

WEBINAR HANDOUT



Yojana and Kurukshetra

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YOJANA (JANUARY 2021) AND KURUKSHETRA (DECEMBER 2020)

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YOJANA (JANUARY 2021)

1. INDUSTRY @ 75

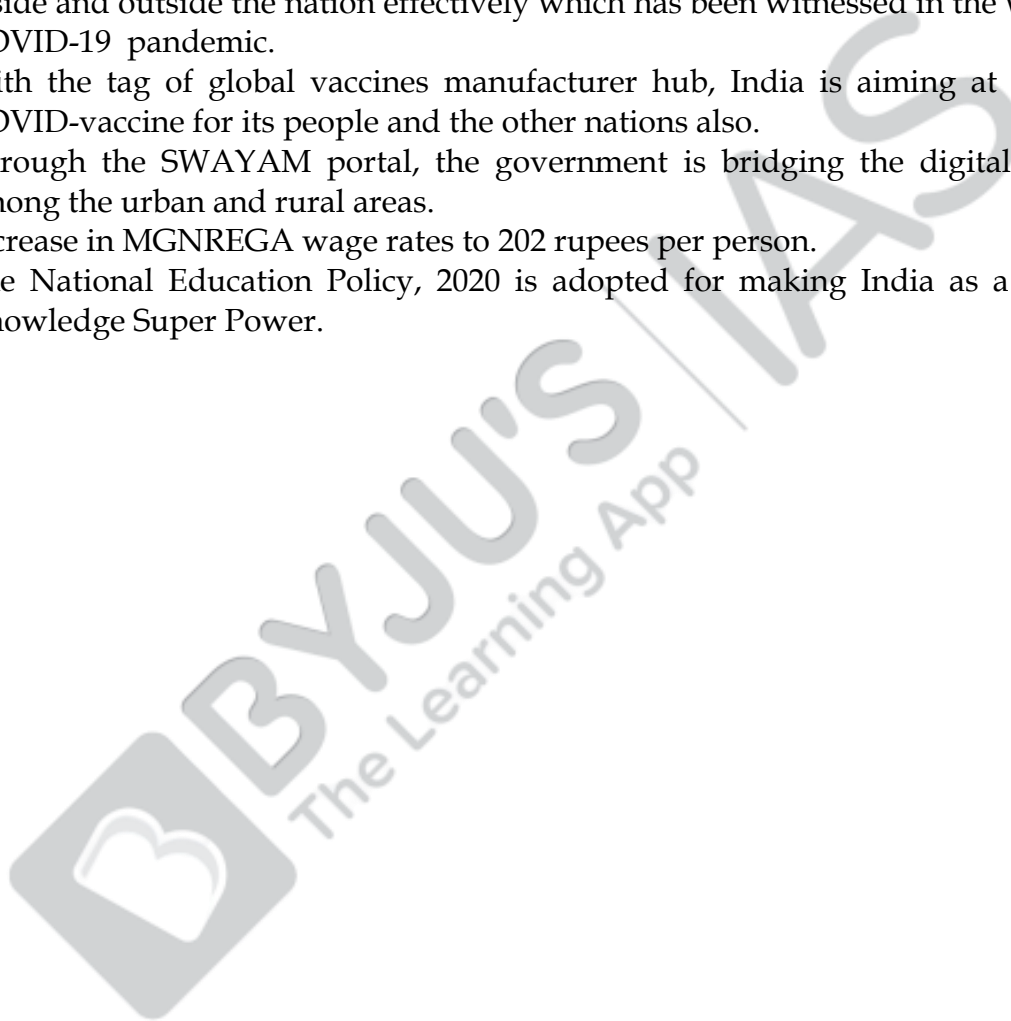
Context:

With the model of “**Minimum Government and Maximum Governance**” along with the concept of **cooperative federalism**, India is running towards the “**New India**” which would be Atma Nirbhar Bharat (Self reliant India) by 2022 amidst the various challenges including COVID-19 pandemic. From the raw material supplier to the Britishers during colonial times, India witnessed many ups and downs in its economic development till today. Five Year Plans in the independent India and 1991 economic reforms gave a boost to the nation’s economy.

Following are the highlights of India’s achievements in the recent times:

- India significantly improved its ranking in the World Bank’s **Ease of Doing Business Report** from 142 in 2014 to 63 in 2020.
- During the Financial year 2020-21, the total **Foreign Direct Investment (FDI)** inflow is \$ 35.73 Billion which is the highest ever for the first five months of a financial year.
- As per the trends, India may witness **FDI** inflow at the tune of \$100 billion per annum by 2022, which can spur the manufacturing capacity and employment avenues.
- The startup ecosystem is getting attractive for entrepreneurs. For example, the Government has recognized more than 40,000 startups by 2020 under the **Start up India** Scheme.
- Programmes like **Atal Innovation Mission** under which Atal Tinkering Labs are set up helped to improve India’s ranking in the Global Innovation Index from 85 in 2015 to 48 in 2020.
- **NITI Aayog** is aiming to achieve inclusive development through programmes like Transformation of Aspirational Districts Programme, releasing the Sustainable Development Goals Index and an online dashboard to monitor the progress done especially under **SDG - 6, Clean water and sanitation** by constructing 11 crore toilets to become Open Defecation Free under Swachh Bharat Abhiyaan.
- Under the umbrella programme of **Digital India**, creation of a digitally empowered society and knowledge economy. Some of the projects under it are Smart Cities, Government E-Marketplace Portal, BHIM app, Unified Payment Interface (UPI) etc.
- **Bhartnet programme** is launched to connect 2.5 lakh Gram Panchayats with fiber-optic network. Out of this 1.48 lakh connections are already given.
- **Aadhar** became the World’s largest biometric database and is playing a crucial role in plugging financial leakages in Governance through **Direct Benefit Transfer (DBT)** method.
- India has lifted 271 million people out of poverty according to the **Multidimensional Poverty Index - 2019**.

- Pradhan Mantri Mudra Yojana and Pradhan Mantri Kisan Samman Nidhi Yojana are helping in providing financial support to the non-farm and farm sectors respectively.
- Recently passed farm bills are aimed at removing the structural bottlenecks in the agriculture markets and doubling the farmer's income by 2022.
- India's Global stature has also significantly improved in the recent times with the election for Chair of World Health Organization's Executive Board and non-permanent membership of the United National Security Council, hosting the G-20 meet in 2023, getting invitation from the USA to the G-7 meeting etc.
- India is able to cope up with the security, social and economic challenges from inside and outside the nation effectively which has been witnessed in the wake of COVID-19 pandemic.
- With the tag of global vaccines manufacturer hub, India is aiming at serving COVID-vaccine for its people and the other nations also.
- Through the SWAYAM portal, the government is bridging the digital divide among the urban and rural areas.
- Increase in MGNREGA wage rates to 202 rupees per person.
- The National Education Policy, 2020 is adopted for making India as a Global Knowledge Super Power.



2. FISCAL FEDERALISM

About:

Fiscal Federalism implies that the way in which the ways of expenditure and revenue is allocated for different levels of the Government.

Evolution of Fiscal Federalism in India:

- **1858** :British Government had direct sovereignty over the Indian territory and the Central Government had absolute control over the finances of the lower level governments.
- **1917**: British Government's declaration for gradual introduction of the responsible Government in India.
- **1919**: Through Montague Chelmsford reforms, a system of diarchy was introduced in which the Central subjects to be administered by the councillors appointed by the Crown and the Provincial subjects to be administered by the Ministers from the provincial legislatures.
- **1927**: Simon Commission recommended for the establishment of a federation of Indian states and provinces.
- **1931**: Expert committee under Lord Viscount Peel suggested sharing the income tax between Centre and Provinces (fixed share for 5 years).
- **1935**: Through the Government of India Act of 1935, a federal system with provinces and Indian states as two distinct units was set up.
- **1947**: With the great efforts of Sardar Vallabhai Patel unification of Indian Union took place with the setting up of a Federal structure in India.

A brief look at the Constitutional provisions related to Fiscal Federalism in India:

- According to **Dr. B.R. Ambedkar**, the dual polity as envisaged in the Indian constitution provides for sovereign powers for the Union and states in their respective fields.
- The Seventh schedule to the Indian Constitution provides for the division of subjects into three lists namely central, state and concurrent lists.
- The Central Government transfers funds to the states constitutionally under two heads namely,
 - General Purpose Transfers based on the recommendations of the Finance Commission under the **Article 275 to 278**. (Recently, the 15th Finance Commission gave its recommendations for the year 2022-21)
 - Specific Purpose Transfers which are based on specific needs of the states and is subject to the discretion of the centre. These grants are handled by the Ministry of Finance for which earlier the Planning Commission handled.

Redefining the fiscal federalism to ensure better utilization of funds in India

- **Increase in united funds devolved to states:** Finance Commission (FC) transfers increased from 60.1% of the total transfers to the states during the FC-VIII to 68.6% during the FC-X and remained stable till the award period of the FC-XII. With the restructuring of the Centrally Sponsored Schemes during the FC-XIII, the share of the non-FC transfers increased to 32% and to 42% during the FC-XIV.

- **Rationalization of the Centrally Sponsored Schemes:** The number of schemes have been significantly rationalized to 28 in 2016-2017 from 360 at the end of the 9th Five Year Plan.
- **End to Centralized Planning era and Discretionary Grants:** With the Union Budget 2017-18, plan and non-plan distinction was ended. Discretionary transfers such as additional central assistance, special plan assistance and central assistance were also discontinued.
- **Introduction of GST under Article 279A of the Constitution:** GST Council is set up as a symbol of cooperative federalism to foster the cooperation among the states and between the centre and states.
- After the implementation of the Goods and Services Tax (GST) the income tax is retained exclusively with the Centre and the states exercise the right to collect stamp duty, excise duty on alcohol and a few other minor taxes.
- **Adoption of the Outcome Based Budgeting:** In 2017-18, outcome budget was introduced for 68 ministries for better budgeting process.
- **Empowering the third tier of the Government:** The 73rd and 74th Constitutional Amendment Acts of 1992 mandated the states for the adequate financial devolution to the urban and rural local bodies by providing constitutional status to them.

Role of NITI Aayog in Strengthening the Federalism:

- By replacing the erstwhile Planning Commission in 2015, the NITI Aayog is mandated to promote cooperative and competitive federalism for rapid economic transformation.
- It established models and programmes for development of infrastructure and to reignite and establish Private Public Partnership, such as the Centre-State partnership model, Development Support Services to States (DSSS), and the Sustainable Action For Transforming Human Capital (SATH) programme etc.
- Further, with the aim of correcting regional developmental imbalance, NITI Aayog has taken special steps for regions needing special attention and support, like the North Eastern States , Island States and hilly Himalayan States by constituting special forums to identify their specific constraints, formulating special policies to ensure sustainable development takes place in these regions while also protecting their abundant natural resources.
- Apart from designing long-term and strategic policies, it is also providing relevant technical advice to the centre, states and UTs.
- It launched the indices like Education Index, Health Index, Composite Water Management Index and Delta rankings for performance of Aspirational Districts.
- NITI Aayog is working on the basic principle of strengthening the districts and which in turn can strengthen states and the nation as a whole. This will help to replace the “competitive populism” with “competitive good governance”.

Conclusion:

- At the end, the challenge of striking a balance between equity and efficiency has always been a critical aspect in federalism. Nonetheless, the recent pandemic showed the warm relations between centre and states and successfully mitigating the pandemic by decreasing its effect.
- With constantly changing economic conditions, new reforms are must at all the levels such as increased adoption of direct benefit transfer mechanism, uniform and standard accounting procedures, effective two-way communication between the centre and states for quick redressal of the disputes, fostering transparency in policy planning and implementation process etc.



3. INFRASTRUCTURE DEVELOPMENT

Context:

India has witnessed significant thrust in the investment in the infrastructure sector since independence through decentralized planning models, Public Private Partnerships etc.

About:

- Even though the PPP's share is significant, the government's investment and execution in the sector occupies a major share. For example under the schemes such as Sagarmala, National Highways Development Project, Pradhan Mantri Gram Sadakh Yojana, etc.
- According to the author, the main dimensions of the infrastructure development are Project structuring, Project evaluation: Financial, Economic and risks, Sourcing of funds, Tendering and bidding process, Agreements, Project management, Post project issues and regulation and Disputes Resolution.

Change in the infrastructure development over the years:**Project Structuring:**

- In order to facilitate PPPs, the vertical or horizontal or both unbundling of the activity is needed. For example, the power sector witnessed vertical unbundling by dividing the sector into Generation, Transmission and Distribution companies and horizontal unbundling by decentralizing the distribution companies on regional basis. Similarly, unbundling is happening in the road sector, aviation sector etc.
- In the light of the need for inclusion, some sectors like the telecom sector recognize the need for "subsidy". The sector created the "Universal Obligation Fund" for providing subsidies for rural and remote regions.
- Aviation sector also by using a cross-subsidization model made every airline follow some route-dispersal guidelines. Airports have protected the market for the developer by availing the first right of refusal.
- Terminals at the ports are bid out in a manner that the at least two private players compete for a terminal category.
- In the warehousing sector, a party is not eligible for the next lot if the 40% capacity is already bid out to that party.
- Viability Gap Funding was introduced in place of the Build-Operate-Transfer model to take off the road sector. Further, in the wake of the toll-revenue based risk, Hybrid-annuity model was introduced in which the concessionaire was no longer vulnerable to toll-based revenue risks, but had to build and maintain the roads for an annuity income.

Project Evaluation: Financial, Economic and Risks

- Apart from the financial evaluation without a revenue model, the projects especially in the road sector have moved to financial models along with social cost benefit analysis and a risk management plan.

Sourcing of the funds:

- Varied forms of fundings have been institutionalized such as equity by promoters, third party equity, bank financing, insurance and pension funds, multilateral agency funding, foreign direct investments etc. This also resulted in meaningful project evaluation.

Tendering and Bidding Process:

- Over the years, openness and responsiveness have come in the bidding and documentation process.
- Professional transaction advisors have come in to help manage the transaction process.
- Ports moved from royalty to revenue share for enabling better risk allocation, airports moved from revenue share to per passenger fee for enabling better monitoring and roads moved from concession period to viability gap funding to revenue share to annuity receipts.

Agreements: become professionalized with regard to scope improvement, competition, other revenue sources, targeting the poor and termination or transfer.

Project Management: Given the advent of the greater professionalism and technologies, construction management has evolved as a discipline with professionals being trained at the post-graduate level.

Post - Project Issues: Over the time, the concessionaire was facilitated for facing operating challenges.

Regulation and Dispute Resolution: Apart from the judiciary, the customized regulation and dispute resolution authorities like the Telecom Regulatory Authority of India (TRAI), Central and State Electricity Regulatory Commissions, Tariff Authority for Major ports etc along with their respective Appellate authorities have come up.

Issues:

- The need for greater regulation is present in the licensing, environment, safety, security, service levels and dispute resolution given the vulnerability of market failure.
- Sectors such as Railways and Road safety are still under-regulated.
- Land acquisitions and Environmental clearances are the major reasons for the slow progress of most of the projects.

Way ahead:

- **Balanced risk allocation** in which the risks are allocated to the party which can bear it best needs to be adopted.
- **Trigger-based review mechanisms** need to be provided for getting matured Concession Agreements.

- **Conflicts of interest areas** between the policy makers and regulators, policy makers and operators and policy regulators and operators.
- Like the telecom sector, the railway sector needs to be addressed with **proper structural reforms**.
- Mature media attention, transparency and regulatory oversight should be given due importance for addressing crony capitalism in the project structuring, risk allocation and regulatory outlook.



4. AGRICULTURE: THE ROAD AHEAD

About:

- Having around **17.9% of the global population but only 2.4% of the land and 5% of the water resources of the world.**
- Despite this paradoxical situation, India has shown a remarkable progress in global agriculture production (around 11% with the value around USD 459 billion in 2019) and occupied **2nd position** globally in the production of several commodities including food grains, cotton, cane, horticultural crops etc.
- The workforce engaged in the sector is on declining trend from **60% in 2000 to 42% in 2019.**
- On the contrary to this the agri production is on an increasing trend. Except for the vegetable oils, India is not only self-sufficient in but now planning for surplus management of agri-produce.

Future Challenges:

- Being home to the world's **second largest population**, the challenge of **food security** is a serious threat that India may face.
- Apart from high population **climate change induced calamities** such as declining soil fertility, increasing frequency of droughts and floods, occurrence of new biotic stresses etc are exacerbating this challenge.
- The vulnerability of the Indian agriculture can be seen from the fact that more than 60% of the cultivated land is **rain-fed.**
- India is also having the **burden of malnutrition** (10th position in World's highest under-weight children and 17th position in World's highest stunted children in 2019).
- Balancing the need for food security with the **environment conservation** is a greatest challenge for India.
- The **paradox** of increased surplus in food with reduced farm income to the farmers is still present.

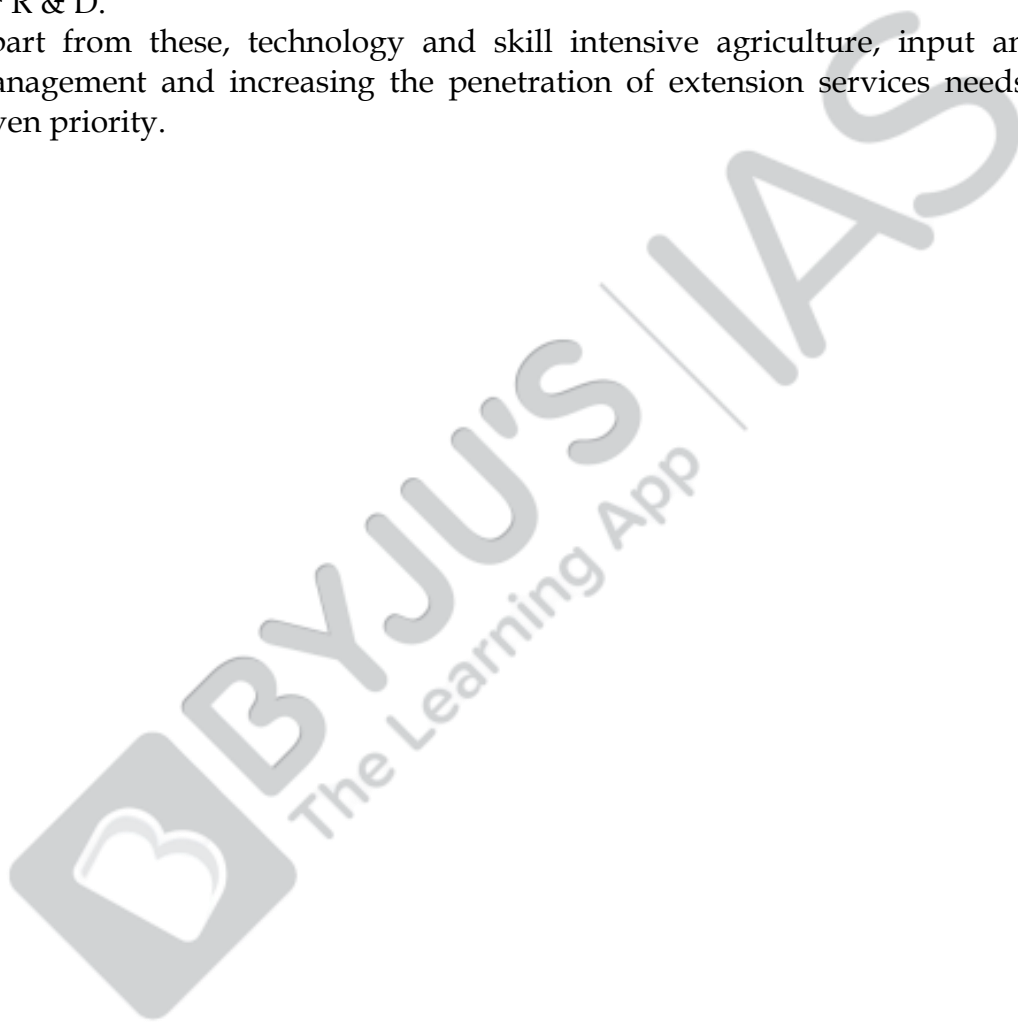
Recent Farm Acts:

- The Government initiated a long pending structural reforms by passing the 3 acts - Farmer Produce Trade and Commerce (Promotion and Facilitation) Act 2020, Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, 2020 (Contract Farming Act) and the Essential Commodities (Amendment) Act, 2020.
- These laws made the farmers free to sell their produce anywhere, legalized the contract farming mechanism thus no case for exploitation of farmers by contractors and liberalized the storage limits of essential commodities.

Way Ahead:

- The **science of genomics** (for example - CRISPR CAS-9) needs to be tapped to its highest potential in order to shield the agriculture sector against the spatial and temporal vagaries of the climate.

- **Research and development** can be given push with proper environment regulations put in place. For example - under the Environment Protection Act, 1986.
- Micro irrigation techniques, Prevention of post-harvest losses, improvising seed quality, modern communication tools, etc can be adopted.
- Recent **usage of drones** from the locust intensification is a good way to explore more such technological sophistications for providing crop protection.
- According to the Indian Council of Agricultural Research (ICAR), **investment in the agri research and development** can lift many people out of poverty compared to the subsidies. Hence proper financial devolution needs to be done for R & D.
- Apart from these, technology and skill intensive agriculture, input and risk management and increasing the penetration of extension services needs to be given priority.



KURUKSHETRA (DECEMBER 2020)**5. PUBLIC PRIVATE PARTNERSHIPS FOR DIGITALISATION IN RURAL INDIA****Why is there a need for digitisation in rural India?**

- India will continue to remain a young nation, with a median age of 31 by 2030 while the rural belt would continue to support a large part of this population.
- The fact remains that the rural economy contributes about 46 percent to the national income, despite recent increases in the country's urban footprints.
- The rural economy has been informal and cash-oriented with most of the rural working population engaged in the "Earn and Pay" segment. But there is a pronounced diversification and a perceivable shift.
- With the rural economy getting more diversified, the non- agricultural sector contributes to about two thirds of household incomes with the result that those living in rural India are no longer as isolated from urban centres, mainly riding on digitisation owing to increasing internet access.

Government Initiatives: Below are some of the schemes already rolled out by the government:

Kisan Suvidha

- Kisan Suvidha is an omnibus mobile app developed to help farmers get relevant information instantly.
- The app provides information on various details such as weather, market prices, seeds, fertilisers, pesticides, agriculture machinery, dealers, agro advisories, plant protection and IPM practices etc.
- Other unique features like extreme weather alerts, market prices of commodities in the nearest area and the maximum price in the state as well as in India have been added to empower farmers in the best possible manner.

Farmer Portal

- It is envisaged to make available relevant information and services to the farming community and private sector through the use of information and communication technologies, to supplement the existing delivery channels provided for by the department.
- It is an endeavour in this direction to create a one-stop shop for meeting all informational needs relating to Agriculture, Animal Husbandry and Fisheries sectors production, sale/storage of an Indian farmer.
- With this Indian Farmer will not be required to sift through a maze of websites created for specific purposes.

NREGA

- NREGA soft envisions implementing e-Governance across State, District and three tiers of Panchayati Raj Institutions. It empowers the common man using information technology as a facilitator.

- NREGA soft provides information to citizens in compliance with the right to information Act (RTI Act).
- It makes available all the documents like Muster Rolls, registration application register, job card/employment register/muster roll issue register, muster roll receipt register which are hidden from the public otherwise.

Pradhan Mantri Gramin Digital Saksharta Abhiyaan (PMGDISHA)

- It is a scheme to make six crore persons in rural areas, across States/UTs, digitally literate, reaching to around 40 percent of rural households by covering one member from every eligible household by 31st March, 2019.
- It aims to bridge the digital divide, specifically targeting the rural population including the marginalised sections of society like Scheduled Castes (SC)/Scheduled Tribes (ST), Minorities, Below Poverty Line (BPL), women and differently-abled persons and minorities.

Pradhan Mantri Jan-Dhan Yojana (PMJDY)

- It is a National Mission on Financial Inclusion encompassing an integrated approach to bring about comprehensive financial inclusion of all the households in the country.
- The plan envisages universal access to banking facilities at least one basic banking account in every household, financial literacy, access to credit, insurance and pension facility. The initiative envisages channeling all Government benefits (from Centre/State/Local Body) to the beneficiaries'.

mKisan

mKisan SMS Portal has been conceptualised to give a quantum leap in coverage of farmers and geographical area in a timely, specific, holistic and need based knowledge dissemination among the farmers by leveraging the power of mobile telephony in such a way that all sectors use this platform to not only reach out to the farmers but also to address their concerns and queries.

BHIM (Bharat Interface for Money)

- Bharat Interface for Money (BHIM) is an app that makes payment transactions simple, easy and quick using Unified Payments Interface (UPI).
- It enables direct bank to bank payments instantly and collect money using a Mobile number or Payment address.

Crop Insurance Mobile App

- Crop insurance mobile app can be used to calculate the insurance premium for notified crops based on area, coverage amount and loan amount in case of loanee farmers.
- It can also be used to get details of normal sum insured, extended sum insured, premium details and subsidy information of any notified crop in any notified area.

E-Panchayat

- e-Panchayat is an e-Governance initiative for the rural sector providing comprehensive software solutions attempting automation of Gram Panchayat functions.
- It is a platform for panchayat representatives to connect with the rest of the world, which aims to bring out the local voices by empowering the local communities to showcase and share local social, cultural and economic practices, stories and challenges.

E-NAM

- National Agriculture Market (NAM) is a pan India electronic trading portal which networks the existing APMC (Agriculture Produce Marketing Committee) mandis to create a unified national market for agricultural commodities.
- The NAM Portal provides a single window service for all APMC related information and services.

Pusa Krishi

- It helps the farmers to find easy solutions to problems in their farm fields and get information about weather and accordingly take measures to save crops.
- It also offers information related to new varieties of crops developed by Indian Council of Agriculture Research (ICAR), resource conserving cultivation practices as well as farm machinery and its implementation will help in increasing returns to farmers.

Soil Health Card

- It aims at promoting Integrated Nutrient Management (INM) through judicious use of chemical fertilisers including secondary and micro nutrients in conjunction with organic manures and biofertilizers for improving soil health and its productivity; strengthening of soil and fertiliser testing facilities to provide soil test based recommendations to farmers for improving soil fertility; ensuring quality control requirements of fertilisers, biofertilizers and organic fertilisers under Fertiliser Control Order, 1985; upgradation of skill and knowledge of soil testing laboratory staff, extension staff and farmers through training and demonstrations; promoting organic farming practices etc.

Deendayal Upadhyaya Gram Jyoti Yojana

It is designed to provide continuous power supply to the entire rural India. With this scheme, the government had decided to electrify 18,452 unelectrified

GARV Grameen Vidyutikaran Mobile App

- It provides real-time updated data of ongoing electrification processes to all users/stakeholders and provides information about Government schemes and electrification data.
- It can also be used for sharing inspirational stories of differently-abled, who achieved success despite all odds.

Conclusion

- Digitalisation can help rural India in e-governance services, banking and financials, education and healthcare, mobile/DTH recharge, e-ticketing, online shopping, etc.
- With financial inclusion being an important priority of the government, any last-mile gap is being filled by banks through a combination of finance and technology enabled by business correspondent agents where customers can open accounts and do normal banking transactions.



6. PRECISION AGRICULTURE AND IoT (Internet of Things) - BASED SOLUTIONS

Why do we need a revolution in Agriculture?

- The global economy is entering the 3rd modern revolution in agricultural and rural development systems.
- The '**1st Agricultural Revolution**' was focused on mechanisation of agriculture (1900-1940s), where a farmer produced-and-fed an average 26 people.
- The '**2nd Agricultural Revolution**' was directed towards the Green Revolution in Agriculture (1960- 1990s), where a farmer could feed about 155 people by adoption of improved seeds, evolved-farming systems, agro-management technologies.
- The '**3rd Agricultural Revolution**' (1990s onwards) has to dive deep and with a focus on adoption of hi-end technology, cloud based solutions, data-driven decision making in agricultural/farm management systems, usage of analytical tools for post-harvest and marketing of agricultural produce, etc. Then only a farmer can feed about 256 people.

What is Precision Agriculture?

- Precision agriculture is an integrated and holistic technology-driven approach to manage the entire gamut of agricultural practices, so that agri-production costs are minimised and productivity/profitability of farmers is significantly increased.
- The Internet of Things (IoT) in agriculture is an emerging domain, where the farmers are enabled to make profitable decisions based on the real-time data and during the entire cropping cycle of agricultural production.
- The policy support, adequate timely financing and active involvement of major stakeholders in PA/IoT-based solutions will certainly enhance the desired benefits that can percolate down to the every-farmer/last-citizen in rural India.

Benefits of Adopting Precision Agriculture

Precision agriculture is an integrated and holistic technology-driven approach to manage the entire gamut of agricultural practices, so that agri-production costs are minimised and productivity/profitability of farmers is significantly increased.

Multiple benefits of Precision Agriculture

- (a) Adopting the improved set of agricultural production practices and choice of crops, based on suitability of localised lands and climate;
- (b) Optimising the input-resources like water, fertilisers, plant-protection measures against pests-diseases;
- (c) Helping to minimise/avoid the wastages, by technological interventions;
- (d) Managing the water and soil nutrients for agriculture effectively,
- (e) Eliminating the risk and volatility in crop-production-systems, and;
- (f) Thus increasing the farmers-income through tech driven customised solutions.

Challenges in Adopting Precision Agriculture

There is a set of practical challenges as well, especially for the Indian agricultural-system.

- The information technology infrastructure systems and service facilities oriented to the agricultural sector (which are locally accessible, cost-effective and user-friendly) are inadequate, unlike their availability and easy-accessibility to the industrial and service sectors.
- The agriculture in India primarily consists of small and marginal land holdings (i.e., over 80 percent agricultural farms are with an average 1 hectare or 2.5 acres).
 - Most of the Indian farmers are not familiar in using technology-based agricultural systems and decision-making-systems management practices.
- Socio-economic factors in villages, where Indian farmers are generally acquainted with their traditional systems of agricultural-practices, who are generally reluctant to try something new like PA/tech-driven-agriculture.
- The banking and financial institutional systems have preferential bias in financing/funding the industrial/service sector, when compared to lending to the agricultural sector, owing to its uncertainty (as agricultural system's dependence on rain/natural water resources, natural calamities like drought/floods, etc.).
- There is a need for a paradigm-shift in the mind-set of all the stakeholders (including government, farmers, private players), who supply the agri-inputs, agricultural marketing systems, agri-product traders, banks and financial institutions, consumers, etc.

Way forward

- The precision agriculture is not only the need of the hour but also has the tremendous potential in increasing agricultural farm-incomes, facilitating empowerment of farming communities and creating large scale impact in rural India.
- The initiatives taken by Government of India are playing significant roles in fostering agriculture development and strengthening rural India.
- The policy support, adequate-timely financing and active involvement of major stakeholders in PA/IoT-based solutions will certainly enhance the desired benefits that can percolate down to the every-farmer/last-citizen in rural India.

7. OBJECTIVE TYPE QUESTIONS

1. Which of the following is/are the objectives of NITI Ayog?
1. Foster cooperative federalism.
 2. Bottom up approach of planning.
 3. Collaboration between national and International think-tanks.
 4. Resolve interdepartmental issues.
 5. Allocation of government funds for execution of the national development agenda.

Select the **correct** answer using the codes given below:

- (a) 1 and 4 only
- (b) 2, 3 and 5 only
- (c) 1, 2, 3 and 4 only
- (d) 1, 2, 3, 4 and 5

Answer: (c)

Explanation:

The National Institution for Transforming India, also called NITI Aayog, was formed via a resolution of the Union Cabinet on January 1, 2015. NITI Aayog is the premier policy 'Think Tank' of the Government of India, providing both directional and policy inputs.

Statement 1 is correct: Foster cooperative federalism through structured support initiatives and mechanisms with the States on a continuous basis, recognizing that strong States make a strong nation.

Statement 2 is correct: To develop mechanisms to formulate credible plans at the village level and aggregate these progressively at higher levels of government. Thus, promoting a bottom-up approach of planning.

Statement 3 is correct: Provide advice and encourage partnerships between key stakeholders and national and international like-minded Think tanks, as well as educational and policy research institutions.

Statement 4 is correct: Offer a platform for resolution of inter-sectoral and inter-departmental issues in order to accelerate the implementation of the development agenda.

Statement 5 is incorrect: It only actively monitors and evaluates the implementation of programmes and initiatives, including the identification of the needed resources so as to strengthen the probability of success and scope of delivery. However, allocation of funds is not under the purview of NITI Ayog, It is done by the Finance Ministry.

2. Desertification is the degradation process by which a fertile land changes itself into a desert by losing its flora and fauna. In this context, which of the following schemes can help India in combating desertification?
1. Pradhan Mantri Fasal Bima Yojana (PMFBY).
 2. Soil Health Card Scheme.
 3. National Agriculture Market (e-NAM).
 4. Pradhan Mantri Krishi Sinchayee Yojna (PMKSY).
 5. Per Drop More Crop.

Select the **correct** answer using the codes given below:

- (a) 1, 3 and 4 only
- (b) 1, 2, 4 and 5 only
- (c) 2, 3 and 5 only
- (d) 1, 2, 3, 4 and 5

Answer: (b)

Explanation:

Statement 1 is correct: Pradhan Mantri Fasal Bima Yojana provides insurance coverage and financial support to the farmers in the event of failure of any of the notified crops. Earlier farmers used to be reluctant in adopting new and innovative farming practices but this scheme encourages them to adopt new, innovative and better practices. For example, with adoption of better practices like drip irrigation only optimum water is supplied to the standing crops. Such practices prevent salinization and alkalinization of soil. In the long run such new farming practices will effectively check desertification and help soil to sustain its fertility.

Statement 2 is correct: soil health card scheme is meant to give each farmer soil nutrient status of his/her holding and advise him/her on the dosage of fertilizers and also the needed soil amendments, that s/he should apply to maintain soil health in the long run. So, it helps in combating desertification.

Statement 3 is incorrect: E-Nam is concerned with providing farmers with a bigger market so that they are able to sell their produce at a better price. It has no relation with the land desertification.

Statement 4 and 5 are correct: The major objective of PMKSY is to achieve convergence of investments in irrigation at the field level, expand cultivable area under assured irrigation, improve on-farm water use efficiency to reduce wastage of water, enhance the adoption of precision-irrigation and other water saving technologies (More crop per drop), enhance recharge of aquifers and introduce sustainable water conservation practices by exploring the feasibility of reusing treated municipal wastewater for peri-urban agriculture and attract greater private investment in precision irrigation system. Improved irrigation will lead to better land management.

3. With reference to the Multidimensional Poverty Index (MPI), which of the following statements is/are correct?

1. MPI reflects both the incidence of multidimensional deprivation and its intensity.
2. MPI assesses poverty at individual, group and national level.

Select the **correct** answer using the code given below:

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Answer: (a)

Explanation:

Statement 1 is correct: The MPI reflects both the incidence of multidimensional deprivation (a headcount of those in multidimensional poverty) and its intensity (the average deprivation score experienced by poor people). It can be used to create a comprehensive picture of people living in poverty, and permits comparisons both across countries, regions and the world and within countries by ethnic group, urban or rural location, as well as other key household and community characteristics. The MPI offers a valuable complement to income-based poverty measures.

Statement 2 is incorrect: The MPI assesses poverty at the individual level. If a person is deprived in a third or more of ten (weighted) indicators, the global MPI identifies them as 'MPI poor'.

8. SUBJECTIVE TYPE QUESTIONS

1. What is cooperative federalism? Discuss various challenges to cooperative federalism in India.
2. What is precision agriculture? Discuss the advantage of precision agriculture in environmentally sensitive areas in India?
3. Explain the structure of fiscal federalism in India? Discuss the imbalances in fiscal federalism and the need to bring reforms?



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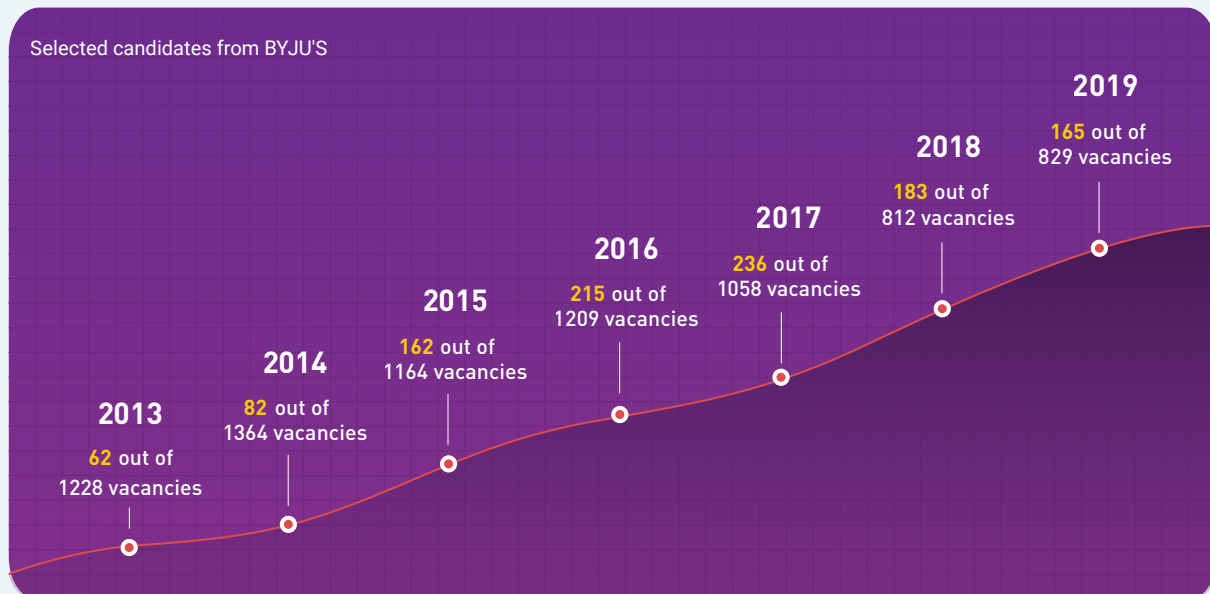
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