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Ministry of External Affairs
Government of India

FIDC
FORUM FOR
INDIAN DEVELOPMENT
COOPERATION
भारतीय विकास सहयोग मंच



Regional Consultation on “Development of North East India and India’s Act East Policy: A Quest for Synergy”

**24-25 October 2017
Guwahati, Assam**

CONCEPT NOTE

Background

The Forum for Indian Development Cooperation (FIDC) was launched at a seminar held on 15 January 2013. The idea was to have a forum for exploring various facets of Indian development cooperation. The forum brings together academics, civil society, business leaders and policy makers.

The FIDC aims to encourage detailed analysis of broad trends in South-South Cooperation (SSC) and contextualise Indian policies by facilitating discussions across various subject streams and stakeholders based on theoretical and empirical analysis, field work, perception surveys and capacity building needs.

However, as most of the FIDC seminars and conferences have been organised in New Delhi, there have been suggestions that FIDC as a platform should be expanded and its outreach should be spread to other cities as well. Taking this idea forward, we conducted so far, four regional consultations, in Pune in collaboration with Symbiosis International University on February 10-11, 2015, in Kolkata in collaboration with Calcutta University on March 23-24, 2015, in Jaipur was organised on December 22-23, 2015 and in Chennai on the 15th March 2016, in partnership with Madras Institute of Development Studies (MIDS) and Bay of Bengal Programme Intergovernmental Organization (BoBP-IGO).

A consultation is now being proposed to be organized in Guwahati on 24th and 25th October 2017 to engage with academia, CSOs and other stakeholders from across the North East states of India representing different domains.

The Context

The idea of the regional consultation in Guwahati is, however, to go beyond introducing the concept of SSC to the relevant stakeholders of the region. In addition to opening up a platform for developing people-to-people contact across the border, it plans to locate North-East region of India as a hub to facilitate development cooperation across the border with countries in the immediate neighbourhood (Bangladesh, Nepal, Bhutan and Myanmar) and even those located a little beyond (Cambodia, Laos PDR, Vietnam). India's SSC projects in the region is given in annex 1. The possibility of synergies between the developmental activities planned for the North Eastern Region of India and India's initiatives of development cooperation with the countries in the immediate neighbourhood like Myanmar, Nepal, Bangladesh and Bhutan is intense. India's engagement with countries beyond immediate neighbourhood – Cambodia, Laos PDR and Vietnam has also been increasing rapidly. Expectedly, the mutual benefit accruing to India from such development cooperation activities will spill over in a more than proportionate manner to the North-Eastern states of India. For such an effort to fructify, it is necessary that a clear convergence between India's Act East Policy and North Eastern Region Vision 2020 is established. Such a convergence can be achieved only when a thorough ground level one on one mapping of interventions both within the North-Eastern region and the countries in the neighbourhood is carried out. The proposed consultation will attempt to develop the future roadmap of such possible synergies.

This consultation would have special significance due to eight constituent states of the North Eastern Region (NER) sharing over 5,400 kilometres of international border (about 98 per cent of its entire border area) with China (southern Tibet) in the north, Myanmar in the east, Bangladesh in the southwest, Bhutan to the northwest and Nepal in the west. Cambodia, Lao PDR and Vietnam who do not have immediate national borders with any of the North-Eastern states but, have promising linkages with the region, may also be suitably covered. Two very important features that the North-Eastern India share with its neighbours across the border and a little beyond are that they together constitute one of the 8 important biodiversity hotspots in the world and a prominent global poverty hotspot as well. Given the current efforts at implementing the sustainable development goals (SDGs) with the avowed motto that "no one is left behind" by the year 2030, a synergy between the development strategies for the north-eastern region of the country and those located in its immediate neighbourhood cannot be overemphasized.

Over the last few years considerable efforts have been put to develop multi-modal connectivity infrastructure both within the north eastern region and across the countries under review. Infrastructural efforts to facilitate trade across the border have also been initiated. The need for creating a new set of institutional infrastructure that complements the efforts at building physical infrastructure is being urgently felt. New efforts are now imperative to extend the economic process of value creation in an ecology and environment friendly manner in the extended geographical space being considered for this consultation. Such an effort would involve designing relevant architecture for institutional connectivity – networks of communities with support from members of academia and CSOs located on both sides of

the border. Expanding the opportunities of local trade which were the norms prior to independence can also play an important role to establish the necessary institutional infrastructure.

Value creation in a sustained manner is possible through creation of business opportunities for entrepreneurs of the region is the need of the day. Such efforts can be initiated through interventions in five distinct but critically interlinked domains. The five areas where sufficient attention may help achieve a win-win partnership may include (a) connectivity and physical infrastructure; (b) developing primary and secondary sectors of economic activities through enhancing regional value chains involving efforts in trade, agriculture, horticulture-floriculture and SMEs, (c) natural resources, water and energy (d) education, health and tourism and finally (e) capacity building.

The link states with our neighbouring countries are as follows:

- Mizoram and Manipur for Myanmar
- Assam and Sikkim for Bhutan
- Meghalaya, Tripura and Assam for Bangladesh; and
- Sikkim for Nepal

Development Cooperation in neighbouring countries and development interventions in the North East of India should simultaneously take care of in-situ livelihood generation. There needs to be a synergy between internal development strategy and external development cooperation strategy for partner countries. Two visible roadblocks for effectively linking these two processes for the last 60 years have been lack of connectivity both within and beyond the borders and lack of necessary institutional structure to facilitate such a linkage.

The first roadblock has been removed to some visible extent over the last decade and a half. Even some of the broken linkages are being taken care of. (3Rs – Road, Rail, River and 1-A – Air Connectivity) However, infrastructural network, however efficient it is, cannot generate livelihood opportunities if not backed by efficient institutional mechanisms. For example, India's trade volume with its neighbouring countries of Nepal, Bangladesh, Bhutan and Bangladesh has increased over the years but not through the North East; the Buddhist tourism sector has evolved but the North East of India has been left out; and the literacy rate and education in the North East students has increased but higher educational institutions are still small in number in the region.

As mentioned, considerable investment in the hard infrastructure has already been done. However, on the issue of soft power investment, the pace has been slow. Possible areas of investment which requires further discussion at a multistakeholder platform for synergising North East with Act East Policy are as follows:

- Language: North East has a good English based education and has the potential to impart English education to the people in Southeast Asia and East Asian countries. ITEC programmes for language training can be taken up in these areas.
- Health: This is one sector where the North Eastern states can play an active role for the health tourism from Bangladesh and Myanmar. Investment in the health infrastructure will not improve the health of the states but also of the entire region.
- Culture: The people of North East have strong ethnic and cultural linkages with the people in the Southeast Asia and this can be used to strengthen the ties. This can be linked with the border infrastructure/border connectivity issues where dedicated cultural/social spaces can be created in the border haats.

- Tourism: Promoting a new Buddhist Tourism Network from to attract tourists from Thailand , Cambodia, Laos and Vietnam to Buddhist pilgrimage centres in Sikkim, Nepal, Bhutan and Arunachal Pradesh, even beyond to Gaya and Lumbini.

Some potential interventions may be in terms of:

- Formalizing the existing riverine transport system between Nagaland and Myanmar
- Setting up a strong financial services hub in Moreh (Manipur) to facilitate formal trade between Manipur and Myanmar;
- Facilitating flow of construction materials from Assam and Meghalaya to Bangladesh;
- Creating south-south value chains in pine apple, orange, ginger and other fruits and spices involving Nepal, Sikkim, Bhutan, Assam, Meghalaya and Bangladesh;
- Creating a strong network of Micro-finance Institutions with partners from across the countries under consideration joining the same;
- Setting up facilities in north eastern states to serve as hubs for medical and educational tourism, utilizing the strong tradition of English medium educational facilities available in the north-eastern states;
- Creating an eco-tourism/responsible tourism chain involving the larger geographical region under consideration of the proposed consultaion.

North East India being rich in natural resources and having evolved a number of practices geared towards their sustainable management through community participation, experiences gathered in this region can help provide development cooperation in related areas in many Southern countries around the world. For instance, the knowledge base available in the arena of traditional and folk medicinal system, organic farming and natural resource harnessing and disaster management in fact could provide some newer instruments of development assistance among the recipient countries. Successful interventions by CSOs in promoting economically, socially and ecologically sustainable livelihood will be of interest to our partner countries in SSC. A session on such achievements will help showcase some such interventions. Several successful interventions through community-led financial inclusion models – involving women’s self-help groups – are also a hallmark of this region, which also is intended to be discussed at length. Cooperation in capacity building is a hallmark of India’s support to Southern countries. Successful experiences in natural resource management and access to financial services thus may be one of our focus areas for the Guwahati consultation. These will also promote the implementation of Sustainable Development Goals (SDGs) in the North-East.

Connectivity and Physical Infrastructure

The connectivity challenge for the North-East has three dimensions:-

- Connectivity between the North-East and the rest of the country;
- Connectivity within the North-East, linking North-Eastern states with one another; and
- Cross-border connectivity with neighbouring countries.

These different dimensions of connectivity need to be pursued simultaneously.

One of the key developmental bottlenecks in the North-East is that of infrastructure. The recent improvement in road connectivity has been beneficial for the region however; still a lot needs to be done. The region is connected to rest of India only through a 22 km – wide Siliguri Corridor located in Darjeeling district. Problem of road connectivity gets compounded due to lack of connectivity with neighbouring countries. For example, distance between Agartala and Kolkata through the Siliguri corridor is three times than through Bangladesh. The North-East region has about 2600 km of railway lines, concentrated mainly in the states of Assam and Tripura. Rest of the states are deprived of rail connectivity mainly due to inhospitable terrain which renders rail construction a difficult and an expensive proposition. Similar issues are there with air and waterways as well.

Steps to improve infrastructure connectivity at intra-regional level and at bilateral and multilateral have taken place. BBIN initiative has identified connectivity as the priority, including electrical grids, shared access to road, rail, air and port infrastructure and ease of travel.

Similarly the Trilateral Highway and Kaladan Multimodal project are projects for connectivity with Myanmar and South-East Asia. In a recent bilateral initiative, India has decided to provide 100MW of electricity to Bangladesh through Palatana Project in Udaipur, Tripura in exchange for Bangladesh leasing 10 gigabit per second (GBPS) bandwidth to India. This will significantly improve the internet connectivity of the entire North Eastern states which for the first time gets access to bandwidth through the Bay of Bengal base far away from the traditional sources of Southern and western India.

Some of the key strategies for inclusive development of the North-East region can include North-East Ring Road; a 250 km road across the Barak valley, trans-Arunachal highway linking Bomdila with Patna through Thimpu, Gangtok and Kathmandu; developing waterways and ports along Brahmaputra and Barak rivers; and redevelopment of 12 non-operational regional airports (Rupsi, Shella, Tura, Khowai, Lamalpur, Kailashar, Tuiral, Tezu, Pasighat, Along, Daporizo and Ziro) along with associated infrastructures like cargo and hotel facilities. Developing integrated transport corridor and expediting the development of proposed Tetelia-Byrnihat, Silchar-Aizwal-Champai and Agartala-Akhaura railway line would go a long way in connecting the region within itself and also with rest of the country and bordering countries.

Enhancing Regional Value Chains for Job Creation

Another problematic issue plaguing the North-East is the creation of gainful employment opportunities amidst scarcity of skilled and unskilled labour force. The region suffers from the cumulative effects of dominance of subsistence agrarian economies, poor industrial base, highly limited regional market, lack of infrastructure, significant dependence on public sector employment and political insurgency. Countries located in the immediate neighbourhood and a little beyond also suffer from similar issues. Integrating economic activities in this region through local, regional and even cross country value chains that is ably supported by the evolving physical infrastructure in the region, will help bring in lasting peace and prosperity and contribute to sustainable development of the region to ensure that “no one is left behind”. Creating smart rural centres for agro development and strengthening ecological and rural tourism would have a positive role to play in creating job opportunities. Agriculture policy of each state with specific focus on restoration of important industries like tea industry needs to be taken up. Setting up of food processing hubs along with creation of post-harvest

management facilities and cold chains are required to be strengthened. In order to make agriculture a profit making endeavour, multi-cropping and high value crops like black pepper and Naga chilly may be introduced. Finally, integrating them seamlessly with local value chains in other NE states and beyond that are located across the border in the neighbouring countries will enhance their ability to simultaneously tap the economies of scale and scope.

Natural Resource, Bio Diversity and Energy

The North Eastern region of the country and the neighbourhood countries together are rich in biodiversity and share an almost identical ecological landscape, thanks to its location around the Himalayas. In spite of rich endowment of natural resources, the region has lagged behind the rest of the country in terms of various developmental outcomes. Creating and securitising the natural assets of the region is important. Promotion of green businesses to take advantage of the region's biodiversity is needed to be developed as an important strategy for sustainable development in this region. Landscape scale conservation efforts that transcend international border is also a strongly felt need in this region. A few successful experiments across Kunchenjunga landscape have already been carried out at the community level. Efforts are needed to ascertain that the hydro-power potential of this region that are amenable to tapping in a sustainable manner can contribute meaningfully to the energy security of this region and beyond – to the rest of the country and even across the border.

Education, Health and Tourism

Among the social sectors health care sector is one area which has a vast scope of improvement and the benefits could be enjoyed both by the Indian citizens as well as by the citizens of the neighbouring countries. At the moment the favoured destination for medical treatment for Myanmar nationals are Bangkok and Singapore, where the treatments are expensive as compared to India. India has adopted NABH (National Accreditation Board for Hospitals & Healthcare Providers) program to improve the quality to international standard for attracting more foreigner medical tourists. However, there are no NABH hospitals in NE India. Medical tourists from Bangladesh, Nepal and Bhutan do travel to different Indian metro cities. North-East can be made an important centre for medical tourism for the neighbouring countries with cities like Guwahati, Dibrugarh, Silchar, Imphal and Agartala as Health Tourism Hubs. Now with a better e-connectivity owing to 10 GBPS bandwidth, a pan North-East e-network can be set up in lines of pan African e-network which provides tele medicine facility.

Traditionally, a critical reason attributed to the outmigration of the youth in North-East apart for employment opportunities has been education. However, the education infrastructure has improved steadily in the recent past. Infrastructure development of Central Institutions like the eight central universities, IITs, NITs, IIM and several other institutions in the NER has triggered a chain of cascading effects in form of construction of staff quarters, academic buildings, library buildings, administrative buildings and purchase of lab equipments, books, etc. These projects are in various stages of implementation.

The important Central Sector Institutions in the North East Region are Indian Institute of Technology (IIT), Guwahati; North Eastern Regional Institute of Science and Technology (NERIST), Itanagar; National Institute of Technology (NIT), Silchar; Regional Centres of Indira Gandhi National Open Universities (IGNOU); Central Universities of Assam,

Tezpur, Mizoram, Nagaland, Manipur, Sikkim, Arunachal Pradesh and Meghalaya; and North Eastern Hill University (NEHU). The private sector, too, has shown interest in strengthening the higher education of the region. Universities like Don Bosco, Guwahati; Shilong Medical College, Shilong; Manipal Institute in Sikkim, Indian Institute of Information Technology and Advanced Studies and Kaziranga University in Assam. North-Eastern Knowledge Foundation is about to start a university which intends to invest INR 100 Crores with subsequent investment of another INR 300 Crores over the next few years. The campus, on 50 acres, hopes to attract students from Bangladesh, Bhutan and Nepal.

The potential of linking the South East Asian countries with the North Eastern part of India through creating and sustaining an attractive tourism circuit that makes use of the unique features of this region in terms of Bio-diversity, religious practices (Buddhism), Adventure sports, Music etc. cannot be overemphasized as well. .

Capacity Building

The government and private run educational institutions can also empanel various programmes under the Development Partnership Administration's Indian Technical Economic Cooperation (ITEC) programmes meant for students from the developing countries. Participants from the neighbouring countries, at the moment, take part in ITEC programmes in the educational and training institutions which are spread across India. Other initiatives may include creation of knowledge hubs across the region with each hub concentrating on specific area of education. In order to develop the technical literacy of the region, North-East Technical University and Industrial Training Institutes (ITIs) can be set up.

Thus, India's domestic development narrative and challenges for the North-East of India has a strong correspondence towards India's Foreign Policy with the countries neighbouring these states.

Objectives

The consultation is planned with the objective of evolving a dialogue among various stakeholders on issues associated with Indian development cooperation policy and DoNER's vision about development in the North East. This consultation series is designed to provide an opportunity to discuss scope, objectives and modalities in the realm of development process of North East states and beyond. The idea is to explore possibility to enhance people-to-people contact beyond the national boundary and situating north-Eastern states as an effective hub for creating regional value chain from an Act East perspective.

FIDC along with the partner organizations, will explore ways of evolving mechanisms for strengthening communication across various actors. The key objectives may be summarised as follows:

- There are several actors that play an important role in the policy formulation. They include CSOs, academia, entrepreneurs including in farming, Chambers of Commerce

and Industry, media among many others. The endeavour would be to engage them in the work of FIDC.

- This would also strengthen the FIDC publication, *Profile of Indian Voluntary Organisations* that was prepared in 2013 which majorly focussed on CSOs based in New Delhi. This would increase the outreach of the publication by including Southern CSOs working in Global South.
- Explore possibility to enhance people-to-people contact beyond the national boundary and situating north-Eastern states as an effective hub for creating regional value chain from an Act East perspective.

Agenda

Effort shall be made to identify key partners so as to enhance the sense of partnership at local level. The spirit of India's approach to development cooperation involves providing demand driven inputs to partner countries. CSOs and private businesses can potentially play an effective role in such an endeavour given the tremendous knowledge base that they have generated in terms of the interventions in various sectors. However, generally observed phenomenon regarding the activities of Indian CSOs and business are that they have been suffering from either capacity constraints and/or policy constraints to extend their activities beyond India. Thus, the suggested points of discussion during the consultations would be on:-

- How to develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being?
- How to promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-small and medium sized enterprises via creation of effective regional value chains, including financial services?
- How to manage forest and water sustainably, restore degraded lands and successfully combat desertification, revive degraded natural habitats and end biodiversity loss?
- How to enhance regional and international cooperation to facilitate access to clean energy, including renewable energy, energy efficiency, and advanced and cleaner fossil-fuel technology?
- How to ensure that all girls and boys get equitable and quality primary and secondary education leading to relevant and effective learning outcomes?
- How to ensure equitable access to quality curative and preventive health facilities to the residents of this region?
- How to enhance regional and international support for implementing effective and targeted capacity-building to support national plans to implement all the Sustainable Development Goals, including through South-South cooperation.

Intended Outcomes

- The consultation intends to initiate a dialogue with Non-State stakeholders on a regional level and to facilitate subsequent dialogue at cross national level.

- Identifying both the domestic partners and institutions and CSOs in the immediate neighbouring countries
- Exploring various crucial areas of transfer of cooperative ventures across the border under the broad parameters of India's development cooperation matrices and analysing regional value chain for economic development of the region.
- Publication of an updated version of the *Profile of Indian Voluntary Organizations* that was prepared in 2013.
- An enhanced understanding on development cooperation and its operational components.
- Compilation of CSO success stories.

Annexure I

The Roadmap document has listed the following bilateral projects with Myanmar to promote connectivity and trade with India's North East Region.

1. Kaladan Multi-Modal Transit Transport Project
2. Status of Land Custom Stations at Zorinpui, Mizoram
3. Repairs/upgradation of 71 bridges on Tamu-Kalewa-Kalemyo Friendship Road in Myanmar
4. Trilateral Highway for connectivity from Moreh to India to Mae Sot in Thailand via Myanmar – revival of Joint Task Force.
5. Upgradation of Kalewa-Yargyi Road Segment – Assistance to Myanmar
6. Rhi-Tiddim Road in Myanmar (Zokhawthar – Rih to Kalemyo via Tiddim)
7. Asian Highway Network Connectivity
8. Bus service between Imphal and Mandalay (Myanmar)
9. Border Haat at Pangsau Pass, Arunachal Pradesh

The Roadmap document has listed the following bilateral projects with Bangladesh to promote connectivity and trade with India's North East Region.

1. Inland Container Port at Ashuganj, Bangladesh
2. Widening of Ashuganj-Akhaura Road in Bangladesh (will provide connectivity to Tripura)
3. Akhaura-Agartala Rail Link
4. Inclusion of additional routes in IWTT Protocol
5. Bridge over river Feni (at Sabroom, Tripura)
6. Upgradation of infrastructure at Sutarkandi LCS to Integrated Check Post (Assam)
7. Border Haats at Balat & Kalaichar on the Meghalaya border
8. Setting up of Integrated Check Post at Dawki Meghalaya by Department of Border Management, Government of India.
9. Upgrading infrastructure of Land Custom Stations at Dalu, Borsora, Ghasuapara by Government of Meghalaya with funding from ASIDE scheme of Department of Commerce.
10. ICP at Kawarpuchchiah/Demagiri-Thegamukh LCS, Mizoram.
11. Use of Chittagong and Mongla ports in Bangladesh for Indian cargo
12. Development of Integrated Check Post at Akhaura (near Agartala), Tripura

Even though Look East Policy (LEP) had been part of India's Foreign Policy since early 1990s, a North East perspective emerged at the official level only in October, 2007. The Look East Policy became an integral part of North Eastern Region Vision 2020 – a roadmap for development of the Region was finalised in July, 2008.

Over the years, four aspects of LEP-NE have emerged:

- Connectivity and Physical infrastructure to facilitate trade
- Trade and investment protocols
- Shortfalls in operationalisation of existing assets and facilities
- Soft aspects of bi-lateral / multi-lateral relationships such as in tourism and enhanced people to people interaction through sports, culture, academic and medical research etc.