

NEC's SECTORAL SUMMITS:
A paradigm of shift to development
of the North Eastern Region



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**MINISTRY OF DEVELOPMENT OF NORTH EASTERN REGION
GOVERNMENT OF INDIA**

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NORTH-EAST COUNCIL : FIRST SECTORAL SUMMIT
Pasighat Proclamation on Power
17 January 2007

1. After viewing the presentations and listening to the interventions of all the principal CPSUs, Agencies, State Governments and Union Ministries involved, it would appear that there is need for a clear, coherent and consistent policy in respect of the power sector in the North-East Region, especially as the power sector constitutes the most important resource of the Region and holds the highest potential to propel the Region to the front rank of development in the country. With this overarching objective view, the following major elements have been identified which the Ministry of DoNER might pursue with the Union Government, NEC and States concerned to evolve the required clear, coherent and consistent policy for the development of the power sector in the North-East Region.
2. The most important element of this proposed policy would be to reach the benefits of power availability to the people of the Region. As such, the thrust towards “Power to the People” requires prioritization.
3. The second priority in respect of the development of the power sector in the North-East Region is to ensure that the growing and diversified demands for power for the economic development of the North-East Region are met in full.
4. The third priority would be the export of power from the region to elsewhere in the country so that the North-East Region does in fact become the “powerhouse” of the country.
5. To achieve the first objective, namely, “Power to the People”, top priority attention requires to be paid to the Small Hydro Power Programme (SHP) for the NER, to be supplemented by other sources of new and renewable energy such as biomass and solar energy. It is evident that the existing structure of SHP is proving inadequate for accelerated implementation in NER, as evidenced, for instance, by the fact that out of 492 projects identified in Arunachal Pradesh, the NER state with the highest SHP potential, only 64 have been implemented, 48 are under construction, and thus as many as 380 out of 492 projects are still far from being implementable. At the same time, it is evident that households around the North-East, public thoroughfares including highways and trunk roads and other public places need to be lit up at night both for the people’s comfort and as a security measure. Yet, although 62% of villages are electrified, only 24% of households receive electricity. Therefore, the following inter-related policy measures appear to be required:
 - a) Restructuring SHP for NER so that the level of subsidies ensures accelerated implementation of all identified SHP projects in NER

which have been designed to generate over 2000 MW without complicated problems of transmission and distribution.

- b) Prioritizing NEC/ NLCPR lending to furnish viability gap funding for SHP projects.
 - c) Ensuring sustainability of SHP projects through the involvement of elected representatives of the local community through Panchayati Raj Institutions/ Village Development Councils/ traditional bodies, as the case may be, in the management, repair and maintenance of SHP projects.
 - d) It would appear that similar measures are required to popularize other MNRES programmes such as those relating to biomass and solar energy.
6. With a view to ensuring the second priority, namely, the utilization of the power generated in NER for the accelerated industrial and economic development of the region itself, the following critical areas of attention have been identified:
- a) Prioritizing inter-State transmission within the region in the funding patterns of both the NLCPR administered by the Ministry of DoNER and the funds allocated to the NEC.
 - b) Concerted attention by States, DoNER and NEC to funding sub-transmission systems so that NER power is amply available for consumption within NER in all sections of the population and for all economic activities.
 - c) Similarly, for distribution, besides prioritization in funding by States, DoNER and NEC, the Union Governments Accelerated Power Development and Reforms Programme (APDRP) also needs to be oriented towards implementation in NER.
 - d) Consideration by the Union Government of a Centrally Sponsored Scheme to support inter-state and intra-state transmission and sub-transmission projects.
 - e) In view of the immense losses in transmission and distribution in NER, which are well above the national average, compounded by theft and other criminal activity which reduces availability to the consumers, special attention is required to be paid to managing the T&D system so that, through this most economical route, power availability to the consumer is expanded exponentially.
7. To meet the third priority, namely, the conversion of NER into the 'powerhouse' of the country, the critical requirement is to immediately do all that is required to ensure evacuation through the narrow window available in the Siliguri corridor ('Chickens Neck')
8. Against an expected capacity addition of about 30,000 MW in the 10th Plan, only about 225 MW is expected to come in the North East. Upto now, only about 125 MW has been added (i.e. 25 MW hydro (Kopili) and

the rest thermal). Another hydro electric projects (Karbi Langpi, Assam) of capacity of 100 MW is expected in the next couple of months. A massive stepping up of public sector investment in power in the North-East in the Eleventh Plan is envisaged. But it is imperative that outstanding issues relating to the 2000 MW Lower Subansiri project be sorted out immediately by the Union Government in consultation with the State Governments of Arunachal Pradesh and Assam.

9. All development projects in NER, but most particularly projects in the power sector, require massive infrastructure backing, especially roads to transport heavy equipment and helicopters to transport smaller size equipment, particularly for SHP. In the prioritization of roads and highway development in NER, and in the deployment of helicopters, power sector requirements need further prioritization.
10. While, on an annual basis, NER has been a net exporter of power for the past several years, the fact that much of this exportable surplus comes from hydel sources means that there are times of the year in the lean season when NER needs to import power from the Eastern Grid. Therefore, in recognition of the contribution which NER is making to the Eastern Grid, particularly from Sikkim, reciprocal arrangements need to be put in place for the Eastern Grid to feed NER as and when required.
11. While NER would be the primary source of hydel power for NER itself and the country as a whole, due recognition needs to be accorded to the availability of thermal sources of energy, including coal, shale and natural gas, in the NER, the exploitation of all of which falls at present far below the potential. A coherent policy of exploiting the thermal energy sources of the North-East needs to be put in place through coordination between the Ministries concerned of the Union Government and the State Governments.
12. There can be little doubt that the future of the North-East rests upon its coming into its own through the power sector. It also needs to be recognized that the NER can make an invaluable contribution indefinitely to the country's energy security through clean hydel energy. But this immense potential for the development of NER and the country cannot be realized until and unless special treatment is meted out to NER in the short term in the expectation and confidence that NER would reach the take-off stage in the medium term and NER would then become the front-rank Region for the development of the country as a whole in the long term. An enlightened, overall and long-term vision, therefore, needs to inform a clear, coherent and consistent power policy for the North East.

FIRST SECTORAL SUMMIT OF NEC TO REVIEW POWER SECTOR PROGRAMMES IN THE NORTH EASTERN REGION, PASIGHAT (16–17 JANUARY, 2007): BACKGROUND, ISSUES & CONCLUSIONS

It was noted that a decision was taken at the 53rd meeting of the North Eastern Council (NEC) held at New Delhi on 15 -16 November 2006 that sector specific meetings be organized every month by rotation in the eight North Eastern States to review Central Sector / Centrally Sponsored Schemes(CSS) being implemented by Central Ministries in the North Eastern Region. A schedule of the first 16 meetings was drawn up. The first special meeting to review Power Sector programmes was held at Pasighat, Arunachal Pradesh.

2. The power sector can broadly be divided into the following sub sectors :-
- (i) Generation – Hydel & Thermal
 - (ii) Transmission & distribution (T&D)
 - (iii) Rural Electrification (RGGVY)
 - (iv) New & Renewable Energy (NRE)

ISSUES :

3. During the discussion following issues emerged :-
- (i) NER has vast Hydro Power potential which is estimated at about 60,000 MW. Only about 2% has been tapped so far. Most of this potential lies in Arunachal Pradesh.
 - (ii) There is an imbalance between Hydel & Thermal Power, both in terms of generation and availability.
 - (iii) There has been a shortfall in generation against targets set for the 10th Plan period (2002-07). The likely slippages in capacity addition during 10th Plan is 810MW. The total addition to generation capacity from 2002–03 to 31–10–2006 was 128.92 MW only. Another 100 MW is expected to be added by 31-03–2007.
 - (iv) It was informed that Sikkim is still included in the Eastern Power Grid and that NHPC's Teesta Hydro– V (510 MW) will start generating power during 2007 – 08.
 - (v) Ministry of Power/ NHPC assured that the 2000MW Lower Subansiri Hydro Project will be completed within the 11th Plan period.
 - (vi) Govt. of Arunachal Pradesh expressed their reservations regarding NHPC beginning work on the Lower Subansiri Hydro-Project without entering into an agreement with the State Govt.
 - (vii) Govt. of Arunachal Pradesh requested that the Planning Commission and the Govt. of India assist the State Govt. to take up equity in the mega hydro projects proposed to be taken-up as joint ventures with CPSUs and IPPs.

- (viii) Ministry of Power informed that a review of the existing policy on hydro power development with participation of IPPs has been undertaken to provide for determination of tariffs by CERC on cost plus basis as compared to the existing tariff based basis.
- (ix) NHPC and NTPC requested for early completion of roads (specially NH 52) linking existing National Highways to the sites of major hydel power projects. It was suggested that some of these roads which are currently proposed to be undertaken under Phase-B of SARDP-NE may be included under Phase-A. They also requested for extension of the broad gauge railway network to provide railway connectivity to feasible locations near to the project sites. Specific reference was made to the proposed extension of BG railway line to Pasighat and Wakro in Arunachal Pradesh.
- (x) There have been inadequate investments in transmission and distribution grid. Four states, namely, Meghalaya, Manipur, Mizoram & Sikkim are connected by only 132 KV lines.
- (xi) PGCIL activities are at present restricted to inter-State Transmission systems only. Sub-transmission and Distribution has been taken-up mainly in the State sector with financial assistance from Ministry of DoNER and NEC.
- (xii) Ministry of Power provides assistance to the States for improving Distribution Systems under the Accelerated Power Development and Reforms Programme (APDRP). States requested continuation of the APDRP during the 11th Plan under existing guidelines and norms.
- (xiii) States expressed concern at levying of high wheeling charges @35 paise per unit. It was noted that the Ministry of Power has referred the issue to the CERC.
- (xiv) Very high transmission and distribution losses (2004 – 05) ranging between 28.35% (Meghalaya) to 70.61% (Manipur) is another area of concern.
- (xv) Of the total 40,377 inhabited villages (2001 census), 25,248 (62%) have been electrified by October' 2006. Only 24% of Rural Households have been electrified.
- (xvi) Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) introduced in April 2005 aims to provide electricity to all villages /habitations and Rural Households within 5 years. Target for 2006– 07 is 190 villages.
- (xvii) Distributed generation feeding local grids or renewable energy schemes are ideal for providing power to small and scattered hamlets.
- (xviii) The current installed capacity as on 31-12-2006 is 2520.30MW (effective output about 1800 MW). The peak demand forecast by 2011–12 is estimated at 2,620 MW & energy requirements at

13,649MU. The installed capacity is proposed to be doubled by the end of the XIth Plan.

CONCLUSIONS & RECOMMENDATIONS :-

- (i) A two pronged strategy to be adopted for power generation with focus on:
 - a) Small/Localised Hydel & Thermal and NRE projects for catering to local needs.
 - b) High capacity Hydel & Thermal Power Projects with associated Transmission lines for first meeting the demand for power of the North Eastern Region and thereafter that of the rest of the country.
- (ii) Ministry of Power to develop a clear, coherent and sustainable Power Policy for the NER which takes into account the special characteristics and needs of the Region.
- (iii) Ministry of Power has set-up a Task Force for preparing a Master Plan for Power Development in the North East Region. The Task Force should take note of the issues raised and conclusions arrived at this Sectoral Summit. The report should be finalized expeditiously and inputs included in the Ministry's XIth Plan proposals.
- (iv) CEA to undertake feasibility studies for utilizing considerable shale deposits in Arunachal Pradesh and coal deposits in Assam and Meghalaya with the objective of increasing the share of thermal power.
- (v) ONGC & ILFS are in the process of setting up the 750 MW Palatana Gas Power Project in Tripura. Only Tripura and Assam have entered into MOU with ONGC / ILFS for purchase of power. Other power deficient States may also approach ONGC / ILFS for accessing power from the Palatana project.
- (vi) PGCIL to invest more in the trunk transmission lines for improving inter and intra-region connectivity. Adequate transmission system for evacuating power generated by public and private sector hydro projects in Sikkim to be developed. Priority to be accorded for creating a grid to meet power shortages in the North Eastern States. The issue of funding and recovery would be addressed by Sub-Group II.
- (vii) Transmission, sub-transmission and distribution system improvement to be one of the thrust areas for NEC during 11th Plan. In order to build up a shelf of priority projects, NEC to support intensive survey and investigation work relating to such projects by the State Governments.
- (viii) State Govts. to prepare perspective plans for Transmission, Subtransmission and Distribution Systems in their respective States within the next six months to cover the XIth Plan period(2007-12).
- (ix) The issue of Gas availability and pricing is a matter of concern and needs to be appropriately addressed for exploiting the substantial Gas reserves in the Region for Power generation. The Ministry of Petroleum & Natural

Gas to accord due consideration to the suggestions of the NE States and to resolve the issue of pricing of gas expeditiously.

- (x) The issue of high transmission charges (35 paise / unit), presently under reference to CERC, needs to be followed up by the Ministry of Power and resolved at the earliest.
- (xi) Recognizing the need for continuing assistance to the States for improving their Distribution systems, the Ministry of Power to continue the APDRP with the existing norms, guidelines and funding pattern(90:10) for the NE States during the XIth Plan.
- (xii) The following four Sub Groups were constituted :

Sub Group-I To address Transmission, Sub-transmission and Distribution related issues. Chairperson to be nominated by the Ministry of Power and to include representatives from the Ministry of DoNER, Planning Commission, NEC and the NE States. This Sub Group shall devise and recommend a methodology for technical and financial assistance to the N.E. States.

Sub Group-II To identify and examine the problems affecting implementation of Rural Electrification Schemes funded by REC in the NE States and to recommend measures for achieving 100% household electrification within a reasonable timeframe. Chairperson to be nominated by the Ministry of Power and to include representatives from the Ministry of DoNER, Planning Commission, NEC, REC and the NE States.

Sub Group-III To identify and examine the problems afflicting implementation of New and Renewable Energy schemes in the NER and to recommend measures for optimizing use of such schemes for electrification of remote and scattered hamlets and achieving 100% electrification of rural households within a reasonable timeframe. Sub Group to be chaired by Ministry of New and Renewable Energy and to include representatives from Ministry of DONER, Planning Commission, NEC and the NE States.

Sub Groups I to III to submit their reports within three months.

Sub Group-IV To identify and examine specific problems afflicting implementation of NRE schemes in Arunachal Pradesh and recommend among others, changes in the funding pattern / norms for such schemes. Sub Group to be chaired by Ministry of NRE and to include representatives from the Ministry of DONER, Planning Commission, NEC and Govt. of Arunachal Pradesh. ***Sub Group to submit its report within six weeks.***

- (xiii) On the basis of these reports, a Master Plan for Power Development in the Region be developed which should include an appropriate funding mechanism relevant to the North East Region.

**SHILLONG STATEMENT ON ROADS AND HIGHWAYS
9 FEBRUARY 2007**

1. Road connectivity in the North-East Region is well below the national average on most parameters. Therefore, extending, intensifying and improving the roads network is essential to the economic development of the region and the welfare of its people.
2. The high priority to be accorded to the development of roads in the North-East Region is well reflected in the Union Government's intention to invest nearly Rs. 50,000/- crore on the roads sector in the North-East over the Eleventh Plan period. This amounts to an almost 16-fold increase in the physical quantity of road works to be undertaken, compared to the immediate past period.
3. However, in view of the variety of roads involved and the multiplicity of agencies concerned, the immediate need is to pull together all the diverse elements of the road development programme into a single Master Plan for the Region. Such a Master Plan will also significantly contribute to the evolution of the Vision 2020 document for the North-East Region which is currently under preparation. The Ministry of DoNER and the NEC, together with the eight State Governments concerned, and in consultation with the Union Ministries and agencies involved, will initiate the process of expeditiously putting in place the required Master Plan. The Master Plan would have to address, *inter alia*, long outstanding issues including the limited applicability of the BoT mode to the financing of road projects in the North-East; expeditious environment and forest clearance procedures; and priority to processing DPRs submitted by North-East governments.
4. At the same time, there is pressing need to exponentially increase the absorptive capacity of the States of the North-East Region to ensure implementation of the ambitious plans for road development which are in hand. This calls for putting in place a back-up human resources infrastructure programme for capacity building and training of State PWDs and RWDs and other state agencies concerned, as well as contractors, especially those based in the region but extending also to contractors from outside the region, to:
 - prepare project proposals and Detailed Project Reports (DPRs)
 - respond expeditiously to clarifications required on DPRs consultancy on the preparation and processing of tender documents
 - supervision of the execution of contracts to ensure quality specifications
 - management and maintenance of road sector assets after the completion of works.

Accordingly:

- DoRTH and MoRD, in association with DoNER and NEC and the eight State Governments of the Region, will put in place a massive human resources infrastructure back-up to the massive road development programmes envisaged for the Eleventh Plan period.
 - DoNER will examine with the authorities concerned ADB and other international assistance for this capacity building and training exercise.
 - The inputs of the three Committees established under the chairpersonship of two full time NEC Members and Secretary, DoNER will be fully taken into account in preparing the human resources back-up structure.
5. The maintenance of assets is a non-Plan expenditure which essentially falls in the domain of State budgets. The eight States of the North-East Region feel they do not have adequate budgetary resources of their own to handle the maintenance responsibilities which devolve on them after roads are built, an obligation that will exponentially increase with the significant increase in road sector activity envisaged for the Eleventh Plan. Therefore, DoRTH and MoRD, in consultation with DoNER and NEC and the States concerned, will expeditiously work out the financial implications for the maintenance of the roads to be built in the Eleventh Plan period with the aim of establishing a projected data base on which the question of providing adequate funds for maintenance may be addressed. The initiative taken by Mizoram to establish through legislation a Roads Maintenance Fund is commended for emulation by the North-Eastern States.
 6. With a view to equipping NER-based contractors with machinery and equipment to participate in larger numbers or more effectively and efficiently in the huge road building programme envisaged for the Eleventh Plan period, the Ministry of DoNER, building on the initiatives already undertaken by MoRD, will work towards the establishment of a joint sector private-public partnership cooperation to establish depots at appropriate locations in the North-East from where contractors might hire their requirements of equipment/machinery to meet the very large contractual demands that have to be met to implement the very substantial roads network development programme.
 7. State Governments will address problems of land acquisition, forest issues, encroachments and security-related questions to facilitate the expeditious implementation of road development projects. The strengthening of institutional mechanisms within State Governments to achieve these ends is an indispensable requirement of very high priority.

8. While overall Central funding of North-East regional projects is of a reasonable order of plus/minus 10 per cent, there is need to very considerably step-up Central funding for roads of economic importance, especially those related to the power sector and other infrastructure sectors. The Master Plan should particularly focus on these requirements.
9. In large parts of the North-East, and most especially over almost all parts of Arunachal Pradesh, habitations are scattered and often fall below the MoRD cut-off point of 250 for their road connectivity programmes. It is anticipated that as many as 5000 habitations will remain uncovered even after the Bharat Nirman targets are met. Accordingly, MoRD may revisit, in consultation with DoNER, norms pertaining to Arunachal Pradesh in particular and related other North-East locations. High priority should be accorded in NLCPR funding for Porter Tracks to service scattered habitations and the conversion of Timber Bridges.
10. The opening of International Trade Centres at several different points along external frontiers of the North-East Region, which comprises 98% of the North-East's borders, is an urgent economic necessity and a vital requirement for the "East Look" policy to bear fruit. With this in view, the Border Areas Development Programme requires a fresh look and a new orientation. The Ministry of DoNER will work with the Ministry of Home Affairs and the Ministry of External Affairs towards this end.

2ND SECTORAL SUMMIT OF NEC TO REVIEW ROAD SECTOR PROGRAMMES IN THE NORTH EASTERN REGION HELD AT SHILLONG ON 8-9 FEBRUARY 2007 BACKGROUND-ISSUES-CONCLUSIONS.

A decision was taken at the **53rd Meeting of the NEC** held at New Delhi on **15-16 November, 2006** that sector specific meetings be organized every month by rotation in the eight North Eastern States to **review Central Sector/ Centrally sponsored Schemes (CSS)** being implemented by Central Ministries in the North Eastern Region. A schedule of the first 16 meetings was drawn up. The **1st Sectoral Summit** to review power sector programmes was held on **16-17 Jan, 2007 at Pasighat, Arunachal Pradesh**. The 2nd Special Meeting to **review road sector** programmes was held 8-9 Feb.2007 **at Shillong, Meghalaya**.

2. The road sector can broadly be divided into the following:

- (i) National Highways
- (ii) State Highways
- (iii) Major District Roads
- (iv) Other District Roads
- (v) Rural Road
- (vi) General Staff Roads

3. The road construction programmes in the region include:

- (i) NHDP – II
- (ii) NHDP-III B
- (iii) SARDP-NE
- (iv) PMGSY
- (v) NEC Roads
- (vi) NLCPR Roads,
- (vii) ADB Assisted NESRP

ISSUES:

During discussion the following issues emerged:

- (i) Density of all roads in NER is far less than National average.
- (ii) Out of 6880 km National Highways, 3725 km are less than 2-lane.
- (iii) Agartala, Aizawl and Gangtok are not even connected by 2-lane National Highway.
- (iv) 62 District Headquarters are not connected even by 2-lane road.
- (v) Backward, remote and border areas are grossly deficient in terms of proper road connectivity.
- (vi) Connectivity to neighbouring countries is also inadequate.
- (vii) NER has about **6,880 KMs of National Highways** out of 66,590 KM all over India. These are funded by the DORTH and

implemented through various agencies like NHAI, BRO and State PWDs.

- (viii) **State PWDs** are responsible for 88,061 KMs of roads including State Highways, Major District Roads, Other District Roads, Village and Urban Roads.
- (ix) **BRO** is responsible for **11,375 KMs of roads** including Defence Roads, National Highways, SARDP- NE, NLCPR, NEC, MHA and MEA Roads.
- (x) Under **NHDP-II**, construction of the 678 KMs East-West Corridor up to Silchar has been taken up. Target for completion is Dec.2008.
- (xi) Under **NHDP-III B**, CCEA has approved preparation of DPRs for 1051 KMs. This has been taken up.
- (xii) **SARDP-NE** is a special programme for NER and has been taken up in two phases. **Phase-A** covers **1310 KMs** and is being implemented by NHAI, BRO and Assam PWD. **Phase-B** covering **6306 KMs** has been approved for DPR preparation only.
- (xiii) Implementing agencies of NHDP and SARDP-NE have faced difficulties in terms of delays in acquisition of land, obtaining forest & environmental clearance, felling of trees, encroachments, non availability of materials and qualified & resourceful contractors and security related problems.
- (xiv) NHAI has been unable to take up implementation of 603 KMs of roads under SARDP-NE (Phase-A) due to lack of response to BOT (Toll). States expressed doubts about BOT (Annuity) route also for which bids have been invited.
- (xv) Actual achievement under SARDP, Phase-A upto December, 2006 has been between 1 – 3% only.
- (xvi) Under **PMGSY**, connectivity of **17,701 habitations** and **14671.47 KMs of rural roads** is targeted.
- (xvii) Under **Bharat Nirman**, connectivity of **9165 habitations** and construction/ up-gradation of **11537 kms roads** is targeted by year 2009.
- (xviii) Ministry of DoNER, through the **NLCPR** has funded **3,660 KMs of roads**, mostly State Highways, MDR & ODR and a large number of bridges in all the eight NE States. This includes conversion of timber bridges to RCC and bailey bridges. 30% of DONER's NLCPR funds are invested in the road sector.
- (xix) **NEC** has funded **9,667.52 KMs** of roads since inception. 42% of NEC Plan funds are invested in the road sector.
- (xx) Due to lack of resources and capacities among State PWDs, maintenance of road assets has suffered.

- (xxi) Ministry of DoNER, with **ADB's Technical Assistance (T.A.)**, has taken up **capacity building of State PWDs**. The ADB assisted **NESRP**, which seeks to upgrade about **1300 KMs of roads** in the eight NE States, has an important **Institution Development and Capacity Building** component.
- (xxii) States requested for according high priority to funding for conversion of timber bridges into RCC Bridges.
- (xxiii) **Arunachal Pradesh and Sikkim requested that priority be accorded to roads leading to sites of hydro power projects**. Similarly, Meghalaya requested that roads linking important Land Customs Stations (LCS) be accorded priority. Tripura wanted road links to the new railway stations.
- (xxiv) **States demanded enhancement of funding under BADP, administered by MHA. The present level of funding was considered inadequate to make a dent in the infrastructure required in the sensitive border areas.**
- (xxv) **Connectivity to remote hamlets in the hill areas which are not eligible for funding under PMGSY has been, provided through Porter Tracks funded under NLCPR. This was appreciated and it was suggested that more such Tracks be constructed for connecting villages which are not eligible for funding under PMGSY/ Bharat Nirman.**
- (xxvi) **The phasing of road projects should be compressed for completion of sanctioned NEC roads within three to four years. This would avoid spreading resources thinly and optimize use of funds.**
- (xxvii) **Spatial data base on road information system should be created by using GIS and Remote Sensing facilities.**
- (xxviii) Institutions like CRRI, NITHE and IIT , Guwahati be requested to organize/ conduct training programme for the State Engineers at the respective State capitals.
- (xxix) **The Border Roads Organisation and some States suggested that funding for maintenance during construction phase may be included as an integral part of the original estimates under various programmes.**
- (xxx) **States did not favour the Planning Commission's proposal to reflect NEC and NLCPR funds in their State Annual Plans.**
- (xxxi) States requested that DORTH, NHAI and BRO keep them informed about status of preparation sanction and implementation of projects.
- (xxxii) States requested for extension of East-West Corridor to link all State capital cities.
- (xxxiii) **Some States demanded that State PWDs also be associated in preparation of DPR and implementation of roads under for SARDP-NE.**

- (xxxiv) Arunachal Pradesh requested that the following State roads may be included under SARDP-NE, Phase-A:
- (i) Yingkiong-Jido-Bishing State
 - (ii) Jido-Singa State
 - (iii) Miging-Bille Inter Basin
 - (iv) Taliha-Tato Inter Basin
 - (v) BRTF Road to Jengging via Pangyo
 - (vi) Simong to Singa
- (xxxv) Assam requested that special programmes should be taken up for up-gradation of MDR, SH and urban roads as there are no schemes for up-gradation of these roads. Under PMGSY, schemes for conversion of timber bridges to RCC bridges may be allowed upto 40 meters length as State Governments are unable to fund bridges of length more than 25 meters from their own resources. Under PMGSY schemes – conversion of timber bridges to RCC bridges may be allowed upto 40 m length.
- (xxxvi) Manipur proposed construction of an alternative National Highway linking NH-150 at Thinungei and NH-53 at Jiribam as NH-150A, Imphal City Bye-pass and requested that the progress of construction for NH-150 by BRO be expedited. It was suggested that construction of the bridge over Tuivai river at Tipaimukh be entrusted to PWD, Mizoram as to coincide with construction of approach road (from Mizoram side) to the bridge.
- Manipur requested that the East-West Corridor be extended from Silchar upto Moreh on Myanmar Border via NH-53 and NH-39. This could be the vital link to the proposal Trans-Asian Highway. They also requested double laning of NH-53 (Silchar-Jiribam-Imphal Highway) and conversion of existing temporary minor bridges to permanent RCC bridges.
- (xxxvii) Meghalaya requested NHA to expedite award of work and implementation of the Shillong and the Jowai town bye-passes on NH-40 and NH-44.
- (xxxviii) Nagaland requested that the Ministry of Rural Development consider relaxation of norms to provide connectivity to habitations with 100+ population. Width of PMGSY roads be upgraded to intermediate lane i.e. 5.5 m width carriage way so that two vehicles can pass each other easily in the hill areas.
- (xxxix) Sikkim requested that the existing North Sikkim Highway from Gangtok to Mangan (67 km) be declared as National Highway in view of the strategic importance of the road. Sikkim clarified that there is no environment clearance constraint for the Gangtok-Nathula road for which works are being undertaken by BRO.

- (xl) Tripura sought prioritization of an alternative highway from Kukital to Sabroom via Dharamanagar for providing connectivity to interior and tribal areas.
- (xli) A scheme to provide connectivity to neighbouring countries may be introduced. At present there is no scheme for this purpose.
- (xlii) National Thermal Power Corporation (NTPC) requested that while developing the Master Plan for the roads, priority be accorded to NH-52 and road connecting District HQ at ROING and ANINI in Arunachal Pradesh for implementation on priority as these roads would provide connectivity to Hydro project sites.

CONCLUSIONS AND RECOMMENDATIONS:

- (i) The BOT(Toll)/BOT(Annuity) funding pattern for roads allotted to NHAI to under SARDP-NE/NHDP-III B is not considered suitable/feasible. Lack of response has delayed implementation. DoRTH to consider budgetary support as has been done for roads entrusted to BRO and Assam PWD.
- (ii) Capacity building of State PWDs for better planning & management of road assets is critical. ADBs assistance should be expanded. DoRTH may also seriously consider including an institution development and capacity building component in SARDP-NE and other road programmes with the objective to improve capacities of State PWDs.
- (iii) Maintenance of road assets is important. All States to consider enactment of legislation on the lines of the Mizoram Road Fund Bill. Mizoram to expedite enactment and implementation.
- (iv) DoRTH to consider the demand for extension of the East-West Corridor or, in the alternative to upgrade road linking all State capital cities and district HQs with four/two lane roads.
- (v) States to utilize funds awarded by 12th Finance Commission for maintenance of assets. Sikkim has suffered because of inadequacy of award.
- (vi) Ministry of DoNER to accord priority to funding of conversion of timber bridges to RCC bridges. DoNER may consider funding porter tracks for connectivity to remote hamlets in hill areas.
- (vii) A Master Plan encompassing all categories of roads to be developed by Ministry of DoNER, in consultation with the Ministries of Shipping, Road Transport & Highways, Rural Development, Planning Commission, NEC and the State Governments. The multiplier benefits of road sector programmes in promoting socio-economic growth should be factored in the proposed Master Plan. Priority be accorded to roads providing connectivity to hydro-project sites, important LCS and other economic and commercial growth

centres. Consultants or a consortium of Consultants to be identified for implementing this proposal.

- (viii) Ministry of DONER to continue funding roads which are not included under other Central and State sector programmes. NEC to continue to focus on roads which provide inter-state road connectivity.
- (ix) DORTH to make all efforts to complete implementation of selected roads under NHDP-II, NHDP-III and SARDP-NE within the targeted dates. Milestones be spelt out in separate Action Plans under each programme.
- (x) States to rationalize royalty rates being imposed on construction materials. Local quarries be allowed to be exploited for sourcing materials by road construction agencies.
- (xi) States to streamline/ simplify procedures for Environment and Forest clearance for felling of trees, shifting of public utilities, removing encroachments etc.
- (xii) BRO to consider setting-up Chief Engineer's office in Tripura and Sikkim.
- (xiii) Ministry of DONER, in consultation with the DEA, to request ADB to take up special training of Manipur State PWD within a time bound framework. Special attention to be paid to improvement of roads in hill areas of the State.
- (xiv) DORTH, NHAI and BRO to consider freezing of alignments so as to reduce delays in implementation.
- (xv) Ministry of DONER to request MEA to take the initiative to improve bilateral relations with Bangladesh to provide transit facilities to the North Eastern States, particularly to Tripura.
- (xvi) Ministry of DONER/ NEC to examine the proposal to create a pool of road construction equipment which can be leased/rented out to registered contractors.
- (xvii) Adequate provision be included in the original cost of construction of roads for maintenance during construction phase.
- (xviii) States to provide complete details of land along the NHs to the construction agencies, as envisaged in National Highways, Land and Traffic Control Act, 2002. As per this Act the management of road land lies with the highway construction/ maintenance agency.
- (xix) To address the transportation needs of major hydro power projects in Arunachal Pradesh and Sikkim and major Land Customs Stations (LCS) in the NER, the DoRTH may consider according priority to such NH projects under SARDP-NE.

- (xx) NEC and NLCPR funds should not be included under State Plans. They should continue to be utilized for projectised assistance for Inter-State Projects and Intra-State Projects respectively in NER.
- (xxi) Ministry of Defence to consider nominating a Nodal Officer for NER related issues.
- (xxii) It was observed from the presentation made by the Ministry of Rural Devpt. that the States are slow in preparing proposals and awarding contracts under PMGSY. States advised to put the institutional arrangements as suggested in PMGSY in place.
- (xxiii) The quality of roads under the PMGSY leaves much to be desired. Ministry of Rural Development to devise suitable and effective strategies for improvement of quality.
- (xxiv) Ministry of Rural Development to assist States to enhance capacities in respect of documentation and accounting under PMGSY.
- (xxv) States to control high cost of construction under the PMGSY scheme.
- (xxvi) To address issues relating to PMGSY, a Committee chaired by Shri P.P. Shrivastav, Member, NEC be constituted. It will include representative of Ministries DoNER and Rural Development, National Rural Roads Development Agency (NRRDA), Planning Commission, State PWD/RD/RWD as the case may be. Planning Adviser, NEC will be the Member-Secretary. Report to be submitted within three months.
- (xxvii) To address issues relating to implementation of NHDP-II, NHDP-IIIB and SARDP-NE, a Committee chaired by Dr. (Smt.) I.K. Barthakur, Member, NEC be constituted. It will include representatives from the Ministries of DORTH, Planning Commission and State PWD Ministers. Adviser (Transport), NEC will be the Member-Secretary. Report to be submitted within three months.
- (xxviii) Secretary, DONER in consultation with DORTH, will constitute a third Committee to address technical and research related issues with the primary objective to reduce the cost of construction of roads in the NER. CRRI may be associated.

4th SECTORAL SUMMIT OF THE NORTH EASTERN COUNCIL TO REVIEW TOURISM AND HOSPITALITY SECTOR PROGRAMMES IN THE NER

The NEC at its 53rd meeting held at New Delhi on 15-16 November , 2006 had decided to take up review of major Central sector programmes being implemented in the North East Region (NER). A Calendar of 16 such sectoral meetings was drawn up and is hosted on the Ministry of DoNER's website www.mdoner.gov.in

So far three sector summits have been held. The 1st summit held at Pasighat on 16-17 January, 2007 reviewed the power sector programme. The 2nd summit held at Shillong on 8-9 February, 2007 reviewed the road sector programmes. The 3rd summit was held at Guwahati from 9-11 March, 2007. A comprehensive review of the activities of the Commodity Boards, viz., Tea, Rubber, Spices and Coffee and the APEDA was taken up on the first day. This was followed by a review of the Inland Water Transport (IWT) and the Flood Control and Irrigation Sectors. The Pasighat Proclamation on Power adopted after the power sector review at Pasighat and the Shillong Statement on Roads and Highways finalized after the review of the Road Sector at Shillong as also documents listing the issues that emerged during the discussions and the conclusions arrived at the first three Summits have been circulated and are also hosted on the Ministry of DoNER website www.mdoner.gov.in

The 4th Sectoral Summit was held at Gangtok on 27-28 April, 2007 to review Tourism and Hospitality Sector Industry programmes being implemented in the N.E.R. The issues that emerged and the conclusions arrived at are detailed below:

Issues

1. The North East Region (NER) is a natural tourism destination with enormous potential. There is a need to identify the problems that stand in the way of the region becoming a sought after tourist destination.
2. The target groups for promotion should be both domestic and foreign tourists.
3. Tourism in the Northeast could be structured within four concentric circles as follows:
 - a. State based or intra State tourism
 - b. Inter-State tourism with clearly identified multi State tourism circuits.
 - c. Pan-regional tourism involving developing of linkages between the NER and other regions of the country particularly East India
 - d. International Tourism with connectivity from within the NER to

neighbouring and other foreign countries. It has to be recognized that Southeast Asia begins in the Northeast.

4. Domestic tourist traffic has increased from 250 million to 400 million and foreign tourist traffic is estimated to be between 2 to 3 million per annum. This requires that the thrust should be on domestic tourists.
5. Bengalis and Gujaratis are known to be great travellers; hence they should be the target of promotional efforts.
6. Efforts should be made through consultations to arrive at a consensus on relaxation of the restrictive ILP/RAP/PAP regime.
7. For attracting domestic tourists, the emphasis should be on developing dharmshalas, one room accommodation, low cost/low budget hotels, accommodation along rivers and near sanctuaries.
8. Poor connectivity is one of the impediments to the development of tourism in the NER. Government of India would be investing about Rs.50,000 crores on construction of roads in the next five years.
9. Air connectivity is critical to the region because of its terrain, spread and weak surface communication infrastructure. The NER has highest density of airports-11 are operational and at least 5 more are proposed to be made operational during the XIth Plan besides green field airports for Gangtok, Itanagar, Kohima, Tawang and Kokhrajhar.
10. Issues relating to funding of green field airports and up-gradation of non operational airports need to be resolved. This is of critical importance to the development of green field airport at Pakyong near Gangtok for which Rs. 100 crore awarded by the XIIth Finance Commission could not be utilized due to lack of decision on provision of the balance Rs. 240 crores.
11. NEC has reviewed its arrangements with Alliance Air and is in the process of inviting open expressions of interest for a dedicated Airline for improving intra-region connectivity, particularly air connectivity between the capital cities.
12. The Ministry of Power and the Central power sector PSUs are also going to invest considerable funds to tap the vast hydro potential and developing thermal power projects. It is expected that the NER will become power surplus at the end of the XIth Plan. This would ensure reliable 24 hour power supply to domestic, commercial and industrial establishment including hotels and other tourism related projects.
13. To improve connectivity, the Ministry of Railways has declared certain Railway projects like the Rail-cum-Road bridge at Bogibeel and the gauge conversion of the railway line from Rangia to Murkongselek as national projects; hence these would be provided budgetary support by the Government.
14. Development of inland water transport on the Brahmaputra, Barak and other rivers would lead to river tourism. IWAI will make the Brahmaputra

fully navigational within 2008 and also take up night navigation facilities. Proposal for declaration of the Barak river as National Waterway –VI is under process.

15. Ministry of DoNER & NEC have been funding Capacity Building schemes which include sponsoring candidate for trainings for pilots, aircraft maintenance engineers and the hospitality sector.
16. The forte of NE tourism lies in Eco-tourism, Adventure tourism, Heritage-tourism and Religious-tourism.
17. Tourist footfalls (3.5 million domestic and 0.37 million foreign during 2005) indicate that tourists currently visit mainly Assam, Sikkim and Meghalaya. Sikkim and Nagaland have been making good use of funds available under Ministry of Tourism schemes.
18. The main impediments to development of tourism include lack of basic infrastructure, inadequate community participation and private sector initiatives and investments, the **restrictive PAP/RAP/ILP regime** and security concerns.
19. The other issues hampering development of Tourism are the inability of some of the State Governments to make land available, inadequate expertise to prepare project proposals, delay in implementation of projects etc.
19. The North East Industrial & Investment Promotion Policy - 2007 (NEIIPP) effective from 1.4.2007 has extended fiscal incentives to service sector. These include benefits to hotels (two star category and above), adventure and leisure sports including ropeways.
20. The tourism sector should be a thrust area for intervention by the NEC during the XIth Plan.
21. State Governments to take full advantage of Ministry of Tourism schemes for infrastructure development and promotion.
22. In the NER the involvement of communities and private sector is the key to development of the tourism and hospitality industry.
23. The Ministry of Tourism has taken key initiatives in the region in nature, culture and religion tourism sub-sectors. The by-line “Paradise Unexplored” is being promoted as a NE Tourism brand. It already has an instant recall in the public mind. The focus of the Ministry of Tourism has been on the, “ Alert Independent Traveller”.
24. It is recognized that tourism development will have a multiplier effect on the economy of the NE States and the region particularly in generating substantial employment.
25. The Ministry of Tourism has been sanctioning funds @ Rs. 5.00 crores for destination development and Rs. 8.00 crores for circuit development. The amount has been increased to Rs. 25.00 crores and Rs.50.00 crores

respectively. More funds are available for bigger infrastructure projects such as golf courses, convention halls etc.

26. Ministry of Tourism has given emphasis to rural tourism in the country as a whole. 100 villages across the country have been identified for such development. To be eligible for support, the village should identify core attractions like paintings, crafts, woodwork etc. for attracting tourists.
27. MICE should be considered by the NEC and the States. The world business in this area is 280 billion dollars with 80 billion dollars in the Asia-Pacific region. The NE region could develop convention halls and link tourism with the business of hosting conventions.
28. There are two World Heritage sites in the North East, namely, Kaziranga and Manas. The Ministry of Tourism is willing to work with the NE States for inclusion of more sites as World Heritage sites.
29. The Tourism Sector in this region has been neglected whereas this sector provides the largest number of job opportunities. Currently, tourism constitutes 5.6% of the GDP of the country.
30. There are 25 Institutes of Hotel Management in the country. The Ministry of Tourism is committed to develop at least one institute in each State of the region provided minimum of five acres of land is made available by the State Government.
31. An entity for issuing appropriate advisories, to tourists and other visitors to the North East, on the security situation as also the weather may be considered.
32. Sikkim to be developed as hub linking other Buddhist destinations in Nepal, Bhutan, Tibet Autonomous Region and Tawang area of Arunachal Pradesh to a Pan-regional Buddhist circuit.
33. Nathula has become a tourist destination after reopening of trade with China in 2006. This is a positive step towards reviving historical linkages. The infrastructure needs to be developed on priority.
34. Kolodyne multi-modal transport link between Mizoram and Sittwe port in Myanmar will open up new opportunities for tourism between North East India and Myanmar. This should be expedited.
35. The existing Indo-Myanmar link through Moreh already draws fair number of domestic tourists. Improved infrastructure and promotion could make it a thriving tourist destination with possibility of Indian tourists being permitted to travel upto Mandalay in Myanmar. Request of Government of Manipur for a bus service between Imphal and Mandalay is under discussion between India and Myanmar. This needs to be followed up.
36. The WW-II Stillwell road from Ledo in Upper Assam to Kunming in Yunnan Province of China through North Myanmar should be revived with major strengthening of infrastructure at Pangsau Pass on Indo-

Myanmar Border. Government of India has already declared the Stillwell Road as National Highway - 153.

37. Inter State Tourism circuits to promote historical destinations like the World War-II cemeteries at Kohima and Imphal be developed on priority.
38. MHA to consider re-introduction of subsidized helicopter services in Nagaland. Presently there is only one airport at Dimapur. There is no air link to the capital city of Kohima and any other district headquarter.
39. There are strong sentiments linked to retention of the Inner Line Permit (ILP) system and the State Governments have made it fairly simple to obtain the permits.
40. There is a multitude of colourful festivals which are celebrated by the various communities round the year. The Hornbill Festival (Kohima: 1 – 7 December) had drawn more than 20,000 participants last year. No security personnel was deployed inside the venue.
41. Destinations like Kaziranga in Assam should be promoted together with destinations like Dimapur and Kohima in Nagaland and Imphal in Manipur.
42. Review of tourism sector projects by Minister Tourism at Guwahati on 3.7.2006 and at New Delhi on 10.4.2007 has given an impetus to the implementation of tourism related infrastructure projects. Ministry of Tourism to continue assisting the State for development of tourism related infrastructure.
43. Ministry of Home Affairs has carried out an intensive review, in consultation with the States, on 24.4.2007 and proposals received from some of the States for relaxation of PAP/RAP restrictions would be processed within the next 15 days. Representative of Government of Assam stated that they do not support re-imposition of any restrictions which were lifted in 1995.
44. ITDC is assisting the States in preparing the project reports and also in the implementation of the projects. They have also taken up capacity building programmes through the Ashok Institute of Hospitality and Tourism Management. More recently, training programme on Cruise hospitality has been introduced. ITDC is willing to accommodate candidates sponsored by the NE States.
45. ITDC offered to organize LTC tours for Government employees to the NER and requested the Central PSUs to withdraw restrictions on their employees on availing of such organized tours.
46. The Ministry of Tourism offered to provide 100% funding to candidates sponsored by the NE States for tourism and hospitality related training programmes.
47. The frequency of flights between Guwahati and Bangkok needs to be increased and flights between Guwahati on the one hand and Dhaka,

- Bhutan, Nepal and Kunming need to be introduced. Atleast one more airport in the NER to be developed as an international airport.
48. National parks like Kaziranga and Manas have been declared as World Heritage sites. Proposal for declaration of Majuli Island as a World Heritage site needs to be followed up.
 49. NEC to prepare a Master Plan for development of tourism in the NER. A professional Consultant may be engaged for this purpose.
 50. “Lonely Planet” has given adverse publicity disproportionate to ground reality on the security situation in the NER. This needs to be countered through direct interaction with the “Lonely Planet” Editor and through a campaign to educate people outside the region that security is a problem only in certain pockets and that States like Sikkim, Mizoram, Meghalaya and most of Arunachal Pradesh and Tripura are totally peaceful. State Governments of Nagaland, Manipur and Assam should make special efforts for promoting peaceful areas and issuing appropriate advisories from time to time to dispel wrong perceptions in the public mind.
 51. Rural Tourism including “bed and breakfast” and “paying guest” facilities being offered need to be promoted.

Conclusions :

1. A “Forum” consisting of representatives of Ministries of DoNER, Tourism and Civil Aviation, NEC, Public and Private stakeholders, tour operators etc. would be established for the formulation of:
 - State tourism circuits
 - Inter-State tourism circuits
 - Eco and Village tourism.
 - Promotional events.
 - Advocacy.
2. In consultation with the NE States, the Ministry of DoNER/NEC in consultation with the Ministries of Tourism, Home Affairs, External Affairs, Defence, etc. will formulate and launch a professionally prepared publicity programme on security for tourists in the North-East.
3. Ministry of DONER/NEC in consultation with Ministries of Tourism, Home Affairs, External Affairs, Defence, etc. will take up with the Commonwealth War Graves Commission, the possibility of organizing major commemorative events to which descendents of those buried in the North-East war cemeteries will be invited. This will, incidentally project the security environment in NER more accurately to western tourists.
4. Ministry of DoNER/NEC will sponsor NE promotion films (cultural and touristic) aimed at schoolchildren and college students in other parts of India. SPICMACAY will be requested to screen these in universities.

5. NEC to broaden its collaboration with ILFS for facilitating construction of star category hotels at identified locations. The scope of the North East Tourism Fund needs to be widened. Ministry of DoNER also to be associated.
6. The possibility of setting up a North-East Tourism Development Corporation “ a subsidiary of ITDC” will be explored.
7. A “dedicated airline” for the NE region, particularly for establishing connectivity within the NE states is under consideration of NEC/DoNER. This arrangement could be widened subsequently to provide connectivity with Nepal, Bhutan, Dhaka, Yangon, Bangkok, Kunming etc. for the promotion of regional tourism.
8. NEC/Ministry of DoNER will organize promotional events at different locations in the country aimed at Government servants for LTC visits to tourism destinations in the NE.
9. The Thai Minister of Commerce will be visiting the NE with a business delegation between 21-24 June 2007. This visit will promote tourism and also Thai business investment in the NE.
10. The Union Minister of Tourism and Culture, Smt. Ambika Soni, announced the establishment of one Institute of Hotel Management (IHM) in each of the States of NE that do not have any such institutions (Assam and Meghalaya already have one IHM each).
11. HRD and capacity-building of NE youths in the tourism, hotel and hospitality services are being undertaken by Ministry of DoNER/NEC/Ministry of Tourism. These efforts would be synergised for undertaking capacity-building in a planned way.
12. Ministry of DoNER will follow up issue of relevant Notifications by the DIPP under the NEIIPP 2007 within June, 2007.
13. Ministry of Home Affairs will consider and expedite issue of appropriate orders for relaxation of PAP/RAP restrictions on the entry of foreign nationals into Mizoram, Nagaland, Arunachal Pradesh and Sikkim based on inputs given by the States. States of Mizoram, Nagaland and Arunachal Pradesh also to consider simplification of procedures for issue of ILPs. For example, all Central and State Government employees and employees of Central and State PSUs may be allowed to enter based on official identity proof.
14. State Governments to identify inter State tourism circuits and share the details with the Ministries of Home Affairs, Tourism, DoNER and NEC both for relaxation of the PAP/RAP restrictions and extension of technical and financial assistance for development of these identified circuits.

15. NEC jointly with Ministries of DoNER, Tourism and the State Governments to take forward the suggestion of the Ministry of Tourism to take advantage of MICE Tourism by setting up Convention Centres at suitable locations and with all required infrastructure with assistance of the Ministry of Tourism.
16. NEC/Ministry of DoNER to organize a tourism promotional event at Bangkok jointly with the Ministry of Tourism and the Embassy of India at Bangkok after the Thai Commerce Minister's visit to the North East in June, 2007.
