

26– 08 – 2024

News: Financial Inclusion Index (FI-Index)

- The Reserve Bank of India (RBI) has announced that the Financial Inclusion Index (FI-Index) has risen to 64.2 in March 2024, up from 60.1 in March 2023, indicating significant progress in financial inclusion across the country.

Financial Inclusion Index (FI – Index)

- Recently, **Reserve Bank of India** (RBI) has unveiled the composite Financial Inclusion Index (FI-Index) for the financial year ended 31st March 2024.
- The **annual FI-Index for the financial year ended has improved to 64.2 from 60.1** in the previous year 2023.
- The index has been conceptualised as a comprehensive index incorporating **details of banking, investments, insurance, postal as well as the pension sector in consultation with the government and respective sectoral regulators.**
- It will be **published annually in July** every year.
- It has been constructed **without any ‘base year’** and as such it reflects cumulative efforts of all stakeholders over the years towards financial inclusion.
- Aim of the index is to **capture the extent of financial inclusion across the country.**

Parameters used

- It captures information on various aspects of financial inclusion in a single value ranging between 0 and 100, where 0 represents complete financial exclusion and 100 indicates full financial inclusion.
- It comprises three broad parameters (weights indicated in brackets) viz., Access (35%), Usage (45%), and Quality (20%) with each of these consisting of various dimensions, which are computed based on a number of indicators.
- The index is responsive to ease of access, availability and usage of services, and quality of services for all 97 indicators.
- It was developed in consultation with the government and sectoral regulators to measure ease of access, availability, usage, and quality of financial services.
- The improvement in the index was driven by growth across all sub-indices, with the usage dimension contributing the most to the overall increase.

News: NITI (National Institution for Transforming India) Aayog Sustainable Development Goal (SDG) India Index

- The NITI (National Institution for Transforming India) Aayog has released its latest Sustainable Development Goal (SDG) India Index for 2023-24, showing significant progress in sustainable development across states and union territory of India.

Sustainable Development Goals (SDG) India Index

- First **launched in December 2018**, the Sustainable Development Goals (SDG) Index has become the **primary tool for monitoring progress on the SDGs in India**.
- It **has also fostered competition among the states and UTs by ranking them on the global goals**.
- The index is developed **by NITI Aayog in collaboration with the United Nations in India**.
- It tracks the progress of **all states and UTs on 113 indicators aligned with the National Indicator Framework (NIF) of the Ministry of Statistics and Programme Implementation**.
- It serves as a **benchmark for policymakers to identify gaps and prioritise actions towards achieving sustainable development by 2030**.

- Goal-wise scores are computed for the 16 SDGs, and overall composite scores are derived for each State/UT. Goal 14 (Life below Water) has not been included in the calculation of the Composite Score for the Index as it solely pertains to the nine coastal States.
- The SDG India Index scores range between 0–100, higher the score of a State/UT, the greater the distance to target achieved.
- States and UTs are classified in four categories based on Index score: Aspirant: 0–49, Performer: 50–64, Front-runner: 65–99 and Achiever: 100.

Impact on Development

- The Index promotes competitive and cooperative federalism, encouraging States and UTs to learn from each other and close outcome-based gaps.
- It provides a comprehensive analysis of progress, highlighting achievements and areas needing improvement.
- India fully integrated the SDGs into its national development strategies and is proud of its SDG localisation model based on institutional ownership, collaborative competition, capacity building, and a whole-of-society approach.
- The Index serves as a barometer for measuring progress towards Viksit Bharat @ 2047 and informs national and subnational development strategies.

Latest Findings

- Country's overall SDG score improved by 5 points — from 66 in 2020- 21 to 71 in 2023-24.
- This improvement is on accounts of improvement in performance in providing facilities including clean water and sanitation, affordable and clean energy among others.
- Kerala and Uttarakhand reached the first rank with a score of 79, Himachal Pradesh and Tamil Nadu both took the second spot with a score of 74.
- Bihar was the worst performing state in this year's India index.
- 32 states and union territories (UTs) are in the front-runner category, with 10 new entrants including Arunachal Pradesh, Assam, Chhattisgarh, and Uttar Pradesh.
- As of 2023- 24 edition, there are no achiever category state in India.

News: Climate-Resilient Agriculture

- Recently, the Union government is planning to unveil a framework to promote climate-resilient agriculture in 50,000 villages located in climatically-vulnerable districts.

Climate-Resilient Agriculture (CRA)

- Climate-Resilient Agriculture (CRA), as per Food and Agriculture Organisation (FAO) is “the ability of an agricultural system to anticipate and prepare for, as well as adapt to, absorb and recover from the impacts of changes in climate and extreme weather”.

Impact of Climate Change on Agriculture

- National Innovations on Climate Resilient Agriculture (NICRA), a network project of the Indian Council of Agricultural Research (ICAR) studied the impact of climate change on agriculture and farmers.
- Studies indicate that in the absence of adaptation measures, climate change projections are likely to reduce irrigated rice yields by 3%, rainfed rice yields by 7 to 28%, wheat yield by 3.2-5.3%, maize yield by 9-10% and increased the soybean yield by 2.5-5.5% for the period 2020-2039.

- Extreme events like drought affect food and nutrient consumption, increase incidence of poverty, encourage outmigration, increase indebtedness and reduce farmers' capacity to adapt to climate change.

CRA Practices

- **Agroforestry:** Agroforestry involves the cultivation of trees along with crops, which can help to improve soil health, reduce soil erosion, and enhance biodiversity.
- This practice helps to increase soil moisture retention, and provide multiple benefits to farmers.
- **Soil and Water Conservation:** Techniques such as contour bunding, farm ponds, and check dams can help to improve soil moisture retention, reduce soil erosion, and increase groundwater recharge.
- These practices can also help farmers to cope with droughts and water scarcity, which are becoming more frequent due to climate change.
- **Sustainable Agriculture:** Practices such as crop diversification, organic farming, and integrated pest management help to reduce the use of chemical inputs and improve soil health.
- These practices also reduce greenhouse gas emissions and improve farmers' income and food security.

- **Livestock Management:** Livestock management practices such as stall-feeding and mixed cropping can improve the productivity and resilience of livestock systems.
- These practices also reduce the pressure on natural resources such as grazing lands, which are becoming scarce due to climate change.