

1. PROLOGUE



Promoting N.E India & SE Asia Economic Cooperation Shri Mani Shankar Aiyer, Minister for DoNER in Bangkok

- 1.1 Despite being rich in natural resources with fertile land, rich biodiversity, water resources and hydrocarbon deposits, development in the North Eastern Region has lagged behind the rest of the country due to historical reasons. The challenge of development of the NER arising from its unique situation has been accepted as a national task. The handicap of resource-constraint has been met through special dispensation for the States in the Region. The development concerns of these States are pursued through their respective Five Year and Annual Plans as well as those of the Union Ministries and Central Agencies. In order to further enhance public investment in the Region, the Central Ministries, except those which are specifically exempted, are required to make lump-sum allocation of at least 10% of their GBS for the NER.
- 1.2 The creation of a Ministry of Development of North Eastern Region, on 27th May 2004, signifies the commitment of the Government of India to accelerate the pace of socio-economic development of the region. The renewed focus of the Central Government towards the NER is aptly reflected from the special provisions in the National Common Minimum Programme.
- 1.3 Rapid Development of the North-East Region is a sine-qua-non for ensuring peace and harmony in this strategic part of the country. This requires concerted and coordinated approach by the States and the Central Ministries. The Ministry is expected to provide the necessary impetus to accelerate the process of development of the Region. Towards this end, the Ministry of DoNER, alongwith the NEC, at the

initiative of the Hon'ble Minister, decided to analyze key sectors affecting the socio-economic development of the Region at the 53rd Plenary of the North Eastern Council held at New Delhi in November 2006. The objective was to acquaint with issues concerning specific sectors, analyze their developmental status, identify gaps and suggest changes both in policy and programmes. The sectors reviewed include Power, Road, Railways, Air Connectivity, Inland Waterways, Plantations, Irrigation & Flood Control, Tourism, HRD and Telecommunication & IT. The sectors which are going to be reviewed shortly are Trade & Commerce, Petroleum, Forestry, Handlooms & Handicrafts, Health, Drinking Water and Food Processing. The Ministry of DoNER is regularly following up the conclusions arrived at through a process of reviews at the level of Hon'ble Minister, DoNER and Secretary, DoNER. The reviews also involve the concerned Central Ministries/ Organizations and State Governments.

- 1.4 Connectivity through road, rail, air, water, and telecommunication has been one of the biggest reasons for the slow development of the region. Road connectivity in the North-East Region is well below the national average on most parameters. The high priority to be accorded to the development of roads in the North-East Region is well reflected in the Union Government's intention to invest nearly Rs. 50,000/- crore on the roads sector in the North-East over the Eleventh Plan period. The programmes include SARDP-NE, East-West Corridor, NHDP-II, PMGSY and programmes initiated by Ministry of DoNER and NEC.
- 1.5 Railway network in the North-East is far more deficient than the required level. It is only 4% of the country's rail system. The historical gap that needs to be made up is so large that a much accelerated program of rail connectivity is required to provide the basic infrastructure capacity for the North-East to realize its

economic potential. It has been decided that the projects of the Railways designated as National Projects will be supported by Government of India in the ratio of 75:25 where 25% will be given from the GBS of Railways and 75% from Government of India. It has also been decided to create a Fund for development of rail infrastructure in the North East.

- 1.6 Many places in the North Eastern Region are inaccessible and located in far-flung areas. Therefore, air connectivity is the most viable means of transportation in the Region both for intra-State connectivity and the Region's linkage to the mainland. Three proposed Greenfield airports are to be developed at Itanagar, Cheithu and Pakyong. Two new Greenfield airports have been proposed by the States at Tawang and Kokrajhar.
- 1.7 Inland Water Transport offers a shorter and cheaper route for transport of bulk commodities and project cargo. Development of IWT in NER is a strategic and economic imperative. Renewal of Indo-Bangladesh IWT protocol on long-term basis is being pursued. Kaladan River multi-modal transport route from Mizoram to Sittwe port has been approved.
- 1.8 Geographical location and difficult terrain make the development of telecommunication and information technology a sine-qua-non for the socio-economic development of the Region. The tele-density in the NER is much lower than All India Average. To bridge the gap, the BSNL declared year 2007 as the "Year of Development of Telecom Network in NE Region".
- 1.9 The power sector in the North Eastern Region constitutes the most important resource of the Region and holds the highest potential to propel the region to the front-rank of development in the country. The primary need is to take the benefits of power availability to the people of the Region and for economic development of the Region. Another priority would

be export of power from the region to elsewhere in the country so that the North East becomes the 'powerhouse' of the country. A judicious mix of the conventional and renewable sources of energy can address the needs of the Region in an optimum manner.

- 1.10 The Tourism sector holds the highest promise for generating large employment and income-augmentation opportunities spreading and reaching down to all segments of society in all States of the North-Eastern Region (NER). The single most inhibiting factor for tourism is the perception of NER as being ridden with insurgency, militancy and terrorism. This perception is so much at variance with ground realities that projecting a true and nuanced picture of the vast swathes in NER of total peace and tranquility for the tourist is as essential for the development and promotion of tourism in NER as for investment in other sectors of development.
- 1.11 Education is a key factor in the overall long-term development of NE Region. It must be ensured that all the boys and girls should be able to complete full course of primary schooling. There is a surge in demand for secondary education due to progress in Sarva Shiksha Abhiyan (SSA). The goal is to make secondary education of good quality available, accessible and affordable to all. Cabinet has given its approval for implementation of the SSA programme on 90:10 basis in the NER.
- 1.12 The process of development cannot be sustained solely through Government intervention. The Ministry of

DoNER has also initiated the process of attracting private investment, including foreign investment. This has been done both through domestic business summit and also through interaction with potential foreign investors. DoNER has been able to provide the necessary platform for interaction between the entrepreneurs and the State Governments. The Ministry efforts for getting foreign institutional funding for the NER are nearing the final phase. To oversee the implementation of the projects under foreign funding, project management units (PMU) are being set up.

- 1.13 The Ministry has made significant effort for capacity building and skill upgradation in the North Eastern Region. The main focus is on improving the delivery of public services, upgradation of skills of technical manpower including medical and engineering personnel and employment oriented programmes. Some notable initiatives include training in the field aviation, nursing, electronics, and IT. A pioneering step was taken to conduct the NASSCOM Assessment of competence (NAC) for the undergraduate youth, which is a certification and benchmarking programme for employment in IT-Sector.
- 1.14 It is expected that the steps taken by DONER, along with other Central Ministries, will accelerate the process of socio-economic development of the Region. These efforts have to be sustained by all concerned, with the State Governments playing a pro-active role to ensure both speedy implementation and a planned future development.