

# ASPIRATIONAL DISTRICTS PROGRAM: WHAT IT IS AND WHAT IT COULD BE

Article

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*The Aspirational Districts Program (ADP) was launched by the Government of India in 2018 to develop the most backward and deprived regions of the country in a systematic manner. The scope for improvement and implementation in the ADP space is phenomenal and requires a great push from the funding perspective. As nearly all facets of the program are ideal to become a lever of change, the time to invest and look toward aspirational districts is now.*

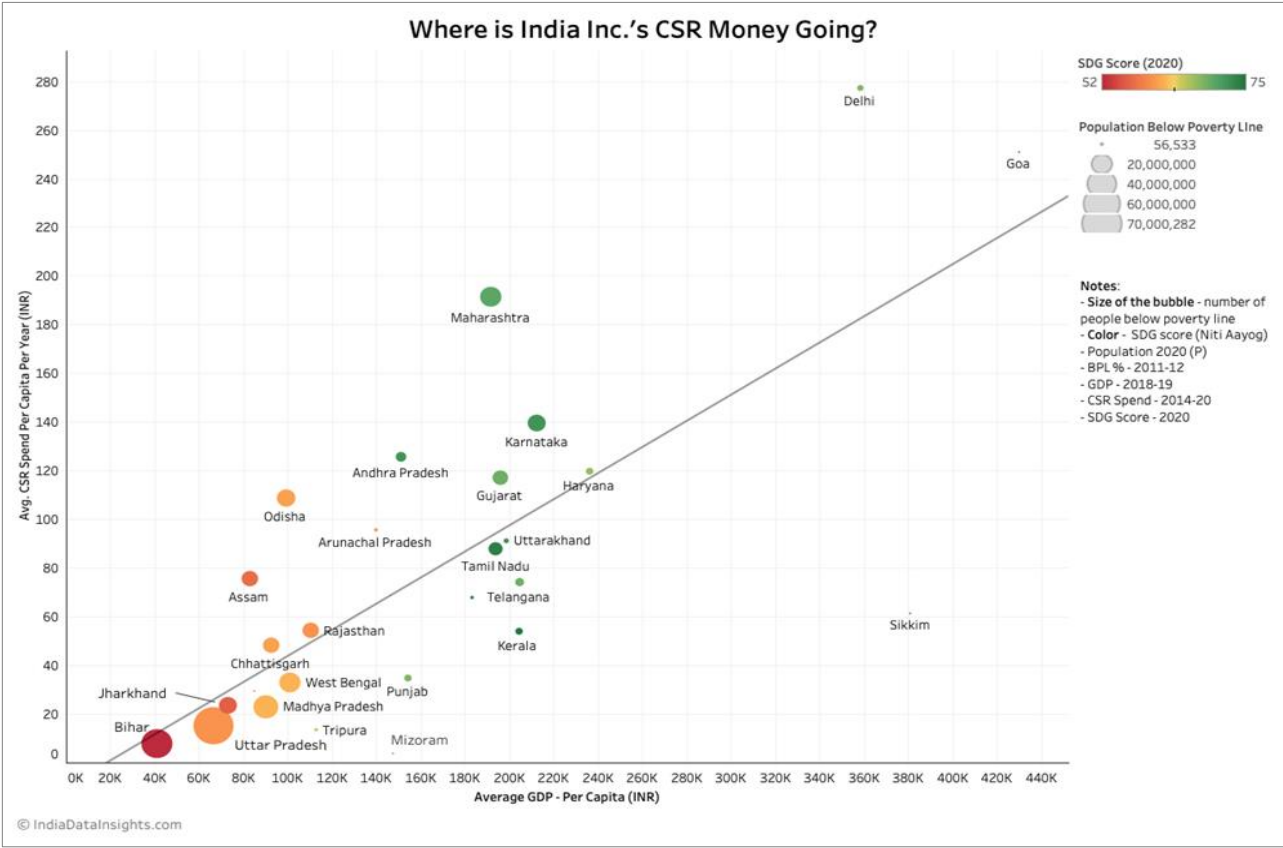
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Over the past decade, India has become home to one of the most mature philanthropy sectors globally. It is the very first country in the world to legislatively mandate CSR spend through Section 135 of the Companies Act. In the seven years since the introduction of the CSR law, the funding, assets, and expertise available for domestic institutional philanthropy have grown extensively so much so that domestic funding has even

outpaced international funding in the country<sup>1</sup>. Philanthropy has grown with a more structured approach, and is getting more and more streamlined as the years go by.

The number of companies falling under the ambit of CSR regulations is also growing as the economy and country grow, with overall CSR spend doubling since the inception of the policy.

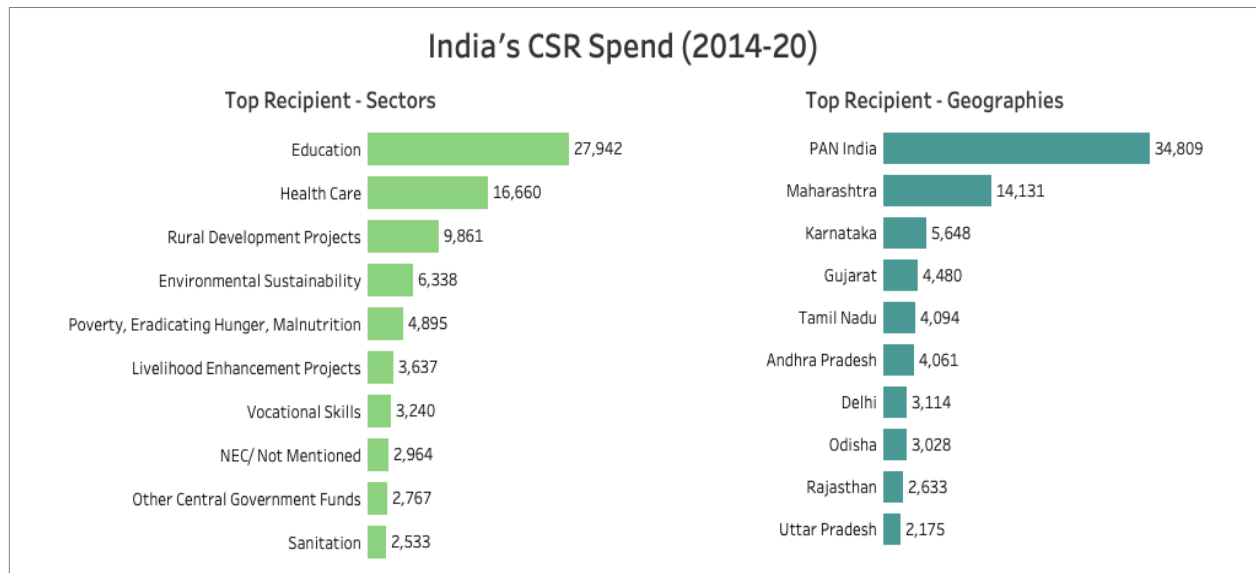
However, states with low GDP and high population still continue to receive low CSR funding<sup>2</sup> and is biased toward commercial hubs, with states like Maharashtra receiving 11x the funding of all seven sister states of the North East combined. Funding continues to go to top states, with already high GDP and SDG goals. The spend across sectors is also disproportionate, with most funding going toward Education.



<sup>1</sup> Bain and Company Dasra, 2020, [India Philanthropy Report 2020](#).

<sup>2</sup> India Data Insights, 2021, The State of CSR in India 2014-2020.

## India's CSR Spend (2014-20)



### ALL THAT INDIA HAS TO OFFER, OFTEN DOES NOT GO TO THE RIGHT PLACE.

Philanthropy is yet to focus on the most vulnerable sections, geographies and sectors of society. Philanthropic organizations have historically been hesitant to fund backward districts owing to low rates of return, long gestation period to achieve outcomes and high funding requirements.<sup>3</sup> Somehow even when there are funds in this space, they are either misappropriated or inadequate to execute change, owing to the vast high-need areas within these districts itself.

While India is on a high growth trajectory, this is primarily in economic terms. The Human Development Index is still a laggard in most parts of the country with some states and districts doing considerably better than others. Hence, the [Aspirational Districts Program \(ADP\)](#), a flagship project of the Indian government, was introduced in 2018 to develop the most backward and deprived regions of the country in a systematic manner. It is a compilation of indicators that are aimed to increase the well-being of 115 most backward and underdeveloped districts, working under the 3C— *Convergence* (of Central & State Schemes), *Collaboration* (Central, State level 'Prabhari' Officers & District Collectors), and healthy *Competition* among districts and neighbouring states across five key sectors, namely—Health & Nutrition, Education, Basic Infrastructure, Financial Inclusion & Skill Development, and Agriculture. Of the 115 identified districts, three districts in West Bengal did not join the ADP and hence only 112 are being monitored. The districts were chosen based on a Composite Index developed by examining district-wise data available across the markers of poverty, health & nutrition, education and basic infrastructure.

<sup>3</sup> Bain and Company Dasra, 2020, [India Philanthropy Report 2020](#).

The program is designed to ensure that these districts secure access to basic amenities which are often found lacking in these areas. To 'lift' the districts out of their aspirational status, focused funding and attention needs to be directed to these areas.

Thematic Area	Weightage	No. of Indicators	Data Points *
Health & Nutrition	30%	13	31
Education	30%	8	14
Agriculture and Water Resources	20%	10	12
Financial Inclusion and Skill Development	10%	11	16
Basic Infrastructure	10%	7	8
<b>Total</b>	<b>100%</b>	<b>49</b>	<b>81</b>

The ADP framework has been in active use since its inception in 2018, yet numerous aspects of it remain an almost untapped resource for true and systemic change in the development arena.

### LOCAL PROBLEMS NEED LOCAL SOLUTIONS

The ADP is a system of development which is purely focused on outcome. It relies on methods of data collection to track the real-time progress of districts across indicators. The five sectors each have a collection of indicators whose progress is tracked and updated on a monthly basis by NITI Aayog. Through the use of an expansive network of 50,000+ NGOs, the progress on each of these indicators is manually tracked on a monthly basis. The network of NGOs is also responsible for implementing changes at a local level, ensuring the effective deployment of necessary schemes.

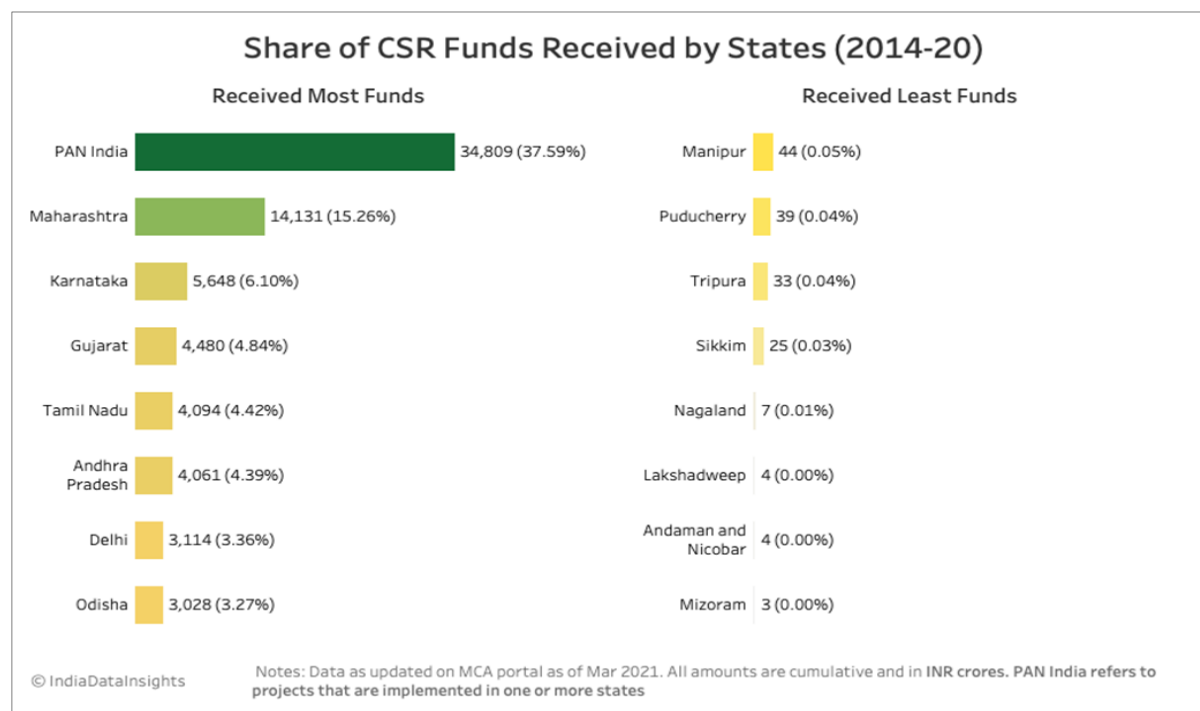
It has been proven that hyper-local problems require hyper-local solutions, and the ADP enables this very idea.<sup>4</sup> An approach that rests upon decentralized development and acute data points, the ADP not only serves as a fruitful area for intervention but also a model that has immense potential for success.

<sup>4</sup> NITI Aayog, 2018, Aspirational Districts Unlocking Potentials.

## IT IS TIME TO MOVE CAPITAL FROM URBAN TO RURAL INDIA

The ADP requires funding. While there are plenty of NGOs and implementation partners involved, there are not enough funds going around. While there is a CSR spend of Rs. 92,605 crores between 2014 and 2020 in the country, only 1.45% of the total CSR spend has been mapped to specific Aspirational Districts<sup>5</sup>. In the past two financial years especially, the CSR spend in Aspirational Districts has been constant. Low investment, combined with other local socioeconomic issues results in a very low rate of growth in districts.


Most CSR funding ends up going to states which already have a high development index. 50% of aspirational districts are from Jharkhand (19), Bihar (13), Chhattisgarh (10), Odisha



(10) and Madhya Pradesh (8) combined, these are also the states which have huge populations below poverty line and low SDG scores. However, not even one of these states feature in the top geographies receiving CSR funds, even though they are quite clearly high-need states.

A recent appraisal [report](#) by the United Nations Development Program praised the ADP for being instrumental in creating change in the country and has even recommended its implementation across the globe. The overall composite score has improved across 84

<sup>5</sup> India Data Insights, 2021, [The State of CSR in India](#).



aspirational districts since baseline ranking in March 2018. The report states that the program's unique model, with the delta ranking method and [3C approach](#), resulted in a successful program structure. However, what is most important and chiefly highlighted as the winning asset of the program, is the level of commitment from the highest levels of political leadership. This combined with effective funding and partners, results in the growth of a district.

The overall framework and model of the ADP has been greatly [lauded](#) and has proven to be [effective](#). But only if there is more funding in the 112 districts, can the program eventually be branched out to all the backward districts in the country.

## THE EASE OF PHILANTHROPY IN THE ADP

### 1. Predefined Impact Framework

The primary advantage of the ADP is the fact that the indicators for development are already predetermined. Hence, implementation can be directly observed and routinely recorded. The ADP has a ready-to-adopt impact framework, with sector-specific indicators and detailed descriptions of each. This minimizes the external input from the organization in terms of figuring out the necessary area and means of implementation. The change and growth in the districts and themes is also reflected on the dedicated portal for ADs, titled the [Champions of Change](#) portal, on a monthly basis.

For example, NSE adopted Ramanathapuram, which is now within the top [20](#) best performing districts in the country, working its way up all the way from the 86th rank a year ago. If funders were to systematically adopt a district each, then the landscape of aspirational districts and the country's state of affairs can be monumentally impacted forever. The status of *aspirational* will be removed from these laggard districts.

### 2. Alignment with Local Administration

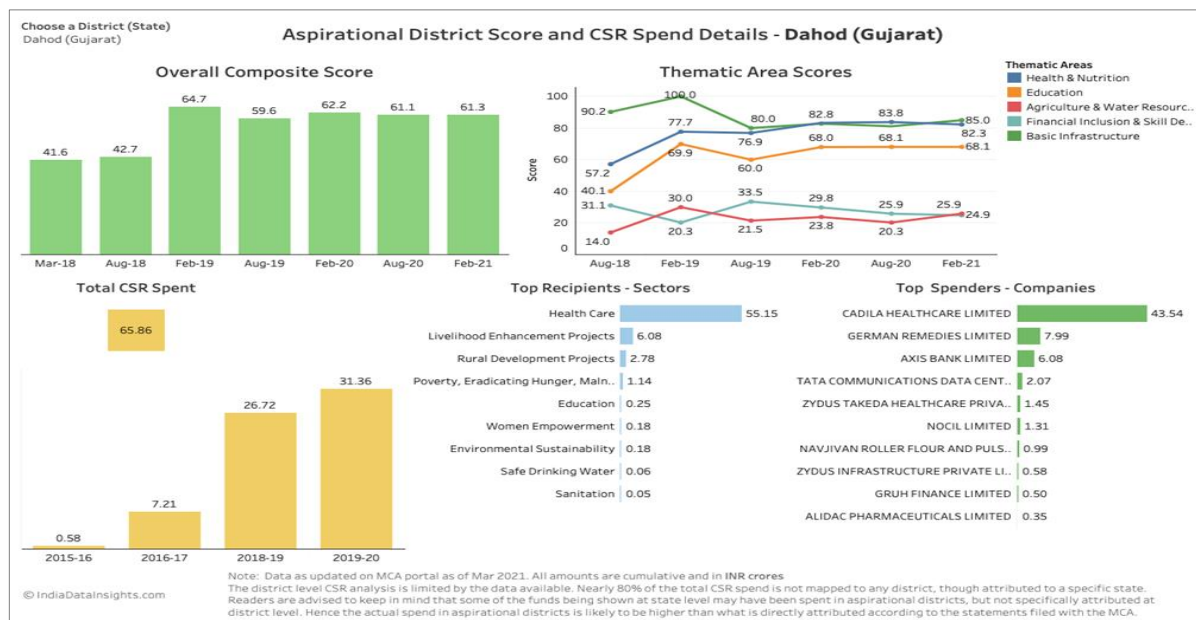
There is also the looming factor of the government and local administration when it comes to implementing change in backward districts. Owing to the slow and often time-consuming execution of even basic activity by ineffective local administrators, investments in backward districts are considered wearily. However, the ADP has a focused and pronounced impetus from the government. The ADP itself is driven by the central government, making processing easier for the stakeholders. Also considering the competitive and collaborative nature of the ADP, local administrations are flourishing in the program regardless of their alignment with the centre. Spurred by competition based on outcomes, local governments target their efforts and improve programme implementation and design. Based on the funding provided to the respective sectors, there is a marked change in the ADs in implementation. Healthcare and Education report

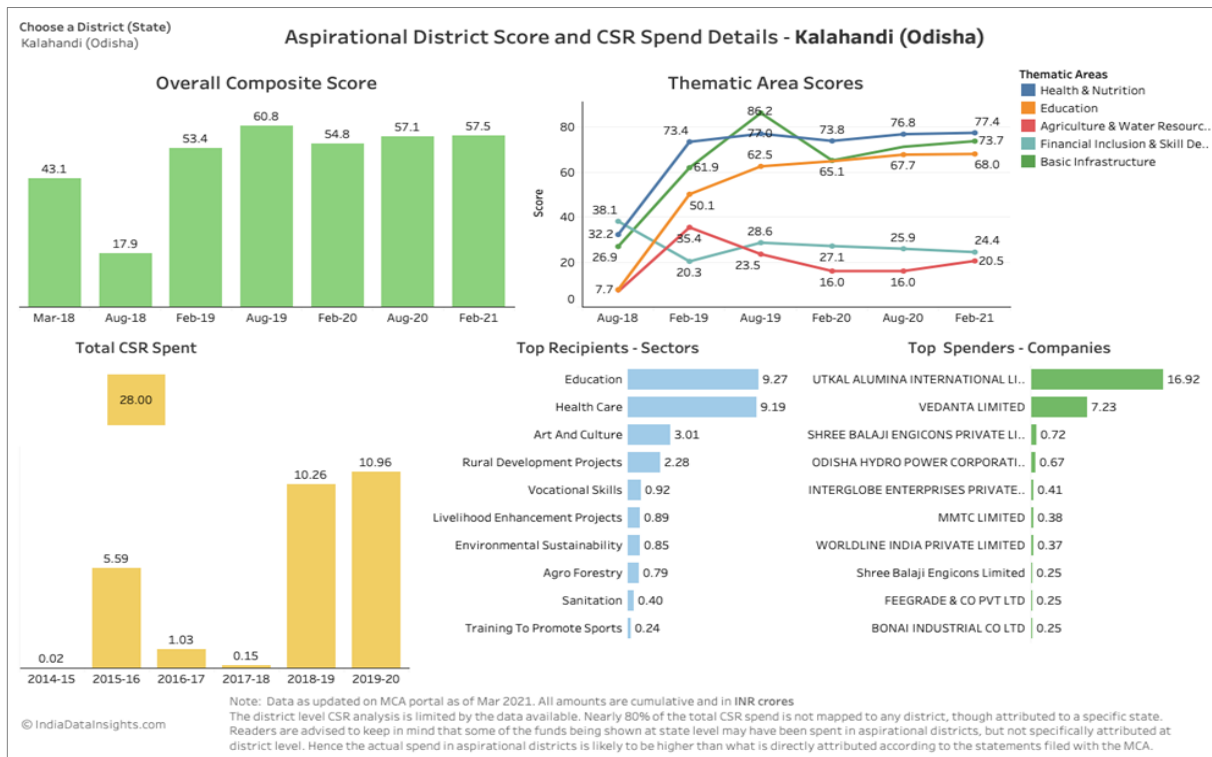
the highest change metric, owing to the fact they are also the highest fund recipients and have the greatest number of partner organizations involved in the space. This ability to work in tandem with Central and State governments makes the administration of the ADP much easier.

### 3. Local NGOs for Implementation

The entire program rests on the idea of data-driven governance. Hence, there is plenty of data available on ADs. Sattva itself has already conducted extensive research in the field, and is capable of leading implementation and strategy. There are numerous partner organizations already existing in the space that are capable of executing change. Organizations that are already active participants in the space, such as BMGF, Tata Trusts, Piramal Foundation, are making great headway in development in the regions. Thousands of on-ground NGOs are involved in direct implementation of programs resulting in monumental change at the ground level itself.

There are numerous advantages for funders who decide to invest in ADs. If the goal for donors is to aid development, then investment in the ADP will guarantee the same. There is also a recorded improvement in districts that have witnessed an increase in CSR funding. For example, Kalahandi in Odisha and Damoh in Gujarat have witnessed an increase in composite score that is almost proportional to the increase in CSR spend in the districts.





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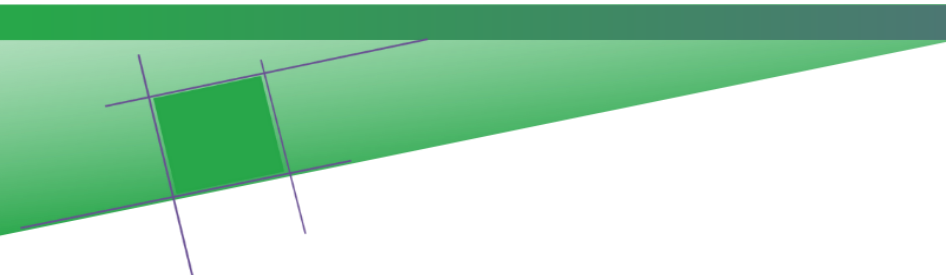
## WHAT LIES AHEAD

The road ahead for aspirational districts is long and arduous, but all change starts somewhere and the ADP offers a comprehensive framework. Since 2018, ADP has demonstrated that the districts have reversed the momentum towards the positive side, which requires greater participation, awareness and implementation from the entire civil and corporate society in India.

While there are many domestic funders working in aspirational districts like ITC, Piramal Foundation, Lupin Foundation and NSE Foundation, establishing close strategic partnerships in aspirational districts and with NITI Aayog, there is a need for more partners in the space.<sup>6</sup> The mindset of funders requires a drastic and systemic change in how they approach programs in the ADP. This includes funders considering a saturation model of both geography and impact indicators in order to transform a district effectively.

<sup>6</sup> Sattva supported by Bill & Melinda Gates Foundation, 2020, [Domestic Institutional Philanthropy in India](#).





Should corporate, foundation and NGOs prioritise their objectives and goals over society? Should organisations use ADP only as a geographical marker or an opportunity to really uplift the most backwards and toughest district to work in? Should the ecosystem focus on working with large NGOs or focus on capability and capacity build of local CBOs? Should organisations integrate with existing systems or set up parallel systems? Should the ecosystem focus on a couple of impact indicators or focus on graduating a district out of the ADP program? Should donor organisations develop resilience to work closely with the government and district administration or simply implement programs? There are many difficult questions civil society organisations and corporates have to answer before they decide to take a long-term view with these districts. However, Sattva believes that the right partnership between *Sarkar*, *Samaj* and *Bazar* can transform the status of these aspirational districts and solve some of this generation's toughest development problems.

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