Chief Ministers on Skill Development: The notification for the Sub Group was issued on 24th March 2015 with the Chief Ministers of Assam, Chhattisgarh, Goa, Gujarat, Himachal Pradesh, Meghalaya, Odisha, Puducherry, Tripura and Tamil Nadu as Members and the Chief Minister of Punjab as the convener and CEO, NITI Aayog, as the coordinator of the Sub-Group. The terms of reference of the Sub-group was pertaining to strengthening State Skill Development Missions for integrated delivery; improving private sector participation in various aspects of skill development; expanding outreach of skilling programmes, mobilizing local bodies, civil societies, Railways and Armed Forces to participate in skilling; career guidance and post training placement tracking and to suggest State level innovative measures for up-scaling of pilots, best practices, dissemination and replication by the other States/UTs and raising resources for financing. The Sub-Group submitted their final Report in September 2015. The report has been presented to the PM and actionable points emerging from the recommendations of the Report which would be taken up for implementation among all stakeholders.

Key recommendations of the Report

- Strengthening the institutional delivery framework at the State level by strengthening the State Skill Development Missions.
- Improving the access, outreach and quality of skill development programmes.
- Improving the availability and quality of trainers.
- Identifying alternative sources of funding to scale up skill development.
- Ensuring active involvement of the private sector in all aspects of skill development including curriculum development, delivery mechanism, and certification.

TASK FORCES

(i) Task Force on Agriculture Development

A Task Force on Agriculture Development was constituted under the Chairmanship of the Vice Chairman of NITI Aayog to co-ordinate and develop synergy with the Central Ministries and State Governments Task Forces to recommend strategies for re-invigorating agriculture in all its aspects, formulate strategies for reforms, innovation and technology diffusion and identify successful experiments and programmes from which all State(s) and UTs may learn.

The Task Force on Agriculture has identified new initiatives to raise agricultural productivity. These include employing an integrated approach in resource allocation on crops; to make the share of horticulture and livestock coterminous with their contribution to the States agriculture (GSDP) and available resource GSDP; promotion of knowledge-based agriculture to find technological solutions with active involvement in the proves of technological innovations and adoption; development of an appropriate, farmer-centric institutional framework such as Farmer Producer Organizations (FPOs) to support production systems and forward linkages; and promotion of agriculture -industry linkages.

Several persisting issues in the agriculture sector that demand far greater attention, have also been identified by the Task Force. These include achieving efficiency in fertilizer use (NPK Balance), improving soil health through soil analysis, ensuring use of soil health cards, soil health campaigns and addressing fertilizer subsidy; investment in electricity; research and extension; agricultural marketing and trade (a single national market); links to industry - food processing; land holding consolidation (land titles and land leasing & sales laws); credit and finance; concerns relating to small and marginal farmers; crop insurance and convergence of Central Sector and Centrally Sponsored Schemes, which will include pooling of resources, both human and capital, transfer of productive and eco-friendly technologies and value addition through provision of backward and forward linkages.

The Report of the Task Force on Agriculture Development has a wide scope in order to include suggestions received during the presentation made before the Prime Minister on September 16, 2015 and the inputs received from the States and Union Territories. A total of 20 States and UTs have submitted their report to NITI Aayog. A discussion paper based on the work of Task Force – ‘Raising Agricultural Productivity & Making Farming Remunerative for Farmers’ – has also been created and made public.

(ii) Task Force on Elimination of Poverty in India

Subsequent to the decision taken in the first meeting of the Governing Council of NITI Aayog, held under the Chairmanship of Hon'ble Prime Minister on 8th February, 2015, a Task Force on Elimination of Poverty in India was constituted by NITI Aayog on 16th March, 2015 under the Chairmanship of Dr. Arvind Panagariya, Vice Chairman, NITI Aayog.

Based on the discussions held in first meeting of the Task force on 7th April, 2015, a concept note and a background paper was circulated to all States /Uts by the NITI Aayog. So far, the Task Force has held three meetings on 7th April, 2015, 20th May, 2015 and 29th June, 2015 respectively. The order mandating the formation of the Task force notes that the State government would submit their respective Task Force report to NITI Aayog and after-that the Task Force of the NITI Aayog would consider these reports and prepare its own report. So far, NITI Aayog has received the report from 16 States/UTs. Further, 11 States/UTs have informed about constitution of Task Force but are yet to submit their report. The remaining nine States/UTs are yet to inform NITI Aayog about the constitution of parallel Task Force in their State/UT.

Based on the work of the above Task Force and the inputs provided in the Reports of the Task Force constituted by the States, an occasional paper on 'Eliminating Poverty: Creating Jobs and Strengthening Social Programmes' has been prepared and posted on official website of NITI Aayog (www.niti.gov.in). Further it has been decided that four regional consultation meetings will be organized for preparation of Task Force report on Elimination of Poverty in India at Hyderabad, Jaipur, Delhi and Patna on 13th April, 2016, 22nd April, 2016, 2nd May, 2016 and 6th May, 2016 respectively.

III. Resolving pending Centre-State issues that delay development efforts in States

NITI Aayog took an unprecedented initiative to resolve the pending issues of State of Telangana with Central Ministries. This was done in view of its mandate to offer a platform for resolution of inter-sectoral and inter departmental issues and accelerate the implementation of the development agenda.

Twenty issues spread across ministries of Coal, Petroleum and Natural Gas; Power; Environment, Forest and Climate Change; Culture; Finance and Rural Development were identified by Telangana State. A note flagging these issues was sent by NITI Aayog to the concerned ministries and a meeting of the senior state and central government officials was held at NITI under the chairmanship of Vice Chairman, Shri Arvind Panagariya to facilitate the resolution of pending issues of the State with various Central Ministries.

To the satisfaction of both sides involved, all issues were either resolved or brought much closer to resolution. It is important to note that both sides discussed matters in good faith, yielding ground where it was warranted and explaining satisfactorily when the outcome desired by the other side was not feasible.

Accordingly, Chief Ministers of all the States were also requested by the Vice Chairman to make use of intermediation by NITI Aayog for any pending issues requiring clearance or approval by the Central Government in order to speed up the implementation of the nation's development agenda.

That apart, a number of issues between states and central ministries pertaining to PMKSY were also resolved with the help of NITIs intervention.

IV. Push for formula-based allocation of CSS funds to States by Central Ministries

In line with the recommendation of the Sub-Group of Chief Minister for Rationalizing Centrally Sponsored Schemes, NITI called for the creation of an objective and transparent formula to distribute Central funds to States, under the Centrally Sponsored Schemes (CSS). The Aayog wrote to Secretaries of Central Ministries/Departments calling for prompt action to develop an objective formula for distribution of CSS funds.

With the budget making exercise in full swing at the Union and many State Government Levels in February 2016, NITI Aayog told the Secretaries of all nodal ministries suggesting that it would be entirely appropriate that State Governments have a broad appreciation of the quantum of Central funds that is committed to them scheme-wise, in order for them to plan better and also ensure speedier execution of CSS. Ministries have so far had the flexibility to swap funds between States depending on various criteria. The creation of a formula, however, will ensure transparency in allocation, while creating an objective and timely method for speedy action by States. With prior knowledge of funds that will be allotted to them under each CSS, States can allocate funds to corresponding sectors in their budgets accordingly, without having to wait for the release of the Union Budget.

The task of creating the formula has been entrusted to a three-member committee with the Secretary of the nodal Ministry implementing the CSS as the Chairman, and the Financial Adviser of the Ministry and Adviser of the NITI Aayog as its Members.

NITI will give its inputs and recommendations based on consultation with all State Governments. The decision reflects NITI Aayog's commitment to cooperative federalism. Through this, the Aayog has ensured direct involvement of States in national policy making, cutting across party lines.

V. District level disaggregated data on 51 indicators for all the States/UTs

One of NITI Aayog's new roles is to come out with a repository of data from district upwards to monitor the development of States. For the first time, an extensive exercise to collate disaggregated data across the country was successfully undertaken. The extensive data, clustered into social infrastructure like health, school education, and then physical infrastructure like water, roads and electricity and Information Technology penetration has been published on the website of NITI Aayog. The sources for the data are Census 2011, District Level Household and Facility Survey (DLHS) and District Information System for Education (DISE). It covers the five key sectors of Health, Education, Water, Electricity and Telecommunication of all the States/UTs.

VI. Capacity Building of Urban Local Bodies

The Government of India has initiated urban rejuvenation missions – Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and Smart City with the objective of improving availability of basic urban infrastructure in order to improve quality of life of citizens. However, as widely recognized, one of the key limitations in realizing the vision of urban transformation is the capacity constraints of urban local bodies to implement the program. NITI Aayog under its Memorandum of Understanding with Singapore Cooperation Enterprise launched a capacity building programme called

the 'Urban Management Programme' in April 2016 with the objective of building capacities of Urban Local Bodies, parastatal bodies and State government officials. The programme covered seven States, namely Tamil Nadu Andhra Pradesh, Maharashtra, Gujarat, UP, Delhi and Assam.

The three critical areas of that the programme covered are:

- (i) Urban planning and governance
- (ii) Water, waste water and solid waste management
- (iii) Public-Private financing (PPP)

The programme was inaugurated by Vice Chairman, NITI Aayog, and the High Commissioner to India of Singapore. In keeping with the programme guidelines, three knowledge-sharing workshops were organized in which experts from Singapore interacted with the concerned officials from all state departments. In November 2016, a field visit to Singapore was organized for state participants and in January this year three advisory sessions were held in New Delhi. The closing ceremony for the programme was held on 20th January, 2017 chaired by NITI Aayog Member, Bibek Debroy. The closing ceremony saw the presentation of three strategic baseline frameworks by participating States to address key identified challenges in the urban sector. These frameworks are to be discussed with other States in March 2017.

THINK-TANK FUNCTIONS

1. Vision Document of India

The era of five-year plans in India ends with the close of 12th plan period at the end March

2017. The country is now geared to implement a well thought-out long-term Vision, in keeping with our national goals and priorities. The Hon'ble Prime Minister has delegated the important task India of formulating the 15-year Vision Document of India to the premier policy think-tank, NITI Aayog.

NITI initiated the exercise to draft the Vision document early in 2016. The Vision aligns itself with India's national priorities, which subsume the Sustainable Development Goals, also anchored at NITI for India. Complementing the 15-year vision will be a seven-year strategy and three-year action agenda to ensure implementation of the Vision.

The 7-year strategy aims to convert the long-term vision into implementable policy as a part of "National Development Agenda" with a mid-term review after 3 years, in March 2020. The 3-year Action agenda, coming into effect from 2017-18 to 2019-20, strategically aligns India's goals with available resources, by predicting flow of finances during the 14th Finance Commission award period. This will ensure the government's goals are translated into action by 2020.

NITI Aayog has undertaken numerous, intensive consultations with national and international experts from across the spectrum. Thinkers and policy makers from every sector – health, nutrition, education, agriculture, urban management, rural development, governance, environment, women and child development, social justice, defence, environment, energy to name a few – have been are being consulted by NITI Aayog to draft a comprehensive Vision for the country. Many leading scholars have also provided written inputs to aid the process.

As an initial effort at making the drafting of the vision an inclusive exercise, a special Gram Sabha was held across the country (except in poll-bound States) on January 26th, Republic Day, 2017. The Gram Sabha focused on gathering citizens priorities for their Panchayat

and for their country, 15 years hence.

2. Roundtable on the Roadmap for Economic Policy in India

On 27th December 2016, NITI Aayog organized a roundtable with economists and experts on the theme 'Economic Policy – The Road Ahead', under the Chairmanship of Hon'ble Prime Minister.

During the session, participants shared their views on issues of critical importance to the Indian economy such as agriculture, skill development and job creation, taxation and tariff related matters, education, digital technology, housing, tourism, banking, governance reform, data driven policy, and future steps for growth.

At the meeting, the Prime Minister called for innovative approaches towards governance in the fields of skill development and tourism. Noting that the budget cycle has an effect on the real economy, he said that authorization of expenditures in our existing budget calendar coincides with the onset of the monsoon. This he said, results in government programmes being relatively inactive in the pre-monsoon months, which are otherwise productive. With this in view, he advanced the date of budget presentation so that expenditure is authorized by the time the new financial year begins.

The meeting was attended by Finance Minister Shri Arun Jaitley, Minister of State for Planning Shri Rao Inderjit Singh, Vice Chairman NITI Aayog, Shri Arvind Panagariya, and senior officers from the Union Government and NITI Aayog. It was also attended by economists and experts including Prof. Pravin Krishna, Prof Sukhpal Singh, Prof Vijay Paul Sharma, Mr. Neelkanth Mishra, Mr. Surjit Bhalla,

Dr. Pulak Ghosh, Dr. Govinda Rao, Mr. Madhav Chavan, Dr. N.K. Singh, Mr. Vivek Dehejia, Mr. Pramath Sinha, Mr. Sumit Bose, and Mr. T.N. Ninan.

4. NITI Lectures: Transforming India

As the government's premier think-tank, NITI Aayog views knowledge building & transfer as the enabler of real transformation in States. To build knowledge systems for States and the Centre, NITI Aayog launched the 'NITI Lectures: Transforming India' series, with full support of the Prime Minister on 26th August 2016.

The lecture series is aimed at addressing the top policy making team of the Government of India, including members of the cabinet and several top layers of the bureaucracy. Its aim is to bring cutting edge ideas in development policy to Indian policy makers and public, so as to promote the cause of transformation of India into a prosperous modern economy. Fully sharing the Prime Minister's vision of a transformational change for India, rather than incremental change, NITI Aayog believes that this transformation must be driven by well thought out policies and programmes. This lecture series, therefore, is of critical importance in lending the right direction to India's growth story. This is also a crucial step towards realizing NITI Aayog's role as India's premier policy think-tank.

In 2016, NITI Aayog held two lectures in the series, which brought together top policy makers from across the globe, academics, experts and administrators of global repute to India, for the benefit of policy makers in States and the Centre. The lectures enabled an atmosphere of immense learning and exchange of ideas from

global experiences in development and governance.

The Hon'ble Deputy Prime Minister of Singapore, Shri Tharman Shanmugaratnam, delivered the first lecture on the topic: India and the Global Economy. On November 16th, 2016, Bill Gates, Co-Founder, Bill and Melinda Gates Foundation, delivered the second lecture in the series under the theme: 'Technology and Transformation'.

Outlining the global shifts that impact the nation's development, both lectures discussed India's many advantages, its potential to address existing challenges and the opportunities that lay ahead by learning from international best practices in using technology and innovation as levers for the country's transformation.

4. State Forward - A Compendium of Best Practices from Our States

Cooperative federalism is not just Centre-state cooperation, but also state-state cooperation where there is competition among the state governments in terms of their economic growth. To enable such healthy competition, convergence of best practices amongst the states is imperative. As a premier think-tank of the Government, NITI is developing a state-of-the-art resource centre that will be a repository of research on good governance and best practices of sustainable and equitable development. This compendium on best practices across States is additive to the compilation.

By virtue of the sheer size of the Indian subcontinent, the GDP of some states in India far exceeds the GDP of some of the countries in the world. However, for India to achieve a sustainable growth rate of over 9 per cent, most States need to grow at 12-13 per cent. And one of the enabling factors in this effort is the ability to replicate innovative

approaches and best project strategies that some States have successfully implemented.

It is remarkable that modern implementation processes cutting-edge technology, effective Research & Development and efforts at decentralized monitoring, among others, in several States often go unnoticed. This compendium exhaustively lists out some these best practices. NITI Aayog will periodically update this compilation to showcase the best case studies among States.

A bottom-up approach has been adopted even in developing the compendium, where States' representatives were contacted to identify best practices of the model project examples within their States. Each contact person responsible for the implementation of the project has been identified in the case study. A team of over 60 members, comprising of Senior Officials, Advisers, Officers on Special Duty, Research Officers, and Young Professionals identified and vetted the case studies with the most compelling prospects in other States.

NITI Aayog is consistently monitoring the adoption and implementation of projects across States. The intention of promoting learning across sectors and divisions will strengthen cooperative federalism and augment decentralization. This will contribute in evolving a shared vision of national development priorities with the active involvement of States, in light of the national objectives.

5. Global Conference on Strengthening Arbitration & Enforcement in India

NITI Aayog, along with key departments of the Government of India and the Judiciary launched the Global Conference on Strengthening Arbitration and Enforcement in India - a

major initiative to change the face of dispute resolution in the country. The first-of-its-kind initiative in India was organized by NITI from October 21st to 23rd, 2016 along with the Ministry of Law & Justice, DIPP, National Legal Services Authority, International Center for Alternative Dispute Resolution, National Institute of Labour Economics Research and Development to make India the centre of arbitration.

For the first time, six leading international arbitral institutions (HKIAC, ICC, KLRCA, LCIA, PCA and SIAC) and all major industry associations (FICCI, PHD Chamber, CII and ASSOCHAM) came together to drive this initiative. The Conference provided impetus to commercial arbitration in India, which is fast gaining pace across the world, for faster, more efficient dispute resolution outside the courtroom.

Shri Pranab Mukherjee, President of India inaugurated the three-day global Conference on 21st October and Shri Narendra Modi, Prime Minister of India delivered the valedictory address. The Conference was guided by Patron-in-Chief, Shri T.S. Thakur, Chief Justice of India. Shri Arun Jaitley, Union Minister for Finance and Corporate Affairs, Shri Ravi Shankar Prasad, Union Minister for Law and Justice and Electronics and Information Technology, in addition to the best minds from Indian and international legal bodies, corporate houses and the legal fraternity were present at the Conference. Chief Justices of six countries too participated at the first ever Global Conference on Arbitration in India and share their thoughts. The global conference has served as a platform for discussing critical issues, sharing experiences on the best international practices and creating a roadmap to strengthen arbitration and its enforcement in India.

India has already undertaken major structural reforms to facilitate ease of doing business

recently, including legal reforms to revamp the existing arbitration framework. The Parliament has recently passed an Amendment to the Arbitration and Conciliation Act, 1996. Moreover, the Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts Act, 2015 has been passed to fast track commercial dispute resolution. Building over these reforms, this initiative by Government and Judiciary has aided in improving the institutional capacity necessary to create a vibrant ecosystem to make India the next big hub for international commercial arbitration.

The three-day conference had 7 intensive brainstorming technical sessions. These dwelled on different facets to strengthen institutional arbitration and ensure a facilitative judiciary to encourage Indian and foreign parties to arbitrate in India. More than 1000 experts and Government functionaries participated in the Conference besides 1200 students and faculty from various law colleges.

6. Let's Play - An Action Plan for Revitalising Sports in India

India is the second most populous nation in the world and has the lowest rank in terms of medals per capita. It is disappointing that a country that has world-class talent in various disciplines has not been able to produce champions in the area of sports. Compared to previous years, 2016 witnessed large participation in Olympics. However, India has been able to bag only two medals. Our performance in Olympics over the past 60 years has shown limited improvement in terms of medals won, peaking only in the London 2012 Olympics. This had been achieved on account of increased investment towards constructing sporting facilities, owing to the recent international events such as Common Wealth Games. However, the country still does not harbour a conducive environment for sports to hone the talent of Indian

sportspersons, and bring them at par with their global counterparts. Efforts need to be undertaken at every level, right from the household, neighbourhood to schools, regional academies, states and national level. These efforts need to be aimed at radically increasing the level of sporting activities, filling the gaps in the system and monitoring for lags.

In this context, NITI Aayog formulated a 20-point action plan highlighting some key areas for improvement. These action points have been divided to a short-term vision (4 to 8 years) and medium to long-term vision (8 to 15 years). The action points identify initiatives to be taken in order to achieve a target of 50 medals in the 2024 Summer Olympics.

7. Output-Outcome Framework

The various Verticals of NITI Aayog collaborated with 68 Ministries and Departments to develop an Output-Outcome Framework. From the year 2017-18 onwards, it has been decided that outputs and outcomes of Centrally Sponsored and Central Sector Schemes will be made available along with financial outlays as a part of the Budget documents to increase the transparency and understanding of the Government's development agenda. This exercise will help to bring the focus on outputs and outcomes of Government schemes as opposed to merely tracking outlays.