

NEW ECONOMIC DEVELOPMENT POLICY
[Comprehensive Growth Strategy for Mizoram]

OPERATIONAL GUIDELINES

**FOR IMPLEMENTATION OF SCHEMES/ PROGRAMS/PROJECTS AND
POLICY AGENDA UNDER NEW ECONOMIC DEVELOPMENT POLICY
– COMPREHENSIVE GROWTH STRATEGY FOR MIZORAM**



Government of Mizoram

GOVERNMENT OF MIZORAM
Planning & Programme Implementation Department

**OPERATIONAL GUIDELINES FOR IMPLEMENTATION OF SCHEMES/
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DEVELOPMENT POLICY – COMPREHENSIVE GROWTH STRATEGY FOR
MIZORAM**

A. INTRODUCTION:

1. The Government of Mizoram has introduced the ‘New Economic Development Policy-Comprehensive Growth Strategy for Mizoram’ with the main objective of bringing about a sea change in the way priorities are placed in matters of economic development and governance so as to ensure that the State fully capitalizes on the new opportunities placed before it with the end goal being to attain a robust and self sustaining economy in the long run.
2. The Policy aims at providing bold, practical and effective strategies to push economy to a high growth path by enhancing productivity, creating employment opportunities, improving public finances, improving business environment and improving public service delivery in a sustainable manner. It lays out a dynamic vision for how we can collectively achieve a more developed, democratic, cohesive and inclusive economy and society over the medium term, in the context of sustained growth.
3. The strategy sets out critical policy interventions for employment generation, empowerment of weaker sections, and inclusive growth and identifies where viable changes in the structure and character of production can generate a more inclusive and robust economy over the medium to long run. The new policy recognizes that achieving transformation of economic conditions requires hard choices and a shared determination of the people of Mizoram. The new policy combines growth strategies across various sectors into a coherent package for development, decent work and inclusive growth. They bring together the priorities that constitute the basic economic focus to forge ahead to promote a more inclusive and stronger economy.
4. The guidelines intended to provide a basis for the effective implementation of the Comprehensive Growth Strategy on the principles set forth in the New Economic Development Policy and to ensure efficient utilization of available resources to attain maximum social outcomes. It is not an end in itself, and it provides a basis and guidelines for action to accomplish specific tasks.
5. In view of dynamic nature of the policy, it is expected that the operational guidelines will be supplemented and adapted over time as more experience is gained through implementation. The guidelines aim to promote a more goal-oriented planning and results-based management, monitoring and evaluation of results as well as learning from results and communicating about them that will further strengthen the Comprehensive Growth Strategy.

6. The *General Principles* that must be followed and adhered to by all the implementing Department and Agencies in formulating projects and implementing plans includes the following:
 - a. *To create and sustain public value.* Using government assets to produce a good and just society by delivering public services and achieving desired social outcomes. It will entail focus on quality of effort that yields sustainable results with positive long-term impacts on society. To develop organizational capacity and resources, the right combination of government/private/NGOs involvement may be mobilize to secure and deliver sustainable public value for citizens;
 - b. *Sustainability and perpetuation of human, economic and natural resources.* A development policy benefiting all the citizens, by integrating community responsibilities and activities into the overall context, increases the capacity of the present generation to respond to its needs without compromising the potential of future generation;
 - c. *Coherence:* To promote structural coherence in which initiatives under NEDP optimally reflects the State's factor endowment fundamentals. And also coherence and inter-linkages between various sectors as policy impetus for growth;
 - d. *Grassroots participation and consensus to promote vitality and viability of local communities.* All those involved in development be consulted as far as practicable, encourage them to participate and contribute to solving problems that concern the whole community. And promote consensus among all participants on the identification of problems, options and ways of resolving them;
 - e. *Reduction of inequality:* To promote equal opportunities for social, economic, and political participation as well as equal access to basic services and social protection, as inequality and discrimination prevent development;
 - f. *Transparency.* Procedures, methods and results must be communicated in a way that is accessible and comprehensible to all;
7. In addition to this guideline, Government of Mizoram shall issue office memorandum / notifications from time to time as required for successful implementation of New Economic Development Policy - comprehensive growth strategy.

B. THREE TIER COMMITTEE SYSTEM OF APPROVAL AND MONITORING

8. Three tier Committees has been constituted to plan, supervise, coordinate and monitor implementation of New Economic Development Policy – Comprehensive Growth Strategy for Mizoram:

9. *NEDP Core Committee:*

- a) Chairman - Chief Minister
- b) Alternate Chairman - Minister, Agriculture/RD etc.
- c) Member - Minister, Planning/Finance etc.
- d) Member - Minister, Commerce & Industries etc.
- e) Member - Minister, UD&PA etc.
- f) Member - Minister, Horticulture etc.
- g) Member – Minister, Health etc.
- h) Member - Vice Chairman, Mizoram State Planning Board
- i) Member - Chief Secretary, Government of Mizoram
- j) Member Secretary – Secretary, Planning & Programme Implementation Dept.

The Core Committee shall be the apex body to plan, oversee, and supervise implementation of the New Economic Development Policy. The Committee shall examine, consider and direct any amendment or alteration required to the policy. The Committee shall examine, consider and oversee items and component for policy reforms agenda, and development projects to be taken up under the NEDP.

10. *NEDP Executive Committee:*

- a) Chairman - Chief Secretary, Government of Mizoram
- b) Member Secretary – Secretary, Planning & Programme Implementation Department
- c) Member – All Principal Secretaries / Commissioners / Secretaries concerned.
- d) Member – All Heads of Departments concerned.

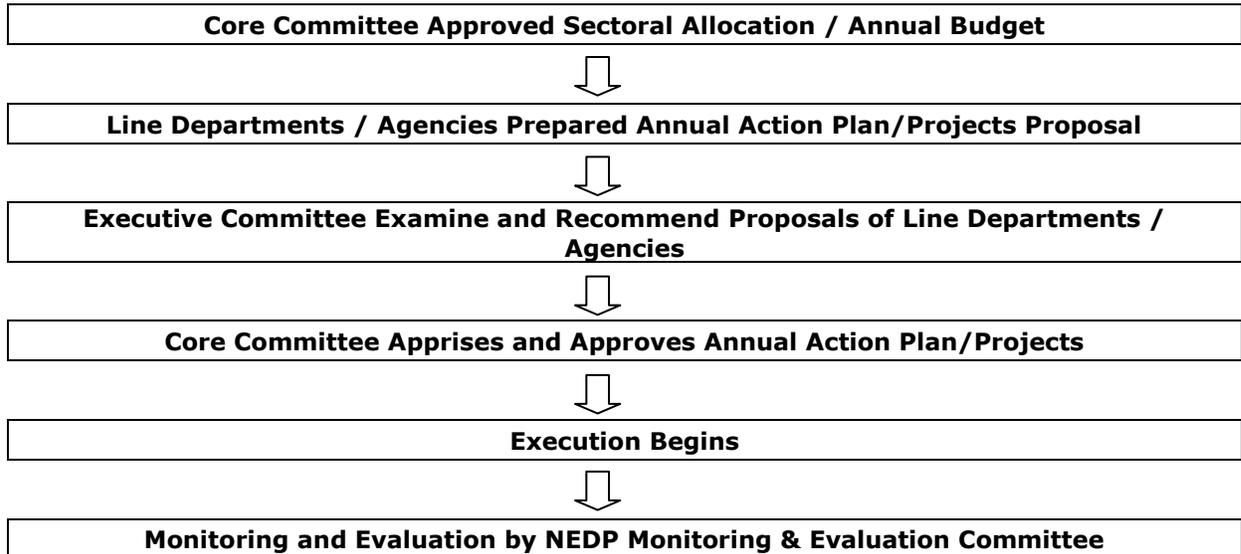
The Executive Committee shall supervise the implementation of the Policy provisions on a regular basis and resolve inter-departmental issues, if any. The Committee will examine applications or proposals for policy reforms agenda, and development projects to be taken up under the NEDP. The Committee shall recommend proposals submitted by various Departments for consideration of the Core Committee.

11. *NEDP Monitoring & Evaluation Committee:*

- a) Chairman - Vice Chairman, Mizoram State Planning Board
- b) Member Secretary – Secretary, Mizoram State Planning Board
- c) Member – All Expert/Official Members of Mizoram State Planning Board.

The Monitoring & Evaluation Committee shall monitor the implementation of the Policy provisions on a regular basis and evaluate impact of the policy reforms or development projects being implemented under NEDP. The Committee may co-opt or invite individual prominent citizens or expert, entrepreneurs, industrialists, producers or representative of Associations or Unions.

12. The flow chart given below gives the details of the complete process of planning, approval and implementation of projects, programs and schemes under NEDP:



C. SCHEME AND PROJECTS ON KEY GROWTH DRIVERS

13. The process of economic growth as well as the major macro-economic policies depends largely on the key growth sectors or high linkage sectors in the economy. The interlinkages of sectors are particularly important as policy impetus for the growth of a high linked sector can automatically impact the interlinked sectors through both forward and backward linkages and can improve the growth prospectus manifolds. Identifying the sectoral linkages is an essential pre-requisite for the policy makers in order to formulate appropriate policies for boosting the key high linked sectors, as these in turn propel the growth in other sectors.
14. Key sectors are those which influence the economy in a significant manner, i.e, which have the capacity to stimulate the growth of other sectors either through providing their own output to other sectors (Forward linkage), or through taking inputs from other sectors (Backward linkage). Identification of forward and backward linkages is also essential as one can then identify which are the sectors that are going to benefit through linkage effect and in what way. It is imperative, that the Government needs to focus on devising appropriate policies based on the requirements of these key sectors besides encouraging investments in these sectors which, in turn, will ensure a long run sustainable growth of the overall economy.

15. Based on their linkages and other economic considerations including favorable agro-climatic condition (factor endowment) and structural changes in the economy, the following sectors may be identified as potential key growth drivers of the State economy:
- a. *Agricultural & Allied Sector*: Rice, Vegetables (annual crops with high and consistent demand in local, national and international markets - onion, spices, squash etc.), Fruits (high value fruits with high and consistent demand in local, national and international markets - banana, orange, grape, passion fruits etc.), Floriculture (high value flowers with high and consistent demand in local, national and international markets – anthurium, orchid etc.), Animal Husbandry, Dairy, Fishery (with high and consistent demand in local market);
 - b. *Industry-Manufacturing Sector*: Forest Based Industries (bamboo), Handloom, Handicrafts, Agro Based Food Processing;
 - c. *Infrastructure Development*: Roads, Energy, Water Supply, ICT, Sanitation & Sewerage;
 - d. *Services Sector*: Tourism & Hospitality, Sports & Recreation, Education, Health Care, ICT, Transport Services;
16. The above identified potential key growth drivers of the State economy could be prioritized in proper sequence that would provide maximum linkages in the economy for propelling and fueling economic growth and development in the State.

17. **Agriculture & Allied Sector Development Scheme:**

- a. ***Introduction:*** The importance of agriculture in economic development is borne out by the fact that it is the primary sector of the economy, which provides the basic ingredients necessary for the existence of mankind and also provides most of the raw materials which, when transformed into finished products, serve as basic necessities of the human race. Growth in agriculture sector improves the incomes of poor household groups substantially, as it is the most pro-poor and rural oriented sector in terms of growth. The experience of the evolution of the agricultural sector over centuries tells us that the sector has evolved from being a basic food gathering (hunting and fishing) activity to an intensive production system due to population growth, increase in income, urbanization, technological revolution, and liberalization of trade.
- b. ***Objectives:*** Transforming the subsistence-oriented production system into a market-oriented production system as a way to increase the smallholder farmer's income and reduce rural poverty. Policy interventions will aims at promoting transformation of subsistence agriculture to market oriented agriculture by

following two-pronged approaches: (i) improving market orientation of smallholders at production level, and (ii) facilitation of market access and participation of small and marginal farmers in output markets. It will aim at agricultural transformation process in which individual farms shift from a highly subsistence-oriented production towards more specialized production targeting markets both for their input procurement and output supply.

- c. **Strategy:** Policy and strategy interventions to improve the functioning of input and output marketing, improvements in service provision, and the development of infrastructure stand out prominent. Implementing Departments would need to target the types of agricultural commodities to be promoted and which markets to focus on. In subsistence production, the farmer's objective is food self-sufficiency by using mainly non-traded and household generated inputs. The objective and the input sources change in semi-commercial farms into generating surplus agricultural outputs and using both traded and non-traded farm inputs. In a fully commercialized agriculture, however, inputs are predominantly obtained from markets and profit maximization becomes the farm household's driving objective. The fact that market orientation translates strongly into market participation implies that interventions aimed at promoting market orientation of households at production level is likely to have significant effect. Moreover, improving market access and farmers capacity to produce surplus production stand out as critical to improve household participation in output markets.
- d. **Area for Policy Intervention:** The need for designing appropriate intervention mechanisms and area for intervention cannot be emphasized enough. Smallholder commercialization demands not only well functioning output markets to sell marketable commodities, but also efficient and low-cost factor markets that reflect the true opportunity cost of farm inputs. In some cases, smallholders may not be able to obtain purchased farm inputs like seeds, fertilizer and equipments due to shortage of liquidity or higher transaction costs associated with these input markets. Moreover, they may not be able to have access to output markets due to similar or other problems. Government intervention is likely to be necessary to provide such requirements, which are usually common among small farmers, to solve or at least mitigate these problems and promote smallholder market participation, contributing to higher farm household income.
- e. List of policy intervention and support allowed under the Scheme are as follows:
 - i. Capacity building of line Departments and farmers including research and development and strengthening of extension system;

- ii. Support for provision of agricultural inputs like high yielding or high value variety seeds and equipments to improve productivity and income of farmers;
- iii. Construction of essential infrastructure like irrigation, rural roads, agriculture/horticulture link roads, power, rice mill, etc;
- iv. To facilitate market excess - through strengthening of institutional base for contract farming so that farmers are ensured of the marketability of their produce, sometimes even directly at farm-gate – and by improving market infrastructures such as construction of market yards, warehouse, price or market information system, organic and traceable certification system etc;
- v. Support for processing of foods including packing, packaging and branding;
- vi. Farm Integration - for increased agricultural productivity, continuous improvement in land use efficiency, and support introduction of crop integration.

f. ***Guideline for Construction of Agriculture/Horticulture Link Road:***

- i. Proper planning for provision of agriculture/horticulture link road is imperative to achieve the objectives of the NEDP in a realistic and cost effective manner. An agricultural / horticulture link road is a service road that link “farm to market” that serves predominantly agricultural, horticultural or forestry purposes and it has mainly local significance. As such, the stakeholders are mainly farming community in rural areas.
- ii. Agriculture/Link Roads will have to be community led initiatives in which selection and ownership shall rest with the Community. Proposing the new links road for construction under NEDP should start with proper consultation of the community, and the community through participatory planning should select such road based on priority and requirement of the farming community. Agriculture/Link Roads will have to be community led initiatives in which selection and ownership shall rest with the Community.
- iii. Unit rate of per kilometer will be Rs 5 lakhs. Based on fund availability, annual allotment of fund for each MLA constituency may be fixed depending on population of farming community.
- iv. Ownership of the link road shall rest with the community and further maintenance will be the responsibility of the community to ensure that roads are motorable in critical times for which community participation will be of paramount importance.

18. **Industry and Manufacturing Sector Development Scheme:**

- a. ***Introduction:*** Industry and manufacturing sector provide a vital source of innovation and competitiveness. To formulate credible industry and manufacturing growth strategy, there is a need to understand the linkage between structural coherence and economic growth. Structural coherence is a degree by which an industrial structure optimally reflects the Country or State's factor endowment fundamentals. Since structural change towards industries that intensively use a production factor is the optimal result of resource allocation as the endowment of the factor increases, and then any arrangement that obstructs the structural change toward alignment with endowment fundamentals can be a detriment to economic growth.
- b. ***Objectives:*** The overall Industry-Manufacturing sector objective is to increase growth rate of at least 3-4 percent per year over the next 5 years to a longer period.
- c. ***Strategy:*** Given the critical strategic issues that need to be addressed, the strategy for the sector is "an Innovative, market oriented and factor endowment based". Therefore, the overall development and growth of the sector is anchored in the following two strategic thrusts: (i) To take advantage of endowments in the State and opportunities presented by modern technology; (ii) Implementing a series of reinforcing policies to address the business, labor, and financial challenges that create obstacles for doing business particularly manufacturing activities in the State.
- d. List of initiatives, incentives and infrastructure development that may be supported from NEDP includes the following:
 - i. Skills development for Industry and Manufacturing Sector;
 - ii. Promoting bamboo/forest based industry and manufacturing activities including handicrafts, systematic harvesting of bamboo, agro based food processing, clusters development etc., while supporting with comprehensive regulations and guidelines to avoid exploitation of land and indigenous people;
 - iii. Support for developing and establishment of industrial parks, special economic zones, industrial or manufacturing clusters, etc;
 - iv. Improving ease of doing business - a well defined course of action and appropriate policy facilitation to improve doing business.

19. **Services Sector Development Scheme:**

- a. ***Introduction:*** Mizoram has witnessed services sector let growth during the last couple of years. However, in spite of the tremendous increase in share of services in GSDP, there has not been a corresponding rise in the share of services in employment. This jobless growth of the State's service sector, with no corresponding growth in the share of manufacturing sector, has raised doubts about its sustainability in the long run. Moreover, the services sector faces a number of barriers, which makes it difficult for the sector to reach its full potential and contribute to inclusive growth. Specifically, a lack of policy, which takes into account the heterogeneity of the sector and its evolution and integration, multiple governing bodies, and lack of coordination among them, lack of regulation in some sectors and over regulation in the others, are adversely affecting the growth of this sector.
- b. ***Context:*** In Mizoram, infrastructure facilities are poor and cost of service deliveries is high. Although Mizoram has high literacy rate, there is no uniformity in the quality and standard of education and formal education does not guarantee employability. Appropriate policy and reform measures that will enable the services sector to not only grow at a fast pace but also create quality employment and attract investment is needed. It is important for a Mizoram with a large and young population to generate quality employment and move up the value chain to reap demographic dividend. If appropriate reforms are implemented and credible policy is in place, it will not only enhance the productivity and efficiency of the services sector but will also lead to overall growth of the economy through backward and forward linkages, and it will enhance the State's competitiveness.
- c. ***Strategy:*** Given the ever evolving nature of national and domestic economies, the strategy for strengthening the services sector demands new responses from policy makers. The first step is to undertake a detailed assessment of existing policies and regulations affecting the services sector, then identify the current gaps to gain an appropriate understanding of how to better support services sector growth.
- d. ***Policy Agenda:*** (i) Assessment of existing policies and regulations affecting the services sector to identifying the burdensome regulations and reforming them; (ii) Since different services differ in nature, the issues are varied that involve different institutions, and Departments and the policy responses will also differ. An appropriate State Level Regulatory Authority to facilitate growth and ease in doing business would need to be instituted to coordinate all regulatory issues in the services sector.

- e. **Health Sector:** The policy aims at providing affordable and quality health care services to the people of Mizoram. The activities may include delivery of primary health care in a wholesome manner, the establishment and maintenance of hospitals and medical institutions with necessary infrastructure, providing curative services, preventive and promotive health care including control of communicable diseases, rendering of family welfare services including maternal and child health services, and measures for drugs & food safety. Initiatives or items that may be allowed to be funded under NEDP may be as follow:
- i. Skill development and training for different levels of health care workers;
 - ii. Improvement of Primary Health Centre – infrastructure and medical equipments – in convergence with National Health Mission;
 - iii. Improvement of District Hospitals as per Indian Public health Standards (IPHS) – in convergence with National Health Mission. All District Hospital are expected to provide comprehensive secondary health care services to the people in the district at an acceptable level of quality and being responsive and sensitive to the needs of people and referring centers. Every district is expected to have a district hospital that should be in a position to provide all basic specialty services. In addition, it should provide facilities for skill based trainings for different levels of health care workers;
 - iv. Support for establishment of reputable referral hospital with an aim to provide an effective referral system to ensures a close relationship between all levels of the health system in the State and helps to ensure people receive the best possible care closest to home. It will also assists in making cost-effective use of hospitals and primary health care services in the State;
 - v. Initiatives for food and drugs safety – including efforts to build local regulatory capacity and monitoring of food and drug safety, to promote general awareness about food safety and food standards, safety management of processed foods, prevention of food poisoning through promotion activities tailored to each food poisoning causing bacteria and season, safety control of children’s food in order to encourage children to select healthy and safe foods, identification of emerging risks and introduction of rapid alert system on foods and drugs safety, provide training programs for persons who are involved or intend to get involved in food and drugs businesses, safety monitoring of medicines;
 - vi. Patient Safety Program (PSP) that aims to improve the safety and reliability of healthcare and reduce harm, whenever care is delivered;

- vii. Bio-Medical Waste Management – to take all necessary steps to ensure that bio-medical waste is handled without any adverse effect to human health and the environment and in accordance with extant act/rules;
- f. **Special Project for development of Falkawn Referral Hospital:** NEDP support will focus on requirement for infrastructure development mostly in terms of medical equipments and infrastructure that facilitates to establish reputable Referral Hospital to minimize referring medical cases to outside the State. Development of the premises of the Referral Hospital may also be considered.
- g. **Education Sector:** The Government of Mizoram has set up the Education Reforms Commission (ERCM) to recommend ways and means to raise standards, and improve quality in all sectors of education, namely, pre-school, elementary, tertiary, professional and technical. The Commission has submitted its recommendation on 2010 and the Government has accepted the report and recommendation. The State Government has been continuously implementing the Commission’s recommendation through various sources of funding. NEDP will support implementation of the recommendation of Education Reforms Commission (ERCM) with a focus on enhancing the capacity of competence of teachers and infrastructure development in Education Sector.
- h. **Tourism Sector:** The State attracts tourists for religious purposes, cultural tourism, nature and eco-tourism, but rarely for amusement and leisure tourism. The approach to tourism development in Mizoram has to be based on the strengths of this State. Since Mizoram is rich in natural beauty with a unique mountain environment as well as rich cultural assets, diverse products have to be designed for various categories of people who travel to this State for different motives. Along with the development of tourism, the present environment assets must be conserved and the areas where deterioration has taken place should be upgraded and improved. The Government would need to develop Tourism Master Plan with an attempts to identify, define and describe potentials considering Mizoram unique resources and recommend specific line of action as to how such resources can be utilized to create different viable and sustainable nature and culture-based products of various standards, and also to sort out problems associated with the development of tourism in the State.
- i. **ICT Sector:** Information and Communications Technology provides economic opportunities to both urban and rural populations. It increases productivity and makes different works more efficiently, although the magnitude of the impact on economic growth is likely to be different, it is helping to change people’s lives in unprecedented ways. ICT, in particular high-speed internet, are changing the way people conduct business, transforms public service delivery and democratizing

innovation. NEDP will support implementation of high speed internet connectivity in different parts of Mizoram, wherever feasible. And also for improvement in ease of doing business and improvement in public services delivery.

- j. **Strengthening of Legal Metrology:** Legal Metrology is a potent instrument of consumer protection and also vital for the industrial development. In accordance with the current international practices, Legal Metrology has application in the fields of commercial transactions, industrial equipments and instruments needed for ensuring public health and human safety. In so far as commercial transactions are concerned, the law relating to Weights and Measures ensures that any article or goods which are to be sold by weight, measure or number should be weighed, measured, or counted accurately in the presence of the purchaser. In the field of industrial measurements the law envisages proper control on the accuracy of measurement carried out in industrial fields. In the field relating to the public health and human safety, the law ensures that the instruments such as clinical thermometers, blood pressure gauges, etc used by the medical practitioner are accurate so as to avoid wrong diagnosis and incorrect medication. As per provision in extant Act, no weight or measure shall be sold, or offered, exposed or possessed for sale, or used or kept for use in any transaction or for industrial production or for protection unless it has been verified and stamped. NEDP will support for strengthening of legal Metrology in the State.

D. INFRASTRUCTURE DEVELOPMENT

20. **Introduction:** Infrastructure is essential for sustained economic growth, competitiveness and social progress. The success or otherwise of economic development process depends largely on the available resources and an enabling environment. Resources such as capital, manpower and technology are necessary inputs in the growth process. However, the efficiency of these inputs and the sources of economic growth largely depend on the available enabling environment as defined in part by the available infrastructure. The strategic objectives of infrastructure development are often not clearly defined, or are misaligned with those of various stakeholders. This lack of focus often causes a suboptimal allocation of resources. Line Department would have clearly defined strategic objectives to develop a specific transport corridor or a critical development areas etc.
21. **Objectives:** Initiatives under NEDP should aim at long-term sustainability of the assets created and at building the capability of executing agencies to operate and manage them optimally over their lifecycle. One of the key challenges in implementation of an infrastructure project in the State is constrained capacity of executing agencies in

planning, implementing, and managing projects on time and within the stipulated budget. In many cases, where executing agencies were assigned the responsibility of implementing development projects, adherence to legacy and conventional systems of procurement, project management, and contract management often slowed the pace of implementation, or exposed project implementation to significant risks, leading to cost and time overruns. As a result, executing agencies find themselves in a weak position due to inadequate capacity in executing projects of such scale or complexity.

22. **Strategy:** The overall Infrastructure Development strategy is anchored in the following two strategic thrusts: (i) to maximize asset utilization. Given the challenge of congestion and public financial constraints (and sometimes space constraints) on building new assets, governments should aim to maximize the utilization of their existing assets; and (ii) To develop a well-designed O&M strategies and policies, in conjunction with policies to improve the earlier phases of infrastructure projects (planning, preparation, procurement and construction). To make high-performance O&M sustainable, Government will consider the three enablement strategies: (i) Ensuring stable and sufficient funding; (ii) Building institutional and individual capabilities and; (iii) Reforming governance. All works Departments (PWD, P&E, PHE, UD&PA, LAD, RD etc.) should begin by systematically reviewing and benchmarking their O&M practices and policies. After identifying the most critical issues in the State and sector's particular context, the State Government will need to establish a broad action plan and monitoring mechanism. Governments should treat O&M not only as an operational necessity aimed at reducing costs, but also as a strategic element that optimizes the value of an infrastructure asset for society – by increasing the asset's utilization, availability and service levels.
23. NEDP will also provide necessary funding and policy intervention, in convergence with various sources of funding for infrastructure development, to have credible infrastructure stock in the economy. We will construct new assets and address vast infrastructure deficiencies. Still, by optimizing existing capacity utilization, credible O&M policy can significantly reduce the amount of new construction and, by optimizing operating costs, can also make financial resources available for whatever new construction is truly needed. A well-designed O&M strategies and policies, in conjunction with policies to improve the earlier phases of infrastructure projects (planning, preparation, procurement and construction), can benefit the State economy immensely. This will also significantly enhance monitoring and surveillance system of infrastructure projects.
24. **Road Sector:** Road movement is the dominant modes of Transport in the State. The road network is the one that gives connectivity to all habitations. Without efficient network of roads, other planned development activities cannot produce expected

results. The road network of the State influence considerably the economic development, population distribution, shape of cities and towns, environmental quality, energy consumption, access to social infrastructure and above all the quality of life. The roads, therefore, should not be seen as mere connecting links or means of communication only but majority of economic activities in our society depend in one way or the other on road infrastructure.

25. Financial support under NEDP for the road sector will include, but not limited to, the following areas:

- a. Capacity building for improvement in institutional and management capacity;
- b. Operation & Maintenance of existing roads and bridges - O&M Framework to be formulated by PWD;
- c. Construction, up-gradation or improvement of critical developmental roads and bridges within the State;
- d. Improvement of connectivity and mobility between and within villages/towns/city;

26. **Power Sector:** Power supply remains a key infrastructure for economic development as no economy can aspire to be developed without the availability of enough power supply. Thus, energy security should be the *sine quo non* of any development strategy. Effort to ensure energy security requires action on three fronts: (i) increase in power generation to harness hydropower and solar power potentials, (ii) rationalizing energy pricing to ensure consumption efficiency, (iii) reduction of Transmission & Distribution (T&D) loss as Mizoram is one of the highest in T&D loss and; (iv) reforms in power sector management especially unbundling – separation of the core business units of generation, transmission and distribution into legally and operationally distinct and independent entities - is to enhance overall operational efficiency of the power sector.

27. Financial support under NEDP for the power and electricity sector will include, but not limited to, the following areas:

- a. Capacity building for improvement in institutional and management capacity;
- b. Operation & Maintenance of existing power and electricity infrastructure and assets - O&M Framework to be formulated by P&E;
- c. Construction, up-gradation or improvement of critical power and electricity infrastructure to improve power supply in the State;
- d. Improvement in transmission and distribution loss of power and electricity including distribution efficiency and billing system to improve cost recovery;
- e. Improvement to achieve energy efficiency and conservation.

28. **Water Supply & Sanitation:** Access to safe drinking water and sanitation is a moral and ethical imperative rooted in the cultural and religious traditions of Mizoram populace. Extending water supply and sanitation services is indispensable for leading quality life as safe drinking water and basic sanitation is of crucial importance to the preservation of human health. Due to funding constrains the water supply levels in various places of Mizoram (738 villages and 23 city/towns are not uniform ranging from 0 lpcd to 75 lpcd but still grossly inadequate in many places. NEDP will support efforts to provide adequate drinking water and sanitation for all the people in Mizoram in convergence with other schemes, programs and projects being implemented in the State.

29. Financial support under NEDP for improvement in water supply will include, but not limited to, the following areas:

I. WATER SUPPLY SECTOR :-

- a. Capacity building for improvement in institutional and management capacity.
- b. Operation & maintenance of existing water supply & sanitation infrastructure – to be implemented as per O&M framework formulated by PHED
- c. Augmentation of water resources including water catchment area Management & Development.
- d. Improvement in water transmission system.
- e. Improvement in metering and billing system to reduce Non-Revenue Water and for better cost recovery.
- f. Improvement in water supply quality through better and more efficient treatment/monitoring/surveillance.

II. SANITATION SECTOR:-

- a. Capacity building for improvement in institutional and management capacity.
- b. Operation & maintenance of existing sanitation infrastructure – to be implemented as per O&M Framework formulated by PHED
- c. Improvement of existing infrastructure of individual household latrine (IHHL) Community Sanitary Complex (CSC) Solid and Liquid Waste Management and Drainage (SLWM).
- d. Improvement in sanitation services through better and more efficient management/treatment/monitoring/surveillance.

30. **Urban Development:** The need for up-gradation and development of urban infrastructure and urban services cannot be overstated. Urban areas create jobs and attract investment that helps economic growth. Mizoram is facing an urban transition,

with cities facing a number of chronic problems which hold back their ability to reach potential. There are several areas to improve the economic vibrancy and livability of city and towns. The present levels of urban infrastructure are grossly inadequate to meet the demand of the existing urban population. There is also a tremendous pressure on civic infrastructure systems like water supply, sewerage and drainage, solid waste management, etc. In addition to the gap in available infrastructure to meet the requirements of urban centers, there is a daunting shortfall in available funds for improving and maintaining basic urban infrastructure.

31. The key areas of intervention for the improvement of urban infrastructure are: Improved planning at State, city and area level especially in the areas of; (i) Urban transport infrastructure for better mobility through public transport; (ii) Improving Non Motorized Transport and most importantly a policy on parking; (iii) Urban services: sewerage, drainage and water supply, power distribution Solid waste management; (iv) Housing including affordable housing and; (v) Social infrastructure such as parks, playgrounds and leisure spaces. One important matter that deserves utmost priority of the Government is to solve the problem of congestion particularly traffic of Aizawl City. This requires short, medium and long-term planning that has to have a comprehensive urban development plan.
32. Financial support under NEDP for the Urban Development sector will include, but not limited to, in the following areas:
 - a. Capacity building for improvement in institutional and management capacity;
 - b. Operation & Maintenance of existing urban amenities - to be implemented as per O&M Framework formulated by UD&PA;
 - c. Scheme for Composite Infrastructure Development & Improvement of Urban Infrastructure in the City Towns;
 - d. Scheme for Improvement of Urban Mobility in Aizawl City;
33. **Rural/Local Development:** The land-based economy and its accompanying way of life in rural communities have been affected by a number of factors. As rural communities needed to understand the challenges that their communities are facing in order to think strategically about future growth and development, so that rural communities can direct growth in a way that benefits the community while preserving its rural heritage and traditions. In this regard, smart growth approaches in rural environments may be framed around two key goals, which can help a community pursue its vision for accommodating and attracting sensible growth in the future, while maintaining and enhancing its rural character and quality of life. The two goals are: (i) support the rural landscape by creating an economic climate that enhances the viability

of farm lands and conserves natural forest; and (ii) improve habitation to thrive by taking care of assets and existing infrastructure, and develop places that the community values – the main objective may be to provide urban amenities in rural areas and maintaining the rural soul. This will help in developing villages in sustainable manner, reduce migration from villages to urban areas and prevent the town/cities from the urban pressure.

34. In order to achieve these objectives, financial support under NEDP for the rural/local development will include, but not limited to, the following areas:

- a. Improving livability by supporting sustainable rural communities, making a critical connection between economic competitiveness, agricultural and natural land preservation, the leveraging of existing infrastructure, and quality of life.
- b. Improvement and up gradation of existing local physical and social infrastructure such as water supply, street light, transport, health care, educational facilities, skills development and training centre, sanitation, drainage, parks and recreation, market yards, community hall, play grounds/stadium, community solid waste management, sewerage etc.;
- c. Initiatives to protect and preserves the rural landscape - preserve open space, protect air and water quality, provide places for recreation, and create tourist attractions that bring investments into the local economy;
- d. Initiatives that support walking, biking, and public transit that help reduce air pollution from vehicles while saving people money;
- e. Improvement in connectivity and mobility between and within villages;
- f. Refurbishing of village lakes, water tanks and wells, construction of rain water harvesting structures for sustainable development.

E. CHIEF MINISTER’S RURAL HOUSING SCHEME:

35. **Introduction:** Improvement in the quality of life of the rural population through proper infrastructure facilities of the economically weaker sections of the society has been one of the basic objectives of development program of the State. In this regard, housing is one of the basic requirements of human beings. Adequate shelter for each and every household is a fundamental pre-requisite for a healthy living in the society and habitat that facilitates dignified living, with privacy and self respect. Rural populace that are both scattered and concentrated in villages with marginal to low levels of economic development holds forth a unique challenge in the task of addressing the rural housing needs. The challenge of such a task is multi-dimensional in that area specific geo-

climatic features need to be considered in consonance with the meagre affordability levels of the people. The State Government is committed to address this challenge squarely.

36. **Strategy:** The strategy of rural housing policy would have to be sustainable, based on community choice and would have to provide the household with control over the ownership of the asset. The implementation process should also encourage Government and Civil society / NGOs partnerships, to extend necessary support to economically weaker segments in the society in providing housing to improve their livelihood opportunities, by operational flexibility in the implementation of housing scheme in terms of design, implementation, technology choice and allocation of financial resources.
37. **Objectives:** To strengthen the local level institutions / agencies / civil societies so that the framework for mobilizing additional land, finance for housing purposes and community infrastructure building is created. And to put in place a mechanism that provides housing plots for the totally landless so as to qualify them for financial targeting and subsequent livelihood initiatives.
38. **Unit Cost:** Financial Assistance per housing unit under the scheme is fixed at Rs 50,000 and it may be implemented on pilot basis in selected district(s).
39. **Target:** Financial Assistance under the Chief Minister's Rural Housing Scheme will be limited to the economically weaker families who did not have proper shelter but not covered under Indira Awas Yojana and /or any other housing Scheme.

F. IMPROVEMENT OF URBAN MOBILITY SCHEME FOR AIZAWL CITY

40. **Introduction:** Aizawl City, with a population of more than 3 lakh population has now become a big hill city. With the growing vehicular population, particularly motor cycles, the government needs to attend to the issues and need to come up with various short term and long term solutions to improve overall mobility in the City. Traffic Congestions are more pronounced in major traffic junctions and this needs to be addressed squarely to improve livability of Aizawl City. Thus, solutions of vehicular and pedestrian traffic in major traffic junctions will need to be addressed on priority basis.
41. **Necessity of the Scheme:** Bigger Cities/Towns have relatively higher problems in urban mobility resulting in traffic congestions, which in turn results in higher rate of traffic casualties. Thus, with the growing size of the city/town, there needs to be more considerations of issues in urban transportation and mobility. This will include

measures to improve public transport systems, pedestrian and NMT facilities and other safety measures for various road users and the general public. This Scheme, therefore aims at taking up various measures to address issues facing urban mobility in Aizawl City.

42. **Objectives of the Scheme:** (i) To take up various measures to improve overall mobility in Aizawl City; (ii) To take up activities to improve pedestrian facilities, and safety concerns so as to make the city pedestrian-friendly; (iii) To improve critical junctions in Cities/Town so that movement of traffic is smooth, safe and pedestrian friendly and other road users by making appropriate arrangements; (iv) To re-adjust various utilities like electricity, water supply, telephones, etc. along the major corridors so that overall vehicular and pedestrian traffic movements are smooth and seamless.
43. **Areas for Immediate Action:** With the increase of vehicular traffic in urban areas, the Cities/Town of the State are now experiencing serious traffic problems. Traffic congestion are confined mainly at the major traffic junctions as vehicles for different directions meet at a single point, and without proper physical and technological intervention, these junctions are the source of major traffic bottlenecks. Besides, without proper solutions, these junctions also pose serious threats to pedestrians resulting high casualties.
44. **Junction Improvements in Aizawl City – Proposed Activity in Phase-I:** Aizawl, which is the capital of Mizoram and one of the most fast developing city compared with other cities of India. Since there is no other alternatives communication route and due to the rapid growth of traffics day by days, the present road network is insufficient to serves the demand of the traffic movements. Moreover, timely maintenance of road could not be done due to paucity of fund. Improvement and strengthening of the existing roads and Improvement of various road junctions where the traffic flow in high are very much necessary in order to have a smooth flow of traffic flow and to make the major junctions safe for all road-users and pedestrian friendly. Thus, it is proposed to first address improvement of major intersections in Aizawl City under this Scheme.

G. ENTREPRENEURSHIP DEVELOPMENT SCHEME

45. Entrepreneurship Development Scheme will be roll out. Mizoram State Entrepreneurship Development Monitoring Committee (MEDMOC) will be established under the Chairmanship of Chief Secretary. with the following composition:

Chairman	: Chief Secretary, Govt. of Mizoram
Alternate Chairman	: Secretary, Planning Dept., Govt. of Mizoram
Official Member	: Secretary, Commerce & Industries Dept., Govt. of Mizoram : Secretary, Higher & Technical Education Dept., Govt. of Mizoram
Expert Member (For an initial period of 2 years)	: Pu Joseph L. Ralte, Founder, Mizoram Entrepreneurship Network : Pu Rinzuala, Coordinator, UN Joint Initiatives in Mizoram : Dr. Laldinliana Varte, Asst. Professor, Dept. of Commerce, MZU
Member-Secretary	: Economist-cum-Under Secretary, Planning Department.

46. The MEDMOC will oversee the Entrepreneurship Development Scheme and coordinate its implementation through concerned State Departments, educational institutions and agencies. Planning & Programme Implementation Department will act as nodal department for the scheme, and also provides secretarial assistance to the Committee.

H. PUBLIC ADMINISTRATIVE REFORM

47. On the recommendation of NEDP Core Committee, Administrative Reform Committee under the Chairmanship of the Chief Secretary has been set up by DP&AR with the following composition:

- a. Chairman: Chief Secretary
- b. Member: Principal Secretary (DP&AR)
- c. Member: General Secretary, FMGE&W
- d. Nodal Officer: Joint Secretary (CSW&Training Wing, DP&AR)

48. Keeping in view the policy reform agenda of the NEDP and the timeline of three months for the submission of its report. The Terms of Reference of the Committee will be the following:

- a. To improve ease of doing business in Government by introducing the single file system in some departments;
- b. To recommend measures for right sizing of Government employees;
- c. To strengthen the existing public grievance redressal mechanism “mipui aw” to improve ease of access to Government for the citizens, particularly with regard to voicing their grievances;
- d. Introduction of a computerized file tracking system to monitor and speed up movement of files.

49. General Administration Department has been separately taking up proposal for devising a mechanism for pooling of resources including land/asset for improving efficiency and effectiveness of Government.

I. REFORM IN PUBLIC FINANCIAL MANAGEMENT

50. **Introduction:** Public resources mobilization and fiscal management are essential parts of the development process. Sound fiscal management supports aggregate control, prioritization, accountability and efficiency in the management of public resources and delivery of services, which are critical to the achievement of public policy objectives, including achievement of poverty alleviation. In addition, sound public financial management systems at the State or sub-national levels are fundamental to the appropriate use and effectiveness of Central assistance. Therefore, the State Government would need to develop credible Public Financial Management structure.
51. Main component of the Public Financial Management reform during 2016-17 will include the following:
- a. Budget Process Reform;
 - b. Procurement System Reforms; and
 - c. Expenditure Reforms;

J. SKILLS DEVELOPMENT POLICY

52. LE&IT Department will prepare Skills Development Policy in line with Government of India's policy in consultation with Secretaries of Higher & Technical Education, School Education, Social Welfare, Rural Development, Urban Development & Poverty Alleviation and Commerce & Industries Departments.

K. CLIMATE CHANGE ADAPTATION AND MITIGATION STRATEGY

53. Action Plan for Climate Change under New Economic Development Policy will include the following components:
- a. Bridging data and knowledge gaps through research;
 - b. Capacity building of communities and State Government officials;
 - c. Building climate change resilient natural resources and communities;
 - d. Sanitation and waste management; and
 - e. Ecotourism Development activities.

L. LAND REFORMS

54. Committee on Land Reforms has been set up by Land Revenue and Settlement Department under the Chairmanship of Chief Secretary with the following component:

- a. Chairman – Chief Secretary
- b. Member Secretary – Secretary, Land Revenue and Settlement
- c. Member – Principal Secretary, Environment, Forest & Climate Change
- d. Member – Secretary, Planning
- e. Member – Secretary, UD&PA
- f. Member – Secretary, Agriculture
- g. Member – Secretary, Horticulture
- h. Member – Secretary, Rural Development
- i. Member – Director, Land Revenue & Settlement
- j. Member – Director, UD&PA
- k. Member – Director, LAD
- l. Member – Director, Agriculture (CH)
- m. Member – Director, Horticulture
- n. Member – Director, Rural Development

55. The main focus of the Committee will include appropriate ceiling for land holdings, reserve land for development projects/public housing etc.
