

3rd and Final Draft prepared by Prof Mahendra P Lama (20 November 2020)

Based on :

- i) Discussions with various civil society and community organizations, private sector stakeholders, academic and research institutions and media of the NER in Guwahati and other locations.
- ii) Inputs provided by various State Governments and former policy makers including former Secretaries in MDoNER and also the NEC and the NER regional institutions.
- iii) Inputs provided by the MDoNER and also multilateral institutions like the UNESCAP and others
- iv) Discussions with officials from NITI Aayog and the UNDP.
- v) Comments provided by experts on India's Foreign Policy, North East Region and also the neighboring countries

North East Region Vision 2035

The North East region (NER) of India comprising 'Asthaxmi' of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura constitute 7.9 % of India's total geographical area, 3.8 percent of population and 4.02 percent of GDP. The NER is a symbol of unparalleled diversity with over 200 ethnic groups, uniquely blended asymmetric history, magnificently endowed with natural and human resources and widely celebrated bio-diversity hotspot. Over 98 percent of the borders of the NER are with neighboring countries including Bangladesh, Bhutan, China, Myanmar and Nepal.

In the pre-independence period the NER had been one of the fastest growing and well connected-integrated economic geographies of India. However, once East Bengal separated from India as another country in 1947, there were severe dislocations of economic structures and sudden disruptions in connectivity. And for a prolonged period in the post-independent India, for various internal reasons, exogenous factors and physical constraints, the NER remained alienated from the rest of India confining itself as a development laggard.

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The per capita income of only three states (Arunachal Pradesh, Mizoram and Sikkim) is higher than the national average of Rs 114958 in 2017-18. Within the NER, Sikkim's per capita income (Rs 317134) is almost 5 times higher than that of the Manipur (Rs 65411) and over 4 times than that of Assam (Rs 74204) reflecting significant degree of skewness and distributive imbalances. However, a protracted set of newer set of interventions in the last three decades have made this region a potential bastion of prosperity and an example of reemerging development pole.

Comprehensive Protection

The NER has been protected and promoted by some of the most effective, unique and progressive constitutional, financial, institutional and governance provisions including various provisions under Article 370 and also the Sixth Schedule of the Constitution. The special category states status since from 1969 to 2014, setting up of a regional planning and development body the North Eastern Council (NEC, 1971), an exclusively designed Ministry of Development of North East Region (MDoNER, 2004), and a range of regional and sector specific institutions like NEDFi, NERAMAC, NEEPCO and NEHHDC have triggered far reaching and broader space in the political economy of development in this region. The 15th Finance Commission recommended 8.55 percent of the national Inter se shares in the net proceeds of the taxes (divisible pool) for the NER for 2020-2021.

Focussed development strategies like Special Accelerated Road Development Programme (SARDP-NE- 2005) and National Highways and Infrastructure Development Corporation (2014) in infrastructure development; NEIP (1997), NEIPP (2007) and NEIDS (2017) to promote industrial and other service sector ventures; setting aside 10 percent of the development budget of all the Ministries in Government of India as Non-Lapsable Central Pool of Resources (NLCPR -1996) and North East Special Infrastructure Development Scheme (NESIDS - 2018); inducting multiple development partners including multilateral (like World Bank and Asian Development Bank) and bilateral institutions (like JICA), private sector players and civil society organizations and opening several sectors for both

investment and cross border trade have brought visibly substantive changes and a new and promising development trajectory.

In the last, six years or so, three consciously designed historic interventions have relocated the NER and repositioned its potentials in the national and sub-regional development map.

Firstly, the reconfiguration of India's Look East Policy (1991) as Act East Policy (2015) and upfront repositioning of the NER as the bridge between the burgeoning South East (SE) Asia and emerging Eastern South Asia (alongwith Bangladesh, Bhutan and Nepal - BBIN) have put an onerous responsibility on the NER to be a hub of geo-economics. This injects a new dimension of inter-regionalism between eastern South Asia and SE Asia and also in sub-regional groupings like Greater Mekong Sub-region (GMS) and Mekong- Ganga Cooperation (MGC) and BBIN.

New Regionalism

Secondly, "neighbourhood first policy" and reassertion of "cooperative and competitive federalism" propounded and practiced by the Government led by the Prime Minister Narendra Modi have galvanized the neighborhood and the NER in both synergizing collective initiative and building a robust interdependence. The land border settlement, construction of national electricity grid interface with and effective use of port facilities in Bangladesh; gigantic infrastructure projects including roads, railways, energy interconnections, gas pipelines and waterways with Nepal and Bhutan; trilateral highways with Myanmar and Thailand and development of Sittwe port and signing of Motor Vehicle Agreement among the BBIN countries and vast social infrastructure projects like universities, professional institutes, health facilities, sports stadium have forthrightly highlighted the criticality of the NER as a key actor in the emerging process of resilient new regionalism. Sports persons like Mary Kom, Dipa Karmakar, Anshu Jamsenpa, Hima Das, Bhaichung Bhutia, Bombayla Devi Laishram and many others have now become the symbols of globalization of locals.

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And thirdly, building comprehensive connectivity at all four levels – within a state, between the states, between the NER and the rest of India and between the NER and the neighboring countries- in a much speedier, accountable and sustained manner through special purpose vehicle has been steadily injecting an unprecedented dynamism.

These far reaching initiatives have led to higher level of confidence, deeper trust and ever surpassing aspirations among the people in the NER. A new set of young and dynamic indigenous development actors and entrepreneurs are fast emerging. At the national level, the narrative about the NER is steadily transforming from a bastion of conflict, violence, instability and backwardness to a vibrant, peaceful and prolific destination for multiple layers of economic actions, growth ventures, social contacts and trans border connections.

Reverse Integration

The region is now steadily becoming outward looking. Thousands of youths from the NER are now harnessing their talents across various ventures and professions in nook and corner of India and abroad. All these have moved the orthodox model of North East integration with the mainstream India to a refreshing and more realistic phenomenon of reverse integration where various geographical segments of India, institutions and people at large are getting attracted to this region for a variety of interactions. This has once again brought the special ethno-ecological traits, skills and knowledge of the people and communities of the NER to national and global platforms.

The NER Vision 2020, the first regional vision document, was prepared in 2008 and some of the core visions and projects were floated for implementations. However, in the absence of a central authority, clarity on the roles of the state governments, inadequate funds allocations, and non-specific targets and goals the implementation remained scattered and half-hearted.

Meanwhile, various state governments have published vision documents (Nagaland 2016, Manipur 2019 and others), development reports (Meghalaya 2008, Sikkim 2008 and others), human development reports (Sikkim 2001, Arunachal Pradesh 2005, Tripura 2007

and others), SDGs visions (like Assam Agenda 2030, Mizoram Vision 2030) and also climate change adaptation reports. All these reports distinctly carry in them aspiration to leapfrogging in various development sectors and basic human needs, providing modern amenities to their communities, connecting to the national, regional and global markets, bringing variety of investors and blend them with the indigenous entrepreneurs and inducting technologies that could transform both the economic interactions and social progress. These reports also highlight the serious vulnerabilities to disasters and other non-traditional security threats and also burgeoning aspirations of people to promote peace, harmony and prosperity.

Many of the reports and studies including submitted to the Finance Commission, Planning Commission and NITI Aayog have also carried out the SWOT analysis of each of the member state of the NER wherein peace and harmony, natural resources endowment, indigenous creativity and skills, community living and practices, changing occupational pattern, demographic composition, talented youth population, burgeoning aspiration to leap frog in development goals, burgeoning cross border opportunities and lead player in India's Act East Policy are identified as crucial strengths.

In the weaknesses front, issues related to infrastructure-institutional-connectivity-technological laggardness, limited and unconnected markets laced with high transaction cost, dominant narrative of conflict ridden geographies, constricted space for development players, over dependence on the government, image of a periphery far away from the Centre and inability to capitalize on indigenous skills, knowledge and resources are very vital. The lacklute performance of the governmental institutions and bureaucratic insensitivity and politicization of service institutions and delivery instruments and corruption and leakages laced with poor accountability and transparency and generation of class of political parasites are viewed as serious governance weaknesses.

Whereas the opportunities front are agog with global recognition of the NER as a newly emerging venue of organic culture, traditional medicinal system, high value tourism, power

generation and exports, climate change adaptations and promising sub-regionalism . This is supplemented by the conscious national strategy to make the NER as the bridgehead and launching pad of India's Act East policy interconnecting with the ASEAN and other neighboring countries. The openness in induction of multiple development partners like the private sector, multilateral and bilateral players and sub-regionalism initiatives are another growing space.

A new generation of fast learning and outward looking young and talented entrepreneurs, proliferation of higher education and professional institutions, determination of the communities to be flag bearers in sports, music, traditional medicinal systems, organic farming and energy production are the bright spots. The growing realization of the government to drastically shift to "minimum government, maximum governance" is another opportunity. Large number of youths from the NER are now located in various states in the country and also outside India acquiring skills, knowledge, adaptability, finance and emerging as new generation professionals. Some of them are returning as instruments of game changers and making a huge difference across various sectors and geographies. In was this is a proliferation of reverse integration in India.

The threats mainly emanate from the non-traditional sources like vulnerabilities to adverse impact of climate changes on water, natural resources, livelihood, disasters and even newer genre of diseases. The excessive dependence on the funds provided by the Central Government could confound the dependency syndrome. Resistance to newer thinking, technology, development partners and closing down of inter-state borders within the NER through ILPs, RAPs and other restrictions in the name of illegal migrants, infiltrators and outsiders could vitiate the hard won 'opening up syndrome'. This could also provide the insurgents and other conflict triggering elements to inject instabilities. Similarly destabilizing actions like that of China on river water flows and influencing the markets with their cheaply produced goods and by other neighboring countries through providing support to insurgencies etc need also to be considered.

The NER and the communities all across the lowlands and highlands are now in a stage of what WW Rostow described as “take off”. It awaits what Rosenstein Rodan called the “big push” to transform itself into a sustainably robust economic entity, a resilient and resourceful connecting point to the South East Asian countries and the Far East Asia and a core player in the formation of comprehensively connected new regionalism based integration venture. This is expected to solidly contribute to the national agenda of \$ 5 trillion economy by 2026-27.

The core of the NER vision for next two decades is therefore, driven by four abiding national ambitions backed by regional aspirations viz., Prosperity (*samridhī*), inclusiveness (*sarvodaya*), cleanliness (*swachhata*) and transparency, honesty & happiness (*saccha and sukhi*) and the far reaching policies of ‘neighbourhood first’ and newer principles of cooperative federalism.

13 (Thirteen) Transformative Vision Goals :

These goals are largely regional in nature, cut across sectors and geographies, harness the core competences and natural advantages of all the member states and highlight the roles of the communities and other stakeholders. These goals while recognizing India’s larger strategic vision under Act East Policy also take into consideration the fast changing nature of cross border contacts and exchanges triggered by deeper connectivity, changing cross regional environment and expanding market structure. It also upfront places the roles of regional institutions and the bilateral and regional arrangements that India has entered into.

The implementation strategies are critical. These vision goals necessitate its translations into projects with definite targets, sector specific roles of the states and the regional institutions like the NEC, coordinated and cohesive action plans by various Central Ministries and designing and harmonization of efficient implementation instruments by both the NITI Aayog and the MDoNER.

Equally vital will be the allocation of adequate resources, budgetary and extra budgetary by the Central Government in innovative ways and revamping of other arrangements like the NLCPR/ NESIDS. The other pivots in the implementation phase will be the private sector and also the foreign direct investors. The multilateral and bilateral institutions could be the central actors in terms of resources, technology and even management.

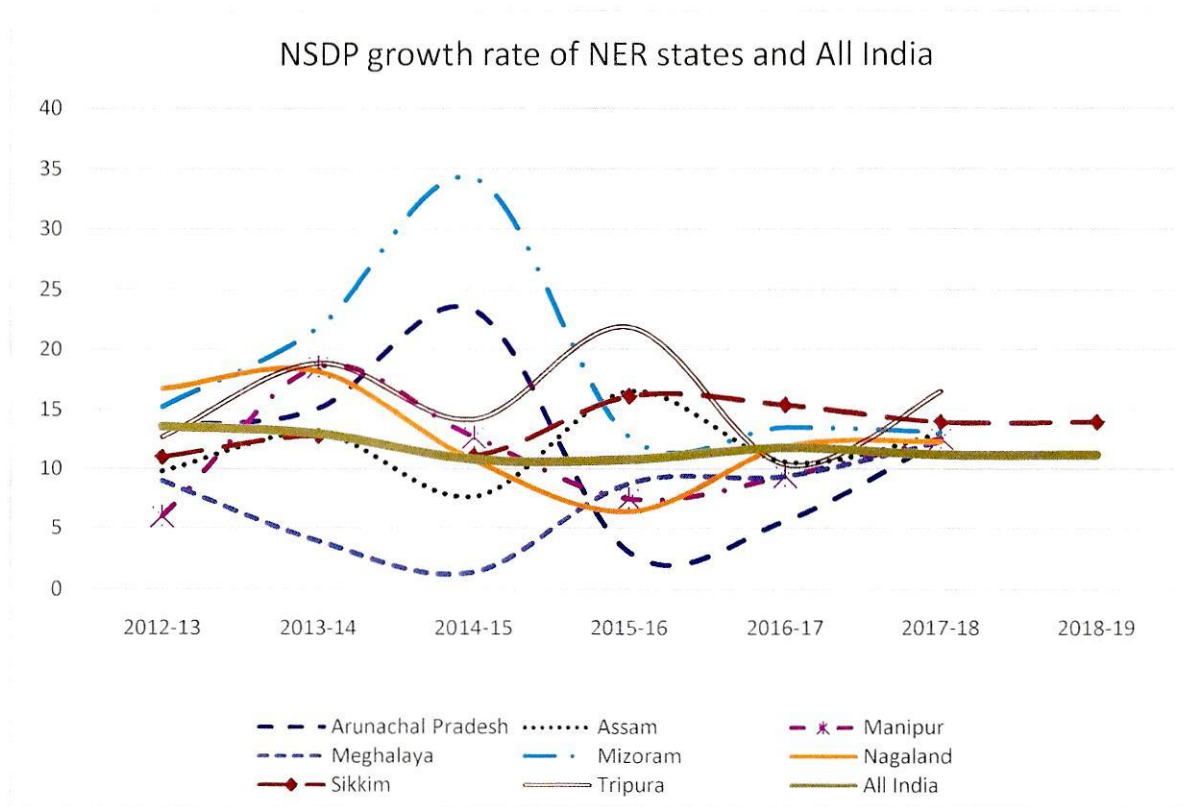
By 2035 the NER of India would be transformed into :

1) New Growth Quadrangle of Eastern South Asia also known as NER Growth Quadrangle (NERGQ) to contribute 6 percent of the national GDP by 2035. The per capita income of all the North East States would be doubly higher than the national average by 2035. Moving away from the existing protracted and relatively lower and erratic growth equilibrium trap and spurring growth from a multi-sectoral perspective would be the driving force. (Figure 1) The 15th FC Report of the Year 2020-21 indicates that except Meghalaya (9.5 percent) most of the NE states have projected annual growth rate of the GSDP similar to all states average of 11 percent. There are visible structural differences in the composition of GDP across the region. In a state like Sikkim it has been largely the manufacturing sector (62 %), Assam broadly the MSME predominant industrial sector (24 %), in Tripura, Nagaland and Mizoram the agriculture sector (40, 32 and 30 %) and in others like Arunachal Pradesh and Manipur (61 and 66 %) services sector that could be harnessed and aggregated to develop specific competitive edge.

If blended with modern scientific tools, indigenous knowledge based innovative organic skills, substantially improved ease of doing business matrices, carbon neutral practices and the region specific trade, investment and frontier technology policies the target of higher growth regime would not be farfetched. For instance, despite high core competence and comparative advantage in tourism sector, its contribution varies from 3 percent in Meghalaya to 8 percent in Sikkim. By 2035, this will be enhanced to at least 8-13 percent by easing tourists' movement and promoting newer varieties of tourism including focused on high value and longer stay segments like traditional herbal therapy, river cruise, war

memorials, entertainment, ethnography food, tea, Buddhist circuit and wildlife and mountain to sea adventure tourism. Cinema shootings and filming in the scenic, folk and ethnic meandering settings of the NER will add another brand name.

Figure 1
Growth of Net State Domestic Product at Current Prices (2011-2012 series) (per cent)
 (2012-2019)



Source : Deduced from *Economic Survey 2019-2020*, Ministry of Finance, Government of India, p A28

The outward looking orientation in terms of connectivity, trade, investment and service sector linkages with the ASEAN countries under the Act East Policy would add a new and dynamic dimension. In both the crucial indicators of credit deposit ratio and ease of doing business, the NER has remained at the lowest echelons of national levels. (Table 1 and 2) Both these indicators have to undergo uninterrupted and sustained improvements. The inward looking attitude, image of limited services providers and government centric

Table 1
**State-Wise Credit-Deposit Ratio of Regional Rural Banks and
 Scheduled Commercial Banks (%)**

States	1990		2000		2018	
	Rural	Comme-rcial	Rural	Comme-rcial	Rural	Comme-rcial
Arunachal Pradesh	35.0	37.7	30.3	15.7	33.3	25
Assam	100.0	58.5	111.6	32.0	46.2	42.6
Manipur	200.0	74.1	27.3	37.4	33.3	44.6
Meghalaya	45.5	19.4	34.8	16.3	38.9	27.2
Mizoram	80.0	37.6	26.9	23.3	52.4	35.8
Nagaland	89.5	31.7	35.8	15.3	0.0	34.7
Tripura	148.9	91.5	29.6	25.7	40.7	40.7
Sikkim	-	32.6	-	15.1	-	26.6
NER	104.2	54.9	30.3	28.1	43.8	39.3
INDIA	83.7	60.7	40.9	56.0	65.2	76.7

Source : Deduced from RBI, Handbook of Statistics of Indian States, 2019
<https://www.rbi.org.in/Scripts/AnnualPublications.aspx?head=Handbook+of+Statistics+on+Indian+States>

actions of both public sector and private sector banks have to undergo drastic reorientations. Several reports (like Thorat Committee Report on Financial Sector Plan for NE Region, 2006) have squarely pointed out these inefficiencies, indifference and laggardness of financial institutions 'in terms of branch network, access to banking

facilities, flow of credit, deposit growth, credit-deposit ratios and spectral deployment of credit'. The RBI could make the minimum floor C/D ratio of 60 percent for all the banks immediately and also put punitive action in case of non-compliance in priority lending. This metamorphosis in thinking and bold actions would provide level playing field for the new generation of entrepreneurs, encourage massive private sector participation and expand credit reach to farmers and communities engaged in micro businesses.

Table 2

STATE-WISE EASE OF DOING BUSINESS RANK#							
States	2015		2016		2017		2019
	Score	Rank	Score	Rank	Score	Rank	Rank
Arunachal Pradesh	1.23	32	0.30	31	-	34	29
Assam	14.48	22	14.29	24	84.75	17	20
Manipur	-	-	1.19	28	0.27	32	29
Meghalaya	4.38	30	0.30	31	-	34	29
Mizoram	6.37	28	0.89	29	3.66	30	25
Nagaland	3.41	31	1.49	26	14.16	28	29
Sikkim	7.23	27	0.60	30	0.14	33	29
Tripura	9.29	26	16.67	22	22.45	25	29
Note : Ease of Doing business Index is based on the implementation of the Business Reform Action Plan (BRAP) recommended by the Department of Industrial Policy and Promotion (DIPP) to all States and UTs. # Rank is out of the total 36 States and Union Territories Source: Department of Industrial Policy and Promotion, Government of India and Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry, 2020							

Social mobilization through further consolidating already acquired gender parity and widening of inclusiveness cutting across extreme topographies, sectors of the economy and societal composition would be another vanguard of development strategy. Ensuring food, energy and environmental securities would be the hallmark of development philosophy.

2) Sustainable Development Goals Achievement Capital of India : Indicators

demonstrate that the NER States really have to put in concentrated efforts to achieve the 17 SDGs by 2030. For instance, the NITI Aayog SDG India Index & Dashboard (2020) show that only in very few goals like clean water and sanitation, reduced inequality, life on land and affordable and clean energy these states come into the category of Front Runner (65-99 percent achievements) and in most of the goals they are just performers (50-64 percent achievements). In a number of cases they seriously lag behind the goals (31 % in Climate action in Arunachal Pradesh; 28 to 31 percent in Sustainable Cities and Communities in Manipur and Tripura; 8 to 27 percent in Industry, Innovation and Infrastructure in Meghalaya, Mizoram, Nagaland and Sikkim).

Latest anthropometric status of children and adolescents published in National Nutrition Survey (Ministry of Health and Family Welfare, 2019) do show some major gaps and halting progress. For examples, the percentage of underweight (30 in Meghalaya), stunting (40 in Meghalaya and 32 in Assam) and wasting (19 in Assam) in the 0-4 aged children and overweight (9 in Sikkim and Tripura) in the 10-19 age group are simultaneously characterized by prevalence of iron deficiency (27 percent in Sikkim) and vitamin A deficiency (21 percent in Assam) and D deficiency (41 percent in Manipur) in the 1-4 age group; percentage of 1-4 year and 5-9 year children with low iodine status (12 percent Nagaland and 14 in Assam respectively); children with diabetic status in age group 1-4 and 5-9 year (17 in Assam and 9 in Meghalaya respectively) and children with high cholesterol 10-19 age group (23 percent in Sikkim) and with high serum creatinine (21 in Nagaland and 27 in Sikkim in 5-9 age group). Some of these indicators are far above the national average.

In both the Inclusix Scores and Inclusix Ranks measurement of financial inclusion of CRISIL in 2017, out of the bottom 50 of the 666 districts, 28 districts are in the NER, the lowest being Kurung Kumey of Arunachal Pradesh with 5.2 Score. And 11 lowest ranked districts are also spread over Arunachal Pradesh, Meghalaya, Manipur and Nagaland. On the other

hand, overall unemployment rate (8.1) and among the graduates (18.0) has been much higher than the national average of 6.0 and 16.5 respectively. (MOSPI, Periodic Labour Force Survey report 2017-18)

However, given the relatively lower and underperformed starting base, contrasting topographic and ethnographic features and the stupendously steady progress made in the last two decades, these achievements are commendable and the NER could even lead the entire nation in the achievements of SDGs. For instance, even when the entire institutions of national higher and professional education reached the NER much later like the first central university (Assam, 1992, Sikkim 2007), IIT (Assam 1994), the first Central Agricultural University (Manipur, 1993), the first IIM (Shillong, 2007) and the first Regional Institute of Health & Medical Sciences (Shillong 1987), this NER Vision 2035 places before it a target of 100 (at present it varies from 92 % in Mizoram and 65 percent in Arunachal Pradesh) of literacy 2035, 40 percent gross enrolment ratio (varies from 17.8 % in Nagaland to 37.6 % in Sikkim), dropout rates steadily sliding down to 5-10 percent at all levels, 100 percent ICT coverage, 100 percent coverage of psychological and stress management facilities at all levels and 100 % transition rate of learners from primary to secondary. The implementation of the New Education Policy 2020 will be strictly monitored and evaluated.

Each economic intervention, social sector action, firm and industrial promotion, connectivity and communication, environmental measure, political decisions, governance framework and private-public-civil society partnership will impinge upon the achievement of SDGs. There have been significant shift in budgetary allocations in the SDG achievements across the states and are reflected in the performance of Aspirational Districts.

Therefore, it requires constant monitoring, mid course change in strategy, if needed and more micro level management of sub-sectoral and thematic focus. The strategy of localization of SDGs alongwith strong partnerships with the private sector, panchayati raj institutions, civil society organizations and global development players; effective utilization of centrally sponsored schemes, infusion of innovation and new technology, harnessing of

traditional knowledge and institutions and also consolidating cross border economic and commercial interactions are going to be the driving forces.

Besides the setting up of a Regional Dash Board with 114 decentralised district level dashboards to constantly monitor and evaluate the performance and achievements of SDGs, extra emphasis on the aspirational districts and reorientation of the drivers and planned development process are going to be the hallmark.

3) First South Asian Power Pool called Eastern South Asia Power Pool (ESAPP)

located in the NER will produce, trade and transmit electricity both within the country and with the neighbors including the ASEAN countries. The cross-border energy trading (CBET) is emerging as the most practical, potentially beneficial and socio-politically acceptable project in the eastern South Asia. The Palatana exchange between Tripura and Bangladesh, Behrampur-Bheramara interconnection with Bangladesh, Chukha-Kurichu-Sankosh interconnection with Bhutan, 400 KV Muzaffarpur-Dhalkebar transmission with Nepal, Tamnathi Dam in western Sagaing region of Myanmar and 400 KV transmission line in the NER including Bishwanath-Chariyali-Agra transmission line are geared to bring power from generating units in Bhutan, Nepal and various NER states including Sikkim and Arunachal Pradesh to ESAPP. Bangladesh has signed agreements with power producers in Bhutan and Nepal both to jointly produce and also to import power. All these indicate that Eastern South Asia is emerging as a core, competitive and commercially viable theatre of power exchange like the Laos in South East Asia.

This would entail a domino effect and consolidate one nation one grid based electricity market. In the total hydel power potential of about 58971 MW (40% of national potential) in the NER, hardly 4 % has been harnessed. A series of power projects are in the pipeline awaiting completion in the NER, Bangladesh, Bhutan, Myanmar and Nepal. Sikkim's installed capacity alone has increased from a mere 39 MW in 2000 to over 2200 MW in 2019. A distinct trend towards green and renewable energy-oriented policies and intended nationally determined contribution (INDC) commitments exists. Besides natural gas

reserves of 151.68 billion cu ft (could generate 7500 MW for 10 years) in the NER, its coal reserves of 864.78 million tones could generate 240 MW/day for 100 years.

However, a comprehensive regional renewable and hydro-power policy is a crying need today that would durably address critical issues of environmental concerns, size and location, community concerns of displacements, orientation of power producers and power tariff, technological and technical interventions, construction time and cost overruns and also climate change impact. The high degree of political consideration and interferences in negotiations, staggering capital costs, power purchase agreements, high interest costs alongwith un-remunerative tariff, financial leakages and other management inefficiencies have deeply affected the process of harnessing of these renewable resources. A large number of projects have either been discontinued or landed up in the courts.

Like the NORD power pool in NORDIC, SAPP in Africa and GMS in South East Asia, the ESAPP will wheel both regional surplus and demand driven power to various national and cross border load centres and regional grids. For instance, Myanmar's goal of national electrification (45% by 2020–2021 and 80% by 2030) will require substantial increases in capital, public–private cooperation, effective grid expansion, and off-grid and cross-border power exchanges with both South Asian and ASEAN countries. Bangladesh alone plans to import 6,000 MW by 2034.

Several studies (ADB 2015, World Bank 2016, ERIA 2019, Hydro Carbon Vision of NER 2016, SARI-E/USAID 2003) have endorsed that such a power pool will galvanise a new and sturdy set of agents and stakeholders across the sub-region including power producers, distributors, traders, transmission and grid operators, pipeline builders, credit donors, technology exporters, managerial resources and users like industries, households, transports and agriculture. India's foray in electricity interconnections and trading with the eastern neighbourhood as announced in Central Electricity Regulatory Commission's Guidelines for Import / Export (Cross Border) of Electricity- 2018 also indicate that the NER is going to be the pivot geography. The platform like South Asia Forum for

Infrastructure Regulation (SAFIR) could be initially engaged to provide high quality capacity building, training on infrastructure and utilities regulations.

4) Sub-regional Connectivity Pivot in India's Act East Policy will draw the neighbouring countries like Bangladesh, Bhutan, and Nepal in South Asia and Cambodia, Laos, Myanmar, Vietnam (CLMV) and Thailand from the South East Asian Countries in the sub-regional cooperation and integration process triggered by Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) and Bangladesh-Bhutan-India-Nepal (BBIN). The NER as a pivot facilitates four models of cooperation and integration viz, i) South Asia Growth Quadrangle (SAGQ/BBIN) with an eastward extension to Myanmar; ii) Bangladesh-China-India-Myanmar plus Japan (BCIM plus Japan); iii) ADB led South Asia Sub-regional Economic cooperation (SASEC) and iv) inter-regional SAGQ and Greater Mekong Sub-region (GMS).

The infrastructure deficit remained a major physical constraint in the NER. Today also the nearest railway station from the state capital varies from zero in Assam to 130 in Mizoram and 216 km in Imphal. In case of the nearest airport it varies from 5 kms in Tripura and Manipur to 68 kms in Arunachal Pradesh and 74 kms in Nagaland. Out of the total national highways of 13658 kms in the whole of NER, Assam and Arunachal Pradesh constitute as high as 28 and 18 percent as against hardly 4 percent of Sikkim. And out of the total 2830 km of railway line Assam constitutes 90 percent and Tripura (9 percent) with literally negligible presence of railways in other states. Despite pan-India projects like BharatNet connecting all the 11252 gram panchayats in the NER, it continues to have the lowest bandwidth speed in India.

As per the *Telecom Statistics – 2018*, the teledensity in the NER is 64 % as against India's 83.4 % and broadband and internet connection are hardly 4.43 million and 11 million (2015-16) respectively which are about 3 percent of national total. In 2018 more than 8600 villages (22 % of total 40000 villages) remained outside mobile connectivity.

Past two decades and more particularly in the last few years the NER has seen a huge surge in the physical infrastructure development and also participation of newer players

like JICA under India-Japan Act East Forum (AEF) set up in 2017 and ADB. AEF-JICA has already entered into the Phase III of the North East Road Network Connectivity Improvement Project. Roads in the NER constitute over 10 percent of India's total roads of 46.90 lakh kms and almost 14 percent of the total national highways of 97.99 thousand kms. In the planned total road projects including East West corridor, two lane roads to the district headquarters and backward and remote areas over 3750 kms have been completed. A total of 3101 kms of highway was built during 2014/15 to 2018/19 at the cost of Rs 26986 crore and another 4407 kms are likely to be added with an investment of Rs 47476 crore.

A range of bridges including long pending 4.94 km Bogibeel (Rs 5900 crore land and rail) was completed. 13 operational airports witnessed the 98.4 lakh passenger and 38094 tons of freight movement during 2018/19. There are upcoming mega projects like 1850 km frontier high way in Arunachal Pradesh and new bridges on Brahmaputra. Commissioning of and steady implementation of the 870.82 kms railway lines connecting all the state capitals of the NER at the cost of Rs 42239 crore by 2022 are underway. All these projects could change the face of connectivity in the NER.

Connectivity to operationalise India's Act East Policy has recorded massive progress with alignment of Asian High Way 1 and 2 that connect India with Pakistan, Bangladesh and Myanmar and India with Nepal and Bangladesh which pass through the NER. This includes 834 km Moreh (Manipur) and terminate at Dawki (Meghalaya) on Indo Bangladesh border; 1360 km Trilateral Highway connecting Moreh (India) - Mandalay (Myanmar)- Yangon - Mae Sot district (Thailand); Kaladan Multi Modal Transport Project between India and Myanmar (697 km waterway Kolkata to Sittwe port in Myanmar and 220 km roadway Paletwa to Indo-Myanmar Border Zorinpui) ; connectivity with Bangladesh through Sabroom in Tripura and Tura in Meghalaya and proposed Bharatmala. The UNESCAP study on Southern Asian Container Rail Corridor (2019) connecting Istanbul-Tehran-Islamabad-Delhi-Kolkata-Dhaka-Yangon (ITI-DKD-Y) refocuses on Eastern South Asia as a new cost-effective transport option.

To effectively utilize 3839 kms of total navigable water ways, a range of inland water ways including 891 km Sadiya-Dhubri (Bangladesh border) under NW-2 and 121 km Lakhimpur – Bhanga would bring new set of affordable transportation network.

A distinct economic corridor is emerging connecting border towns, trade centres, inland waterways, land and neighboring sea ports around the NER. The core idea is to connect the connectivities and not leave them segmentised under the water tight compartments of road, railways, waterways, airways, trade marts etc. This has to be supported by a strong inter-modal information network including on passenger transports, ticketing, freights and cargoes movements, traffic and routing suveillance and security, transport research and technology innovations, and tag and toll systems and a series of facilitating conventions and agreements. Given the geography, the issues of truck efficiency, engines and cleaner fuels, quality all weather roads and hinterland and last mile connections

All these profusely complement and consolidate five operational priorities under the SASEC operational plan 2016–2025 of the Asian Development Bank that primarily focus on this sub-region. By the end of 2018 since its inception in 2002, 52 ADB-financed projects worth \$11.36 billion had been committed (SASEC members and co-financiers contributed \$4.84 billion i.e. 42.6 percent) and also \$106.44 million in 81 technical assistance projects. (ADB 2020) in which infrastructure connectivity investments constituted (34 projects worth \$9.08 billion), with power generation, transmission, and cross-border electricity trade second (12 projects worth \$1.50 billion).

Further, the SASEC Operational Plan 2016–2025 (ADB 2016), the key project programme based on country ownership and partnership, has identified several country driven potential regional projects layout in the eastern fringes of South Asia. A chain of these projects that connect with key ports, airports and other logistic centres are in the pipeline. (Table 3)

Table 3**SASEC : Projects in Pipeline (2016-2025)**

Sector	Projects
Transport	i) Nepal-Kolkata Trade Corridor (ii) Bay of Bengal Highway (iii) India-ASEAN East-West Corridor (iv) Nepal-Bhutan-Bangladesh North-South Corridor (v) North Bangladesh-India Connector
Economic Corridor Development	i) East Coast Economic Corridor (ECEC) (India) (ii) Amritsar-Kolkata Industrial Corridor (India) (iii) Kathmandu-Kakarvitta (via Mid-Hill Highway) (Nepal) (iv) Kathmandu-Kakarvitta (via East-West Highway) (Nepal) (v) Banglabandha-Dhaka-Chittagong-Cox Bazar Economic Corridor (Bangladesh) (vi) Sylhet-Dhaka-Khulna Economic Corridor (Bangladesh)

Source : Asian Development Bank (2016), *South Asia Subregional Economic Cooperation Operational Plan 2016-2025*. Manila

Newer all weather four lane roads like Uttaray (West Sikkim) between Sikkim and Nepal and with Bhutan and opening of passes like Pangsau between Arunachal Pradesh and Myanmar could provide stronger integration opportunities for trade, tourism, pilgrimage and strategic engagement.

The trilateral highway besides provisioning physical connectivity, is meant to spread economic benefits. Therefore, when the highway is completed in the next couple of years a major concern is to use it effectively and sustainably. The key issues involved are how this highway could be given qualitatively multimodal contents (road, rail, electricity grids, gas pipeline, fibre optics, information ways and connections with ports and waterways) along with ancillary services like tourist amenities, security posts, banking, insurance and finance so that the cost of service links gets reduced substantially leading to trade cost reduction through infrastructural inefficiency.

Equally serious issue will be that of seamless movement of vehicles wherein an India container can pass through Myanmar and reach Thailand without any interruptions. For instance, even after steady liberalization Bangladeshi and Indian trucks cannot enter into each other's territory thereby bringing severe degree of transport inefficiency, customs delays, demurrage charges and regulatory costs.

5) Making the NER as the Third International Internet Gateway Link (after Mumbai and Chennai) of high speed bandwidth connectivity through using sea cables through Bangladesh. The leasing of 10 GBPS bandwidth to India by Bangladesh as a cooperation exchange of 100 MW electricity from Palatana gas based electricity project in Tripura has far reaching implications. Though a majority of the NER states have not been able to access this bandwidth, several studies that provide transforming vision also bring out the enormity of opportunities and depth of socio-economic changes that will be brought forward by digital and frontier technologies (FICCI-KPMG, 2016, Ministry of Electronics and IT, 2016, ESCAP 2014).

Supplementing the existing 2000 km connection from Chennai via Kolkata and Assam, high speed broadband connectivity drawn from alternative sea route cables in the Bay of Bengal will facilitate common services centres, livelihood means, skill development, entrepreneur development, e commerce, start up, innovation hub and digital payment from gram panchayats to towns and cities. Eight digital thrust areas identified by the Digital North East Vision 2022 (Ministry of Electronics and IT, 2016) are digital- infrastructure, services, empowerment, electronic manufacturing, IT/ITesS and BPO industries, payment, innovation and start ups and cyber security.

A four layered digital model is envisioned to act as growth drivers that will substantially induct widespread cascading impact. (FICCI-KPMG, 2016) In the first layer this model will have basic internet infrastructure and the citizen community touching upon various ICT components like international bandwidth and mobile network with deeper inroads into education, healthcare, livelihood, disaster management, entertainments, transport, SMEs and skills and entrepreneurship building. The last mile connectivity in tough terrains,

remote rural areas and crisis situations would be ensured through reliable and scalable backhaul on optical fibre, balloon powered internet and microwaves.

To supplement these, crucial players in the power sector in the NER like the PGCIL will lay parallel optical ground wire (OPGW) when power pylons are installed. The Covid-19 highlighted both deep digital divide and highly un-prepared nature of ICT based education in the NER. Besides the signal and electricity gaps, the mere unavailability of communication instruments among a large section of households reflected the growing disparity and inequality.

The second layer of IT/ICT industry will focus on high tech zones, software technology parks both to harness skilled human resources and also connecting with the cross border business conglomerates. This will be used to doubly enhance the attractiveness of the NER in natural resource management, textile, sports, tourism, health care, banking and financial services, retail and climate change issues.

In the third layer, the emphasis will be on the extension, improvement and consolidation in critical areas like wireless networks, cloud technologies, big data to provide service and technology to Internet of Things (IOT). All the eight smart cities in the NER would prominently figure in this schematic. And final would be the e- business layer that would mobilize the other three layers in solidifying the delivery of services. In these entire four layered model the private businesses could provide the leadership.

The four supportive components viz., i) satellite based communication along with submarine cables for access to international bandwidth, ii) fast cable up gradation replacing copper cable with optic fibres, iii) steadily moving to higher bandwidth through new submarine cables SEA-ME-WE-4 through Bangladesh to 40 – 100 GBPs and iv) acquiring connections to neighbouring ASEAN nations through submarine cable express systems for enhanced access to international broadband could clearly reposition the NER in the world of science, business, ecology culture and development. This will sufficiently integrate the NER with the ASEAN and East Asian countries in crucial areas of trade,

investment, industry, technology, tourism, energy and other services. The role of private sector, international conglomerates and multilateral institutions are of core importance.

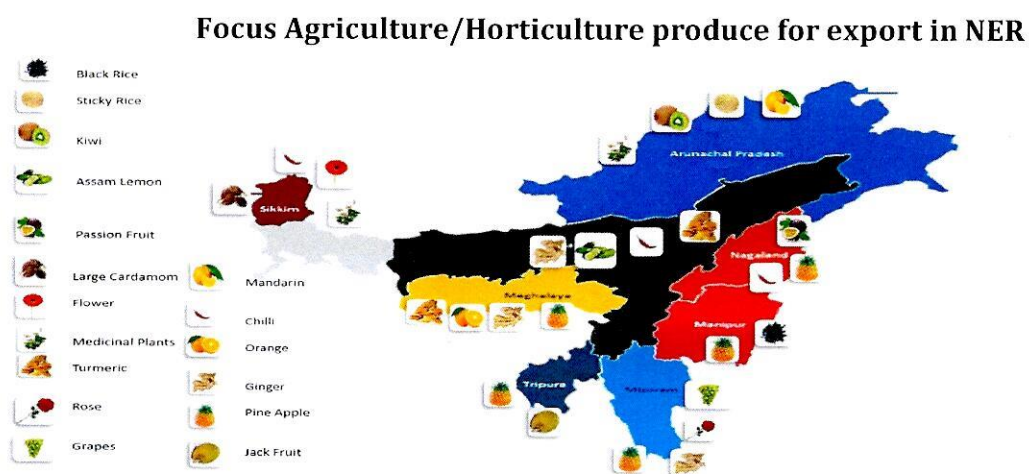
At present, State Data Centres, with G2C, G2B, G2G services and delivery platforms like State Wide Area Network (SWAN), Community Service Centers (CSCs) and schemes like NeGP have started making primary inroads in many social, economic and commercial activities. However, the predominantly BSNL run broadband connectivity is not only intermittently halting and slow and mainly based on fixed and wired system. Both the number of cellular base transforming station and broadband connections provided are relatively very low.

The quantum leap strategy awaits the NER and its information superhighway vis-à-vis the rest of India and the ASEAN and East Asian countries with injection of Quantum Dot (QD) Block chain, QD solar and QD Led. This will trigger quantum dots, computing, medical, anti-counterfeit security, optical signatures on products.

6) Organic and Sustainable Consumption Destination of India mainly based on globalization of organic, healthier life style and slow food and of high nutritional values and distinctive flavor. This is topped by ethical-wellness loaded-near to mountains and rich agriculture and horticulture produces. Organic food based market stood at \$ 90 billion in 2016 (Assocham and Ernst & Young, 2018). India itself is likely to have Rs 120 billion market by 2020. The six agro-climatic zones of the NER, besides being the citrus depository, constituted Kiwi (97 percent), pineapple (46 percent), strawberry (40 percent), passion fruits (over 85 percent) and jackfruit (28 percent), cabbage and radish (10 percent), cinnamon/tejpatta (over 95 percent), ginger (20 percent) and large cardamom (over 88 percent) of the total national domestic supplies. There are spices and other produces that are endemic to the NER including ginger of Karbi Anglong, Maroi Nakupi condiment of Manipur, Lakadong turmeric of Meghalaya, Nagaland's *raja mircha*, Sikkim and adjoining Darjeeling's large cardamom and *dalle khursani* and also dried pepper long

and bird's eye chili flakes and Joha rice of Assam . Many of them are widely used for medicinal purposes and have been accorded Geographical Indication (GI) tags.

The estimated 422 fish species (133 genera and 38 families) and over 120 ornamental fish varieties, organic fresh water fishery and indigenous varieties of rice, barley, pulses, maize and range of fruits and vegetables are other emerging crucial farming sub-sectors. The food habits of various ethnic groups in the NER are strikingly similar to the communities of the ASEAN countries as reflected in prominent fermented fish consumed like Shidal, Lonailish, Ngari and Hentak



Source : MOTT Report 2018, NEDFi, Guwahati

These produces like spices, in order to acquire 'clean labels' and 'sustained trusts' will undergo a global certification and audit, compliance with the Sanitary (for protection of human and animal health) and Phytosanitary (for protection of plant health) Measures (SPS) and Technical Barriers to Trade (TBT) measures and also intellectual property rights (IPR) and other patenting for national, regional and global access. This would also include ethical manufacturing practices leading to cross-state production network to harness economies of scale and specific comparative advantages.

The grand idea is to make organic farming consumer-driven and farmer-powered and a major constituent of the functional food that would ultimately trigger transformation in the

rural economies by inter-connecting the production clusters that remain largely segregated and disconnected today.

The present level of NPK consumption though less than half (61.77 kg per hectare) of the national average (128 kg per hectare) will be reduced to zero to transform most of the agriculture production system to organic culture and also pooling the *jhum* land under the organic regime. However, fertiliser subsidies these states have foregone will be *pari passu* transferred as incentives to organic farming. The strategy has to go deep down to the Farmer Producer Organisation (Company) level with organic seed bank, technology dissemination, provisions of 'green credit', high yielding specie identification, value chain participation and market access. The value chain has to address post harvest infrastructure, pack-houses including for sorting and grading, cold chains and transportation to markets.

The NER will be in the centre stage of this high growth sector driven by "growing environmental concerns and shifting cultural status symbols and conscious millenials" and facilitated by digital platforms and e commerce players, producers and sales outlet like Myantra, Nyakka, Khadi Gramodyog, Ethicus etc. To promote and facilitate aggregation of organic farming related activities, make technical and technological interventions and create a niche market **North East Organic Value Chain Corporation (NEOVCC) will be set up in the PPP mode.**

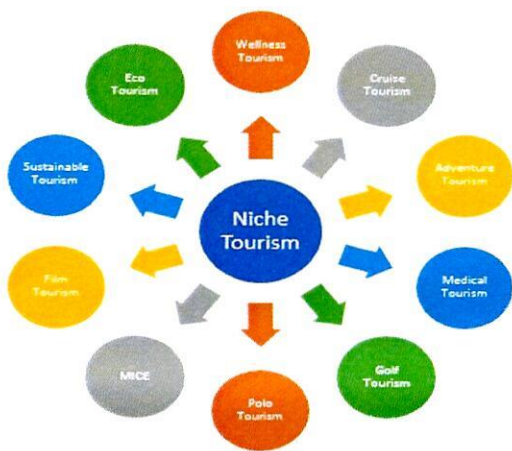
This idea consolidates the Mission Organic Value Chain Development of the NER (MOVCDNER) of Ministry of Agriculture which aims to develop a holistic organic farming ecosystem starting from inputs, seeds, certification and creation of facilities, aggregation, processing and marketing.

7) Core Partner in the Trans-border Value Chain in tourism, horticulture, floriculture, mineral and forest resources, tea, sericulture, rubber, bamboo, pharmaceutical, textiles to fully harness the advantages of the India-ASEAN Free Trade, SAARC Free trade and BIMSTEC market and other bilateral and regional agreements. This will bring a new face to trade in the Act East Policy and trade preferences would become a catalytic aid. Presently

final goods sector contribute over 70 percent of NER global exports where primary commodities also constitute 18 percent and intermediate products 10 percent. The objective is to sharply increase the shares of NER in the national agriculture and allied activities from 4 in 2017-18 to 6 percent by 2035 so that value chain becomes a possibility.

For instance, every member state in the NER provides a different variety of tourism outlet and each of them could be developed as specialized niche activity and linked to global tourism market. Several specific circuits like Buddhism, World War, the river water, border

trade, the mountain, biodiversity, wellness, cinema and films, adventure and ethnography circuits are unique to the NER. These could be a key to harnessing trade in services agreement with the ASEAN and SAARC and other provisions.



Source : MOTT Report, 2018, NEDFi, Guwahati

On the other hand, using its huge command over primary commodities, the trans-border value chain could significantly transform the entire trade and investment matrices in the region. Several reports (World Development Report 2020, World Bank 2020, ICRIER 2020, UNCTAD 2012, Kyaw & Lwin 2016) have studied and gathered a range of success stories about value chains at the sub-regional, regional and global levels.

The World Development Report 2020 identifies geography, factor endowments, institutions and market size as the essence that actually become the starting point of value chain. Then the border crossing emerges. The next line of action is policies, openness, connectivity and cooperation leading to firm to firm relationship, knowledge and technology flows and harnessing of hyper-specialisation therein. The final outcome is income growth, employment creation, reduction in poverty and inequality, environmental

protection and more pertinently a fresh and advanced technological induction and exposure. In the process, expansion has been 'revolutionary for many poorer countries, which boosted growth by joining a global value chain, thereby eliminating the need to build whole industries from scratch'. And by 2008, GVCs peaked at 52 percent of global trade. It was clear that it pays to specialize.

Nearby Vietnam's electronics sector is a lucid example which has emerged as the second-largest smartphone exporter, 'producing 40 percent of Samsung's global mobile phone products and employing 35 percent of its global staff'. What contributed to reaching this pedestal? A favorable investment climate, and a large pool of low-cost labor, geographical proximity to regional suppliers of electronics parts and components such as China, Japan, South Korea, and Thailand helped foreign investors gain access to high-quality inputs from abroad and improved connectivity enabled Vietnam to import and export in a timely manner. (WDR, 2020, p 37)

The NER would be the starting point for value chain. Several state centric flagship projects like Food processing in Tripura, Jackfruit mission in Meghalaya, Integrated and Intensive Bivoltine Sericulture Development Projects covering Mulberry, Eri and Muga/Oak Tasar silk in Assam, Orchid Centres, NER Textile Promotion Scheme, NE Regional Bamboo Mission and Cane, Bamboo-technology Centre and National Institute of Fashion Technology, Shillong and the National Institute of Design, Jorhat would be scientifically integrated.

NER produced 5494 MT silk in 2015-17 (18-19% of India's total silk production), majorly Eri silk (5002 MT). Muga silk is unique in terms of durability and golden tint is reared only in Assam with a GI tag. Almost 48 % of the total 2.6 million weavers in India enumerated by the Handloom Census of 2019-2020 are located in the North East. With its unique craft traditions spread over several and diverse tribes and communities like Adi, Apatani and Mishmi of Arunachal and Bodo, Karbi, Mising and Rabha tribes in Assam and Lepcha, Bhutia and Nepalis of Sikkim and Angami and Konyak of Nagaland, the NER could be a major player in textile and fashion designs value chain of Asia. The geometric designs with

intricate zig-zag and angular patterns, puan like motifs inspired by nature, Moirang-Wangkhei Phee textile fabrics with specific designs and Naga motifs that hold symbolic meaning are distinctly sophisticated designs and crafting that can be adapted with in-depth research and use of Computer-aided design (CAD) and Computer-aided manufacture (CAM)

The World Bank (2020), studied fruits and vegetables, spices, bamboo and related products, and medical tourism mainly focusing on demand patterns, reorientation of production and supply, value chain analysis, intermediaries and processors, and market integration and technology induction with Bangladesh. It examined Mizoram, Tripura and Assam vis-à-vis Bangladesh and Myanmar. Connectivity and logistics, and product standards and quality infrastructure are the two cross-cutting constraints that were encountered across all sectors in NER.

Three models of value chain are envisaged. First within the NER, where the entire primary commodities will be gathered from across the states to put them in a specialized production process in one of the states of single production system and finally transported to the national market. Here the border matrix and crossing would be truly internal. Second, it will be interlinked with the production process in other parts of India and thirdly, it would also be linked with the chains of production and marketing process in the ASAEN countries. Here the border matrix changes to external dimension. Besides the firms, a multinational company could be a lead actor in areas like pharmaceutical, textiles, food processing and flowers.

For instance, NER alone produces over 46 % percent, 20 % and 6 % of total pineapple (1.678 million tons), ginger (1.583 million tons) and turmeric (3.68 million tons) production of India respectively. From Orchids to Anthurium and Gerbera to Liliun production the NER could enter into value chain of trading of cut flowers, production of planting material and alternate uses like dried flowers to the entire South, South East and East Asia

8) Highland MSME Corridor of South and South East Asia. This corridor will galvanise and regionally aggregate production bases, resources and entrepreneurial store houses that are at present thinly spread across the states and steadily cut down the transaction costs.

The NER exports over 1400 products (most of them relatively nominal, around 400 at the HS Sub-heading level carry export price competitiveness and almost 67 % originate in Assam) to South, South East Asia and other global destinations. In the total exports valued at US\$ 43.29 million in 2018, Assam's share alone was 84 percent. However, both the quantity and quality need to be intensely and drastically scaled up.

In the SMEs promotion in the NER there are no size barriers and are characterized by local synergies of innovation, local centric leadership-resources-knowledge generation-experimentation and low carbon footprints. With ICT as the core, technological leapfrogging, innovations and niche market targeting are easier. Besides the scope for cost reduction, it triggers more inclusive growth and participation of vulnerable groups and harnessing of indigenous talents among women and youth are easily doable.

This corridor connecting the NER and BBIN partners with the South East Asian countries would physically cut across the NER States focusing on specific comparative advantage like raw materials, integrating production clusters, inter connecting infrastructural facilities, synergizing skills and enterprises and also inducting easy access to the market. It will mainly integrate agro and food processing state level spices hub of turmeric, chilly, ginger, large cardamom, , cinnamon/tejpatta, food and meat processing and spread of other products like ethnic designs, handicrafts, handlooms, mass production of textile and bamboo based products; fruits, vegetables and flowers. The NER harbour nearly 90 species of bamboos, 41 of which are endemic to the region.

The 20th Livestock Census (2019) revealed that Assam has the highest pig population (over 2 million) across India and the NER 5.6 million India thereby scoping massive MSME in piggery value chain from breeding and procurement of piglets,, composite improved feed and veterinary services, rearing, slaughtering and processing to value added pig products

include cured meats such as sausages, ham, bacon and canned meat products as well as small quantities of frozen meat. A very recent study (Assocham & CRISIL 2020) shows that the Indian MSME sector comprises 630 lakh units (90 % of India's enterprises), employs an estimated 11.10 crore workforce, accounts for 30% of India's gross domestic product (GDP) and 48% of India's exports.

Both the Parliamentary Committee (2015) and DIPP (2016) Reports revealed that after the NEIIPP of 2007, investment of Rs 11,466.22 crore were made to build 27644 industrial and service sector units in the NER. This generated over 2.28 lakh employment. As per the MOSPI – MSME Survey 2015-16 the share of the NER in the total MSME units (63392) is 3 percent and in total employment (11.12 million) is 2.6 percent. Both in the value added per worker and per unit NER's performance has been more or less tallying with the national data.

MOTT Report (2018) shows that Assam's array of industrial infrastructures led to MSME as a major focus where more than 45509 SSI/MSME units were set up during 2007-2017 that alone provided employment to 2.69 lakh persons by 2016-17. Within these also micro enterprises constituted as high as 78 % and medium as low as 1 %. Dibrugarh (14 percent) and Kamrup (12 percent) districts had major concentration. However, there has been a massive degree of subsidies under the NEIIPP provisions.

NEDFi data show that a total subsidy of Rs 3919.54 crore was extended to the NER states from 2000-2017 wherein transport subsidies alone constituted the highest 68 %, followed by capital investment (25 %), interest (6%) and insurance and freight (1 %). Among the states Assam took maximum (47 %) followed by Meghalaya (37 %) and the remaining 16 % were shared by the other six states . In the total transport subsidy also, Assam [with a 48 percent (9375 units) of the total established units in the NER] alone constituted 45 percent of the total subsidy followed by a relatively small state like Meghalaya [with not even one percent (59 units) of the total industrial units] taking 38 percent, thereby leaving hardly 17 percent to share among the remaining six states. In the capital investment subsidy too Assam and Meghalaya usurped almost 88 percent of the total subsidy.

Besides their feeble linkages with larger units in their field of operations, the challenges faced by these MSMEs are mainly related to lack of access to institutional finance, outdated underwriting process, unfavourable cost competitiveness, delayed payments to MSMEs and lack of comprehensive quality database. (Assocham & CRISIL 2020).

Recommendations of the Expert Committee on Micro, Small and Medium Enterprises (Sinha, RBI, 2019) are very relevant for the MSMEs to expand further in the NER. These need to be implemented at the shortest possible time frame to realise the potential goals of MSME corridor. These relate to

i) in the capacity building of the entrepreneurs, an essential pre-requisite for development of the sector, it proposed to establish Enterprise Development Centres (EDCs) within District Industries Centres (DICs) in each district to facilitate development of entrepreneurs into full-fledged, self-sustaining enterprises and provide technical know-how, managerial skill, filling up of the knowledge gap,

ii) MSME clusters are inadequately equipped in areas such as tool rooms, innovation centres, testing facility. Therefore these clusters should collaborate with companies having innovation infrastructure, R&D institutions and universities that specialize in a specific industry or knowledge area. In terms of funding, private sector contribution must be found, viz., through debt instruments like bonds, CDs, etc., with tax incentives through SIDBI.

iii) MSMEs lack expertise in product development, technology adoption and marketing strategy. Therefore, Government should build networks of development service providers that can provide customized solutions to MSMEs in the area of technology, product development and marketing techniques and also strengthen MSME Export Promotion Council.

iv) Ministry of MSME may consider setting up of a Non-Profit Special Purpose Vehicle (SPV) to support crowd sourcing of investments by various agencies particularly to pave the way for conducive business ecosystem for MSMEs. For convergence of policies and creating a promotional ecosystem, a National Council for MSMEs should be set up at the apex level under the Chairmanship of the Prime Minister with the Ministers for MSME, Commerce & Industry, Textiles, Food Processing, Agriculture, Rural Development, Railways and Surface Transport being members. The States should have a similar State Council for MSMEs.

And v) SIDBI which is responsible for the development of the MSME sector must be given an expanded the role where its PSL shortfall be supplemented on the lines of RIDF fund of NABARD. SIDBI should also play the role of a facilitator to create platforms wherein various Venture Capital Funds can participate.

The Japanese MSMEs that are relocating themselves from China to other countries in South and South East Asia are likely to be one of the potent driving forces. Several studies on Japanese and Chinese relocations of firms in the ASEAN countries, (Kyaw & Lwin 2016, Berger-Thomson and Doylen 2013, Yang 2016, JLL 2019, ADBI 2017) do clearly demonstrate that the newer locations like Southeast Asia attracted more manufacturers mainly for its increasingly vibrant ease of doing business matrices, competitive workforce, lower tariffs, costs of overhead and logistics and large, growing consumer market.

For the India-Japan Act East Forum set up in 2017, the MSME corridor could be a major action oriented goal.

Given the changing profile of the NER, fast improving connectivity, cultural affinity, English speaking people and cheaper and fast learning labour, it requires only a start of Japanese ventures. The multiplication of these ventures would be much faster as Japanese investors and entrepreneurs are already active in CLMV-Thailand, Malaysia and Indonesia.

There is huge scope for inducting Sikkim's 60 plus pharmaceutical industries in this MSME corridor of value chain that can supply to the global market. Some of the top brands including Sun, Cipla, Alkem, Torrent, Macleods, Alembic, Unichem Zydus, Glenmark already have such manufacturing arrangements. Could the product of this collaboration between a Vietnamese investor and a Naga entrepreneur be given a green channel access to ASEAN market under the ASEAN-India Free Trade Agreement? Could this NER-Vietnam triggered 'Make in India' product be considered under Article 3 of this agreement which deals with national treatment and Article 17 where a Joint Committee could look into this matter of collective interest.

In some cases the subsidies and other incentives under NEIDS could selectively also be extended to entrepreneurs from the CLMV countries if they are investing here in a substantive, durable and efficient ways.

9) Citadel of Climate Change Studies in the Himalayan Region to contribute to discourse, strategy, policy and practices at the local, national, regional and global level. A range of studies (Five Working Groups, NITI Aayog 2018, UNCTAD 2019, McKinsey Global Institute 2020, IPCC 2019, National Mission for Sustaining the Himalayan Eco-System 2010, Climate Central 2019, ICIMOD-HIMAP 2019) show that given the strategic location surrounded by the mountains, glaciers, water towers, plateaus biodiversity, diverse geomorphology and extraordinary cultural ecology the NER is likely to face the first and substantive brunt of adverse impact of climate change. These newly emerging non-traditional security threats are widely recorded in the last two decades or so as manifested in warm winters, forest fires, untimely flowering, trans-border environmental injuries like flash floods and glacial lake outburst flood, meteorological variations, new strains of human, animal and plant diseases, drying springs, diminution in hydrological flows, agricultural depredations, livelihood displacement and phenology and other anthropogenic results and ecological surprises.

The origin of Covid-19 in Wuhan in China did highlight large scale smuggling of indigenous wild life and other bio-diversity species from and vulnerabilities of the NER. Such issues

that adversely affect the NER further extend to the South East Asian countries and immediate neighborhood in South Asia. Therefore, inter-institutional collaborations, sharing of experimentation and stock of knowledge and basic management practices (BMP) are becoming inevitable.

On the other hand, robustness and resilience demonstrated by the communities in negotiating their traditional livelihood, adaptation to these unusual phenomena and their adverse impact and more importantly, use and deployment of their traditional knowledge and collective wisdom have generated a new set of discourse on shock absorptions and adaptation techniques. This knowledge is confined to the NER and has never been globalised for larger deliberations and sharing. Some NER states have even prepared State Action Plan on Climate Change (Assam 2015 and others). However, no institutions exist at the regional level and no scientific and strategic planning is seen to grapple with much wider and more deleterious impact of climate variability and change.

All these have huge trans-border dynamics like river system, genetic pools and gene piracy, natural disasters, migration, diseases and dislocations of livelihoods. In order to consolidate the strategy, aggregate the resources and scientifically project and grapple with the large scale impact and also align with India's Nationally Determined Contribution (NDCs) under Paris Agreement 2015, there will be an exclusive **Multi-disciplinary High Land Institute for Climate Change Study and Mitigation for the NER and the other Himalayan regions of India and neighbouring countries.**

This state of the art Institute located in the NER will work with both the national and global institutions on issues of climate change and hills and mountain regions and in coordination with National Mission on Sustainable Himalayan Eco-system. This Institute will handhold with other trans-border institutions, access international climate finance like Green Climate Fund (GCF), create carbon sinks, undertake frontier research and develop robust early warning systems, build mitigation capacities among the youth, communities and professionals, disseminate knowledge and experimentations and produce carbon-negative initiatives and climate resilient natural resource and agriculture management.

10) **Traditional Medicine and Medical Tourism hub of India :** NE is home to unlimited traditional and herbal medicinal resources that now enter into the national and global market largely surreptitiously as nutraceuticals, herbal extract and cosmetics, pharmaceutical and perfumes. The huge reservoir of non-timber forest produce like canes, fodder, leaves and roots, broom grass gums, waxes, dyes, honey, lac, nuts, wild fruits etc carry in them intense commercial, nutritional and medicinal value. In India alone medicinal plants sector grew by over 550 percent (Rs 1069 crore to Rs 6985 crore) during 2005/06 to 2014/15 wherein the exports constituted 33 to 48 percent. There is an emerging market of 'naturally driven beauty solutions' especially in skin care and wellness as widely harnessed by South Korea. This organic skin care partly emanates from the herbs and roots of the rich bio-diversity of the NE.

The NE region harbours well over 50% of Indian flora and over 6500 species are used medicinally in the country in which the share of the NE has been over 60%. Meghalaya alone possesses 1200 medicinal herbal plants. A perusal of the prioritised medicinal plants for promotion by NMPB reveals that over 80% of the listed plants exist in the region. There are a large number of unique, narrowly distributed, and endemic species like *Coptis teeta*, *Aquilaria malacdensis*, *Homalomena aromatica*, *Clerodendrum colebrookianum*, *Elaeocarous sphaericus*, *Illicium griffithii*, *Rubia cordifolia*, *Cinnamomum tamala*, etc and several high altitude species like Kutki, Taxus, Aconitum, Berberis, Rubia, Podophyllum, Swertia, Gymnadenia, Dendrobium, Paris and Valeriana. The current trend is to harvest them from wild and trade it elsewhere. They move as raw material (Haridasan, 2015).

The NE also has been a reservoir of faith healers and folk medicine practitioners. Primitive tribes safeguard their institutions of treasure of traditional healing as diviners, herbalists, ritual providers and faith healers. The *bumthings*, *nyibus*, *donyipolo*, *bathou*, *seng khasi*, *sanamahi*, *garia* all adorn the rugged terrains and highlands of the NE. The plethora of indigenous tribes also located in various autonomous councils set up under the provision of the Sixth Schedule of Constitution have started facing 'war of faiths' as more and more invasive cultural practices are gaining ground.

The TMS is strikingly the most prolific comparative advantage of the NER and core to the faith, biodiversity management and indigenous healing practices. It carries in it a rich pool of knowledge base to connect and cater to the global market. However, very little concerted effort has been made in terms of documenting the knowledge, scientifically validating and promoting it for commercial purposes and sustainably harnessing the community and environmental ingredients. The pandemic like Coronavirus has brought forward more demands for immunity enhancing natural sources like herbs, roots, flowers and leaves and roots. The WHO has already offered to set up a TMS research unit in India.

There has been sharp erosion and staggering loss of indigenous and traditional knowledge and practices and a remarkable increase in illegal harnessing and surreptitious knowledge piracy by pharmaceutical companies and neighboring countries. It has been a loss of national heritage and wealth and also erosion of national soft power. National AYUSH Mission, State Medicinal Plants Boards and private houses like Dabur and Imami have injected some initial dynamism that requires a big push.

India ratified the Nagoya Protocol (2002) on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization to the Convention on Biological Diversity (NP) in October 2012. This Protocol also aims at ensuring access to and transfer of technologies, recognizing the role of traditional knowledge with informed participation of local and indigenous communities in decision making processes. A number of NER states have started repositioning themselves in this huge commercial space. There has been rush from the United States, Slovenia, Germany and other countries to avail of these herbal medicines and treatments. Therefore, **the Ethno Medicine and Tourism Commission (EMTC)** will be autonomously set up at the regional level under PPP mode exclusively for commercializing the ethno-medicinal practices and extending further to promote wellness and medical tourism. The AYUSH Ministry, Central Universities in the NER, North Eastern Institute of Folk Medicine at Pashighat and the MDoNER could coordinate the entire architecture and building of the EMTC.

EMTC will galvanise confluence of seven critical elements in a single regional platform.

- 40
- i) Folk medicine practices : mobilization of faith healers and their knowledge bases
 - ii) Natural resources including scientific data base of plants, herbs and other natural substances
 - iii) Bringing the TMS practices and testing them in the laboratories of the University and Research Institutes by the researches and experts
 - iv) Providing Patents and IPRs to these practices and knowledge base designs
 - v) Taking cognisance and adoption of these ideas by industrial and corporate houses leading to commercial scale production
 - vi) Commercial marketing at the national, regional and global markets and
 - vii) Payment back to the faith healers, communities and the states.

Each horizontal and vertical integration generates connection with communities, local resources and leadership, reintegration with nature and conservation, imagination and innovation, harnessing of institutional synergy, exclusive brand and market, income and growth and employment and inclusiveness

11) Converging Towards New Development and Investment Models. The economies of the NER have mostly followed a growth model that has intrinsic and complex mechanisms of promoting the outflow of development multipliers. While defying and disproving most of the orthodox theoretical underpinnings of development, the region have unconsciously but visibly recorded a trend of siphoning off the cream of development mostly to the lowlands or the mainstream theatres. One can attribute this deleteriously unending phenomenon to the dominant development planning far away from the remote action centres. The agents involved in the process are primarily outsiders with a huge capital base, entrepreneurial history and market capture. The debate and policies at the national level are on the second generation reforms whereas even the first generation reforms are yet to reach some major spaces of the NER.

Several examples can be cited. Tea industry is a typical example of how the outflow of development gains has consistently occurred and been institutionalised. The very pattern of ownership, modes of the production system and linkages with the markets ensure that nothing remains in the region except low wages and fringe benefits to the workers. Most of the sales proceeds derived from both national and global markets get directed to metropolitans, consistently usurped by merchant capitalists and other intermediaries. Only a trickle flows down to the hapless workers who actually struggle for generations to recover their own savings of gratuity and provident funds. The much-celebrated new dictum of 'fair trading' has actually justifiably consolidated these outflows.

These states have witnessed this vicious practice even in the process of operationalising special development packages generously extended by the Central government like incentives laden NEIPP. Many of these participating entrepreneurs found the highlands suddenly fertile and productive, at least till these incentives remained. In this case, too, the cream of development flowed down to the lowlands. The failure of the respective state government to devise ways and means to monitor some of these 'fly by night operators', legally retain them for at least a few decades and institutionalise the participative process has led to a huge industrial development vacuum and credibility gap as reflected in increasing local resistance to such outside participation.

This phenomenon is widely prevalent across sectors. A more telling story has been that of the manufacturing sector like pharmaceuticals where some of the top brands of India have set up their factories in Sikkim, mostly attracted by and to avail of both NEIIPP and NEIDS. With manufacturing sector suddenly sharing 62 percent, the state gross output has galloped. However, its impact on state's revenue generation is very negligible as raw material; packaging amenities and carriers and warehousing are brought from and located outside Sikkim. Except employment in the low skill segments, no major development benefits are retained in the state.

The valuable cash crops cardamom, ginger, chilly, and fruits like pineapple have developed a value chain wherein farmers receive hardly 10 to 20 percent of total realisations as the

suppliers. The rest of the value chain in cardamom, including the last critical segment of processed spices, ingredients in *pan parag* and pharmaceuticals, remains outside the state boundary and purview of traditional farmers. The agents in value additions, merchants and partners in market disposal, usurp 80 to 90 percent of this value chain realisation. This sordid story abounds in haphazardly drawn contractual conditions and trading models with hydropower producers. As a result, even with an installed capacity of over 2,200 megawatts, Sikkim carries staggering debt burdens. Despite strong local sensitivity, an overwhelming portion of the hotel and concomitant businesses are leased out to management partners from outside. All these have tended to inject protests, imbibe emotions of being exploited, nurture resource sub-nationalism and more seriously trigger prolonged conflicts.

Therefore the Vision 2035 also involves a non-traditional responsibility of the policy makers to steadily reverting to a growth model that retains maximum generated development gains within the communities and geographies of the NER. Rebuilding a class of local entrepreneurs, injecting newer technology and skills, bringing a variety of national and international institutions, rejuvenating the rural economies, inducting global multilateral development and philanthropic organizations, up-skilling the youths for local-national-global employment market, promoting multiple stake holdings, reorienting the entire natural resources, commodity, hydro power and industrial policy and playing a key role in Prime Minister Narendra Modi's India's Act East Policy and Cooperative Federalism Mission must adorn various State Government's agenda for next decade or so.

In the investment front, a conscious shift towards participation of the CLMVT and other South East Asian countries will inject a powerful dimension. India's not signing and being a partner in the the RCEP agreement has made it more essential. In this respect, the seed projects approach being adopted by the NEDFi could be a core demonstrative and replicable pathway. This involves creating a pipeline of High-Quality Seed Projects in the NER which has the potential of attracting investment from South East Asia (CLMV &

Thailand). This will also provide strategic roadmap for realization of these seed projects on the ground and the required follow-up and facilitation.

It is found that despite several investment and trade fairs, road shows and exhibitions and various investment promotion measures in India and SE Asia, the participation of the potential investors from the CLMVT countries in the NER stands at pretty low level. Though such initiatives do generate interests, they are not generally taken to a logical end. In the absence of concrete, scientifically designed and commercially attractive follow up measures, these interests and enthusiasm do not last long.

This has happened mainly because in the usually adopted top down approach there are several gaps faced by these investors in their actual participation in investment activities in the NER. All these gaps make them apprehensive and skeptical. The NEDFi approach while providing a new, healthy and promising narrative and discourse about the NER, identifies and addresses all these gaps beforehand and also provide all varieties of facilitating information and interactive forums for these investors to invest in the NER. The interface for the real investors to meet and interact and actually participate in the projects and ventures is also created to enable match making of investors.

The foreign direct investment participation in various forms are envisaged including fully owned, joint ventures and in specific and exclusive areas like management, technology transfer, supplier of raw material, infrastructure like cold chains, professional participation and expertise provider, finance, marketing, value chain, research and development, and exclusive services like veterinary services, horticulture-floriculture nursery management, breeding and feed management, fashion and textile design interventions, travel agency inter-connections, institutional support etc.

The Vision 2035 also promotes the idea of borderland and setting up of Border Special Development Zones (BSDZs) as developed by UNESCAP (2016). This will largely supplement some of the major visions as enshrined in the NER Vision 2035. The BSDZs will be geography and location specific along important existing border-crossing points with distinct emphasis on multiple cross border exchanges and also that galvanizes and

synergizes the comparative advantages. Policies will be drawn and harmonized on a trans-border basis with a view to link it with broader sub-regional and regional exchanges and integrations. Many of the enabling provisions are already incorporated in various existing industrial and trade promotion policies of participating states. Besides minimizing trade costs and securing competitive advantages for sectors, these BSDZs will harness trade potential, trigger industrial diversification, provide greater market access and also attract private investment and technological interventions. Four BSDZs will be built in four quadrangular interconnecting border junctions at Manipur-Mizoram-Arunachal Pradesh-Myanmar; Arunachal Pradesh - Assam-Bhutan; Sikkim-Assam-Nepal and Assam-Meghalaya-Tripura Bangladesh.

12) Reframing the Financial Architecture

The NER remained a fulcrum of the Special Category States (SCS) since 1969 and received consistently and hugely staggering 90:10 funding from the central government. Even after the provisions of SCS were discontinued by the 14th Finance Commission in 2014, the NER continues to enjoy the 90:10 funding pattern in CS/CSS schemes and 90 percent grant component in EAPs under 'special dispensations' categories. Besides the NER draws huge chunk of funds from the NLCPR maintained by the MoF on proforma basis and other specially designed financing vehicles including the NEDFi.

However, despite huge scope for internal resource mobilization the NER has not been able to show any significant increase in revenue mobilization.

With view to steadily moving towards a regime of self financing and generate increasing internal revenues for much wider and flexible development space, a new architecture of development financing could be designed with revolving around three critical players viz. MDoNER, multilateral and bilateral institutions and private players.

At present each of the non-exempted Central Ministry/Department (54 at present) is mandated to spend 10 % of the Gross Budgetary Support (GBS) which works out to be Rs 60112.11 crore during 2020-21 and even with the level of present allocation it would be over Rs 3 lakh crore during next five years (2020/21 – 2025/26). Besides these exempted Ministries/Departments like the Railways make substantial investments out of their resources. However, many of the 54 non-exempted Ministries have not been making optimum use of 10 % GBS like that of Department of Agriculture, Cooperative and Framers Welfare (40 % of its allocated GS of Rs 10136.70 crore during 2019-20) Ministry of Food processing (21.8 %), Ministry of consumer Affairs (44.4 %) and Ministry of Coal (7 %) during 2019-20.

The MDoNER has only a limited role of coordinating and monitoring the expenditure under 10 % GBS and recommending to the Ministry of Finance reallocations of the unspent resources to those Ministries who have the additional absorptive capacity. However, the MoF invariably agrees to only few of the recommendations. This has severely affected the funding pattern and also the maneuverability of the MDoNER as a key implementing agency along with the NEC.

Further the NLCPR (transfer of unspent balance of 10% GBS annually of Central Ministries/Departments in the non-lapsable basket) by now has a significant accumulation of over Rs 75000 crore till March 2020 which is not used by the MoF for funding of any state level and regional projects. Besides adjusting budget provision of the MDoNER (which has a total annual resources allocation of a meagre Rs 3000 crore) under certain specified heads, there is a strong case for the MoF to steadily leverage the accumulated NLCPR funds now restructured as North East Special Infrastructure Development Scheme (NESIDS-2018) to key regional projects.

The NITI Forum (co chaired by the Minister of DoNER and Vice Chairman , NITI Aayog) has identified these projects in education, health, bamboo, tea, tourism, dairy and pisciculture. Both the MDoNER and the NEC have already identified and designed a shelf of projects

worth more than Rs 35000 crore and Rs 34000 crore respectively under the newly floated flagship NESIDS. Many of these projects could be redesigning and modified to cater to the NER Vision 2035 targets and goals for the un-interrupted long term funding support of NESIDS.

In order to overcome these constraints in utilizing allocated 10 % GBS, the Central Government may constitute a Oversight Committee consisting of NITI Aayog, MDoNER, NEC, Chief Ministers of the NER states and Ministry of Finance to ensure the effective utilization of the funds and also with full authority to reallocate unspent resources to other Ministries and agencies.

13) Youth Mission : Over 35 Scores Strategy : The NER has one of the highest youth populations in the country. They have some attractive traits like naturally talented, fast learners, strong family and societal bonds, quicker adaptability, largely English speaking, creative and innovative and higher degree of sociability and cultural assimilations. Despite having serious connectivity problems, thin dispersal of modern institutions , lesser access to technical and technological educations and adversely affected by the conflict, violence and instability in the past, these youths have shown both mental and physical resilience, demonstrated willingness and robustness to move forward and contribute to nation building process.

The new generation of youths all across the NER have developed entrepreneurial ability, outward looking attitude, competitive fervor and modern skills as shown by their large scale presence in the hospitality industry across the country, remarkable performance in sports, music, fashion, media and civil society actions. They are going to be the key actors in directing the NER towards larger goals of sustainable development, institution building and national integration. They are now emerging to be the potent instruments of globalizing the locals in terms of sharing their cultural heritage, development practices, traditional knowledge that so far were overwhelmed by the one way process of localization of globals.

The Vision 2035 has two supplementary alternatives.

Firstly, develop the institutions, infrastructures and capacity building facilities that will mobilize and galvanise the youths as a major force of spearheading the development discourse and actions in the NER. This gels well with the 'Goal 4 : Quality Education' of SDGs.

And secondly the firm and targeted actions by the Union Government along with the state governments to generate and deploy a critical mass of nationally spirited youths with modern scientific outlook across the NER from amongst the varied communities and various echelons of society. The core idea is to give representations to all in the decision making process in the course of next 15 years. This is very much in line with PM Modi's '*Atmanirbhar* Bharat'.

This will put the youths of the NER on the national and global pedestals. Precision targeting of the placement and deployment of youths in the most attractive and influential governance, professional and other occupational platforms will transform the entire orientation of youth force thereby triggering a critical generation of productive, effective and far reaching human resources. This will also give targeted public responsibilities to the State Governments in the NER for achieving goals, strict social accountability in generating quality human resources and tight performance evaluation. This will have a huge demonstration effect in several other sectors in the NER. **The 2035 targets could be at least in the following lines. This is subject to discussion and broader consensus:**

35 international sports persons including for the World Championship, Olympic, Asian and Commonwealth Games

35 IAS and IFS Officers

35 IPS Officers

35 IES and ISS officers

35 Indian Forest Service officers

35 national and international musicians, film makers, fashion designers, architecture

135 PhDs from the top professional institutes from IIM, IIT, NIIT, IIIT, NIFT, IISc and IIMC

135 Top medical practitioners and bankers

35 Top Civil Society Actors and Community Leaders

35 Top Media Professionals

135 Top entrepreneurs and Start ups

35 Top Scientists, Technocrats and Innovators

35 Brigadiers, Commodore and Air Commodore.

35 Graduates from FTII-Pune, NSD-Delhi and other film academies

In the past, in the absence of specific targets, the NER as a whole remained under prepared, outside the competitive basket and less focused in terms of achieving educational, professional, technical and governance goals despite operationalisation of 12 Five year plans and various other special policies and incentives.

4 - Way Integrative Matrix

For these thirteen transformative vision goals to be realized, primarily four way integrative matrix will be used by the Union Government, State Governments, private sector, multilateral institutions, civil society and community organisations. This 4 ways depict actions as : a) within the state; b) interconnections with other states within the NE region; c) reverse integration by the rest of India with the NER and d) cooperation interspersing with immediate trans-border neighbourhood.

Institutional Architecture 2035

There are several options of redesigning the institutional architecture to attain these vision goals. The Union Government and the State Governments could think of more accessible, effectively deliverable, accountable and transparent institutional framework. However, some of the newer and more effective, what Prime Minister Narendra Modi describes as

out-of box designing of institutional architecture are suggested here. This has to be discussed, deliberated upon and decided on the basis of broader consensus.

National Act East Commission headed by the Prime Minister : A key instrument of Reverse Integration. The operationalisation of the NER Vision 2035 will be overseen by National Act East Commission headed by the Prime Minister of India where Cabinet Ministers and Secretaries of core Central Ministries; Chief Ministers and Chief Secretaries of the NER states and Vice Chairman of NITI Aayog, National Security Adviser, Secretaries of MDoNER and NEC, eminent professionals, academics, noted civil society actors and community leaders will be the members. This Commission will provide the broad strategic policy vision for the region.

MDoNER Revitalisation

The present MDoNER will be revitalized with an objective of transforming it into the core implementing agency of India’s Act East policy from the NER perspectives. For this to happen it would have senior representatives of the pertinent Ministries including Finance, Environment, Water, Agriculture, Home, Defence, External Affairs, Commerce and Industry, Textile, Roads, Railways, Tourism, Civil Aviation and Communications and Science and Technology. Unlike at present where the MDoNER has a limited role of coordinating with the Central Ministries/ Departments and states and implementing a few gap funding infrastructure schemes, this only Ministry with territorial jurisdiction will be the overarching authority and manage all the Central Government missions, schemes and projects. It will undertake region wide strategic thinking, design planning and mobilize resources and coordinate with the private and other development partners.

Other governance efficacy aspects including the relocation of the M-DoNER in the NER itself could also be discussed/considered by the policy makers.

Restructuring of the NEC : The NEC located in Shillong is a statutory body under an Act of Parliament. Its role as an advisory body (under MHA) changed to a regional planning body

from 2002 onwards and was brought under the administrative control of the MDoNER since 2004.

The present NEC will be restructured, reoriented and reequipped with an exclusive function of a multi-disciplinary monitoring and evaluation agency. In order to provide more viable development space, connectivity flexibility, geo-strategic planning and efficiency dynamism, the possibility of incorporating contiguous geographies including that of Darjeeling and Jalpaiguri Districts of West Bengal in the NEC could be explored. This will also pave the way for Bangladesh and two Himalayan neighbors Bhutan and Nepal to get durably integrated towards/with the South (north being China) and effectively participate in India's far reaching Act East initiative.

This could provide huge openings for these countries to access South East Asia via the NER and enhance and consolidate their inter-dependence with India under the BBIN sub-regionalism process. This acquires crucial dimension of both limiting/check mating China's access to the Indian Ocean from the northern frontiers (through provinces of Sichuan and Tibet Autonomous region and Myanmar and Bangladesh) under its flagship Belt and Road Initiatives (BRI) and also smoothly realizing the goals of Indo-Pacific ventures of India.

With the induction of range of top class professionals and experts, the new NEC will have the state-of-the-art resource centre of knowledge, skills, research and innovations announced by the Prime Minister Narendra Modi in the plenary session of the NEC in 2016 in Shillong.

Forum of Debate and Discourses

A NE regional platform for intellectual exchanges will be set up primarily aimed at encouraging and soliciting collective and critical thinking in promoting indigenous, regional and national interest.