NITI Aayog's Three Year Action Agenda

Why in news?

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The draft "Three Year Action Agenda" of the NITI Aayog has been circulated recently to its governing council.

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What is the Agenda about?

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- After dismantling Planning Commission and taking its place, NITI Aayog set to create **15-year long-term vision** and subsequently the **seven-year policy strategy** along with Three Year Action Agenda.
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- This set the phasing out of Five Year planning as a concept completely.
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- But for the NITI Aayog's initiative to be an improvement on the Five Year Plan, pragmatic moves, such as delinking planning from finance, will be required.
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- **The NITI Aayog's governing council,** which is currently reviewing the "Three Year Action Agenda", comprises all chief ministers, mirroring the erstwhile National Development Council.
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- The "Three Year Action Agenda" seeks to embark on "a path to achieve all-round development of India and its people" through concerted action, **outlined in seven parts** covering multiple facets of the Indian economy.
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What are the advantages of the Agenda?

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- **Electoral cycles do not synchronise with five-year plans;** quite often, this entailed outcome accountability to rest with a successor government.
- But a "Three Year Action Agenda" makes the government in office **more directly accountable** for the implementation of its plans.
- It gives the government an improved prospect to make corrections and adaptations during its own term in office.
- Augmenting the "Three Year Action Agenda" with a seven-year implementable policy strategy and a 15-year vision allows adaptation to changing times and exogenous variables.
- It enables us to look into the future, particularly at evolving technology, demography and ecology, and accordingly align our policies.
- The 15-year vision is also somewhat coterminous with the Sustainable Development Goals (SDGs) of the United Nations (UN).
- **The new format thus combines domestic aspiration with global aims.**
- The agenda projects three scenarios for nominal GVA (Gross Value Added), namely, low growth, baseline and high growth.

What does the Agenda offer?

- Relying on the proposals forwarded by the FRBM Review Committee, the action agenda estimates a fall in the share of non-development revenue expenditure, both as a proportion of total budget expenditure and GDP.
- It rightly emphasises **the need for optimal utilisation of resources** and regular monitoring of progress.
- The agenda rightly points out that a functional classification of public expenditure rather than distinction between revenue and capital expenditures will prove to be more meaningful.
- The agenda says that there exist many exogenous factors: Unfavourable monsoons, global protectionist trends - could impinge our twin deficits which

critically undermine our growth prospects.
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- The continued pursuit of an unconventional monetary policy approach by advanced economies could limit the manoeuvrability of our monetary authority.
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- Agenda says credible efforts at enhancing tax compliance and realisation, deeper penetration of the digital economy and medium-term gains from the GST can be expected.
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- Non-tax revenues, particularly from spectrum sale, necessitate structural changes in telecom policy.
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- The public listing of PSUs will enable improved price discovery as per the agenda.
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How can this Agenda be realised?

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- It would be advantageous to constitute a **separate parliamentary committee on planning,** which could meaningfully engage with the NITI Aayog's policy prescriptions.
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- It would also be desirable to create state-level bodies, to be called **Sub-National Institutes for Transforming India (SuNITI),** in formulating and expediting state-specific policies.
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- This should enable state assemblies to discuss state-level plans in sync with the "Three Year Action Agenda".
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- In the notification constituting the NITI Aayog, there is a provision to form "**Regional Councils** to address specific issues impacting more than one state or a region".
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- This is the right time to implement this enabling mandate.
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