

1. Overview





Pravasi Bhartiya Divas, 2011

1.1 Balanced Regional Development has been amongst the foremost objectives of economic planning in India. In this endeavour, the Union Government has always accorded due priority to the needs of the North Eastern States. However, the process received a major fillip in the late 1990s as a result of the introduction of the policy of mandatory budgetary allocation by the Central Ministries for the NE States. Further, to synergize the process of development of the region, the Central Government created the Department of Development of North Eastern Region in 2002, subsequently elevating it to the level of a full-fledged Ministry. The Ministry has come to play an ever increasing role and responsibility for taking the NER to the position of equal eminence in the growth story of the country. It is seen as a catalyst in mobilizing focus and efforts in accelerating development in the Region.

1.2 Infrastructure development is a fundamental prerequisite for realizing the vision of progress towards peace and prosperity and for creating an investment climate and market development in the NE. Expansion in the supply of basic infrastructure such as efficient transportation network, telecommunication and power and broadband connectivity, is extremely important for the development of the region. Apart from delivering essential services that improve the quality of life and livelihoods, these elements of infrastructure are crucial for establishing a stable and peaceful society and hence for the progress and prosperity of the region.

1.3 One of the primary tasks of the Ministry of DoNER is facilitation of infrastructure development in the North-East Region. The Ministry is addressing the

**MINISTRY OF
DEVELOPMENT OF
NORTH EASTERN REGION**

infrastructure needs of the region through its Scheme of Non-lapsable Central pool of Resources and by facilitating planning and implementation of projects by line Ministries of the Central Government. There has been considerable activity in this regard both by the line Ministries as well as by the Ministry of DONER. Further, a number of key infrastructure projects of regional character are supported by the North Eastern Council. As a result of these efforts, infrastructure scenario in the region is undergoing a rapid transformation. During the year, there was significant increase of budgetary support under the NLCPR and NEC Schemes. Further, the Ministry took a number of measures to streamline the selection of projects, expeditious formulation of DPR and release of funds under NLCPR. The Ministry has also tried to take into account the intra-regional and intra-state disparities to rationalize project support.

- 1.4 Development strategy for the Region has to be evolved based on prevailing resources, conditions and people's needs and priorities. Faster economic growth can only be possible if accompanied by requisite structural changes. Public investment has been going up significantly in the Region. The budgetary provision for the North Eastern States in Central Plan of various Ministries / Departments has steadily increased from Rs.3211.00 crore in 1998-1999 to about Rs. 19,180 crore in 2010-11. More importantly, there has been an increase in the overall percentage utilization of funds allocated for the NER in 2009-10 (90.51%) over previous year 2008-09 (83.83%). Some of the Ministries/ Departments having potential for the development of the North East Region have registered considerable improvement in utilization of earmarked outlays in the same period. These are DAC, DARE, DIPPI, Deptt. of Posts, DOT, DIT, Food and Public Distribution, Consumer Affairs, Food Processing Industries, Health and Family

Welfare, School Education, Higher Education, Textiles, Tourism, Labour and Employment, Power, Shipping (Inland Waterways). Of the 7 Committees constituted for Ministries/Departments of D/o Agriculture and Cooperation, D/o Animal Husbandry and Dairying, M/o Tourism, M/o Food Processing, M/o Health & Family Welfare, M/o Textiles, D/o School Education & Literacy, for an in depth review of their schemes, in terms of suitability for implementation in the NER. Reports have been received with respect to Textiles (Handlooms), Health & Family Welfare Sector, Food Processing Sector and Tourism Sector. The reports have been examined and have been forwarded to the concerned Ministries for follow up action.

- 1.5 Given the complexity of the task, augmenting investment to accelerate growth in the region is only a part of the story. The successful transformation of investments into development outcomes requires a variety of initiatives in every sector of the economy: primary, secondary and tertiary. The North Eastern Council has taken initiatives in agriculture sector through the introduction of double cropping and exotic cash crops. NERAMAC, a PSE of the Ministry, is providing support through marketing, value addition and capacity building.
- 1.6 The North East Development Finance Corporation (NEDFi) is performing a creditable role in project financing as well as micro-financing. The Region has rich tradition of crafts. In this regard, North Eastern Handloom & Handicrafts Development Corporation (NEHHDC), another of Ministry's PSE, is providing critical support to the vast number of artisans of the Region.
- 1.7 As a result of the efforts of the Union and State Governments in the NE Region, the landscape in the Region is undergoing a considerable

improvement. At the same time, there is a pressing need to improve the quality of implementation and service delivery mechanism. The constraints to implementation, which cause time and cost overruns and adversely affect the absorptive capacity of the States, are being identified and overcome. The Ministry is vigorously attempting to improve the financial management in the States. Moreover, the requisite skill levels have to be created. This calls for putting in place a back-up human resources development program for capacity building and training of technical man-power, other civil servants, as well as youth. NER Vision document - 2020 has laid great emphasis on capacity building particularly, human development and manpower planning. Development of human resources is critical for the development of the region. While the literacy rate in the region is high, the employability of the youth in the region in skill-intensive activities and within the manufacturing and service sectors is not very high. The region does not have an entrepreneurial class to take up the challenge of generating economic activities. The structural transformation of the economy can only take place by creating and enhancing the multidimensional capacities that are linked to the human resource requirements for expanding the primary, manufacturing and service sectors. The Ministry and the NEC have taken a number of measures towards capacity building and upgradation of skills.

- 1.8 The Ministry of DoNER is also mandated to coordinate with various Ministries/Departments primarily concerned with development and welfare activities in the North Eastern Region. It has also taken up the review of implementation of key infrastructure projects. Regular meetings are held with the States and line Ministries to expedite implementation. Besides, the Ministry takes a look at sectoral development on the basis of efforts of Central Ministries on one hand and State

Governments efforts on the other.

- 1.9 The North Eastern Region is rich in natural and human resources, both of which have not been effectively tapped. It is also a treasure trove of flora and fauna bio-diversity. However, the last decade has seen a sustained effort on the part of Government of India to significantly and systematically increase the investment for the economic development of the Region. It has also invested substantially in the social sector through various schemes and programmes. A number of Central institutions have been set up in the fields of health and HRD and all the States in the Region now have a Central University. A number of Centres of Excellence have also been set up. Initiatives of the Government are now being complemented by the private sector. This has come about because of the perception in Government of India and in the NE States regarding the path of development of the Region.
- 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). Capital costs are modest compared to large industrial investments and gestation periods are short. Moreover, as is being recognized by hospitality industry all over India, the people of North-East are exceptionally well-endowed, in terms of personal and social characteristics and a long tradition of hospitality in their homes and communities, for employment in the hospitality industry. Therefore, the tourism sector should be thrust area for intervention and the region should emerge as the most favoured tourist destination. The NEIIPP is providing concessions to tourism related projects as well. A number of new projects have come up in recent years with the support from NEDFi and other financial institutions. The erroneous perception of

**MINISTRY OF
DEVELOPMENT OF
NORTH EASTERN REGION**

- NER as being ridden with insurgency, militancy and terrorism is being countered through publicity campaigns in print and electronic media. Recent amendment of the scheme of LTC permitting traveling to the region by Air for the Government employees is generating excellent response. This has been extended by a further period of two years.
- 1.11 The process of development cannot be sustained solely through Government intervention. The private sector participation is most essential. It will not only provide additional resources but more importantly will create the necessary environment for providing job opportunities, better utilization of resources, enhanced credit flow in the Region and consequent development. Ministry of DoNER is providing the necessary platform for the private sector to interact thereby paving the way for future investments. The Ministry has been encouraging this process by organizing North East Business Summits to showcase the potential of the North Eastern Region. It has also initiated the process of attracting private investment which includes foreign investments. This has been done both through the business summits and also by one-to-one interaction with specific countries.
- 1.12 The Ministry took the initiative to participate in the Pravasi Bhartiya Convention in January 2011. The hugely influential Indian Diaspora was given a first hand account of the potential of the Region. Presentations were made by the States focusing on opportunities in health and education sectors. The NRI community displayed a keen interest to take the process further.
- 1.13 Concerted efforts of the Central and the State Governments are helping in providing a thrust to the process of socio-economic development of the Region. With properly defined targets, clear outcomes, strategies and coordinated planning for the region as a whole, the North East can be revitalized to become increasingly self-sufficient and a net positive contributor to the national exchequer and the country's economy. The Ministry has prepared a strategic plan for the next five years and expects to play an even more important and pro-active role to ensure both speedy implementation and a planned future development for the Region.