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भारत सरकार
राष्ट्रीय सलाहकार परिषद
नई दिल्ली

सत्यमेव जयते

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Director

GOVERNMENT OF INDIA
NATIONAL ADVISORY COUNCIL
NEW DELHI

4th October, 2005

Please find enclosed the following documents for perusal:-

1. Note on Issues concerning Development of North Eastern Region and States received from the Planning Commission.
2. Note on Development of North Eastern Region and related issues of the Ministry of Development and North Eastern Region.

Yours sincerely,

(**Jayanti S. Ravi**)

Encl: as above

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Planning Commission
(State Plans Division)

Note on the Issues Concerning Development of North Eastern Region and States

1. GENERAL BACKGROUND

1.1 The North Eastern Region (NER) consisting of eight States of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Tripura and Sikkim has a geographical area of 262,179 sq. km, about 8% of the Country's land area, with a relatively small population of about 3.90 crores as per 2001 census. This constitutes about 3.8% of India's population (2001 Census). While the Region has long borders with Bhutan, China, Myanmar and Bangladesh (4500 kms.), there is only a 22 km stretch connecting the region with the rest of the country. The Northeast is, thus, uniquely disadvantaged by Partition, which left its external perimeter with no more than two per cent contiguity with the rest of India. The remaining 98 per cent represents international boundaries.

1.2 The Northeast is divided into plains, regions surrounded by Hills and high mountainous areas and a number of agro-climatic zones. Nature has endowed the entire Region bountifully, and it is rich in bio-diversity. It's hydro potential is considerable, it has petroleum, natural gas along with coal, limestone and other minerals and great forest wealth. Forests cover about 65% of the area, of which only 10-15% is Government owned, the rest belong to village communities, individuals and sundry chiefs. Much of the land in the hills is owned by the tribal community.

1.3 The severest problems encountered by the Northeast is the lack of adequate connectivity, both intra-regionally, as well as with the rest of the country. No other part of the country (except J&K) has faced a comparable situation of severe market distortion due to geographical isolation due to poor communication infrastructure, rendering products from the North East uncompetitive, transport subsidies notwithstanding.

1.4 The cultivable area is limited and the land-man ratio has become increasingly adverse. The largest part of arable area falls within Assam. Barring the Imphal valley and pockets elsewhere, agricultural yields are low, while traditional farming with shrinking *jhum* cycle has become ecologically unsustainable. The productivity of staple rice in Assam is barely 1.3 t/ha. (as against the National Average of 1.9 t/ha) and 1.8 t/ha. in Tripura. However, it is 2.4 t/ha. in Manipur's Imphal Valley which is higher than the national average. Mono-cropping, inadequate irrigation facilities, poor availability of institutional credit (especially, with the collapse of the cooperative agricultural credit structures), low consumption of chemical fertilizers and other inputs, characterize the agricultural scene. *Jhum* or shifting cultivation embodies a life-style characterized by tribal practices and affects growth of agriculture.

1.5 Despite availability of natural resources like oil, natural gas, coal, limestone, forest based produce, industrialization in N.E. is low. Even Assam, which used to be known as an industrial State, is now saddled with sick industrial units, most of the large units are PSUs, either sick or closed. The Village and Small Scale Industries (VSI) Sector, Handloom, Handicrafts and Sericulture which assume greater significance in terms of employment generation and low capital investment, have not received due priority in the State Plans and in technical/managerial support. The progress under the 'Growth Centre Scheme' (launched in June 1998) is reported to be slow, even after release of Central Assistance. The Central Scheme of Joint Forest Management to bring *Jhum* land into its fold is yet to take off.

1.6 Of the eight States in the NER viz., Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura, four are primarily inhabited by tribal population. Assam, Sikkim, Tripura and parts of Manipur have dominance of non-tribals, but have a sizeable tribal population. NER has 12.4% of the tribal population of the country. The table below gives the total population and the tribal population in the States of the NER.

Total population and the tribal population in the States of the NER.

State	Area (sq. km)	Population	Male	Female	Rural	Urban	SCs	STs
Arunachal Pradesh	83743	1091117	573951	517166	868429	222688	6188	705158
Assam	78438	26638407	13787799	12850608	23248994	3389413	1825949	3308570
Manipur	22327	2388634	1207338	1181296	1818224	570410	60037	741141
Meghalaya	22429	2306069	1167840	1138229	1853457	452612	11139	1992862
Mizoram	21087	891058	459783	431275	450018	441040	272	839310
Nagaland	16579	1988636	1041686	946950	1635815	352821	-	1774026
Sikkim	7096	540493	288217	252276	480488	60005	27165	111405
Tripura	10486	3191168	1636138	1555030	2648074	543094	555724	993426
Total	262185	39035582	20162752	18872830	33003499	6032083	2486474	10465898

Source: Census of India, 2001

Plan Outlay

Projected Outlay for Tenth Five Year Plan (2002-07) and Agreed Outlay/Actual Expenditure for the Annual Plans 2002-03, 2003-04, 2004-05 and 2005-06

		Tenth Plan	2002-03		2003-04		2004-05	2005-06
Sl. No.	State	Outlay Projected	Originally Approved	Actual Expenditure	Originally Approved	Actual Expenditure	Originally Approved	Originally Approved
1.	2.	3.	4.	5.	6.	7	8.	9.
1.	Arunachal Pradesh	3888.00	676.00	531.72	708.00	723.00@	760.35	950.00
2.	Assam	8315.00	1750.00	1422.00	1797.00	1455.04	2175.00	3000.00
3.	Manipur	2804.00	550.00	209.00	590.30	286.46	787.72	985.37
4.	Meghalaya	3009.00	545.00	400.00	578.25	487.04	716.34	800.00
5.	Mizoram	2300.00	430.00	421.00	480.00	525.00@	616.52	685.00
6.	Nagaland	2228.00	424.00	378.51	500.00	504.00@	538.79	620.00
7.	Sikkim	1656.00	350.00	340.00	405.00	405.00@	491.07	500.00
8.	Tripura	4500.00	625.00	585.00	653.54	586.83	700.27	804.00
9	North Eastern Council (NEC)	3500.00	450.00	441.46	500.00	500.00@	500.00	500.00
		32200.00	5800.00	4728.69	6212.09	2795.37	7286.06	8844.37

@ Tentative Expenditure.

1.7 During 2004-05 the State Reconstruction Plan for Manipur involving an additional outlay of Rs.714.15 crores spanning three years period (2004-07) was approved. Accordingly, the State was provided Additional Central Assistance/Special Central Assistance of Rs.240.00 crores during 2004-05 and Special Plan Assistance/ Additional Central Assistance of Rs.365.00 crores has been provided in the Annual Plan 2005-06.

1.8 State of Assam has also been provided with an additionality of Rs.240.00 crores as ACA/ SPA for Annual Plan 2004-05 and Rs.300.00 crores in the Annual Plan 2005-06 for their Reconstruction Plan /Development Plan

Ministry of Development of North Eastern Region

1.9 In view of the extensive flow of Central funds and the special policy measures announced for developing the region, a dedicated Ministry of Development of North Eastern Region was also set up in 2001 to coordinate, monitor and give impetus to the Centre's development efforts, including for monitoring the activities of the North Eastern Council. The Council was established in 1972 under *The NEC Act, 1971*, for securing balanced and coordinated development in the seven states of the north eastern region and for coordinating the measures taken by the States for security, law and order. Sikkim was included as the eighth member through an amendment of the Act and in 2002 the Council has been designated as the Regional Planning Body.

1.10 Since inception upto March, 2004, the NEC has invested Rs.6151.62 crores for the infrastructure projects and a few social and agricultural schemes/projects. The major sectors targeted for development have been transport and communication, power generation, airports etc. Statement of sector-wise investment by NEC –1971 is given below:

Sectors	(Rs. Cr	%
Agriculture and Allied S	126.12	2.05
Water & Power	2806.40	45.62
Industry & Mining	70.13	1.14
Transport & Communication	2517.50	40.92
Manpower Development	332.09	5.40
Social and community services	192.25	3.13
General Services	71.98	1.17
Externally Aided Projects	35.16	0.57
Total	**6151.62**	**100.00**

1.11 The major investments have been in the Water & Power Sector followed by Transport & Communication. The important investments made in the Transport and Communication sector are construction of 89 roads with a total length of 7024 kms at an investment of Rs.1500 crore. Another 18 no. of roads with a total length of 1279 kms are under construction involving an investment of Rs.732 crore. During 2003-04 95 kms of formation, 150 km pavement and 29 bridges were completed at a cost of Rs.230 crore. During 2004-05, 8 no. of roads with a total length of 676 kms were to be completed at a cost of Rs.367 crore. NEC has also been investing in upgradation, improvement of airports in collaboration with the Airports Authority of India. Till date Rs.143.12 crore has been released as NEC's share for airport development and upgradation. Four aircrafts have been procured by Alliance Airlines for operation in the NE, with funding support from NEC.

Non-Lapsable Central Pool of Resources

1.12 In 1998, in order to support the infrastructure development projects in the NER, a non-lapsable central pool resources (NLCPR) fund was created and a policy of earmarking 10% of the Plan funds of Central Ministries/Departments for investment in the NER adopted. NLCPR funds accrue from unspent balances out of this mandatory provision of 10%. The budgetary provision in the NES in Central Plan of various Ministries/Departments was Rs.3111 crores in 1998-99 and Rs.6273 crores during 2004-05, which has gone up to over Rs. 9,000 crores in 2005-06. The actual expenditure has also gone up from 6.63% in 1988-89 to 8.4% in 2203-04. It is seen that there is a steady increase in the expenditure by Central Ministries in the NE states in the respective sectors and in due course this could go up to the mandatory 10%, in which case there would be very little accrual to the NLCPR. Between 1998-99 to 2004-05, it is seen that the bulk of the resources in the NLCPR have been earmarked for the transport sector and a number roads and bridges have been taken up for construction from the NLCPR fund. Priorities are, however, set on the basis of proposals received from various member States and projects are sanctioned based on these priorities and not on any scientific regional network plan agreed upon for improvement of road infrastructure in the region. As a result, a large number of State specific roads are financed from the NLCPR fund and few inter-State corridors are taken up for implementation. The NLCPR has, in fact, become another window for financing State road projects and for supplementing the State resources. Ministry of DoNER, is the administrative Ministry for the NLCPR Fund.

Sectoral Issues :

I. Agriculture and Allied Activities

Technology Mission for Integrated Development of Horticulture in the North East including Sikkim.

The Technology Mission for Integrated Development of Horticulture in the North Eastern States, Sikkim, J&K, Himachal Pradesh and Uttranchal was started in 2001-02 which comprises of four mini-missions with different objectives.

Mini mission-I aims at technology support for which ICAR has been entrusted with the main responsibility. Mini mission-II aims at enhancement of production activities. Mini Mission-III aims at Post Harvest management, marketing and export and the Mini Mission-IV is for Processing and Marketing of Processed Products.

The release of funds under all Mini-Missions (I to IV) increased from Rs.67.25 crore in 2001-02 to Rs.91.00 crore in 2002-03, to Rs.118.39 crore in 2003-04 and to Rs.176.72 crore in 2004-05.

II. Rural Development

Rural Housing (Indira Awaas Yojana)

This composite multi pronged strategy for housing has been operationalized w.e.f. 1999-2000. The Indira Awaas Yojana (IAY) is the major scheme for construction of houses to be given to the poor, free of cost.

A decision was taken recently by the National Committee on Rural Infrastructure, to construct 60 lakh houses in rural areas over 4 years i.e. 15 lakh houses per year. 10 per cent of the total allocation for rural housing is provided to North Eastern States.

It may also be noted that in case of North Eastern States against entitlement of 4.47% of rural development funds (as per formula based on incidence of poverty), 10% of the plan funds are provided as per the decision taken earlier in this regard.

III. Forest Conservation and Protection

North eastern region has 18.45% of the forests of the country. Eastern Himalaya are also among the hotspots of biodiversity. About 54% of the total geographical area of the North Eastern Region is covered by forests. Forest produce like wood, bamboo and NTFP are important ingredients of the economy of the region. Shifting cultivation, once a sustainable way of living, is known to result in degradation of forests due to shorter jhum cycles.

The conservation imperatives of the region include efficient protection of forest wealth, community initiatives for sustainable utilization of forest produce and employment generation based on value addition of forest produce. In order to address the protection problems of the region, an Integrated Forest Protection scheme is in operation under the Ministry of E & F. Under this programme central assistance is made available on 90:10% sharing basis for management planning, protection infrastructure and capacity building of the forestry personnel.

Supreme Court of India started monitoring the conservation, harvesting and utilization of forests and forest produce in the region in 1996. As a result, the number of forest based industries has been restricted, based on the availability of the raw material in the region.

Bamboo which grows over about 18000 sq. km. is expected to face gregarious flowering in the coming years, which will result in complete drying in the bamboo growth immediately after flowering. Attempts are under way to harvest and utilize the maximum possible quantity of bamboo before it perishes after flowering.

In order to ensure maximum benefit from these natural resources to the inhabitants of the region, it is necessary that the process of harvesting and utilization of produce by value addition is facilitated and marketing opportunities are created. In this context, a National Mission of Bamboo Application is operational under the Department of Science and Technology. A National Bamboo Mission under the Ministry of Agriculture will be launched soon to promote cultivation and utilization of bamboo in manufacture of value added products. Ministry of E & F is starting a CSS for management of gregarious flowering focused at harvesting and regeneration of flowered areas.

A number of closed plywood units in the region are willing to use bamboo as the principal raw material. For reopening of these units, a policy initiative is required to simplify the credit liabilities of these units by relaxing repayment conditions and easing the interest liabilities. NEC may take initiative in this regard for establishing bamboo based enterprises in the region.

IV. Transport

A total of 7639 kms. of road length including National Highways has been proposed for development (upgradation/improvement) under the Special Accelerated Road Development Programme for the North-Eastern Region at an estimated cost of Rs.12123 crore. The programme involves widening of 3251 km of National Highways connecting State Capitals of North-East and improvement of 4388 km of State roads.

The entire programme is proposed to be implemented in three phases i.e. i) Phase A; ii) Phase B; and iii) Phase C. Phase A includes the widening of 1218 km of roads (1110 km National Highways and 108 km State Roads) at an estimated cost of Rs.4483 crores. Phase B includes improvement of 5178 km (2141 km NHs, 3037 km State/GS Roads) of roads at an estimated cost of Rs.6017 crores. Phase C involves the construction and improvement of 1243 km of roads (798 km for construction and 445 km for improvement of existing roads) comprising five State roads along Indo-China and Indo-Bhutan border, two Inter-Basin roads and one Indo-Myanmar road at an estimated cost of Rs.1623 crores.

The Phase A projects are ready for implementation and would be placed before the Cabinet for approval shortly. These projects have already been recommended for approval by the Committee of Secretaries in the meeting held in April, 2005. Phase B and Phase C projects are in the process of finalization.

Apart from this ambitious plan for road development in the North East, NEC has also prepared a road map for development of the region and has identified about 17,000 kms. of critical roads which need to be improved. Projects should be taken up on the basis of this road map. NEC stands committed to completing the ongoing works of the 9th Plan, apart from taking up 20 projects approved during the Tenth Plan. The plan allocation for roads and bridges is Rs.283.50 crore for NEC during 2005-06. NEC is also providing plan funds to the Airport Authority for development of airports and also for cross subsidizing operation of airlines. During 10th Plan, Rs.32.00 crore has been provided for air connectivity is the North Eastern Region (NER) and Rs.10 crore for strengthening of airports by the NER under NEC.

The 12th Finance Commission, based on the road length, has kept a provision of Rs.780.96 crore for maintenance of roads and bridges during the period (2006-10) for the NER and Rs.100 crore for the construction of the Pakyong Airport in Sikkim.

V. POWER

Capacity Addition

The Tenth Plan has envisaged a capacity addition target of 1017.92 MW in North Eastern Region (excluding Sikkim) out of overall capacity addition of 41,110 MW in the country. The sector wise and mode wise capacity addition target for the North Eastern Region is given below:

	Hydro	Thermal	Total
Central Sector	85.00	500.00	585.00
State Sector	264.00	168.92	432.92
Total	349.00	668.92	1017.92

It is expected that the likely capacity addition of 387.92 MW would materialize during the Tenth Plan period. In addition, a capacity addition of 43.92 MW under State sector (considered at the time of mid term appraisal) would also be commissioned during the Tenth Plan period. This would result in aggregate capacity addition of 431.84 MW during the Tenth Plan, which is 42.42 % of original targeted capacity addition.

Hydro power initiative

A 50,000 MW hydropower initiative was launched in May 2003 with the objective of realizing the feasible balance of hydropower potential in the country in a systematic manner which includes 30, 416 MW in the North Eastern region. This initiative includes 162 hydroelectric projects with an aggregate capacity of over 48000 MW on All India basis. Around 50 percent of this capacity lies in Arunachal Pradesh alone, which is proposed to be taken up by CPSUs.

Transmission System

Considering the development of various hydro generation projects, as indicated above, a Master Plan for evacuation of power from North Eastern Region is being developed by Central Electricity Authority. PowerGrid would be developing the transmission systems for the projects scheduled to be commissioned beyond Tenth Plan namely Kameng, Subansiri and Tipaimukh.

VI. Education

The average literacy rate in the region is 68.47 per cent, which is well above the national average of 65.38 per cent. Mizoram is ahead in literacy and has the highest literacy rate of 88.8 per cent amongst the North Eastern States. Tripura stands second and has a total literacy of 73.2%. The lowest among the NE States is Arunachal Pradesh (54.3%) where the literacy rate is lower than the national average (64.8%).

Female literacy in the region is quite encouraging and the female literacy rates are higher than the national average for all the NE States except Arunachal Pradesh. However, intra-State variations do exist and wide gender disparities are obvious.

Elementary Education

The dropout rate is higher than the All India rate at primary and upper primary level. But Manipur is an exception and has a dropout rate of 25.60 at primary and 32.93 at upper primary.

The problem of inadequate infrastructure for elementary education is being taken care of by the activities under SSA. However, strict monitoring will have to be done so as to ensure effective implementation. The coverage of Mid Day Meal Programme has to be widened and more schools should fall under the umbrella of the programme.

Secondary Education

The dropout rate at secondary stage is higher than the national average for all the NE States and is a cause of serious concern. More than 60 per cent of the students enrolled in elementary dropout when they reach secondary stage. But a striking feature is that there is only a marginal variation in the dropout rate for boys and girls.

Shortcomings that are posing as barriers in providing quality education such as lack of adequate infrastructure, high teacher vacancies / absenteeism, lack of adequate pre-service and in-service training, lack of library and proper laboratory facilities at secondary and higher levels, will have to be specifically addressed.

Vocational education

There is at least one polytechnic institute functioning in each of the NE States. Assam has eight such polytechnic institutes. Two such institutes at Tura and Jowai in the State of Meghalaya under the World Bank Project have commenced. Vocational education and training should be given necessary impetus. Infrastructure facilities like equipment and machinery should be strengthened and new courses in demand be designed to cater to the requirements of industry and other sectors, besides providing opportunities for generating self-employment. Setting up of polytechnics for girls should also be considered.

Higher and Technical Education

Though elementary education in NE States shows a better performance than the rest of India, higher and technical education takes a backseat. The reforms to be undertaken should include improvement in the working of the Universities and introduction of modular courses and applied courses (that help in providing employment) rather than traditional and conventional courses. Private and self-financing institutions should be encouraged especially in technical/professional courses, and management studies. There should be greater emphasis on information technology and allied fields of study, because of their growing importance. Upgradation and creation of laboratories and workshops should be given due importance as also availability of trained faculty to improve the quality of education.

VII. Health

As regards availability of Health institutions and hospital facilities the region has a good number of medical colleges/institutions and hospitals as compared to the population in the region. Majority of the big hospitals are in Assam primarily due to availability of specialists, trained manpower and good communication with the neighboring states. Assam Medical College hospital, Guwahati Medical Collegel, Silchar Medical College, are the three important medical colleges in the region. In addition NEC funded Regional Institute of Medical Sciences(RIIMS) has been set up at Imphal. There are also number of specialised institutions. Some of them are Dr. B. Barua Cancer Institute, Guwahati, Regional Diabetes Centre, Agartala, GB Pant Hospital, Agartala, Regional Drug Testing Laboratory, Guwahati, Regional Institute of Paramedical & Nursing (RIPAN), Aizawl(NEC), Lokapriya Gopinath Bordoloi Regional Institute of mental Health (LGBRIMH), Tezpur, Regional Institute of Pharmaceutical Sciences & Technology, Agartala, Paramedical Institute, Kohima Regional Nursing College, Guwahati(NEC). Government Aurvadic College, Guwahati, J. K. Saikai Homeopathy College, Jorhat. Some of the good government hospitals in Meghalaya are Civil Hospital, Shillong ,Civil Hospital, Tura ,Civil Hospital, Jowai ,Ganesh Das Hospital, Shillong,R P Chest Hospital, Shillong In addition there are a number of private hospitals in the region. Major problems faced by the Government Institutions are inadequate funds and lack of maintenance of infrastructure and poor quality of services. As a result the states are spending large amounts for referral services outside state.

VIII. North East Water Resources Authority (NEWRA)

The Hon'ble P.M. visited Assam and Manipur during 21-22.11.2004 and PMO has directed the Ministry of Water Resources to take steps for establishing a cohesive, self-contained entity called the Brahmaputra Valley Authority or the North-East Water Resources Authority to provide effective flood control measures, generate electricity, provide irrigation facilities and develop infrastructure. Given managerial and financial autonomy, equipped with top class manpower, and backed by Parliamentary sanction, such a body could be the instrument for transforming the region. The matter of setting up the Authority is being finalized by Ministry of Water Resources in consultation with the States in the Region.

IX. Industry

Recently, the NEDFi commissioned a study by Tata Economic Consultancy Services (TECS) to evaluate the impact of the NEIP, 1997. The study has concluded that the extension of similar incentive schemes to States like Himachal Pradesh and Uttaranchal, which are strategically placed, and are closer to the main markets, has resulted in these States being preferred investment destinations by investors and manufacturers, in comparison to the NE States. Nevertheless, the study has concluded that NEIP has had a favourable impact and has addressed economic development concerns of the Region. However, no large scale investment took place, as envisaged, as a result of the Policy and small and medium enterprises dominated the investment scenario. The developed States, within the Region viz. Assam and Meghalaya, continued to maintain their lead and the investors interest is centered around the Guwahati-Shillong belt. Manipur and Mizoram did not attract any investment proposal, resulting in a skewed development profile within the region. Out of 18 thrust areas identified for development, only six have attracted investors interest and areas, such as handloom, handicrafts, agro-forestry did not attract any investment. The study has also recommended extension of the NEIP, but also a few modifications, to ensure that NER has a competitive edge in relation to other industrially backward States. The study has also recommended change in the policy framework for NER to include IT sector, construction sector, health care and tourism.

Department of Industrial Policy and Promotion has proposed a scheme namely "Infrastructure Development in Eastern and North-Eastern Region" in the form of a special package to speed up industrialization in Eastern and North East region as emphasized in NCMP. The scheme has been approved "in principle" by the Planning Commission. The broad contours of the scheme are:

A. **Name:** Integrated Infrastructure Development of Eastern and NE Region(central Sector Scheme)
B. **Duration:** 5 years
C. **Coverage:** 8 States in NE Region, Bihar, West Bengal, Jharkhand & Orrissa.
D. **Interventions:**
   i) Provide basic industrial infrastructure.
   ii) Extend fiscal incentives and concessions as permissible in NEIP (with suitable modifications) in respect of industrial units in the NER and not in Eastern Region.
   iii) Relaxing funding pattern for clusters to be taken up under the IIUS with modification to the extent of grant of 90% by the Centre and remaining 10% by other stake holders.
   iv) HRD/Training &skill development.
E. **Thrust Areas:** Local resource based/ environment friendly industries.
F. **Financial Assistance:** 100% Grant upto Rs. 100 crore for each location.

G. Coverage:

i) Two industrial locations in each of the States of Bihar, Jharkhand, West Bengal, Orrissa and Assam.

ii) One industrial location in each of the States of Sikkim, Meghalya, Mizoram, Manipur, Tripura, Arunachal Pradesh and Nagaland.

The proposal has already been accorded 'in principle' approval by the Planning Commission and a token provision has been kept in the Annual Plan 2005-06 of DIPP for enabling them to get a Detailed Feasibility Report prepared on the scheme.

X. Communication and Information

A special package for North East for improvement of AIR and DD's services was prepared and submitted to the Cabinet towards the end of 9th plan. The Cabinet accorded in-principle-approval to a part of the project termed as phase-I. This included:
(i) Rs. 8.15 crore as an independent project of 160 Cable Head End for distribution of Doordarshan signals in C-band to viewers, funded from non-lapsable pool.
(ii) Spending Rs. 24.8 crore on AIR and Rs. 39.51 crore on DD .

The NE Package under Phase-II was approved as a 10th Plan scheme with a project cost of Rs.551.10crore, with the following break up:

AIR	: Rs. 170.55crore
DD	: Rs. 380.55crore.

The NE Special Package was aimed at improving DD coverage by area and by population to 75.9% and 94.8%, respectively, by the end of the 10th Plan from their corresponding coverage of 54.5%, and 82.4%, respectively.

XI. Labour & Employment

The unemployment problem in the region has assumed seriousproportions, particularly amongst the education section of the youths. Rural population in the region is also grossly under-employed and poor. This is causing socio political problem for both the Central as well as the State Governments. The primary reasons for rural poverty are :

(i) Low agricultural productivity (lower than the national average for almost all crops);

(ii) Low land utilization (multi-cropping is not wide-spread)

(iii) Small land holdings (about 80% of the operational land holdings are less than 2 hectares.);

(iv) Inadequate access to markets.

In relation to development programmes and projects taken up in Assam coinciding with the visit of the Prime Minister to the State on 21-22.11.2004, the State Government of Assam has recently submitted a 'Mission to Generate Employment and Stimulates the Economy of Assam – 2005-08'. The mission is primarily to generate substantial and sustainable employment opportunities in the State within a very short time frame, i.e. 2005-08. The proposal is presently being examined in the Planning Commission and in the Ministry of DoNER.

MINISTRY OF DEVELOPMENT OF NORTH EASTERN REGION

NOTE FOR THE PROPOSED MEETING OF THE NATIONAL ADVISORY COUNCIL ON NORTH EASTERN REGION

1. The North Eastern Region has a total population of 39.04 million (2001 census) spread over a landmass of 2,62,500 sq.kms. The Region is characterized by varied habitat, heavy rainfall, extremely rich bio-diversity, mountains and hills, high seismicity and a drainage pattern marked by lateral valleys in the north and transverse valleys in the south, dissected by major rivers. All of this renders communication difficult and expensive, especially after partition which further isolated this geo-politically sequestered region. The region shares 98% of its borders with foreign neighbours.

2. Despite being rich in natural resources with fertile land, rich forests, scenic beauty, water resources and substantial mineral and hydrocarbon deposits, development in the Region has lagged behind the rest of the country due to historical reasons. The Region generally lacks infrastructure impinging upon the overall socio-economic development. Only in literacy does it stand better. However, vocational training, entrepreneurial skills and the quality of education leave much to be desired. Moreover, the lack of matching employment opportunities for the educated youth is leading to a situation of frustration, drug addiction and insurgency.

3. Socio-economic development in the NER has always remained a priority concern of the Central Government. Special strategies have been formulated for removal of bottlenecks, provision of basic minimum services and creating a development friendly environment. The handicap of resource constraint has been met through special dispensation for the States in the Region. The eight constituent States of NER are treated as Special Category States outside the Gadgil Formula. Ninety percent of their Plan allocation is treated as grant and 10% as loan of the Central Government. Moreover, they are permitted to use up to 20% of the Central assistance for non-Plan expenditure. 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 addition, Projects of inter-State nature in the Region are funded through the North-Eastern Council (NEC), which has a separate additional Budget for the purpose.

4. In 1998, in order to support the infrastructure development projects in the NER, a Non-lapsable Central Pool of Resources (NLCPR) fund was created and a policy of earmarking 10% of the Plan funds for Central Ministries/Departments for investment in the NER adopted. NLCPR accrues from the unspent balances out of this mandatory provision of 10%. There has been a steady increase in the expenditure by Central Ministries in the NE States in their respective sectors and a corresponding decrease in accruals to the NLCPR. The administration of NLCPR was entrusted to the newly created Department of Development of North Eastern Region, which was upgraded to a Ministry in May 2004 when the new Government took over in order to further sharpen the focus on development issues of the Region.

5. The North Eastern Council (NEC) has been recently restructured to make it more effective in its role as a statutory Planning Body. A Committee was constituted in October, 2003 to make recommendations for the revitalization of NEC. The Committee submitted its report in July, 2004. The Govt., by and large, accepted the recommendations of the Committee. Accordingly, Minister, DONER has been nominated as the Chairman of NEC. Three Members at par with the Members of the Planning Commission have been nominated to the NEC. The Prime Minister set the tone for the reconstituted NEC while addressing its first Meeting on 12th April, 2005. He called upon the Council to focus on the twin issues of development and security. He desired that income level of rural families have to be substantially enhanced by harnessing the vast potential of the Region in the fields of Agriculture, Horticulture, Medicinal and Aromatic Herbs, Bamboo, Water Resources, Power Resources, Minerals, etc.

6. A Committee has been appointed by the Chairman, NEC to draw up a Blue Print for formulation of a Comprehensive time bound Road Map for Speedy Socio-Economic Upliftment of the NER. The "North East Vision - 2020" document is being prepared taking into account the heightened consciousness of the people in the NER, their aspirations, needs and sensitivities. It would encompass all the key sectors of the economy and the vast resource potential of the Region. The progress made towards the formulation of Vision-2020 is given in Annexure-A.

7. The Ministry has initiated a process to seek International Cooperation for Development of the Northeastern Region, especially in four sectors, namely Integrated Road Project, Urban Development Project, Trade & Investment Creation Initiative and Water Resource Development Project. In case of the first three sectors, Technical Assistance Grant from the Asian Development Bank (ADB) for studies has already been sanctioned. The project on development of Water Resources is being undertaken with the support of World Bank. This initiative will enhance resource-flow to

the Region. This will also bring institutional reforms as well as modern project management technology in various sectors.

8. Under the scheme of Non-Lapsable Central Pool of Resources (NLCPR), there has been 100% utilization of the budgeted funds by the Ministry during the last three years. A total of 656 projects in various socio-economic sectors have been sanctioned with an approved cost of Rs. 4176.57 crore till 31-08-05. A brief note on the Scheme is given at Annexure-B. The NEC was also able to utilize its allocated funds of Rs.500 crore during the last year. Major activities of NEC are covered in Annexure-C.

9. The M/o DoNER is also monitoring the mandatory spending by various Central Ministries/Departments in the NER. In the Central Budget of 2005-06, Rs.9306 crore has been earmarked for expenditure in the Northeastern States as 10% of the GBS by various Ministries/Departments. This is a substantial increase of 51.7 % over 2004-05 when Rs.6133 crore was earmarked. The overall spending by various Ministries has also gone up from about 6.6% of the GBS in 1998-99 to about 10% in 2004-05

10. While there is a considerable increase in the resource flow for the development of the Region, as against an approved outlay of Rs.3500 crore for the Xth Plan, the actual allocation to the NEC during the first four years has been Rs. 1903 crore. The Ministry therefore, feels that the budgetary allocations under NLCPR and NEC, which have actually come down in real terms, should be enhanced considerably to meet the aspirations of the region.

11. The North Eastern Region can be developed as a hub and play an important role as an economic bridge to the dynamic economies of South East Asia and China. The Region can provide a fillip to the 'Look East Policy' by helping to create an integrated approach in developing trade, commerce, exchange of technology and partnering with the ASEAN countries to give a boost to the economy of the region as well as the country as a whole.

12. Connectivity is a fundamental issue in the NER. Lack of adequate connectivity with the rest of the country dominates the psyche of the people. There is a need for investment in a planned manner in roads, bridges, railways, waterways, airways, telecommunication and I.T. to ensure effective linkage round the year within the region and with the rest of the country. It will reduce isolation as well as provide much needed physical and psychological integration of NER. It would also provide opportunities to develop tourism, horticulture, food processing and other sectors where the region has a natural advantage.

NEC: Vision NER 2020

Introduction

Restructured NEC in its first meeting held on 12.04.05 mandated the formulation of a 15 year perspective plan for holistic development of N.E. Region. The Hon'ble P.M. suggested that it should be a Peoples' Plan. Hon'ble Chairman, NEC desired that this vision document should reflect the hopes and aspirations of the people of the N.E. It will be a shared vision of those for whom the plan is being prepared. The formulation of such a vision document calls for a paradigm shift in the planning process a bottom - up process.

Methodology

Peoples' response, their views and suggestion are being ascertained through a massive campaign. An umbrella NGO having affiliated branches in all the 8 States of NER and which has a very good track record, has been assigned the task of contracting people down to the grass root level. The NGO has already covered all the 8 States in the 1st phase of popular contact through groups of enumerators, mostly local educated youths. A large number of households in 99 Blocks in the entire region have been covered Responses have been tremendous. In the 2nd phase the material obtained will be analyzed and tabulated to be discussed at State level workshops with the participation of representatives of traditional institutions, woman & youth groups, State Govt. representatives, elected representatives, etc. Simultaneously an open letter to the people of NE inviting views and suggestion for formulation of Vision document has been widely circulated particularly in the local vernacular media. A large number of responses have been received. NEC Sectt, has initiated action to prepare the first draft of the sectoral components of the Vision document through seminars involving economists, social scientists, academicians, State Govt. representatives, Central agencies & other professionals. Such discussion in the Power, Communication, Health, Public Health have been held and recommendations are being tabulated. The North East Regional Educational Council, recently constituted by the Chairman, NEC in its first meeting formed sub-committee of academicians and State Govt. representative to prepare the HRD segment. The Primary sector segment is being prepared with the help of National Council of Agricultural Science and experts from State Govts.

Suggestions/ recommendation of these seminars and the findings of the mass contract campaign to provide the material with which the first draft Vision document will be prepared. It would be placed before a Core Group consisting of Economists, Planner Social Scientist, both local as well as national-level, academicians State Govt. representatives and other concerned. The 2nd draft will then be prepared to be discussed with the State Govts. and others concerned. After incorporating suggestions/recommendations emanating from such discussions the 3rd & final vision document will be formulated which will be placed before the North Eastern Council for consideration and approval.

Time Frame

It is expected that the entire process will be completed by early next year and the Vision NER: 2020 will be ready by the first quarter of financial year 2006-07.

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172

Sector-wise Distribution of sanctioned projects and approved cost under NLCPR as on 31.08.2005

(Rs. in crore)

State		ECONOMIC SECTOR					SOCIAL SECTOR						
		Agriculture & Allied	Power	Roads & Bridges	Irrig. & Flood Control	Total	Education	Water Supply	Health	Sports	Total	Misc	Grand Total
Arunachal Pradesh	Number		12	3	16	31	11	8	1		20		51
	Cost		121.46	6.14	67.92	195.52	103.89	57.35	1.36		162.6		358.12
Assam	Number		44	76	35	155	6	5	8	4	23	6	184
	Cost		148.44	349.24	201.52	699.20	80.83	45.23	86.15	89.61	301.82	113.24	1114.26
Manipur	Number		20	2		22	8	19	3	1	31	3	56
	Cost		189.6	92.41		282.01	48.66	175.58	16.05	10.00	250.29	2.25	534.55
Meghalaya	Number		9	4		13	5	3			8	2	23
	Cost		64.43	18.63		83.06	31.96	72.78			104.74	5.11	192.91
Mizoram	Number	5	6	9		20	4	3	4		11	30	61
	Cost	23.60	134.11	63.09		220.8	58.91	87.09	53.28		199.28	36.1	456.18
Nagaland	Number		39	17	2	58	5	2	4	1	12	1	71
	Cost		156.98	189.13	6.17	352.28	54.20	17.25	78.02	1.94	151.41	1.00	504.69
Sikkim	Number		9	55	91	155	6	8		2	16	3	174
	Cost		122.95	85.41	35.83	244.19	30.92	71.87		15.36	118.15	11.69	374.03
Tripura	Number		22	2	2	26	5	2	4		11	2	39
	Cost		263.10	167.51	4.78	435.39	47.38	11.70	41.75		100.83	78.80	615.02
Common to NER	Number					0	2				2	2	4
	Cost					0	11.95				11.95	9.46	21.41
TOTAL	Number	5	161	168	146	480	52	50	24	8	134	49	663
	Cost	23.60	1201.07	971.56	316.22	2512.45	468.7	538.85	276.61	116.91	1401.07	257.65	4171.17
% of Total Cost		0.57	28.79	23.29	7.58	60.23	11.24	12.92	6.63	2.80	33.59	6.18	100

Brief Note on the Activities of North Eastern Council

1. The NEC prepares Five Year Plans as well as State Plans in consultation with the State Governments. The Plan Schemes of North Eastern Council also cover Grant-in-aid to Institutions in North East and North Eastern States. Assistance to States is in line with the agreed pattern of assistance with 90% of the cost of the project given as grant, State's contribution being 10%.

2. For the Xth Plan, the Planning Commission agreed to an outlay of Rs.3500 crore for NEC with the following Sectoral Outlays:

(Rs. in crore)

Sl.No.	Sector	Xth Plan
1.	AGRICULTURE & ALLIED ACTIVITIES	198.30
2.	IRRIGATION & FLOOD CONTROL	132.67
3.	ENERGY	563.25
4.	INDUSTRY & MINERALS	163.00
5.	TRANSPORT	1447.32
6.	SCIENCE, TECHNOLOGY & ENVIRONMENT	172.00
7.	GENERAL ECONOMIC SERVICES (SURVEY)	10.00
8.	MEDICAL & PUBLIC HEALTH	542.05
9.	INFORMATION & PUBLICITY	6.57
10.	SOCIAL WELFARE	148.33

3. The Planning Commission has allocated Rs.500 crore for NEC's Annual Plan 2005-06 with transport sector getting as much as Rs.282.50 crore, keeping in view its importance in the NER. Against the outlay of Rs.500 crore, the expenditure during April 2005- August 2005 has been Rs. 208.93 crore.

4. Major activities of NEC include the following:

- The Ministry of DONER, through NEC, is contributing Rs.175 crore during the 10th Plan Period to Alliance Air for the introduction and operation of four 50-seater ATR aircrafts.

- Out of 10 Airports in NER taken-up for improvement, the work on 7 has been completed and the work on the remaining 3 is in progress.

- Work on conversion of 40 timber bridges into permanent bridges has been completed.
- Fifteen new road projects have been approved during 2004-05 and 2005-06.
- Financial assistance is being provided for the construction of Inter-State Bus Terminuses at Guwahati, Silchar and Aizawl.
- Improvement of inland waterway at Badarpur being carried out.
- Financial assistance is provided to various Central and other Institutes like Regional Institute of Medical Sciences (RIMS), Imphal, Regional Institute of Paramedical and Nursing (RIPAN), Aizawl, Dr.B.Barooah Cancer Institute, Guwahati, LGBRIMH, Tezpur, Sri Sankardeva Nethralya, Guwahati, North Eastern Police Academy, etc.
- A number of flood control, anti-erosion and irrigation works carried out, viz. i) Anti-erosion work in Chathe river to protect Referral Hospital, Dimapur, ii) Anti-erosion work for Chunpura area in Arunachal Pradesh. Protection work at Patherkandi is under implementation.
- Assistance is provided to North Eastern Regional Institute of Water and Land Management (NERIWALM) for undertaking research, training and consultancy works in water resource management.
- Five power generation projects are proposed to be funded during the 10th Plan.
- Under the System Improvement Scheme in Power sector, 29 schemes have been recommended for implementation during the 10th Plan.
- NEC is actively assisting the NE States in agriculture and related activities, including horticulture, livestock and fishery development
- North Eastern Regional Community Resource Management Project undertaken with the assistance of IFAD in Karbi Anglong and North Cachar Hills districts of Assam, Ukhrul and Senapati districts of Manipur, and West Garo Hills and West Khasi Hills districts of Meghalaya.
- Financial support to students of NER for higher professional courses and for development and promotion of youth and sports
- Financial assistance being provided for the setting up of the Institute of Cooperative Management, Imphal, Science College at Soreng, Shillong

and upgradation of infrastructure at Sikkim Government College, Tadong, Gangtok.

- Preparation of Human Resource Development Report for the NER by the Institute of Applied Manpower Research, New Delhi

- A provision of Rs.45 crores has been made for remote sensing applications and satellite communication through the North Eastern Space Application Centre during the 10th Plan. Other S&T works undertaken include Regional Management Information Programme, Programmes for rural development, Disaster Management, IT applications and Telemedicine.