

# Compass due North-East: Mapping the Regional Social Enterprise Landscape

Preliminary Assessment of the Social Enterprise Sector  
in the North Eastern Region of India



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## About Intellectap

Intellectap is a pioneer in providing innovative business solutions that help build and scale profitable and sustainable enterprises dedicated to social and environmental change. We are uniquely positioned at the intersection of social and commercial business to attract and nurture intellectual capital that combines the business training of the commercial world with the passion and commitment of the social world. Our clients include a broad range of enterprises, investors, development finance institutions, foundations, and private sector corporations. We work in over 20 countries around the world, with a special focus on South and South East Asia, and Sub-Saharan Africa.

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For more information, please visit [www.intellectap.com](http://www.intellectap.com)



# Abbreviations Index

ADB	Asian Development Bank
ALS	Advance Life Saving
ASHA	Accredited Social Health Activists
APEDA	Agricultural & Processed Food Products Export Development Authority
AYUSH	Ayurveda, Yoga, Unani, Siddha and Homoeopathy
BOP	Bottom of the Pyramid
BPL	Below the Poverty Line
BPO	Business Process Outsourcing
BSNL	Bharat Sanchar Nigam Limited
BYST	Bhartiya Yuva Shakti Trust
CBO	Community Based Organisation
CBSE	Central Board of Secondary Education
CHC	Community Health Centres
CII	Confederation of Indian Industries
CIRC	Community Information Resource Centre
C-NES	Centre for North East Studies and Policy Research
DGET	Directorate of General Employment and Training
EDII	Entrepreneurship Development Institute of India
FGA	Future Generation, AP
FICCI	Federation of Indian Chambers of Commerce and Industry
FIF	Financial Inclusion Fund
FINO	Financial Information Network & Operations Limited
FITF	Financial Inclusion Technology Fund
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
GOI	Government of India
ICC	Indian Chamber of Commerce
ICT	Information and Communication Technology
IDU	Injecting Drug Users
IFAD	International Fund for Agricultural Development
IGNOU	Indira Gandhi National Open University
IIE	Indian Institute of Entrepreneurship
IIFT	Indian Institute of Foreign Trade
IIM	Indian Institute of Management
IIVET	Indian Institute of Vocational Education and Training
IMR	Infant Mortality Rate
INR	Indian National Rupees
ISRO	Indian Space Research Organisation
IT	Information Technology
JLG	Joint Liability Groups
JSSK	Janani Shishu Suraksha Karyakaram
JSY	Janani Suraksha Yojana
KVIC	Khadi and Village Industries Commission
LTC	Leave Travel Concession



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<b>MDoNER</b>	Ministry of Development of North Eastern Region
<b>MFI</b>	Microfinance Institution
<b>MFPI</b>	Ministry of Food Processing Industries
<b>Mn</b>	Million
<b>MNRE</b>	Ministry of New & Renewable Energy
<b>MOU</b>	Memorandum of Understanding
<b>MSDF</b>	Michael and Susan Dell Foundation
<b>MSME</b>	Micro, Small and Medium Enterprises
<b>NABARD</b>	National Bank for Agriculture and Rural Development
<b>NAC</b>	National Assessment of Competence
<b>NCAER</b>	National Council of Applied Economic Research
<b>NE</b>	North East
<b>NEC</b>	North Eastern Council
<b>NEDFi</b>	North Eastern Development Finance Corporation
<b>NEEPCO</b>	North Eastern Electric Power Corporation
<b>NEIIP</b>	North East Industrial and Investment Promotion Policy
<b>NEIP</b>	North East India Project
<b>NEITCO</b>	North Eastern Industrial and Technical Consultancy Organisation
<b>NER</b>	North Eastern Region
<b>NERAMAC</b>	North East Regional and Agricultural Marketing Corporation
<b>NERCORMP</b>	North Eastern Region Community Resource Management
<b>NERCRMP</b>	North Eastern Region Community Resource Management Project
<b>NGO</b>	Non Governmental Organisation
<b>NIELIT</b>	National Institute of e-Learning & Information Technology
<b>NRHM</b>	National Rural Health Mission
<b>NSDC</b>	National Skills Development Corporation
<b>NSIC</b>	National Small Industries Corporation
<b>PDS</b>	Public Distribution System
<b>PE/VC</b>	Private Equity/ Venture Capital
<b>PHC</b>	Primary Healthcare Centres
<b>R&amp;D</b>	Research and Development
<b>RBI</b>	Reserve Bank of India
<b>RRB</b>	Regional Rural Bank
<b>RSBY</b>	Rashtriya Swasthya Bima Yojana
<b>SBI</b>	State Bank of India
<b>SBLP</b>	Self Help Group-Bank Linkage Program
<b>SEBA</b>	Board of Secondary Education, Assam
<b>SFAC</b>	Small Farmer's Agri-Business Consortium
<b>SFMC</b>	SIDBI Foundation for Micro Credit
<b>SFRUTI</b>	Scheme of Fund for Regeneration of Traditional Industries
<b>SHG</b>	Self Help Groups
<b>SHP</b>	Small Hydro Power





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<b>SIDBI</b>	Small Industries Development Bank of India
<b>SME</b>	Small and Medium Enterprise
<b>SNEHH</b>	Scheme for North East Handloom and Handicrafts
<b>SSA</b>	Sarva Shiksha Abhiyan
<b>TEDF</b>	Techno-Economic Development Fund
<b>TERI</b>	The Energy and Resources Institute
<b>UNDP</b>	United Nations Development Programme
<b>UNEP</b>	United Nations Environment Programme
<b>UNIDO</b>	United Nations Industrial Development Organisation
<b>USAID</b>	United States Agency for International Development
<b>USD/ US\$</b>	United States Dollars
<b>VAT</b>	Value Added Tax
<b>VHAI</b>	Voluntary Health Association of India



# Executive Summary

India's Bottom of the Pyramid (BoP) market and its potential to reap the demographic dividend has attracted myriad businesses and business models in a range of sectors. The country is increasingly seen as a hub for social entrepreneurship with innovative business models that focus on improving the lives of the underserved. Built with the intent to provide solutions to the 'bottom of the pyramid', these enterprises, if successful, can have long-term impact in accelerating growth and creating value for all stakeholders concerned.

Understandably, the level of social enterprise (See Box 1 for definition) activity greatly varies across the country. States with better infrastructure, education levels, market linkages and access to vast knowledge networks are able to engender the development of well structured social enterprises. Underserved states in the country, although most in need of these innovative businesses, usually do not experience similar social enterprise activity, because they do not have this support infrastructure in place. There is a need to channel greater resources - financial and non-financial - to foster a sustainable environment for their growth and development in such markets. India's North Eastern Region (NER) presents one such underserved region in the country. A renewed policy thrust over the last decade has provided an impetus to economic and business activity in the region. However, there are no organized information platforms or networks to indicate the level or the development of the social enterprise ecosystem in the region.

As part of its commitment towards supporting Sustainable Economic Development in India, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH under the framework of bilateral technical cooperation between India and Germany funded by the German Ministry of Economic Cooperation and Development (BMZ) took the lead in developing a deeper understanding of the level of social enterprise activity in the NER. Intellectap was commissioned to conduct the study.

This study in the NER seeks to develop an initial understanding of the social enterprise and impact investing ecosystem in the region. It explores existing social entrepreneurial activity, its key characteristics and the operating environment. Findings of this study were established in two phases: by preliminary assessment and then by conducting a workshop. Both these phases covered social enterprises, non-profits, entrepreneurs and key government and quasi-government stakeholders and enablers active in the NER.

## Box 1

### Impact Investor – Indian Example

- 1 For the purpose of the study, a social enterprise is defined using the following criteria:
- 2 For-profit: They operate as independent businesses with the goal of generating a profit.
- 3 Committed to social impact: They have a clear and explicit mission to create a positive social impact.
- 4 Base of the Pyramid (BOP) focus: Business operations improve the lives and livelihoods of those residing at the BOP in one of the following ways:
  - Increasing access to critical goods and services for BoP consumers; or
  - Improving the productivity, output quality or market linkages for BoP producers.
- 5 Critical-needs sector: They operate in one of the following sectors that have a direct impact on the quality of life for individuals at the BoP: agriculture, education, energy, healthcare, livelihood development and water/sanitation.

Source: *A Study of India's Social Enterprise Landscape, April 2012, Intellectap*



## Methodology

Preliminary assessment included desk research to map the challenges, capacity gaps, opportunities and key stakeholders that may facilitate the growth of social enterprises in the region. Secondary desk research was followed by a week-long field visit to the region to conduct in-depth interviews of 25 active stakeholders in the region. During the second phase, a Practitioner's Workshop in Guwahati was organized which attracted participation from 22 enterprises and helped develop primary insights. As a precursor to the workshop, the team administered an online survey to the registered participants in order to understand key defining characteristics of those enterprises. Social enterprises are present and emerging in all the NER, but are often unable to scale or achieve profitability due to a lack of adequate support infrastructure. Despite being fully operational, most enterprises were just about covering their operational costs. Almost all respondents sought external funding to infuse growth within their organisations, but shared that they struggled to access capital. Raising commercial capital, navigating the regulatory environment, building the value chain and defining their business model emerged as top challenges. The enterprise respondents ranged from diverse sectors including, but not limited to, agriculture, health, education, tourism and handicrafts.

The study team identified potential areas for intervention and technical assistance to promote social enterprise activity in the NER. Recognizing that Government interventions form the bedrock of this support infrastructure, the suggestions for interventions seek to encourage greater financial and non-financial assistance from other key stakeholders to support the social enterprise ecosystem in the NER. They include:

- Leveraging synergies that might exist by identifying and collaborating with donors that promote sectors and clusters with high potential for social impact;
- Creating a region-focused investor network that brings together diverse sector stakeholders such as enterprises, angel investor networks and regional chapters of industry networks to provide assistance to enterprises and evaluate high potential enterprises exclusively from the NER;
- Developing a region-focused venture funds for NER similar to those created for low-income states in India, and creating a mechanism for patience investing;
- Working with the government to encourage cluster development to enable better access of enterprises to support infrastructure;
- Building year-round activities of engagement with entrepreneurs from the NER, such as conducting practitioner and investor-investee workshops, and building knowledge and information components such as research reports, to integrate them into the larger social enterprise ecosystem;
- Building annual programs to offer exposure and recognition for NER-specific social enterprises, and provide peer-to-peer learning and networking opportunities;
- Creating platforms for virtual incubation and mentorship by collaborating with existing organisations that support emerging entrepreneurs;
- Collaborating with NGOs with a large on-ground presence to build awareness programs for producer and consumer communities to mitigate challenges emerging from geographic isolation and poor connectivity.







# 1 Objectives & Methodology

## Objectives

Interventions to spur inclusive growth in the NER are often faced with a paucity of specific information on social enterprise activity and the different stakeholders in the region. This preliminary study aims to fill this gap. The objective of this preliminary study of social enterprise activity in the NER of India is to develop an initial understanding of the social enterprise and impact investing ecosystem in the region. The study attempts to:

- Understand the existing activity that can be classified as social enterprise activity in the region.
- Identify key characteristics of social enterprises active in the geography.
- Assess the need and opportunities for social enterprises (sector-wise) to operate in the NER.
- Understand the challenges, capacity gaps and solutions for promoting social enterprises growth in the NER.
- Identify potential areas of interventions that can support the growth of social enterprises in the NER.

## Methodology

### Database

The study team compiled an initial database of social enterprises, non-profits, entrepreneurs and key government and quasi-government stakeholders and enablers active in the NER. The database included:

- For-profit entities, focused on social impact and financial sustainability, with clear products and/or services that cater to the needs of the poor;
- Non-profit entities, focused on social impact and projects that could be run sustainably;
- Organisations working primarily in the following focus sectors – financial inclusion, agri-business, handloom/handicrafts, livelihoods/education, energy, healthcare, water and sanitation, and eco-tourism;
- Organisations that enabled social enterprises to do their work effectively (such as training institutes, apex organisations, industry networks, capacity-building organisations)
- Networks that support and facilitate social enterprises and other enablers to better reach out and showcase their products; and
- Financial institutions, impact investors and incubators engaged in funding and supporting social enterprises.



Table 1 Study Phases and Methodology		
Preliminary Preparation	Conducting the Workshop	Synthesizing the report
<ul style="list-style-type: none"> <li>• Building a stakeholders database</li> <li>• Field visits and exploratory interviews</li> <li>• Research design</li> <li>• Questionnaire design and respondent selection</li> <li>• Implementing online survey</li> </ul>	<ul style="list-style-type: none"> <li>• Planning workshop content</li> <li>• Registering participation</li> <li>• Group activities at the workshop</li> <li>• Investor-enterprise interaction</li> <li>• Feedback survey</li> </ul>	<ul style="list-style-type: none"> <li>• Analyzing findings from phases 1 and 2</li> <li>• Creating the report</li> <li>• Dissemination of report findings</li> </ul>
Research Methods		
<b>Field Visit</b> <ul style="list-style-type: none"> <li>• Meetings with stakeholders</li> </ul>	<b>Primary Research</b> <ul style="list-style-type: none"> <li>• In-depth conversations and networking</li> <li>• Online survey</li> <li>• Discussions at the workshop</li> </ul>	<b>Secondary</b> <ul style="list-style-type: none"> <li>• Online sources</li> <li>• Literature review</li> </ul>

### Primary Research

The research comprised of five distinct activities:

- **Initial Outreach:** The study team reached out to more than 60 active stakeholders in the region (through phone calls and emails) to understand about their involvement with social enterprises and to assess the operating climate for the latter in the eight North-Eastern states. This was supported by extensive secondary research to scan available reports and data on the space. The team followed up this initial outreach with request for in-person meetings with several key stakeholders in the region.
- **Field Visit:** A combined team comprising Intellectap and GIZ representatives conducted a week-long field visit in the North East. The team met with 25 key stakeholders that indicated their availability for the meeting. These stakeholders represented the government, development financial institutions, apex organisations, banks, industry networks and enterprises in the region covering four states: Assam, Meghalaya, Sikkim and Mizoram. Through this phase, the study team compiled primary insights on the level of social enterprise activity, role of each stakeholder, enabling environment, investment climate, financial instruments and incentives available for social enterprises, capacity gaps and interventions required for catalysing the sector.
- **Online Survey:** The team administered an in-depth (closed) online survey to 20 enterprises (Refer to Appendix to find complete list of 20 enterprises) who registered for the workshop to collect details on their enterprise business model, key characteristics, future plans, investment requirements, capacity gaps and opportunities that they saw in the region. A total of 13 respondents (Refer Box 2 in Section 3) completed this survey and their responses have largely informed our understanding of the social enterprise activity in the region.
- **Workshop:** GIZ, IIE, Intellectap and EY organized a Practitioner’s Workshop for Promoting Sustainable and Inclusive Businesses in the North East Region in Guwahati in July 2012 at Indian Institute of Entrepreneurship (IIE). Forty four participants with representatives from 22 enterprises, as well as sector experts, enablers and observers attended the workshop. The group activities at the workshop provided the study team with a list of challenges, solutions and capacity gaps that the participants identified. Primary interaction with the participants at the workshop also gave the team insights into social enterprise activity in the eight North Eastern states.



- **Follow-up Outreach:** The research team followed up for additional information and clarifications from workshop participants and other stakeholders in the region. This information added on to the primary insights and impressions that the team presents in this report.

### **Secondary Research**

In addition to primary research, the research team also conducted secondary research to understand the level of development activities and gain insights on the factors that affect social enterprise activity in the NER. The team primarily scanned online information sources such as government websites, institutional and development publications, websites focused on social entrepreneurship and development activity in the North East, and articles that have appeared in the media.







# 2 Status of Social Enterprise Activity in the North East Region

India is emerging as a centre for innovation. Motivated by a desire to achieve social impact and a large market for products and services, this innovation is often directed at the BoP and is largely spearheaded by social enterprises. Social enterprises with their dual bottom line approach are seen as a large part of the solution to obstacles that restrict India's inclusive growth agenda.

While most of India has seen slowly rising social enterprise activity for about a decade now, the NER has lagged behind. Impressions gathered at the workshop indicate that terms such as 'social enterprise' and 'impact investing' are relatively unknown among stakeholders in the NER and awareness is low about impact investors who provide equity capital for innovative businesses. Although many of them are engaged in activities achieving positive impact at the BoP, their social mission is not stated overtly. One reason for this might be the fact that there are very few organized networks for social enterprises in the NER. Interactions with stakeholders in the region reveal a stated need for creating such networks and ecosystem for supporting and encouraging social enterprise activity. This also includes increased representation from the NER in the rest of the country, so that social entrepreneurs from the region benefit from peer learning and experience sharing.

Such integration into the larger ecosystem and networks could also possibly boost investments in the region, where investment has been low. This has led to a cycle of low employment opportunities and poverty. According to Ministry of Development of North East Region (MDoNER), Mizoram is the only state in the region which has a lower percentage than the national average of people under the poverty line (19%). The remaining seven states in the NER have more people below the poverty line than the national average of 26%. For example, Assam has the highest with 36% while the lowest is Manipur with 28%.

Although the literacy rate in the region (68.77%) is above the national average (65.38%), employability is low resulting in high rate of unemployment and underemployment. Reason for high unemployment in the region has been attributed to a mismatch between the skill requirements and skill base of the job seekers. This mismatch is projected to increase further as the economy goes through structural changes. Shift from agriculture to the service and the industrial sector has resulted in higher amount of unemployment as job-seekers often lack appropriate skill training.<sup>1</sup>

In addition to skills development, research indicates that other sectors such as healthcare, livelihoods, agri-business and energy in the region also face similar challenges. Until now, NER's growth agenda was largely championed by the Government of India, multi-lateral donors such as International Fund for Agricultural Development (IFAD) and Asian Development Bank (ADB) and development financial institutions such as NEDFi, NABARD and SIDBI. This exploratory study and workshop indicate an emerging presence and significant opportunity for private sector-led, socially relevant enterprise activity in the region.

## Footnotes



1 [http://www.asthabharati.org/Dia\\_Apr07/bisw.htm](http://www.asthabharati.org/Dia_Apr07/bisw.htm)





# 3 Findings from the Preliminary Survey

In addition to detailed conversations with stakeholders in the NER, a focused online survey was conducted. The invitation was extended to a select group of 20 stakeholders (see Box 2), predominantly social enterprises, NGOs and cooperatives, who had shown interest or registered for the Practitioner’s Workshop in Guwahati, Assam, India. The survey was open to participants for seven days.

The questionnaire was designed to gain insights into the sample, focusing on their organisation structure, the years in operation, broad information about the entrepreneurs and their motivation for starting a social enterprise. The survey also probed these organisations on their strategies for social impact and the major challenges they faced. The survey gathered responses from 13 stakeholders.

## The Entrepreneurs

While most of the 13 respondents had completed their basic education in the NER, over 50% have received higher education (graduate or post graduate level) outside the NER. Most of them were not members of any organized industry network. Those that were associated with some networks mentioned Confederation of Indian Industry (CII), Entrepreneurship Development Institute of India (EDII, Gujarat), Indian Institute of Foreign Trade (IIFT, New Delhi), Federation of Indian Chambers of commerce and Industry (FICCI, with regard to Look East Policy) and the India Italy Chamber of Commerce. While the entrepreneurs were usually familiar with the work of these networks and associations or had attended programs conducted by them, they were not necessarily members.

Box 2	Respondents to the Online Survey for the Study
1	Bethany Society (Meghalaya)
2	C-NES/ Boat Clinic (Assam, Delhi)
3	Eight Sisters Travel and Tours (Nagaland)
4	Fabric Plus (Assam)
5	Grameen Sahara (Assam)
6	Impulse Social Enterprises (Meghalaya)
7	NESPON (West Bengal)
8	North East Agro Consortium (Assam)
9	Onergy (West Bengal)
10	S. S. Botanicals (Assam)
11	Srishti Handlooms (Assam)
12	Tamul Plates Marketing (Assam)
13	The Eco Hub Small Industries (Assam)





The survey responses on what motivated entrepreneurs to set up social enterprises in the region provides clear indication on the gaps that exist and the opportunity for social enterprises. A few responses are listed below:

- Creating sustainable livelihoods and reducing migration by facilitating youth to stay in rural areas, particularly those that are most marginalized, e.g.: persons with disability.
- Creating market linkages for artisans from the NER to provide them fair wages, and leverage the global market for natural products, value-added agri-products, non-wood forest products, and traditional handicrafts. This is being done through setting up online stores, networking with organisations' CSR departments for bulk purchases of handicrafts. Some of the networks mentioned in this context include North East Agricultural Marketing Corporation Ltd. (NERAMAC) an organisation under DoNER, Confederation of Naga Farmers Union (CONFU), All Mizoram Farmers Union (AMFU), and Hill Broom Growers Association of West Meghalaya etc.
- Promotion of Eri Silk, sericulture and artisans associated with this activity.
- Leveraging the tourism potential in NER's rich culture, heritage and wildlife.
- Serving rural communities, specially the inhabitants of the islands along the river Brahmaputra.
- Empowering women and addressing the lack of healthcare facilities.

### The Enterprises

- From the sample of 13 respondents, more than 75% (11) enterprises are either based in or have operations in Assam. Meghalaya follows next with 43% (6) enterprises present in the state. Arunachal Pradesh (3), Mizoram (2) and Manipur while (2) were the other states with social enterprise presence.
- Half of the respondent enterprises have been in operations for 3-5 years (4 since 2010, 3 since 2007). The remaining 50% are older with four organisations having been set up a decade ago. Legal structures under which enterprises operate include non-profits (5), proprietorship (3), private limited (3), and hybrids (2).
- Many of the enterprises were fully operational, with 64% (9) enterprises reporting to have fully rolled out product/services in the market. A majority of the enterprises impact more than 5000 people annually through their products or services, with five organisations impacting more than 20,000 beneficiaries annually. Most of these organisations are active in livelihood creation and creation of market linkages. Over the next three years, most of the enterprises planned to expand into new geographies and roll out new products and services.
- Despite most of the organisations being fully operational in their markets, most enterprises (9) reported that current revenue just about covers cost. More than half of the enterprises (6) reported annual revenue of less than INR 5 lakh. Eight respondents stated employee strength between 10-40 employees.
- Most enterprises reported relying on personal funds, family sources and grants as major sources of funding. Some of them (5) have access to finance from government financial institutions such as SIDBI and NABARD. There was an overwhelming response on the need for finance. Around 92% suggested that they need external capital for current operations or future growth plans in the next three years. Their preferred sources for funds included public and private banks, foundations/grant makers and government financing institutions. Many respondents also expressed an interest in raising equity investment funds from angel or venture capital investors.





- Top challenges faced by enterprises include raising commercial capital, navigating the regulatory environment, building value chain and defining their business model. Top challenges that the enterprises faced in raising capital was that they were unable to meet the collateral requirements of banks. They also reported that their track record was not looked at favourably in terms of number of years since operation.
- In terms of human resource challenges, most enterprises suggested the lack of training programs for employees (53.8%) and adequate HR processes to measure, manage and ensure quality (50%) as the most pressing. More than half of them rely on government and quasi government bodies for receiving capacity building and technical assistance support.
- Recruitment of talented senior leadership and middle management was also suggested as a major bottleneck. The limited pool of candidates interested to work in non-governmental and/or entrepreneurial ventures was seen as a constraint, as was the reluctance of these candidates to work in peri-urban and rural areas.

**Additional findings from the GIZ-IIE Practitioner's Workshop on 'Promoting Sustainable and Inclusive Businesses in North East Region' at IIE, Guwahati on July 27, 2012**

The workshop organized by GIZ and IIE with support from Ernst & Young and Intellectap, had 22 participants, with most representing organisations headquartered at Assam.

An overwhelming majority of these respondents were active in the livelihood generation space and had a stated objective of social impact. Raising capital and refining their business plan were the top two challenges for these organisations. Their top ranked expectations from the workshop included overcoming regulatory challenges and peer-to-peer learning.

The final workshop agenda (refer to Annex 2) was designed to meet some of these expectations and included:

- 1 Introduction to the social enterprise landscape in India and initial insights from the NER
- 2 A session and group exercise to understand the challenges, solutions and capacity gaps for social enterprises in the NER.
- 3 A session on legal structures and their implications along with a case study analysis.
- 4 Basics of investment raising and pitching to investors
- 5 Interaction with an entrepreneur
- 6 Peer learning and networking.

The group exercise focused on identifying challenges, solutions and capacity gaps was quite insightful and the responses are captured in Table 2 below.



Table 2 Challenges, Solutions and Capacity Gaps Identified by Workshop Participants	
<b>Challenges</b>	<ul style="list-style-type: none"> <li>• Capital availability: “Lots of schemes available which target specific sectors, geographies. So as an entrepreneur, if you fit in one of those available boxes, you get the funding. But if you are out of the box, difficult to get resources” – Tamul Plates Manufacturing Pvt Ltd.</li> <li>• Government policies and schemes: Different departments and lack of coordination leads to information asymmetry. Most schemes are now available online. However poor penetration of computers and lack of internet connectivity poor leads to inaccessibility of such schemes.</li> <li>• Quality and timelines of Government schemes/fund/policies is also a problem.</li> <li>• Knowledge of legal structures and getting legal help: “We have been trying to setup a cooperative for community based tourism. But as there has been no precedence for such a capital structure in community based approach to tourism (80% profit back to shareholders and 20% as the running cost), we have not made enough progress. It has been difficult to get permission from the government agency to set up such an enterprise. Further, professional help with developing business plan is also required.” – NESPON</li> <li>• Blanket government policies hamper established industries: Recent policy announcement of ‘No industry within 20 kms of the national park (Kaziranga)’. Some enterprises which are not generating pollution or any threat to the park are being displaced.</li> <li>• Organisation of communities: When working with remote communities, explaining a business idea to them, explaining the market and motivating them to become part of the enterprise which aims to provide them with livelihood is often times difficult.</li> <li>• Maintaining quality of products produced: Quality control is a challenge with cooperative/producer model when multiple producers are involved.</li> <li>• Chinese Imports: Low cost Chinese imports are a big competition to locally produced goods which are unable to match the cost of such imports.</li> <li>• Sensitization about available schemes and programs</li> <li>• Finding like-minded people on different levels of production</li> <li>• Infrastructure: Logistics, raw material, market linkages/accessibility</li> <li>• Correct pricing of the products and services</li> <li>• Lack of technological advancement, Finding machines and necessary tools locally, Homogeneous spare parts, skilled mechanics</li> </ul>
<b>Solutions</b>	<ul style="list-style-type: none"> <li>• Natural calamities, geography, insurgency etc. shouldn't be highlighted as problems. Each region has its nuances. “We need to acknowledge that these realities exist and find ways around it.” – Tamul plates</li> <li>• NRLM: Can we apply learning from other enterprises working in other sectors who addressed the same challenges as you? E.g. even if you are collecting, producing and marketing a forest product, other enterprises in let's say handicrafts sector would have overcome the challenges of procurement of raw material, standardising products to achieve quality control.</li> <li>• Promotion of new and quality products via free samples, advertising, camps, etc.</li> <li>• Building awareness programs for producers in partnership with NGOs</li> <li>• Lobbying groups for organic producers. Simple certification process for organic products</li> <li>• Public-Private partnerships to build an ecosystem to overcome transportation and connectivity hassles</li> <li>• Need to generate work culture and get rid of relying on subsidy culture</li> <li>• Technology transfer to farmers</li> <li>• Local Innovation, Product diversification and supply chain integration</li> <li>• Tap right markets</li> <li>• Strengthen supply/value chain</li> <li>• To combat lack of access to finance: form groups, collective approach (SHGs, clusters)</li> <li>• To find people with similar causes: create a network of entrepreneurs within the region</li> </ul>
<b>Capacity Gaps</b>	<ul style="list-style-type: none"> <li>• “Lack of professionals with marketing and branding expertise: Qualified professionals are not always willing to work in remote geographies.”</li> <li>• Understanding of right business models, Market knowledge and production knowledge are not coordinated</li> </ul>



Table 2	Challenges, Solutions and Capacity Gaps Identified by Workshop Participants
	<ul style="list-style-type: none"><li>• Lack of governance knowledge: One of the biggest challenges that a producer company faces is the day-to-day management of the company. 80% of the shareholders of the producer's company comprises of the producers themselves. Lack of exposure, financial literacy, knowledge and skills to manage a company hamper critical decision making.</li><li>• Need for community awareness programs</li><li>• Government actors not aware of alternative business models, need flexibility in their approach and willingness to operate out of the box</li><li>• Microfinance is inaccessible: MF bill is yet to be passed. Most MF schemes are not really available. Banks hesitate to lend to farmers and other small producers as their profile is considered 'high risk'</li><li>• Lack of Financial Literacy: BoP producers (farmers / tribesmen / artisans) are not aware of how markets operate. And as such, the BoP producers tend to hoard produce at old prices which may not necessarily be viable.</li><li>• Lack of knowledge on Fair trade and organic products. Complex certification of organic products</li><li>• Knowledge gaps, not aware of government policies/schemes. Do not understand how to access them.</li><li>• Availability of technology: Economy of scale and quality control are two important parameters when delivering a technology solution. Given the geographical and infrastructure challenges, any product we develop need to take this into account.</li></ul>





# 4 Opportunities and Barriers for Social Enterprise Development in the North Eastern Region

Entrepreneurship and economic development in the region has received attention from policy makers over the last two decades. Many policies that were expected to better integrate the NER and its development with the rest of the country; however, have not had the desired impact. For instance, the “Look East Policy” in the early 1990s, which coincided with India’s liberalization policy, was an attempt to strengthen its relationship with ASEAN members.

After the creation of East Pakistan from Bengal (present day Bangladesh), natural sea route through the port city of Chittagong got blocked severing market access and insulating the region. As a result, even though the country’s economy picked up significantly since liberalization in the 1990s, NER has benefited only marginally from the spill over effects of this economic surge because of the region’s landlocked nature.

The limited impact of policies for the region has not, however, reduced the opportunities that exist in the NER region. In addition to renewed Government attention through policy interventions, the region is seeing a spurt of interest in MSMEs. Rich in natural and cultural heritage, the region also boasts of high literacy levels and an English speaking population.

**Figure 2**

**Provision for NER under Union Budget 2012-2013**

**Central Assistance to the NER States by MDoNER – INR 1700 crores**

- Schemes of the North Eastern Council – INR 770 crores
- Grant from the Non-Lapsable Central Pool of Resources (NLCPR) – INR 880 crores

**Central Plan Schemes – INR 205 crores**

- Loans to NEDFi– INR 60 crores
- Technical assistance and capacity building initiatives– INR 20 crores
- North East States Road Investment Programme (NESRIP) – INR 45 crores
- North Eastern Regional Livelihood project – INR 35 crores
- Advertising and publicity – INR 45 crores
- Asian Development Bank assisted North East Road Project Management – INR 2 crores

**“Social and Infrastructure development fund” for creating and upgrading infrastructure facilities, especially in Arunachal Pradesh and other border areas in the North Eastern Region – INR 170 crores**

## Renewed Policy Attention by the Government of India in the NER

In 2008, the Prime Minister Manmohan Singh launched the NER Vision 2020, which acknowledged the failure of the Look East policy to uplift the region economically. NER Vision 2020 identified key challenges and a new governance mechanism to drive the results.





- The NER 2020 Vision document lists six goals:
- Empowerment of people by maximizing self-governance;
- Rural development with focus on farm and non-farm sector;  
Focus on development of sectors such as hydropower, tourism, food processing, sericulture and investment
- in manufacturing;
- Capacity building to promote entrepreneurship;  
Infrastructure development like roads, railways, air transportation and power; linkage to Myanmar
- and Bangladesh  
Adequate funds flow.

MDoNER set up in 2001 assumed the responsibility for monitoring the Prime Minister's economic packages for the NER. It is expected to act as a facilitator between the Central Ministries and Departments and the State Governments of the NER in economic development efforts. MDoNER takes up infrastructure development projects through its schemes of North Eastern Council (NEC) and the Non-Lapsable Central Pool of Resources (NLCPR).

### **Abundant Natural Resources and Cultural Heritage**

The NER has abundant natural resources – water, and biodiversity. It is home to Brahmaputra and Barak rivers and constitutes a third of India's ground water runoff, which largely remains unutilized and causes frequent floods in the region. These rivers constitute India's National Waterway 2 (NW-2) and their basins contain seasonally flooded wetlands that sustain a broad range of biodiversity. There is an estimated 60,000 megawatts of economically viable hydropower potential, of which only about 2004 megawatts is developed or is under construction.<sup>2</sup> The region offers a significant opportunity to develop water and power resources as well as to create and improve livelihoods through development of forest produce, medicinal plants and exotic fruits.

In addition, the region is home to a high number and diversity of indigenous people with about 225 tribes present in the region out of a total of 450 tribes in the country. This translates into a rich cultural heritage including ethnic craft-based textile traditions, bamboo and cane products, unique customs and traditions offering opportunities to develop sectors such as handicrafts and tourism. The NER has over 53% of the looms in the country and more than 50% of the weavers. Considering that the region's contribution to national production remains low at 20%, there is ample scope for building on this advantage.

### **Renewed Focus on MSMEs as Means to Economic Development**

There is an increasing recognition amongst policy makers and donors in the region that MSMEs hold significant potential to create jobs and improve the NER's contribution to the GDP. In order to leverage this potential, stakeholders are setting in motion initiatives which are addressing lack of availability of land and lack of funding.

In the hill areas, lands are owned by communities rather than individuals owing to the practice of shifting agriculture. So individual property rights have not been established which deters land transferability. Low availability of land often acts as a barrier for the growth of big industries in the region. Recognizing this, in June 2012, at the mid-term review of the North East Industrial and Investment Promotion Policy (NEIIPP), the Forum of Industries and Commerce Ministers of North Eastern States (FICMNES) made a recommendation to the central government to shift focus from the big industries to micro, small and medium enterprise (MSME) sector as an economic development strategy.

Further, there are some ongoing efforts to make additional funding sources (*Please refer to Enabling Environment section for further details*) available to MSMEs. In March 2012, SIDBI inked a deal with NEDFi<sup>4 5</sup> and allocated INR 50 crores for re-financing MSMEs in the NER to boost their development.



The MSME sector in the region, although nascent<sup>6</sup> has grown by 38% between 2006 and 2011, significantly higher than the national growth rate of 16%. The direct investment in MSMEs and their annual production have both doubled. (See Table 4 for details).

Table 4 Key MSME Activity Indicators in NER <sup>4</sup>			
Growth Indicators for NER	NER estimates in 2010-2011	NER Growth from 2006-2011 (%)	India Growth since 2006-2011 (%)
Working MSMEs	55,271	38%	16%
People employed by MSMEs	532,543	41%	19%
Fixed investment in MSMEs	INR 15,422 crores	48%	35%
Annual Production of MSMEs	INR 25,532 crores	51%	35%

### Literate and English-speaking Population

High fluency in English coupled with a large percentage of literate population can be harnessed by sectors like hospitality and tourism. With over 225 tribes, the NER is linguistically heterogeneous. While this makes the region culturally rich, and a “linguistic paradise”,<sup>7</sup> it makes communication extremely difficult, unless people are proficient in a common language. This has resulted in the region having a high percentage of literate population with English as the emerging lingua franca of the region.

Every state in NER is multilingual, and minority language speakers can be as low as 4% in some states. Nagaland and Arunachal Pradesh have no majority language. With multiple languages being spoken within each tribe, linguistic diversity is found at the district level. Since the 19th century, Christian missionaries have been encouraging education in the region by setting up schools. In 2008, most children (over 90%) in the NER went to English medium schools. In Arunachal Pradesh and Sikkim, enrolment in English medium schools is almost 99%.<sup>8</sup>

According to the 2001 Census, the total literacy rate of the population in the region is 68.5%, with a female literacy rate at 61.5%. This is higher than the country’s average of 64.8% and 53.7%, respectively. The literacy rate in Mizoram is above 90%, and ranks second amongst all states in India.

### Barriers to Social Enterprise Development in the NER

The NER has been unable to leverage its natural advantages. Apart from lack of integration into more active social enterprise networks in India, there are some barriers that are unique to the region such as time zone concerns, diverse terrain and international borders.

#### Time Zone

India currently has one time zone. The demand for two time zones in India had first come from the North-Eastern states in the mid-1990s. The reason being that by the time people went to work; they had lost nearly half the day because the sun rises in the region between 4.30 am and 5 am.<sup>10</sup>

In 2001, a committee was setup to look into the issue, but the consensus was that the gains emerging from having different time zones in the country were not proportionate to the practical problems that it could cause. India’s legal timekeeper, therefore, rejected the idea of a separate time zone for the northeast. It however, recommended the Daylight Saving Time scheme for the country.



Box 3

Key Infrastructure Penetration Statistics<sup>9</sup>

**Railways:** The total railway length of the NER is 2578 kms i.e. 4% of the total railway length of the country. Of this only 1238.73 kms is broad gauge and 1227 kms of this is in Assam itself.

**Roads:** The 1.74 Lacs kilometre road length in the region is seven per cent of the total roads in the country. Compared to the all-India road density (road length per 1000 square kilometre area) of 749, Manipur has a poor density of 490 and Meghalaya 379. Assam has a healthy density of 872 and Tripura 1405.

**Airports:** Presently, Sikkim and Arunachal Pradesh have no airports. Also inter-state air connectivity in the region is extremely poor.

**Power:** The region generates less than 8% of its 63257 MW of hydroelectric power generation potential and the per capita consumption in the region is 9kwh less than a third of the all India average (355 Kwh). The shortage of power generation and the over-reliance on hydro-electric power makes it difficult for businesses to develop in the region.

**Land availability:** Apart from Assam, it is difficult for non-locals to get land in other North-East States either on ownership or on lease. In order to attract private capital, there is an urgent need to look into land policies.

### Diverse Terrain

Apart from the Brahmaputra, Barak and Imphal valleys in Assam and some flat lands in between the hills of Meghalaya and Tripura, the remaining two-thirds of the area is hilly terrain. Difficult terrain makes the task of building roads, railways, air and IT infrastructure more difficult. The region is covered by Brahmaputra-Barak river systems and their tributaries, but erosion of river banks caused by floods results in enormous loss of life, property and livelihood.

Physical connectivity through different modes of transportation is a precondition for businesses to thrive. In the hilly terrain of the NER, road linkage is likely to play a major role in meeting the transportation needs of the region. Development of inland waterways is very expensive as is building rail connectivity in such a terrain. Air connectivity is also poor in hilly areas, with fewer airports being built, and can impact only a limited number of people. The region's hilly terrain also impacts virtual connectivity. Since hilly terrains are not very conducive to normal broadband connectivity, the use of optic fibre to enhance connectivity is important to develop telecom infrastructure.<sup>11</sup>

### International Borders

The region shares most of its boundaries (98%) with international borders. It shares its northern border with China and Bhutan, the eastern border with Myanmar, southern and western borders with Bangladesh, and has Nepal to the west of Sikkim. A very narrow strip of land constituting just about 2% of the total border of the region links it with the rest of India, making it a land-locked region that is geographically isolated from the rest of India.

Some of the recommendations in the Vision 2020 for Look East Policy included increasing border trade with ASEAN countries, addressing transport corridor with neighbours, improving IT facilities and promoting interaction through cultural activities. This has not been very successful. Provision of an access corridor is under discussions and will be possible with the cooperation of the Governments of Bhutan, Bangladesh and Myanmar. These access corridors are important to provide alternate routes between pairs of NER states and with rest of the country, to provide access to the Asian Highway network and connectivity to major cities in Bhutan, Bangladesh and Myanmar.

Mobile connectivity with country neighbours was also limited. Cellular mobile services were introduced in the region only in 2003, eight years late than the rest of the country owing to security issues - no signals are allowed within 500 metres of the international border. This restriction is harsh for a large population living in the





border areas that might have benefited by local trade with communities just across the border. To address this issue, Bharat Sanchar Nigam Limited (BSNL) declared the year 2007 as the “Year of Development of Telecom Network in NER and launched initiatives to improve telecom infrastructure in the region.<sup>12</sup> Additional budget was allocated which was equivalent to 1.5 times of the total expenditure of BSNL made during the previous three years in the region. This was earmarked to add new fixed line, cellular and broadband connections.

### **Poor Infrastructure<sup>13</sup>**

As mentioned earlier when discussing the NER’s diverse and difficult terrain, developing infrastructure in the region is difficult, and the region lags behind the rest of India in terms of infrastructure. A plethora of government-backed policies and schemes have been introduced in the region since 1990s. Yet, deficiencies in physical infrastructure have severely affected economic development in the region. Transportation of goods and people is hampered, as is communication. There is a severe lacuna in power supply and availability of water – despite clear natural advantages in the region due to topography and climate.

The 12th Finance Commission, ranked the NE states low on the infrastructure index, which is a composite profile of availability of physical, social and institutional infrastructure in the states. Both the 11th and 12th Five-Year plans have stressed the importance of creating adequate infrastructure in the region. A Special Accelerated Road Development Programme for the North East Region (SARDP-NE) was begun in the Eleventh Plan, emphasizing connectivity as a key area for the development.<sup>14</sup>

### **Turbulent Political Environment**

Poverty, unemployment and lack of economic development have created political instability within the region. In addition, the NER’s proximity to several neighbouring countries of India<sup>15</sup> makes it a particularly vulnerable and sensitive geography. Government response to insurgency movements has included military operations, surrender schemes and peace overtures which has added to the turbulent political environment.

Empowerment of people by the creation and activation of governance institutions right from the village level upward has been suggested as the way forward in Vision 2020. Further, encouraging MSMEs and social enterprises to revive and engender livelihoods in the region would jumpstart a positive change in focus towards economic development and away from discontent or discord.

### **Inadequate Market Linkages**

Absence of organized markets as well as backward and forward market linkages is often cited as factors that hamper the growth of MSMEs and social enterprises in the NER. Rural markets are largely unorganized and dominated by private traders. Unable to get a good price for their produce, and faced with rising inflation, farmers are very often heavily indebted to traders, commission agents and middlemen. Similarly, clusters of craftsmen find lack of availability of raw materials as well as lack of access to domestic large and international buyers as major impediments for their growth.

According to an entrepreneur at the workshop, “Due to unavailability or production of quality raw materials for various products (for paper, handicrafts etc), imports of required material from other states in the country becomes a necessity. This leads to an increased cost of production. Also, skill development is not adequate as there is no long term strategy to handhold entrepreneurs.” Another participant at the workshop in Guwahati had cited “absence of warehouses and cold storage facilities for agri-produce as a major bottleneck towards the development of this sector.”

As indicated earlier, the topography of the NER is not favorable for the movement of products. Warehousing and cold storage facilities are primarily restricted to district headquarters and state capitals. The infrastructure, procurement practices, marketing approaches and processing facilities together pose major constraints for tapping and furthering rural markets in the NER.





### Underemployment and Migration

The migration of people from the NER to the rest of India is significantly high. According to the National Skill Development Council (NSDC) study on ‘Development and Employment Generation Potential of NER’, a staggering 14 million people are expected to move out of the NER between 2011 and 2012. The annual average increase in migration from NER is 13.62%.<sup>16</sup>

Of the total migrants, approximately 65% move out for better higher education opportunities and in most cases, find skilled employment outside the region. For the region, this represents a significant drain in managerial and skilled resources that have a critical role to play in developing regional businesses.

Underemployment is referred to a situation when a person is over qualified for the work he is doing or holding a part time job despite seeking a full time employment. Prevailing education system in the NER fails to provide technical and commercial skills whereas educated youth have a growing preference for a white collar job. In order to survive, however, they are forced to accept what is available to them, often at the cost of being over-qualified for the position. This gap in the skills and qualifications of employment seekers and available employment opportunities has exacerbated the unemployment and underemployment situation in the NER.

#### Footnotes



- 2 Source: NER Vision 2020
- 3 Source: <http://www.msme.gov.in/MSME-Annual-Report-2011-12-English.pdf>
- 4 [http://www.asthabharati.org/Dia\\_Jan%2007/Bez.htm](http://www.asthabharati.org/Dia_Jan%2007/Bez.htm)
- 5 North Eastern Development Finance Corporation has funded 2000+ MSMEs since 96, with total funding of INR 1628 Crore as of March 2010. It runs multiple schemes to encourage local and first generation entrepreneurship – combining access to capital with capacity building.
- 6 2% of manufacturing MSMEs and 4% of service MSMEs in India
- 7 Vijayanand Kummulari et al. Issues in Morphological Analysis of North-East Indian Languages <http://www.languageinindia.com/july2005/morphologynortheast1.html>
- 8 <http://schoolreporcards.in/Media/m69.html>
- 9 Data from the NER Vision 2020 Document
- 10 <http://www.sinlung.com/2010/04/time-zone-for-northeast-not-feasible.html#ixzz21cm2iCOX>
- 11 [http://tripura.nic.in/portal/More\\_Info/document/central/NE%20Vision.pdf](http://tripura.nic.in/portal/More_Info/document/central/NE%20Vision.pdf)
- 12 [http://tripura.nic.in/portal/More\\_Info/document/central/NE%20Vision.pdf](http://tripura.nic.in/portal/More_Info/document/central/NE%20Vision.pdf)
- 13 Source: [http://cdpsindia.org/aruachal\\_economy.asp](http://cdpsindia.org/aruachal_economy.asp)
- 14 [http://planningcommission.nic.in/plans/planrel/fiveyr/11th/11\\_v1/11th\\_vol1.pdf](http://planningcommission.nic.in/plans/planrel/fiveyr/11th/11_v1/11th_vol1.pdf)
- 15 The seven north-eastern states have a 4,500 kilometer international border and are bound by five countries - Bangladesh, Bhutan, China, Myanmar and Nepal
- 16 Source: North East Migration and Challenges in National Capital Cities by North East Support Centre and Helpline







# 5 Key Sectors for Social Enterprise Activity in the North East Region

## Agriculture

NER is rich in natural resources, and is predominantly agrarian. Agriculture and allied activities provide livelihood support to over 70% of the population.<sup>17</sup> The region's topography, climatic condition and altitude are conducive for a wide variety of agro-products.

Agri-businesses in the region have not leveraged these apparent advantages adequately. The North Eastern Development Finance Corporation (NEDFi) states that even though the NER covers 7.9% of the country's total geographical area, it contributes only 1.5% of the country's total food grain production.<sup>18</sup>

Given the soil and climatic conditions, the region is most suitable for horticulture and high value crop cultivation. Fruits (banana, pineapple, orange, passion fruit, papaya), spices (ginger, garlic, black pepper, cardamom, chillies), plantations crops (tea, rubber and bamboo) and sericulture are high potential items. Further, state specific strengths include spices in Nagaland, mushroom in Manipur and orchid cultivation in Arunachal Pradesh.

The business opportunity for social enterprise activity in agriculture can be segmented into four key areas: technology intervention, creation of backward and forward linkages, community based solutions and marketing the concept of organic farming.

### Box 4

#### Social Enterprises Focused on Agro- products in the NER

**Suminter Organics** creates a bridge between small farmers in India and buyers across the world seeking high-quality organic produce. The enterprise adopts an integrated approach to procuring, monitoring and selling products.

**Bamboo House** is a social enterprise utilizing bamboo for providing sustainable livelihood opportunities at the base of the economic pyramid. It promotes bamboo as an eco-friendly substitute to wood, steel, iron and plastic.

**Shree Kamdhenu Electronics Pvt. Ltd. (SKEPL)** was founded in 1996 to provide the Indian dairy sector with more efficient and transparent milk collection equipment.

## Modernization of Agricultural Practices

Social enterprises could seek to increase agricultural efficiency and productivity overcoming challenges such as subsistence farming and traditional agricultural practices with limited mechanization.

The participants at the practitioners' workshop shared that agricultural productivity could be improved with better irrigation facilities, modernized farming with mechanization, use of hybrid varieties of seeds and





transition to high-value agriculture. In the hills, tribal population practices a primitive method of farming called Shifting Cultivation (jhum). Under this practice, a patch of forest land is cleared and burnt for cultivation. The land is cultivated for 2-3 years after which it is abandoned for several years for natural regeneration. This method of farming relies on the care of nature and is normally practiced by the tribes having no excess to irrigation facilities. Expansion of horticulture farming in tribal hills offers tremendous need and potential to move towards productive and sustainable methods of farming. Public-private partnerships could be explored to develop high yielding variety (HYV) seeds and for nurseries and seed farms could be set up.

*Accelerated Irrigation Benefits Programme*<sup>19</sup>, launched by the Central Government in 2008 has helped the NER in better irrigation coverage and reduced 'shifting cultivation' as farmers are switching to wet cultivation.<sup>20</sup>

### **Backward and Forward Linkages**

Poor backward linkages for agricultural inputs as well as forward linkages in terms of market infrastructure are a challenge for agriculture in the NER, which could be targeted by social enterprises.

Effective backward linkages play an important role in enhancing farm productivity. Social enterprises can work to promote cooperative farming or producer driven models. These models would help to organize farmers under one umbrella and extend services and economic benefits to them.

An innovative example of such effort is E-Arik, an ICT research project implemented in Yagrung Village of Arunachal Pradesh. This project aims to provide agricultural information to the tribal farmers via computer, phone, radio or telephone in a bid to increase their productivity.<sup>21</sup>

Forward linkages form a crucial link between the farmers and markets. Social enterprises have opportunities in helping the sector to build cold storage facilities; use advanced packaging techniques and modern transportation methods. Traditionally, to address forward linkage issues between farmers and markets or industry, many states and localities have a 'weekly market' for agricultural produce. If, however, farmers/producers miss the weekly markets due to floods, other calamities or frequent strikes, their produce will get spoilt. Apart from food grains and pulses which are dry and have a longer shelf life, the NER is also rich in production of tea, fruits, vegetables and spices.

The North Eastern Regional Agricultural Marketing Corporation Limited (NERAMAC) is playing a significant role with interventions for creating marketing linkage for the farmers in the NER. S.Bhattacharjee, Managing Director, NERAMAC says, "We provide cooling chains and local collection centres to farmers. The plan is to create a niche brand for NER. We source, procure and market cash crops like ginger, fresh pineapple, cashew nut, kiwi fruits etc."

### **Community-based Solutions**

The NER faces challenges in using collective approaches such as self-help groups (SHGs) and clusters to organize farming. Formation of SHGs comprising fruit, vegetable and flower growers is crucial to encourage peer to peer learning. Further, it is easier to arrange facilities for training and micro-finance support via SHGs or clusters. The North Eastern Region Community Resource Management Project (NERCRMP) project established as a joint developmental initiative of the North Eastern Council (NEC), DoNER, Government of India and International Fund for Agricultural Development (IFAD) is a successful example of the community participation to improve rural livelihood. According to NEC estimates, this mission would help in increasing area under fruit cultivation by 50% by 2020. The estimated project expenditure was INR159 crores (US\$ 28.7 million), of which IFAD contributed INR110 crores.<sup>22</sup>

### **Organic Farming**

Agricultural production in the NER has traditionally been organic. In general application of inorganic fertilizers



and chemicals are low in the region and are below than the national average. According to estimates by Indian Council of Agricultural Research (North East), chemicals or fertilizers have never been used for more than 20 lakh hectares of the cultivable area in the NER. This unique feature of the region has not been tapped as an economic opportunity because farmers lack awareness about the marketability of organic produce. Organic products are usually sold at a premium of 20-25% in markets outside the NER.<sup>23</sup> There is a need to create mechanisms for the institutionalization of production and access to organic certification and market linkages for organic produce in order to tap the organic farming potential of the region.<sup>24</sup>

“There is a need to create lobbying groups for organic producers. Right now, the process of getting organic certification is cumbersome, the process needs to be simplified”, suggested an entrepreneur at the workshop. Further, tie-ups with private sector companies to introduce organic farming and market the products would be highly beneficial. Companies such as Indian Tobacco Company (ITC) and Dabur India have shown considerable interest in the region.<sup>25</sup>

### **Government Programs and Initiatives**

The agriculture sector is supported by many government programs and initiatives. In order to provide a boost to the horticulture segment, the government proposed and implemented the Technology Mission for Integrated Development of Horticulture in 2001-2002. The Mission consists of four mini-missions that cover the entire spectrum of horticulture activities from production to consumption through backward and forward linkages. Since 2001 to 2010, INR 1371 crores has been released for states in the NER. During 2009-2010, INR 248 crores was allocated for the NER.<sup>26</sup>

Under the National Horticulture Mission and Technology Mission for North East, assistance is provided at rate of 50% of cost subject to a maximum of INR 10,000 per hectare (up to 4 hectares per beneficiary) for organic horticulture cultivation. Assistance of INR 5 lakhs is provided to a group of farmers covering an area of 50 hectares for organic farming certification.<sup>27</sup>

### **Challenges**

Controlling the annual floods in the Brahmaputra and Barak valleys and strengthening embankments to control soil erosion should be an important part of the strategy for the development of agriculture in Assam and parts of Arunachal Pradesh. Manik Baruah of C-NES says that, “challenges faced by the farmers include chronic floods and erosion, lack of crop insurance facility as well as unwillingness of commercial banks to give loans to the small entrepreneurs. Further, sufficient power back up and proper storage facilities are a necessity.”

### **Food Processing**

According to the Confederation of Indian Industry (CII), the food-processing sector can attract US\$ 33 billion of investment in 10 years and generate employment of 9 million person-days all across India. NER, being rich in horticulture cultivation including fruits like pineapple, kiwi, peach and plum, besides mango and banana as well as vegetables, ornamental crops, medicinal and aromatic plants, spices and plantation crops, has the advantage to leverage this economic opportunity through social enterprises.

In the NER, most farmers sell the primary produce in the local market. This earns them a lower price because the market caters to limited local demand. NER farmers could potentially improve earnings if they added value to their primary produce and considered cultivating produce that lends itself to food processing. Opportunities exist to tap the large domestic market (comprising 3.8 million people) as well as international markets including ASEAN neighbouring countries. At the workshop, entrepreneurs shared that the NER have plenty of raw produce from horticulture cultivation and hence needed food processing units to develop, market and sell these products. But in many cases, procurement of these raw materials itself is a challenge owing to logistical and supply chain problems.<sup>28</sup>



Opportunities for social enterprises also exist in building support infrastructure that can create address forward and backward linkages for food processing in the NER. Manik Baruah of Centre for North East Studies (C-NES) says, “Social enterprise opportunities arise because of the need to address challenges in supply chain and warehousing, technical up gradation and market intelligence. Opportunities exist in the collection and distribution of raw materials as well as in developing marketing facility.”

<b>Box 5</b>	<b>Capacity-building Initiative by NERAMAC</b>
<p>NERAMAC in association with IIP, Mumbai, organised INDPACK 2012 at Maniram Dewan Trade Centre, Guwahati to support the first generation entrepreneurs of the North East in food processing and value addition.</p> <p>Two food processing entrepreneurs from each state of North East were taken to INDPACK 2011 at Hyderabad to give them the knowledge and expertise in packaging with the support of North Eastern Council.</p>	

**Government Programs and Initiatives<sup>29</sup>**

The Ministry of Food Processing Industries (MFPI) has launched a Plan Scheme during the 11th Plan to provide financial assistance to project proposals received from public / private organisations for integrated cold chain infrastructure development. Financial assistance in the form of grant-in-aid of 75% of the total cost of plant and machinery and technical civil works subject to a maximum of INR 10 crores is also available.<sup>30</sup>

A mega food park is being opened in Nalbari, Assam in a public-private partnership. AIDC and ASIDC will each have 25% equity stake in it with private players accounting for the remaining. Additional mini food parks will be opened over a minimum area of 30 acres to cater to the needs of smaller states. These parks are being designed to meet the needs of tribal and other disadvantaged sections of people located in remote or difficult areas.

Other efforts by MFPI include sanctioning of a cold storage chain facility in Kamrup district and a branch of the Thanjavur-based Indian Institute of Crop Processing Technology, a research and development institute in Assam.<sup>31</sup>

The Indian Chamber of Commerce (ICC) is also leading efforts to popularise food processing potential of the region and hence attract private investment. North East Food Tech Summit was organized jointly by ICC and FPI in March 2012 to highlight business opportunities in processing of agricultural products, vegetables and fruits, medicinal and aromatic plants etc.<sup>32</sup>

**Education and Vocational Training**

In recent years, policy focus has been on primary school enrolment and the Right to Education Act that aims to ensure education for all and on vocational training for youth to improve skills and ensure livelihoods for existing and new entrants to India’s labour force. In the NER, livelihoods generation and skills development is a bigger challenge.<sup>33</sup>

Primary education is developed in the hill states. The NER enjoys a high literacy rate compared to the rest of India. Mizoram and Tripura were ranked 3 and 4 in India with literacy rates of 91.6% and 87.8% respectively, compared to the national average of 74% in 2011. NER states also have a lower gender gap in literacy with more literate women than in the rest of India.<sup>34</sup>

More than 84% of all schools are based in rural areas. With the exception of Tripura and Mizoram at 52%, all other states have a concentration towards primary education. Government schools are predominantly in the region, while private schools are still limited.



Table 5		Number of Schools in the North Eastern Region			
States	Total number of schools	% of Govt schools to total schools	% of Primary Schools to Total schools	% of schools in Rural areas	% of Primary schools in rural areas
Arunachal Pradesh	4,441	91.89	72.71	92.52	75.25
Assam	64,653	68.6	70.71	95.03	71.67
Manipur	3,878	61.53	61.29	84.55	64.62
Meghalaya	12,414	61.14	71.73	94.08	72.84
Mizoram	2,904	80.13	52.07	70.52	55.91
Nagaland	2,826	73.74	60.83	84.82	66.04
Sikkim	1,201	73.86	63.53	94.09	64.78
Tripura	4,386	95.85	52.1	93.21	53.42
India	1,362,324	78.05	60.72	86.79	63.45

Source: District Information System for Education (DISE) 2010-11 Provisional<sup>35</sup>

### Opportunity for Social Enterprises

While access to primary education is available, there is a huge need to develop the infrastructure such as basic facilities like access to boundary walls, common toilets, computers, and book banks (See Table 5) to provide quality education in the region. This presents an opportunity for enterprises who seek to improve the quality of education in the region (Box 6).

Table 6		Percentage Distribution of Schools by Facilities (NER Vs. Rest of India)			
States	Schools having boundary walls	Schools having common toilet facility	Schools having electricity connection	Schools having computers	Schools having bookbank
Arunachal Pradesh	29.99	65.73	20.72	18.91	16.17
Assam	24.76	69.34	11.50	8.17	24.22
Manipur	30.38	82.98	23.05	17.06	25.79
Meghalaya	18.87	68.73	14.02	7.69	17.84
Mizoram	58.26	87.65	42.49	11.09	8.33
Nagaland	75.34	52.22	34.96	38.39	18.15
Sikkim	29.31	94.73	60.03	26.94	23.31
Tripura	13.18	75.34	14.32	4.33	42.5
India	55.41	72.56	42.75	14.7	57.25

Source: District Information System for Education (DISE) 2010-11 Provisional<sup>36</sup>

Mobile libraries could improve access to books not only to schools but also to far-flung remote villages. Another potential intervention is the provision of quality teacher training programs in the region. As per DISE Provisional study 2010-11, more than 40% of the teachers only have academic qualifications up to higher secondary education. Less than 10% of the teachers are graduates with the exception of Arunachal Pradesh with 12.14%, which is low compared to the national average of 21%. Some teachers do receive in-service training, but this percentage is very low. Sikkim has negligible in-service training programs, whereas Arunachal Pradesh and Manipur provide training to less than 10% of its teachers.





## Vocational Skills Development

A recent study by FICCI suggests an estimated requirement of 500 million-strong skilled workforce by 2022 in India.<sup>37</sup>

### Box 5

#### Education Social Enterprises in the NER

**Technable Solutions**, the Indian arm of the Texas-based Technable Corporation, provides employability skills training, in partnership with the Department of Information Technology, Government of West Bengal. Technable aims to be the missing link between academia and industry in finding the right talent. It currently operates two nodal centers in Assam, and one in Tripura, in addition to multiple branches in West Bengal.

**Enlighten Education**, an educational and career consultancy counsels students to pursue higher education in India and abroad. Primarily focused on NER, it has placed 6359 students in educational institutions over the last 9 years. Enlighten started conducting a traveling expo for NER in 2011, creating spaces for educational institutes to set up stalls and meet with students in eight cities and towns in Assam, Nagaland, and Manipur.

**IGNOU Institute for Vocational Education and Training (IIVET)** operates in Shillong with the objectives of identifying and developing need-based relevant vocational programs, training educated youth in various skills that would enhance opportunities for gainful employment, and identifying, preserving and promoting indigenous knowledge and technology in the NER.

There is an urgent need to adequately train this workforce to be employable. As per a recent study conducted by Kotal Institutional Equities, a private brokerage firm, the skill training segment alone has a potential to grow to a US\$ 20 billion market over the next 10 years. In 2009, the central government launched National Skill Development Corporation (NSDC) with a vision to provide skill training and augment employability for 150 million people by 2022. NSDC has identified 20 growth sectors for which it projects an incremental shortage of 240-250 million people by 2022.<sup>38</sup> Skills development in the NER represents a significant opportunity. With high literacy rates, good spoken skills in English, low attrition rate, and modest salary expectations, they present a potential employable population.

A recent study by NSDC on development and employment generation potential in the NER projects close to 17 million job seekers by 2022 from the region. While the region is expected to generate only 2.6 million jobs between 2011 and 2021, half of which will be in Assam alone, the balance job seekers would look for opportunities outside the region.<sup>39</sup>

The Business Process Outsourcing (BPO) industry in India leads other sectors in India that have an unmet demand for skilled manpower. BPOs' demand for skilled manpower has also created a ripple effect in driving vocational training institutes like NIIT and others to enter the market to meet the demand for IT skills. NIIT, one of India's leading talent development companies, has set up training centres for IT skills in Tripura, Nagaland, Meghalaya, Sikkim and Assam.<sup>40</sup> Hero Mindmine, which provides skill based training in BPO, retail, telecom and banking sectors, has set up three centres in Assam.<sup>41</sup>

While efforts are currently focusing on the development of employable skills among youth in the NER, additional efforts are required to increase job opportunities within the region itself. NSDC has identified 8 potential sectors for providing local job opportunities. These include handloom and handicraft, hospitality, IT, horticulture and fruit processing, construction, repair services, mining and plantation. Social enterprises could focus their efforts to bridge the gap for adequately trained workforce that suits local employment requirements.<sup>42</sup>



### Government Initiatives and Schemes

As in the rest of India, the government is the dominant provider of education in the region. The 11th Five Year Plan of the Planning Commission has also laid emphasis on upgradation and quality of education in the region. The government has identified vocational skill development as a major thrust area.

Under the central government's vision for free and compulsory education for children in the 6-14 years age group, the Sarva Shiksha Abhiyan (SSA) has taken up the task of setting up more primary schools in the region. NEC has set up the North Eastern Regional Educational Council (NEREC) to oversee the educational development in the region with a 15-year perspective, with a particular focus on higher and technical education. NSDC aims to promote skill development and provide funding for scalable, for-profit training programs. NSDC recently conducted a skill gap analysis for the NER. The findings will define the way forward for initiatives in the North East.

The Ministry of Labour and Employment has set up Directorate of General Employment and Training (DGET), an apex organisation that will provide vocational training. A special focus has been given to the NER under the scheme. Efforts are being taken to promote IT and BPO skills. NASSCOM, an apex body of IT software and service industry in India, launched National Assessment of Competence (NAC), a standard assessment and certification program to identify quality talent pool of IT and engineering students. Edutech, a leading provider for education solutions and skill development in the country,<sup>43</sup> has been contracted to conduct the NAC tests in the NER.

### Challenges

Although the region has a high literacy rate and primary education is developed, it suffers from poor basic infrastructure, shortage of quality teachers, and poorly developed higher and technical education.

The average enrolment in schools is lower than the national average of 142 with Arunachal Pradesh at 75, Assam 90, Meghalaya 53 and Mizoram 81. Other states are better with average enrolment going above the 100 mark. The bulk of development within the region is skewed towards primary education, yet the level of basic infrastructure is quite poor. Nearly 60% primary schools in Arunachal Pradesh operate with single teachers as against a national average of 12%. Nearly 43% of primary schools in Assam operate with a single classroom as against a national average of 4%.<sup>44</sup> Arunachal Pradesh (66.95) and Assam (73.18) fall below the national literacy rate of 74.04.<sup>45</sup>

The NER comprises of 45 million people and 68% this population resides in Assam.<sup>46</sup> A large part of Assam's population lives in the riverine islands alongside the Brahmaputra River. This area is frequented by annual floods, other natural disasters and bi-annual migration of the people in the area. In such conditions, developing permanent infrastructure is challenging and prohibitive. Moreover, with a large tribal population, the dynamics for providing basic education changes with different groups and states.

The NER youth also seeks to migrate to other states in the country to pursue higher education. Many of the existing technical institutions within the region provide out-dated and irrelevant curriculums.<sup>47</sup> The absence of ICT infrastructure is a big barrier to distance/virtual learning programs that are seeing a growth spurt in the rest of the country. The need to have dynamic, relevant and employable curriculums is urgent and large.



## Financial Services

Financial inclusion is seen as an important component of inclusive growth in India. Financial services penetration in the NER lags significantly behind that in the rest of India. Of the total 611 districts in the country, 375 districts are under-banked. There are a total of 82 districts in the North-Eastern Region of which 54 districts are under-banked.<sup>48</sup> While some MFI activity is visible, their impact is limited with low levels of financial inclusion in the region.

### Box 7

#### Microfinance in the NER

**Rashtriya Gramin Vikas Nidhi MFL:** RGVN (Northeast) Microfinance Limited, [RGVN(NE)MFL], the premier microfinance organisation in the Northeast India serving this periphery of the country for last one and half decades in the name and style of RGVN (Credit and Savings Program). Presently it has 92 branches across NER with INR 1.73 lakh members and INR 367crores as loans disbursed.

**Asomi (Guwahati)** is the largest local MFI in the region, and provides microfinance to the poor in many districts of Assam. Presently they have more than 60,000 active borrowers and INR 119.4 crores as loans disbursed.

**Bandhan**, India's largest MFI has over 200 branches across three NER states. Presently it has more than 13,000 active borrowers and INR 4 crores in loans outstanding in the NER.

Observers and experts in the region have pointed out to a major imbalance that exists between the demand for credit and the supply of credit services in the region. The penetration of bank branches and other formal banking channels is very low. According to P. D. Rai, the member of Parliament from Sikkim and Board Member, BASIX, "In the North-East, we still have a credit-deposit ratio of less than 30% in most of the states. This means the portion of credit available compared with the deposit mobilization is less."<sup>49</sup>

The microfinance movement in the NER started much later than in the rest of India. Self Help Group-Bank Linkage Program (SBLP) and Microfinance Institutions (MFIs) concentrated much of their early attention in the southern part of the country. Penetration to the North and NER began in the late 90's, and the sector is still seeing lower uptake than in the rest of India. As on 31st March 2010, NER had over 1.3 lakh SHGs and a total loan outstanding of INR 67,347 lakhs. This contributes to 2% of the total SHGs and 2.4% of loans of the all-India figures.<sup>50</sup>

There is a huge unmet need for affordable, accessible financial products among low-income households in the region. For micro businesses such as trading and production, small borrowers still depend on the local moneylenders who usually charge higher interest rates. It is very difficult for these borrowers to access formal lending sources since they are illiterate and do not understand the intricacies of these systems.

Moreover, the region has a low penetration of banks and other financial service providers. In order to support the overall development of the region, and build productivity and efficiency, financial inclusion must reach the unbanked. There is, however, a diversely-organised informal financial market, which reflects the creativity of local communities to meet their specific needs. For instance, Manipur has a strong network of the Marups system among the Meitei community, a traditional socio-economic organisation that extends informal finance to the community. Most of these Marups are controlled by the members and this makes the system transparent, allows for regular and open interaction and strict maintenance of the statement of accounts and reports. Over the years, the Marups have established a fine process to reach areas with limited financial access.





### Ancillary Financial Services

The NER demonstrates a high need for customized products and services owing to unique socio-economic conditions like poor connectivity, limited access to financial services and unpredictable weather conditions. Over the years, with the growing prevalence of financial inclusion initiatives, a large number of companies delivering unique ancillary services like branchless banking, such as FINO and A Little World, have set up operations in the region.

FINO, the business and banking technology platform, has plans to set up operations in the region. They have tied up with four banks including State Bank of India (SBI), Axis Bank and ICICI Bank, and expect to have around six million accounts in the region. A Little World, the developer of ZERO, India's first domestic payment system with specific focus on reaching out to the masses with lowest available communication infrastructure, has set up operations in Mizoram and Meghalaya in collaboration with SBI and other banks.

### Government Initiatives and Schemes

The RBI and Development Finance institutions such as the National Bank for Agriculture and Rural Development (NABARD) and Small Industries Development Bank of India (SIDBI) are leading financial inclusion efforts in NER. The RBI has announced many initiatives to further financial inclusion in the region announcing plans to open offices in the state capitals of Meghalaya, Nagaland, Mizoram, Manipur and Tripura. It has also sought to encourage banks by compensating them for any losses they incur for a period of five years as an incentive to promote financial inclusion in the NER.<sup>51</sup>

The RBI is also promoting e-banking penetration in the region in order to improve access to banking services. Given that connectivity is a major problem, the RBI has initiated a scheme to promote satellite connectivity. Under this scheme, commercial banks are reimbursed the cost they incur while installing equipment for better connectivity. In 2010-11, around 1,033 branches had availed the subsidy.<sup>52</sup>

NABARD aims to promote inclusion across the country with a specific focus on central, eastern and north eastern regions through a number of schemes and subsidies including the SHG-Bank Linkage Program that provide refinancing and technical assistance to banks and NGOs involved in SHG promotion and lending. It has also launched the Financial Inclusion Fund (FIF) NABARD, an initiative that aims to meet the cost of developmental and promotional interventions aimed at securing greater financial awareness and promotion amongst the low income populace. The Financial Inclusion Technology Fund (FITF) is another initiative that is designed to meet the cost of technology adoption of financial service providers. Each fund consists of an overall corpus of INR 500 crores, contributed by GoI, the RBI and NABARD in the ratio of 40:40:20 in a phased manner over five years depending on utilization of funds.

SIDBI, through the SIDBI Foundation for Micro Credit (SFMC) provides bulk loans and technical support to MFIs in the NER. NEDFi's Microfinance Scheme develops and supports NGOs, Joint Liability Groups (JLGs), Community Based Organisations (CBOs) and Microfinance Institutions (MFIs). As on 31st March, 2010, it had sanctioned about INR 68 crores under this scheme benefiting more than 100,000 people, of which 76% are women. NEDFi provides financial support to MFIs based in the NER for the development of animal husbandry, agro-horticulture plantation, medicinal plantation and micro-insurance.

### Challenges

There are significant challenges to establishing this industry in the NER, which is characterized by diverse traditional systems and poor connectivity due to the topography of the region. This makes it difficult for MFI operations to develop roots and scale up. There is need for low cost banking models and innovative technologies to help banks and MFIs scale up rapidly. Lack of connectivity and infrastructure presents a huge challenge to promote financial inclusion in the region. It increases cost of operations for MFIs and reduces financial viability.<sup>53</sup>





As a business, MFIs also need access to significant amounts of debt capital to grow. However, the investment risk attached to the region acts as a major deterrent to adequate credit flow. Equity capital that can incentivize lenders to extend debt is also inaccessible to entrepreneurs in the region. As a result, most NGO-MFI programs remain small with a local presence.<sup>54</sup>

### Handloom and Handicrafts

According to the 3rd National Handloom Census of India<sup>55</sup> handloom skills are concentrated in the NER, that together account for 16.83 lakh (60.5%) handloom households (Table 7). Assam alone accounts for 12.41 lakh (44.6%) handloom households, whereas Manipur and Tripura have 1.79 lakh (6.4%) and 1.21 lakh (4.3%) such households, respectively. However, a large majority of looms in the NER engage in domestic production (62%), and a relatively less proportion is into mixed production (34%). In contrast, in states outside the NER, 82% of the looms are purely for commercial production and 14% for mixed production. In the NER, the production systems differ completely from the rest of the country. Almost half (45.9%) of the households are engaged in domestic production and, therefore, there is no direct contribution of handloom work to household income. Just a little over a fourth (25.2%) of the households work solely for commercial production, and slightly less than a fourth (24.4%) undertake mixed production.

As per a study sponsored by NEDFi in 2002, the NER contributes:<sup>56</sup>

- 19.2% of the total number of handicrafts units in India
- 21.7% in terms of artisans
- 79.6% in terms of value of production
- This sector provides more than 90% of livelihood to around 61% of the total artisan households in the region.

States/UTs	Total handloom worker households ('000)	Per cent distribution
Assam	1,241	44.58
Manipur	179	6.43
Tripura	121	4.33
Nagaland	61	2.19
Mizoram	39	1.42
Arunachal Pradesh	30	1.09
Meghalaya	11	0.41
Sikkim	1	0.02
North-east States Total	1,683	60.47
States other than North-eastern states	1,100	39.53
All India	2,783	100.0

### Opportunity for Social Enterprises

The region has a rich tradition of unique handicrafts, with skills like weaving being passed down the generations. Rural businesses built around handicraft manufacturing and retailing offer a huge scope for social enterprises given the interest that Indian handicrafts attract domestic and global markets (Indian handicrafts exports in 2011-12 amounted to US\$2.7 billion).

In spite of abilities and skills, handlooms and handicrafts from the NER have not taken off on a commercial scale. As stated earlier, the handloom sector in the NER is primarily geared towards domestic production



and use. Although the literacy of the artisan is more than average for the region as a whole, they are not well informed about the rapidly changing fashion world.

One possible reason for the uneven growth of the sector that has been cited by various stakeholders active in the space is that the efforts to leverage these opportunities are not integrated. For instance, the region produces a huge surplus of bamboo (Mizoram, Assam, Arunachal Pradesh are primary bamboo producing states). Traditional bamboo handicrafts are popular, but are primarily geared towards local market needs. Similarly, in sericulture, the region has built on its native knowledge of sericulture, but there are very few enterprises engaged in value adding to this output in terms of manufacturing apparel or soft furnishings, which would not only garner higher revenues in markets outside the region but also generate more employment for local communities, and particularly empower women.

Enterprises that are active in the region and work with handloom workers and handicrafts artisan cite the following challenges:

- Weavers and artisans have catered to household and domestic demand for generations and need extensive skill training and capacity building to cater to commercial/external markets.
- Lack of entrepreneurship amongst the weavers and artisans.
- Lack of standardization and quality control.

In fact, these highlight areas that several upcoming social enterprises have started to tackle in a systemic manner (See Box 8 for a sample of social enterprises in this sector).

Box 8	Social Enterprises Focused on Handicrafts and Handlooms
<p><b>Impulse social enterprise:</b> Impulse Social Enterprise emerged from the Impulse NGO Network and primarily focuses on livelihood development. For several years, Impulse has worked with artisans all over the North East to provide fair wages for their quality, handmade, textile products. Currently, Impulse distributes products to corporations who purchase in bulk. Impulse plans to establish an online marketplace that would allow international distributions of products from the region.</p> <p><b>Fuzion Crafts:</b> It provides training and raw material to the women so that they can work from from home. They use natural waste and create designer products. FUZION uses different artistic styles of local village craft. People in villages, women and even the people with physical difficulty can earn their living from home.</p> <p><b>Srishti Handlooms:</b> Engage skilled weavers by providing them with additional skill enhancement, technical upgradations, design and technical assistance. They produce various Eri and Muga fabrics and sell those produce at a better margin to the weavers. The weavers decide how much to be paid for. The artisans are also the shareholders.</p>	

### Government Initiatives and Schemes

Handloom and handicrafts-based enterprises in the NER receive support in various forms – funding, financial assistance, marketing inputs, capacity building and skill trainings. Several cluster development programs have also been set up by the Ministry of MSME, through the Indian Institute of Entrepreneurship (IIE).

There are several state and national<sup>57</sup> agencies active in the region to promote entrepreneurship in this sector. These include:

- **North Eastern Handicrafts and Handlooms Development Corporation (NEHHDC) Ltd:** Headquartered in Shillong, NEHHDC was registered as a Government of India Undertaking in 1977. The primary objective



of the Corporation is to fully develop the skill and potentials on handicrafts and handlooms in the NER as a part of development of the rural economy. In addition, the Corporation is meant to provide financial, technical and other assistance, establish sales outlets, organize exhibitions and take other steps that may improve the marketability of the products of the region, organize production through the artisans and also to provide training facilities for multiplying and up gradating the existing traditional skills. Even though set up originally by the NEC, this Corporation is presently under the administrative control of the DoNER.<sup>58</sup>

- **National Small Industries Corporation (NSIC):** A certified Government of India Enterprise under Ministry of Micro, Small and Medium Enterprises (MSME), NSIC has created several innovative products to provide support to small enterprises in terms of marketing, technology, credit and information and other support services.
- **Khadi and Village Industries Commission (KVIC):** In the North East Region, SFURTI was launched with KVIC as the nodal agency along with Indian Institute of Entrepreneurship (IIE) as the Technical Agency. As a result, 12 SFURTI Clusters are now in operation, out of which two are Khadi Clusters and 10 are Village Industries Clusters. A total number of 7614 artisans have been directly benefited with total fund involvement to the tune of Rs. 6.39 crore.<sup>59</sup>
- **Coir Board:** Coir is a versatile natural fibre extracted from coconut husk and is referred to as the Golden fibre. According to the Coir board, North east region offers tremendous scope for coir products. Assam produces about 147 million coconuts every year. On an average, 80 tonnes of fibre could be extracted from one million coconuts, that means, 147 million could be used to produce 11,760 metric tonnes of fibre. To harness the coir potential of the region, two coir clusters in Kaliabor in Assam's Nagaon district and Teliamura in West Tripura have been proposed in the Twelfth Plan period. There are currently two coir clusters — Manas cluster in Assam and Indranagar cluster in Tripura.<sup>60</sup>
- **NEDFi:** As a premier financial institution in the region, NEDFi has attempted to realize the untapped potential in this sector and has taken steps to address the problems of design upgradation and product diversification. The Techno-Economic Development Fund (TEDE, a wing of NEDFi) also conducted a study through Confederation of Indian Industry (CII) to improve the handloom and handicrafts products of the North East. Based on the study, CII has already taken up a novel project in association with NEDFi to find market from the corporate houses for handloom and handicraft products. To help entrepreneurs with timely and adequate finance at a reasonable rate, NEDFi has launched the Scheme for North East Handloom and Handicrafts (SNEHH).<sup>61</sup>
- Some clusters (khadi, coir and village industries) have also received support under the Scheme of Fund for Regeneration of Traditional Industries (SFURTI).

### Challenges

According to the North-Eastern Region Vision 2020, an “important factor constraining economic progress in the region is the poor capacity of both public and market institutions”. The document argues that responsive governance requires capacity building right from the village level, where handicrafts, rural textiles and traditional cottage food processing are the non-farm economic lifelines, mostly among the women of the northeast.

The hazy focus on developing and marketing lesser-known crafts and textiles of India's North-Eastern Region - as well as the associated cultural heritage - has put several traditional crafts on the backburner. The government-aided regional promotion and marketing platforms assigned the job of keeping them alive have failed to devise an effective delivery apparatus to carry the crafts traditions and their ambient cultures to mainstream India. Handicrafts are a state subject in the Indian constitution, but the task of integrating ethnic crafts-based textile traditions into the mainstream rests with the union textile ministry.

A private sector practitioner representing a joint venture with the Government of Mizoram highlighted this gap when the study team met him. He said that, “The Government assistance is very bureaucratic and there is a lot of delay in getting the paperwork which is cost inefficient and has other negative outcomes.”

“A large amount of inputs have been given to the North-Eastern Handicrafts and Handloom Development



Corporation by the government in the form of grants and exchanges with countries like Malaysia and the Philippines for marketing. I think we have gone in the wrong direction by focusing on exports,” states Jaya Jaitley, veteran crafts activist, president of rural crafts organisation Dastkari Haat Samiti and one of the conceptual architects of the Dilli Haat, in a recent media article. Jaitley said exports demands were difficult to cater to in the crafts sector because of the “large quantity involved, standardization and limited supply. There are no buyers for Indian crafts in Europe now with the on-going recession”.

Sanjoy Hazarika, a noted author, commentator and the managing trustee of the Centre for North East Studies and Policy Research highlighted in a recent article<sup>62</sup> that a lot of planning has gone into the funding of the handicrafts commission, but “it has benefited only a small group of people”. The overall marketing skills of the crafts people of the northeast are poor because “they are used to making things for themselves. They don’t understand the market economy because the transition from the barter and local economy to the market economy is taking place here. Cheap goods from China and Taiwan are flooding the villages. They are more accessible.”

**Box 9****Interventions to Boost the Handloom and Handicrafts Sector in NER**

Given the relatively high importance of this sector for NER, there is a clear need to focus on devising interventions that will help with its development in the region. Some interventions that should be considered:

- **Employment opportunities:** There is a need to make the vocation more rewarding for those who are engaged in a full-time capacity. Various development schemes need to be leveraged to engage the unemployed tribal youth on a priority basis.
- **Training and best practice dissemination:** There is an urgent need to establish training and best practices for organisations (handloom/handicrafts organisations, NGOs, and other intermediaries on how they should engage and incentivize the artisans/weavers.
- **Synergies need to be developed across stakeholders and agencies:** There are more than a dozen financial institutions that are financing promotion and development of the rural non-farming sector and help expand and diversify the credit and developmental activities through refinancing to banks against the loan for manufacturing, processing and service activities in small, tiny, cottage and village industries including handicrafts. There are an increasing number of NGOs in the region that focus on enterprise promotion through skill training, and group-based saving and credit activities. There are several intermediaries that focus on marketing and supply chain creation. However, the approach adopted by each of these agencies often moves in isolation and is not synergistic. There is a strong need to change this scenario by identifying actors that can bring cohesion and synergy for all the involved stakeholders in the handicrafts/handloom sector.
- **Common facilities centers:** There is a dearth of common facilities centers in the North East region that can help the sector with high quality inputs on training, marketing, market intelligence, linkages with financial institutions, provision of raw materials, and managerial inputs.

**Healthcare**

Healthcare - primary and specialty - are urgently required for the North East Region, which is seeing an increase in the inflow of patients in government health institutions. In Assam, the number of outdoor patients has increased from 1.04 crores in 2007-2008 to 2.07 crores in 2011-12. The average figures for indoor patients have risen from 5.5 lakh in 2007-08 to 10.30 lakh in 2011-12. With increased patient numbers, demand for facilities, essential medicines, and skilled health personnel have also risen across the region.<sup>63</sup>

More than 70% per cent of the total population in the NER lives in rural areas with the exception of Mizoram with less than 49% rural population. Assam has the highest proportion with nearly 86% of its population in





rural areas.<sup>64</sup> Government health institutions are unable to meet this growing demand. Assam has the highest number of health institutions in the region with over 5650 sub-centres, Primary Healthcare centres (PHC), Community Health centres (CHC) catering to the needs of the entire state. This health infrastructure, however, is adequate to cater to only 0.02% of the total rural population. Other states in the region have similar health institution to rural population ratio, with the exception of Mizoram at 0.08% and Arunachal Pradesh at 0.04%. Even the number of specialist doctors in the states apart from Assam and Nagaland is very poor. While the minimum requirement is at least 4 specialists per CHC, some of the states, like Sikkim and Tripura have even fewer than 4 specialists in all.<sup>65</sup>

Access to primary health care, essential medicines, prompt delivery and responsiveness will play a critical role to improve the health facilities and services in the region.

<b>Box 10</b>	<b>Healthcare Providers in the NER</b>
<ul style="list-style-type: none"> <li>• Guwahati-based doctor and entrepreneur Debraj Shome started MediAngels, a super-specialty e-hospital, where patients can seek consultation from high quality doctors over the internet at an affordable cost. The hospital provides patients access to over 300 doctors across 85 specialties, and is connected to 21,000 labs across the country.</li> <li>• Ashadeep, an innovative health scheme provides card-based insurance through memberships to individuals, families and groups. This enables members to avail of super-speciality treatment at a discount for a nominal membership fee.</li> <li>• The Satyam Foundation, a charitable trust run by the Satyam Group of North East India, provides health insurance and financial assistance to Assamese artists.</li> </ul>	

**Opportunities in Accessible and Affordable Healthcare**

Efforts are being made to improve health services in the NER. These initiatives adopt the PPP, private, NGO and government models. The North Eastern Council is supporting a tele-medicine network with the Indian Space Research Organisation (ISRO). This includes setting up of tele-medicine facilities at all the medical colleges in the region, namely, the Guwahati Medical College and Hospital, Silchar Medical College, Assam Medical College and the Regional Institute of Medical Sciences in Imphal. Access to remote populations and increased productivity of medical personnel are some of the benefits of tele-medicine. There is scope for social enterprises to bring such innovative technology into the region.

The government of India launched Rashtriya Swasthya Bima Yojana (RSBY) in April 2008 to provide health insurance coverage for Below Poverty Line (BPL) families. The policy is completely subsidized by central and state governments. In the NER, the central government has increased its share of contribution to 90% as compared to 70% in other states. By April 2010, RSBY was launched in all the NER states with the exception of Sikkim.<sup>66</sup> However, implementation of this scheme requires strong partnerships with the private sector as one of the provisions of RSBY requires the insurer to hire intermediaries such as NGOs and MFIs to provide grassroots outreach and assist members in utilizing the services after enrolment.

Opportunities for social enterprises are also seen in the specialty services space. Currently, lack of adequate specialty services forces natives from the region to travel to other states for treatment. Apart from the anxiety this causes patients and their families, the states incur additional costs. Meghalaya has set up permanent accommodation in Vellore, Tamil Nadu, for patients travelling there for treatment. The Nagaland state government has been incurring an annual bill of around INR 20 crores (US\$ 3 million) in reimbursements to those forced to seek medical treatment in other states.



The Government has set up super specialty and state-of-the-art hospitals in the region that include Guwahati Medical College and Hospital (GMCH), Assam Medical College and Hospital (AMCH) and Silchar Medical College and Hospital (SMCH). In 2009, Central Government sanctioned INR 100 crores for their infrastructure development and facelift.<sup>67</sup> While these efforts have helped address some of the demand, more such facilities are required.

With India being nearly 40-50% cheaper than its Asian counterparts in Singapore and Thailand, Medical tourism is being projected as an attractive area for intervention.<sup>68</sup> A CII –McKinsey Study ‘Health in India’ cites the largest inflow of patients to India from the neighbouring SAARC countries. With its proximity to these countries and neighbouring states, the NER could support the region’s still nascent medical tourism.

### Innovative Public Private Partnerships

Given the lack of public health facilities, shortage of trained medical staff and need to provide timely and adequate primary, secondary and tertiary care, the government is increasingly looking at private / non-government partnerships. Successful models that have emerged in the North East are largely in partnership with civil bodies and non-government organisations. These organisations essentially act as outreach arms for government schemes and initiatives towards providing healthcare in the region.

The Government of Assam and NRHM, Assam have implemented a large number of innovative partnerships and programs. Arunachal Pradesh, Tripura and Meghalaya are also setting up various outreach partnerships. Karuna Trust, Voluntary Health Association of India (VHAI), Prayas and Future Generation, AP (FGA) have been appointed to manage one PHC in every district of the state. The government provides infrastructure and 90% of the funds required to run the PHC.

The Health & Family Welfare Department, Tripura has set up quality investigative services including pathological investigation, diagnostic centres and imaging services, in partnership with private health institutions from other states.<sup>69</sup>

Meghalaya is setting up a teaching hospital and medical college to meet the critical shortage of trained medical and paramedical staff in the state. IFC has been engaged to advice on structuring public private partnership project.<sup>70</sup>

These efforts notwithstanding, there is still a huge need and scope to strengthen public private partnerships in the region. Only innovative measures will lead the way in making available primary and basic healthcare to the population living in the NER.

#### Box 11

#### Public Private Partnerships in Assam

- **Boat Clinics:** Innovative floating boat clinics provide basic health care and medicines to sparsely populated, remote and far flung areas of the Char region. Designed and implemented by Sanjoy Hazarika, founder of Centre for North East Studies and Policy Research (CNES), NRHM adopted the program to reach over four and half lakh persons in thirteen districts along the flood plains of the Brahmaputra River of the Char area of Assam.
- **Mrityunjoy Emergency Response Services:** Government of Assam launched emergency services in partnership with EMRI, Hyderabad. Under the scheme a total 280 Advance Life Saving (ALS) ambulances cover all 27 districts of the state and provide emergency services.
- **MoU signed with 143 Tea Garden Hospitals:** The tea tribe community constitutes 13% of Assam’s population. To provide health-care services to tea garden workers and non-workers, the government of Assam, signed a MoU with Tea Garden Hospitals. There are plans to extend this partnership to additional 150 Tea Garden Hospitals in the area.



### Government Health Initiatives and Schemes

Recognizing the need for healthcare facilities in the NER, the Government of India has announced a number of special packages and schemes to support the region. National Rural Health Mission (NRHM), set up in 2005 to support healthcare initiatives in the country, has laid special emphasis on its activities in the NER. Over the years, NRHM has focused on improving medical infrastructure, generating awareness and providing universal access to equitable, affordable and quality healthcare in the region.

Several government-led initiatives have been implemented such as Ayurveda, Yoga, Unani, Siddha and Homoeopathy (AYUSH), Accredited Social Health Activists (ASHA), Janani Shishu Suraksha Karyakaram (JSSK), Janani Suraksha Yojana (JSY). The 11th Five Year Plan has introduced the 'Forward Linkages' to NRHM in North East with an outlay of INR 900 crores for improving the tertiary and secondary level health infrastructure of the region.<sup>71</sup>

### Challenges in providing Healthcare Services

Topographical peculiarities add to the North East's healthcare challenges. The NER is marked with difficult terrain conditions such as hilly areas, large tribal population living in far-flung remote villages, frequent floods and landslides. The region is highly vulnerable to epidemics due to floods, high-risk diseases such as HIV/AIDS, Malaria and drug addiction. Manipur and Nagaland have the highest prevalence of injecting drug users (IDUs) in India.<sup>72</sup> Nearly 90% of the drug users are suspected to be HIV-positive, the highest rate in the world.<sup>73</sup> Infant and maternal mortality rates are high. Assam's infant mortality rate (IMR) is 68 per 1000, making it the highest amongst all the eight states in the NER and higher than the national average of 58 per 1000. Meghalaya follows at 49 per 1000 and Arunachal Pradesh is at 37 per 1000.<sup>74</sup>

Given these conditions, essential public services such as health and sanitation are increasingly difficult to provide and maintain. Active participation of the government and civil society is required to provide access to affordable and quality healthcare in the region.

### Status on Water and Sanitation Services

Safe drinking water is in short supply in the NER, barring Arunachal Pradesh and Assam that have many river tributaries and streams. More than half of the population in the region is deprived of this basic need. While 77.5% of the households in Arunachal Pradesh have access to safe drinking water (close to the all India average of 77.9%), more than 60% of households in Manipur, Meghalaya and Mizoram do not have access to safe drinking water. In Nagaland, only 46.5% of households have access to safe drinking water, while 58.8% households in Assam and 52.5% in Tripura have access to safe drinking water. ]

Water in most parts of the region contains arsenic and fluoride elements that are known to be injurious to health. There is a need to implement water purification programs. In response, the government has ramped up its efforts to provide safe drinking water in the NER through the 'Provision for projects/schemes for the benefit of the North Eastern Region and Sikkim for the year 2011-2012'. These efforts include:

- **National Rural Drinking Water Program:** The Department of Drinking Water Supply has earmarked 10% of the total central outlay for the program which is worth INR 935 crores (US\$ 167 million) for the NER.
- **Total sanitation campaign:** The central government is supplementing the efforts of the State Governments to provide sanitation facilities to the rural masses. Of the INR 1650 crores (US\$ 294 million) that has been earmarked for Total Sanitation Campaign, the Government has set aside INR 165 crores (US\$ 29 million) for the NER in 2011-12.

However, physical and climatic conditions are key challenges to the growth of the water and sanitation sector.



**Box 12** Water and Sanitation Enterprises in the NER

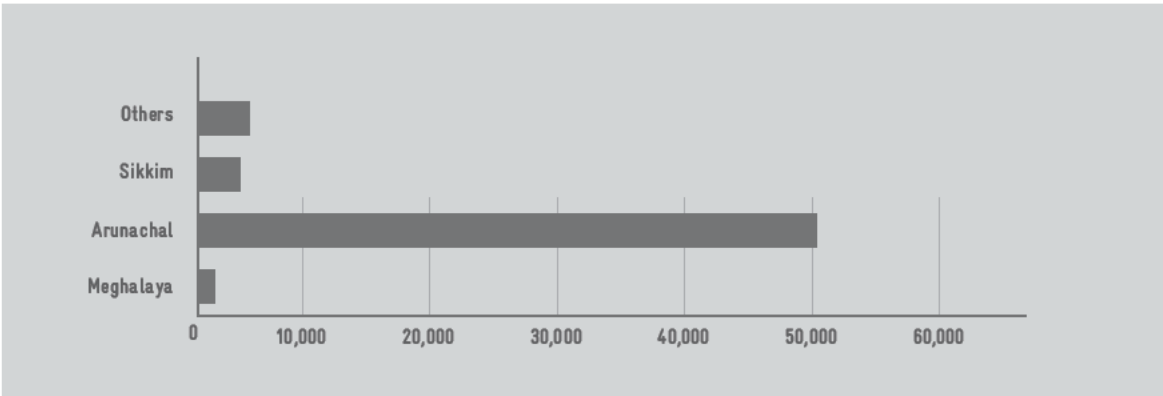
- **Spring Health** is bringing safe drinking water to hard-to-reach communities in the NER through its innovative kiosk model. It operates through a model of micro entrepreneurship to sell the water at 0.20p per liter.
- **North East India Project (NEIP)** is working on installing a pump system which will pump clean water from a natural spring located down the mountain-side to the Yimjenkimong Village in Nagaland.
- **Tanclean** develops and manufactures a safe and scientific solution to clean and disinfect storage water tanks that involve a six stage cleaning process using imported equipment and proprietary antibacterial agents that are safe, effective and eco-friendly.

**Energy**

The NER is endowed with perennial rivers and water bodies that have high potential for hydro-electricity generation. It also has abundant resource in coal, oil and gas for thermal power generation. According to estimates by the North Eastern Electric Power Corporation (NEEPCO),<sup>75</sup> the NER has the potential for hydropower generation of about 58971 MW. In other words, the region has almost 40% of the country's total hydro potential. However, only less than 2% (1116MW) of this potential has so far been harnessed (as of 31 March 2010).<sup>76</sup> Arunachal Pradesh, Sikkim and Meghalaya especially can be made centres for generation of hydro-power (see Graph 1).<sup>77</sup>

Coal reserved of NER amount to 864.78 million tons, of the total 186 billion tons of reserves in the country. If harnessed well, these reserves will make the NER a key 'power house' of the country with approximately 240 MW/day that can be generated for a period of 100 years. Also, it has 151.68 billion of gas reserves which are capable of generating 7500 MW for 10 years.

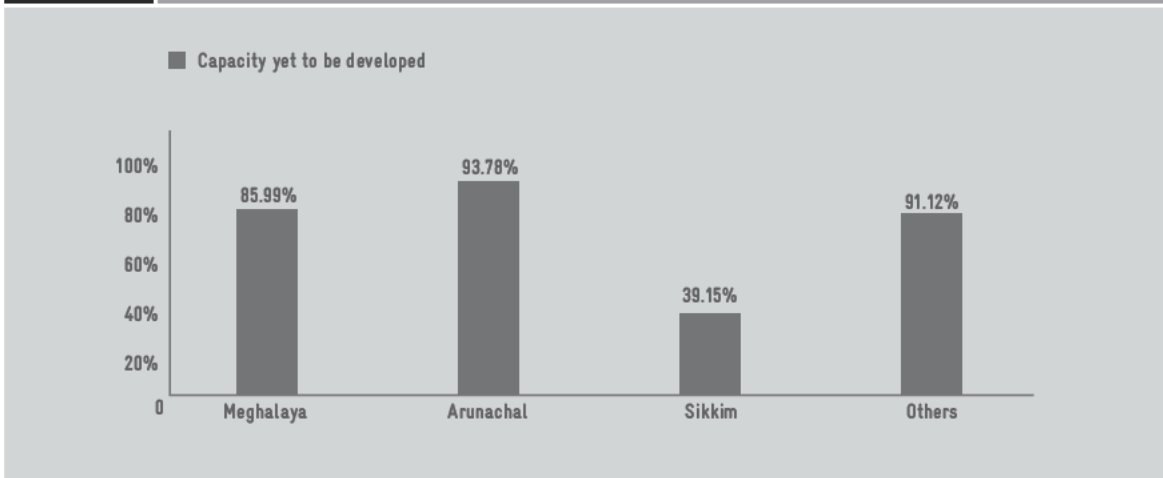
**Graph 1** Identified Potential (MW)







**Graph 2** Chart of the untapped energy generation potential across different states<sup>78</sup>



**Table 8** Distribution of Current Installed Capacity of the States Across Hydro, Thermal and other Mediums of Energy Generation<sup>79</sup>

States	Installed Capacity (MW)		
	Hydro	Thermal	Others
Arunachal Pradesh	54%	21%	25%
Assam	44%	53%	3%
Manipur	51%	45%	4%
Meghalaya	79%	10%	11%
Mizoram	28%	57%	15%
Nagaland	52%	20%	28%
Sikkim	39%	40%	21%
Tripura	25%	68%	-

### Hydro Power Potential

Development of hydro power potential of the region presents a huge opportunity, and will improve the quality of life of the poor living in remote and inaccessible hilly areas. Also, development of infrastructure such as roads and communications would become easier if electricity is available in these areas. Export of surplus power to the power-deficit Northern and Western regions of the country presents another opportunity.

Mahendra Lama, Vice Chancellor, Sikkim University says, “Micro hydel power projects present immense opportunities. There is a huge need gap, cost of capital required is low and technology is fully developed. We need entrepreneurs who can take up the challenge.” Small Hydro Power (SHP) projects use natural flow of water to produce electric power of up to 25 megawatt (MW). They are further divided into 3 categories: mini (up to 100 KW), micro (up to 2MW) and small (up to 25MW). They have the potential to meet the requirements of remote, isolated and hilly areas especially where the grid supply or transmission is a problem. The capacity utilization of SHP projects is as high as 95% subject to water availability in rivers and canals. Power generation potential using SHP projects in Arunachal Pradesh is estimated to be about 1600 MW, of which only 33.21 MW has been developed and 58.99 MW is in the pipeline.<sup>80</sup> Sikkim has taken initiative to harness the



potential of rivers and provide electricity to the remote districts. Also, SHP projects normally do not encounter the problems of deforestation and resettlement, often associated with large hydel projects. Electricity generation is inflation-free as there is no fuel cost involved. Further, the technology required for SHP projects is fully developed in the country with efficiency of more than 85%.

**Box 13****Sikkim Micro Hydro Power Projects (MHPP)5**

- Sikkim is the first model state in India currently to implement micro power generation projects.
- The state has 13 projects in the pipeline, of which, work on six projects has been started as of June 2012. The total project cost is limited to INR 19 crores, of which the Ministry of New and Renewable Energy (MNRE) is providing INR 10 crores and the North Eastern Council will provide INR 5 crores. Sikkim's state government will provide the remaining INR 4 crores.
- One of the MHPP in Lower Dalapchand has been awarded to a cooperative society. After completion, the project would be handed over to the local NGOs or panchayats to operate and maintain.

**Box 14****Energy Enterprises in NER**

- **Kirti Solar**, subsidiary of the Pekon Group of Companies, provides quality solar systems at the affordable prices. Headquartered in Kolkata, they have authorized dealers and distributors in Assam, Meghalaya, Manipur, and Tripura. They are an approved Channel Partner of Ministry of New and Renewable Energy (MNRE), Govt.
- **Electroplus** manufactures and supplies solar street light, home lighting system, solar lantern. These products work on solar photovoltaic technology.

**Government Initiatives and Schemes**

The NER Vision 2020 document states that the region should harness at least 40% of its existing hydel potential (See Table 9) and 15% of the thermal potential. The central government announced an investment of over INR 84,000 crores (US\$ 15 billion) to set up hydel and thermal projects in the NER by 2020.

The “50,000MW hydro initiative”, Hydro policy 2008 has been formulated by the Central Government to promote investment in hydropower in the NER. Under the Mega Power Policy of the Central Government, the qualifying threshold capacity for setting up hydro power plants in the region and for availing the special benefits thereof is 350 MW, whereas it is 500 MW for the rest of the country.

Under the Hydro Policy 2008, project developers in the Central and State sector can explore the possibility of foreign assistance to finance their projects. This assistance is already being utilized by NEEPCO for Pare Hydro Electric Project and MeSEB for Renovation and Modernization of Umiam II HEP, which are funded with a foreign loan component.

The central government is also promoting private sector intervention in the region to boost investment in the power sector. About 14000 MW has already been allotted to private players in NER for development as part of “50,000 MW hydro initiative”.



### Hydro Power Potential

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Table 9		Installed Hydro Electric Projects	
<ul style="list-style-type: none"> <li>• Assam: Kopili (275 MW)</li> <li>• Nagaland: Doyang (75 MW)</li> <li>• Arunachal Pradesh: Ranganadi (405 MW)</li> </ul>			
<b>Ongoing Projects</b>			
<b>Hydro-Electric Projects</b>		<b>Gas power projects</b>	
Arunachal Pradesh: Kameng (600 MW), Pare (110MW) Mizoram: Tuirial (60 MW)		Tripura: Monarchak (101 MW) Mizoram: Tuirial (60 MW)	
<b>Projects in the pipeline</b>			
<b>Hydro-Electric Projects</b>		<b>Thermal power projects</b>	
Meghalaya: Mawphu (85 MW) Mizoram: Lungreng (815 MW), Chhimtuipei (635 MW), Mat (76 MW)		Tripura: Agaratala (2x26 MW) Meghalaya: Garo hills(500 MW), west Khasi Hills (240 MW)	

### Challenges

Small Hydrel Power (SHP) projects are governed by the state policies and the potential sites are allotted by the state Governments to private developers. As SHP projects are usually set up in hilly areas, they have a relatively longer gestation period because of statutory clearances including land acquisition, forest and environment clearance, irrigation clearance; among others. At times SHP developers do face objections from the local community. Employment of local people and contribution towards local area development are often the challenges faced.



For example construction of Subansiri Lower Dam on the border of Assam and Arunachal Pradesh has experienced numerous problems. This project, if completed, would be the largest hydroelectric project in India with a capacity of 2000 MW. It has, however, experienced several problems such as landslides, re-design, opposition and security challenges for the construction workers. Anti-dam group contends that the project would cause large scale damage to Assam located downstream.<sup>82</sup> Inadequate distribution infrastructure, seismic zone and environmental clearances are other hindrances.

Despite the MNRE Capital Subsidy for Off-Grid and Decentralized Solar Applications (which amounts to a 90% capital subsidy in NER, 10% more than the rest of India), most players in the Indian market do not target the NER. A key deterrent to social enterprises selling off grid lighting solutions in the region is inadequate distribution infrastructure that increases their cost of delivery. Low credit penetration in the region also limits access to consumer finance for households that want to purchase these products.

Other challenges involved in setting up power projects in the region include the lack of accurate hydrological data, problems in land acquisition, environmental clearances, border issues and intra-state as well as international disputes over water rights. There have also been inadequate investments in transmission and distribution grids in the NER.

Sikkim, as well as most of north India, falls in seismic zones 4 and 5. Last year, an earthquake in Sikkim killed 17 personnel working at the Teesta Urja Ltd, a special purpose vehicle, which is building the 1,200MW Teesta-III Hydel Electric power project in Sikkim. Earthquake impact studies along with specialized technology and design to address this natural challenge requires attention and investment to unlock the true potential of the NER as a hydro power hub.<sup>83</sup>

## Tourism

India is increasingly becoming one of the world's top tourist destinations with the industry contributing upto 6.2% to the GDP and nearly 9% of the total employment opportunity in India.<sup>84</sup> A recent study by the Institute of Peace and Conflict Studies, a South Asian think tank, has reported that of the total tourist arrivals to the country, the number of tourists visiting the NER has been negligible. This, however, is changing. With the decline of insurgency and improved accessibility of several regions within these states, there has been a spurt in the number of tourists visiting the NER. In 2010-2011, the northeast recorded a high growth rate especially in foreign tourist visits to the states. While domestic tourist visits grew at 3% as compared India growth rate of 13%, foreign tourist visits grew at 15% compared to all India growth rate of 8%. Nagaland and Manipur saw significant increase in both domestic and foreign categories as compared to the rest of the states. (Table 10)

Apart from NER being a biodiversity hotspot, this recent growth has been also accelerated by improved government policies by the state governments and MDoNER, such as 'Visa on Arrival', special 'Leave Travel Concession (LTC)' options for government employees.





States	Domestic Tourist			Foreign Tourist		
	2010	2011	% Change	2010	2011	% Change
Arunachal Pradesh	2.279	2.332	2.33%	0.034	0.048	41.18%
Assam	40.509	43.395	7.12%	0.152	0.164	7.89%
Manipur	1.141	1.345	17.88%	0.004	0.006	50.00%
Meghalaya	6.528	6.675	2.25%	0.042	0.048	14.29%
Mizoram	0.573	0.622	8.55%	0.007	0.007	0.00%
Nagaland	0.211	0.254	20.38%	0.011	0.021	90.91%
Sikkim	7.000	5.525	-21.07%	0.208	0.236	13.46%
Tripura	3.423	3.595	5.02%	0.052	0.060	15.38%
North East	61.664	63.743	3.37%	0.510	0.590	15.69%
India	7,477.034	8,508.566	13.80%	179.102	194.949	8.85%

Source: Ministry of Tourism, Govt. of India<sup>85</sup>

### Opportunity for Responsible Tourism

There also seems to be a general agreement amongst the eight states that tourism has the potential to stimulate various economic factors through backward and forward linkages across sectors like agriculture, horticulture, poultry, handicrafts and more. State policies also recognize eco and cultural tourism as instruments for sustainable human development, including poverty alleviation, environmental regeneration, job creation and advancement of vulnerable groups.

The industry is still nascent and social enterprise activity in the region is limited. According to Census 2001, the region comprises of nearly 560 tribal communities and nearly 84% of its population lives in the rural areas. Tribal and cultural tours, village tourism and home stay present potential avenues that could involve the local community. While private companies and operators have started eco-friendly, cultural and adventure based tourism, social enterprises that look at holistic societal wealth creation are just emerging. An interesting example of a cultural tourism company servicing the NER is the Eight Sisters Travel and Tour Holidays. The Eight Sisters specialize in tribal tours and travels in Assam, Nagaland, Arunachal Pradesh and Meghalaya.

Efforts will be required to bridge the service gaps at the villages. Besides building awareness towards eco-tourism or responsible tourism, capacity building measures such as training of guides, villagers and staff in the hospitality sector, as well as build clean and hygienic infrastructure would be required to promote tourism in the NER. These are possible interventions for social enterprises.

### Government Initiatives and Schemes

There has been a huge policy thrust from the central government as well as state governments on responsible tourism. In its recommendations to the planning commission, the Union Ministry of Tourism has proposed an INR 600 crores package under the 12th Five Year Plan for the NER, while MDoNER recently approved a comprehensive Tourism Master Plan (TMP)<sup>86</sup>, to be implemented in three phases over a period of 10 years with a total investment of INR 3,655 crores. Apart from infrastructure development and better air, road and rail connectivity, the TMP will include product development, capacity building and training, marketing strategy, online tourism portal, private sector participation, environment management measures, emergency response system, and promotion of handicrafts. The tourism policies are also reflective of state specific ambitions – for example, while Sikkim wants to focus more on adventure tourism, Mizoram is working out joint ventures between local operators and corporate agencies outside NER.<sup>87</sup>



## Box 15

## Private Sector Towards Responsible Tourism Development of the NER

- **Eight Sisters Tours and Travels:** Eight Sisters, established in 2007 provides customized eco – friendly travel solutions to in the NER. By engaging the local community through home stays, folk and art culture, village tours they have a number of rural citizens employed as contractual labour.
- **Eco – Tourism Society:** Ecotourism Society of North East was established in the year 2010 for the development and promotion of tourism in North East India. They provide capacity building services to tour operators, preserve and conserve tourism resources and bridge the gap between the local people and tourism industry
- **MayalLyang Homestay:** Started by a husband and wife duo, this tourism enterprise seeks to engage Lepcha youth from the remote Dongzhu region of Sikkim through as employees who manage customized and unique travel solutions for tourists visiting NER.

### Challenges

While most policy documents and literature by experts and academicians express a huge tourism potential in the North East, the North East 2020 Vision Document released by Prime Minister Manmohan Singh in 2008 clearly lists certain gaps that limits NER from achieving its true potential as a tourist destination. These include poor marketing to national and international operators who determine a tourist circuit, low availability of accommodation, poor local infrastructure, perceived law and order issues and administrative restrictions. Individual state governments have been working on improving infrastructure, introducing state-based incentive schemes in order to bridge existing gaps. Joon J Changkakoty of Eight Sisters Tours and Travel says, “Infrastructure, publicity and awareness are highly lacking. The people in this region need to be informed about the scope of tourism within the region. A special focus must be given to build general awareness on how to talk and present themselves to a tourist. Sikkim is a good example where the economy has made a huge turnaround due to tourism. It’s also the main source of income for many locals there too. Perhaps the NER can take a few examples here. Social Enterprises can fill in the gaps in this aspect surely.

However, lack of integrated infrastructure (road, rail and air connectivity) within and between the states is a major impediment to tourism. Poor banking services across states gives little access to much needed finance. The region also lacks high quality hospitality services for the tourist. Educated youth with high aspirations seek employment in hotels or restaurants in states outside the NER that provide/meet higher quality standards and employment opportunity. The rise in tourism will also affect the delicate ecological balance of the region. Government efforts to develop a holistic tourism policy will help mitigate some of these risks.



Footnotes



- 17 <http://db.nedfi.com/content/agriculture>
- 18 <http://db.nedfi.com/content/agriculture>
- 19 [http://www.india.gov.in/sectors/water\\_resources/index.php?id=8](http://www.india.gov.in/sectors/water_resources/index.php?id=8)
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- 22 <http://www.ifad.org/operations/projects/design/98/India.pdf>
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**Footnotes**



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# 6 Enabling Environment

## Reliance on Grants and Subsidies

Most economic development activity in the NER is financially supported through grants and subsidies from the Government of India and other donors. North Eastern states enjoy the status of ‘Special Category States’<sup>88</sup> as a result of which all development plans in these states are centrally financed on a 90% grant and 10% loan basis. Most MSMEs promotion programs in the region also offer significant financial incentives and subsidies to businesses. For instance, as part of the North East Industrial and Investment Promotion (NEIIP), promoted by the Government of India and disbursed through NEDFi, small businesses in the region receive various incentives including 100% income tax exemption, industrial estate duty exemption, transport subsidies and 100% reimbursement of insurance premiums.<sup>89</sup>

Table 11 Key Players in MSME Promotion in NER	
<b>Government of India promoted agencies</b>	NEDFi SIDBI NABARD MDoNER APEDA (Agricultural & Processed Food Products Export Development Authority)
<b>Academia and Think tanks</b>	IIE, Guwahati IIM Shillong MSME Development Institute in Guwahati / Gangtok / Imphal
<b>Donors and Implementing Agencies</b>	IFAD ADB GIZ
<b>Private sector bodies and other networks</b>	FICCI FINER ICC CII

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At the workshop, entrepreneurs shared that small businesses could not easily avail these benefits. One entrepreneur said that “Government policies and schemes are tedious to avail. (Involvement of) different departments and lack of coordination (among them) leads to information asymmetry. Most schemes are now available online. However, poor penetration of computers and lack of internet connectivity leads to inaccessibility of such schemes.” Another entrepreneur pointed rigidity of government schemes as a problem. According to him, “lots of schemes are available which target specific sectors, people and geographies. So as an entrepreneur, if you fit in one of those available boxes, you get the funding. But if you are out of the box, (it becomes) difficult to get resources. Government actors and schemes need flexibility and willingness to operate out of the box.”

Access to working capital loans and equity investment is extremely difficult for MSMEs in the region. All eight states in the NER have a low credit deposit ratio<sup>90</sup> indicative of low credit off-take. Penetration of banking infrastructure<sup>91</sup> is low in comparison to the rest of India. Despite the Credit Guarantee Fund Scheme for micro and small enterprises that offers collateral free term loans and working capital facility up to INR 100 lakh per borrowing unit, many enterprises in the region do not seem to have directly benefited from this. An entrepreneur at the workshop shared that “banks hesitate to lend to farmers and other small producers as their profile is considered ‘high risk, and bank managers are often very risk averse.” Further, most entrepreneurs in the region are first generation entrepreneurs, which limits their business exposure and experience.

### Spotlight on MSMEs

Following the recent shift in focus from setting up big industries to promoting MSME for economic development, there is a greater focus on increasing credit flow to MSMEs. This thrust is also visible in some of the recent activities by key funders in the region. As mentioned earlier in the report, NEDFi, with support from national apex funding agencies such as SIDBI, is a key funder to the MSME sector.

In June 2012, the State Bank of India, the largest commercial bank lender to MSMEs in the region, increased its advances to agriculture in the region from INR 1272 crore to INR 1745 crore. To address lack of access to equity investments, the Government of Meghalaya recently launched the Livelihood Improvement Finance Company of Meghalaya (LiFCom). (Box 16)

In addition to extending financial incentives to economic and MSME development in the region, there are multiple schemes and bodies set up by the Central Government to promote MSME activity in the region. Organisations such as NEDFI, NABARD, SIDBI and NERAMAC play dual roles of funding and promoting MSMEs. In comparison to the Central Government-led schemes, activity by State Government is limited. Furthermore, some international donors extend support such as access to markets and capacity building. Most often, they work in collaboration with the local governments. An example of such a partnership is the North Eastern Region Community Resource Management (NERCORMP), a joint initiative of IFAD, a key donor in the region and North Eastern Council (NEC), Ministry of DoNER. Details of donor activity in the region are presented in the Annex 1.

#### Box 16

#### LiFCom - Facilitating Equity Investments

Established with the intent to boost projects and inclusive businesses aimed at livelihood creation and increased income generation in the region, LiFCom is a social venture capital company under Section 25 Companies Act. It is a joint initiative of the Government of Meghalaya and the International Fund for Agricultural Development (IFAD) and will provide micro loans, patient capital, equity and near-equity financing.



**Support Focus**

Direct support extended to MSMEs includes facilitation of market linkages, cluster development, capacity building and skill development, and knowledge and networking. In addition, organisations like ADB are working with DoNER to improve infrastructure in the region. These efforts especially focus on improving connectivity within states and the rest of the world to open up markets and increase mobility.

**Market Linkages**

Support has been coming in to address the lack of access to markets, inadequate food processing facilities and market linkages, which form a major challenge to MSMEs involved in agriculture, handlooms and sericulture, handicrafts, bamboo production and cottage industries involved in spinning and weaving. NEDFi and NERAMAC are key agencies that help in sourcing, procuring and marketing agricultural and horticultural commodities across North Eastern States (See Box 17 for NEDFi-Haat, a special intervention by NEDFi).

Amongst donors, IFAD is the dominant actor in promoting market access. The IFAD supported NERCORMP provides farmers with sustainable income-generating livelihoods and helps them scale up of their activities through technology transfer and capacity building. Currently in its second phase, the project covers 400 new villages and 860 old villages (from phase one), in Assam, Meghalaya and Manipur. The project has impacted 59,161 households until now. In order to bridge the market linkage gap at the last mile, NERCORMP has piloted retail stores, the first being in Dhankheti-Malki,<sup>92</sup> Shillong, where goods produced by farmers from these villages are sold.

Social enterprises are also contributing to this effort, in addition to government and international agencies. They have established innovative business models that connect local producers to national and international markets. Examples include Naga Indigenous Foods that works with tribal village farmers in Nagaland and Impulse Social Enterprise in Meghalaya.

<b>Box 17</b>	<b>NEDFi-Haat</b>
<p>NEDFi Haat is a platform created by NEDFi and the industry department for the unorganized sector in 2002 with the objective of establishing direct market linkages for weavers and craftsmen. Through the NEDFi-Haat exhibition centre, artisans and craftsmen gain support in marketing their products.</p> <p>During the year 2009-10 close to 26 fairs were organized by NEDFi Haat at Ambari which resulted in a sale of INR 2.5 crore.</p>	

<b>Box 18</b>	<b>Water Hyacinth Craft Initiative</b>
<p>NEDFi along with the NEC identified an opportunity to promote water hyacinth as an alternative to make eco-friendly products. Water Hyacinth grows faster and is more flexible than bamboo making it an attractive raw material. The promotion of water hyacinth craft is now a 3-year project (2010-13) to support capacity building, micro credit linkage and market linkages to over 1000 artisans in the NER.</p> <p>NEDFi has created “Aqua Weaves” a brand that can be used free of cost by all artisans to sell hyacinth-based products. NEDFi devised this program to also address shortage of bamboo in 500 villages in Assam. It facilitated import of technology from Thailand and developed skills of farmers, who saw an increase in their earnings by up to 300%.</p>	





### Cluster Development

Cluster development is a dominant strategy for promotion of small and rural enterprises in the region. The cluster concept suggests connecting and working together with a network of firms who have commonalities across products, services, skills or technology. Cluster provides identity to the grouped firms and hence results in empowerment of local communities. Initiated by the Ministry of MSME, Government of India in 2006, this strategy received a huge push in 2009, when the Indian Institute of Entrepreneurship (IIE-Guwahati) set up Regional Resource Centres for Cluster Development. Clusters were identified across North Eastern States as presented in Table 12.

Organized clusters could form an effective channel for extending credit and capacity building to MSMEs. For banks, it will provide a cost effective way of identifying, evaluating and funding MSMEs. For promotional agencies, it will be easier to identify the common strengths and needs of MSMEs in a cluster

Table 12 Cluster Development Strategy	
Name of State	Areas identified for cluster development
Assam	Handloom and Handicraft
Nagaland	Beekeeping, Food processing (esp. pineapple and passion fruit)
Tripura	Cane and Bamboo, handicraft, handloom, brick kiln and rice mills
Mizoram	Silk, food processing and bamboo
Arunachal Pradesh	Food processing, handloom and handicraft, cane and bamboo, wood carving and carpet making
Meghalaya	Pottery, food processing, cane and bamboo and handicrafts
Manipur	Bamboo and pottery
Sikkim	Handmade paper from bamboo, food processing, handicrafts

### Capacity Building

Some networks such as FICCI, ICC and CII extend mentoring and handholding support to entrepreneurs in the region. For instance, CII partnered with Bhartiya Yuva Shakti Trust (BYST) and Government of Assam to create and deliver a program in Youth Entrepreneurship Development. In partnership with NEDFi, it provides mentoring and handholding to entrepreneurs. Stressing the importance and the need for such support, NEDFi Chairman B.P Muktieh says, “Handholding of entrepreneurs for a longer term horizon is important. We are providing such mentorship in partnership with CII. Mentorship is being provided in the form of business facilitation – we are trying to address the lack of chartered accountants in the region via EDP initiatives, which are provided free of cost. We also built additional support by appointing a mentor (a retired banker from State bank of India) to advise new entrepreneurs, and to teach them financial know-how.”

Many academic institutions in the region have initiated entrepreneurship development programs. In 1993, the Indian Institute of Entrepreneurship (IIE) was established by the Ministry of Industry (now the Ministry of Micro, Small and Medium Enterprises), Government of India with the specific aim of promoting training, research and consultancy activities in the MSME space. The institute works with the North East Council (NEC), SIDBI and the state governments of Assam, Arunachal Pradesh and Nagaland among other stakeholders. In January 2011, the MSME Development Institute in Guwahati and University of Guwahati initiated an entrepreneurship club under a scheme called E-scheme.<sup>93</sup> The club aims to promote financial access by increasing communication between universities, entrepreneurs, development institutes and students. It also provides entrepreneurs a base for peer learning and discussing their common problems.



### Skill Building

Organisations such as NEITCO focus on building vocational skills amongst the region’s youth to enable them to find employment or income generation opportunities. Information technology is a major focus for many such initiatives in the region.

In June 2012, giving a major boost to information and communication technology (ICT) infrastructure in the region, the Ministry of State for Communication & IT announced projects worth INR 567 crores. The Central Government also recently sanctioned an INR 388 crores special package for the North-East to impart affordable ICT training to the local youth. It has also set up 5 software technology parks in Mizoram, Tripura, Assam, Manipur and Sikkim to boost IT in the NER. This has led to a large number of vocational training institutes like NIIT and others to enter the market.

The Digital Empowerment Foundation & Intel Foundation launched the Community Information Resource Centre (CIRC), a national program in June 2009 in Dimoria block (DigaruPanchayat) in Kamrup District of Assam. North East Development Foundation was commissioned to be the facilitating partner. The objective of the Dimoria CIRC is to facilitate skill enhancement and capacity building of children, youth, women and others in education, health, agriculture, livelihood activities using Information Communication Technology (ICT) and non-ICT tools.

Mahendra Lama, Vice chancellor of Sikkim University shared that the Sikkim University had created specialized field oriented programs with a vision to create the desired entrepreneurs. He says, “Traditional wisdom says first develop skills and then look for markets to sell those skills in. In the NER, we need a reverse approach. Markets should first be identified and created, and then enterprises and training should be designed around the markets. We want to give specific skill training which will enable youth to leverage rich natural resources of the region.” In keeping with this thought, the university has created specialized programs such as Ethno-Botany and Horticulture-Floriculture management to create entrepreneurs who can combine their skill set with the resources available in the region, rather than creating general management programs.

<b>Box 19</b>	<b>Examples of Activities by Networks and Associations in the NER</b>
<ul style="list-style-type: none"> <li>• <b>Indian Chamber of Commerce (ICC):</b> Conducted 4 major summits with a focus on pushing NER as an investment opportunity across India and South East Asia.</li> <li>• <b>CII:</b> Organizes Sector Summits such as the first NER Career and Skills Expo in 2012 and the CII-Energy Conclave in Guwahati in December 2011</li> <li>• <b>FICCI:</b> In the process of forming an investment facilitation desk. It has an office in Guwahati but has not managed to create any direct members yet.</li> </ul>	

### Knowledge and Networking

Published literature, market intelligence and sector analyses that can help entrepreneurs identify and access funding and partnership opportunities are limited. Networks and associations such as ICC, FICCI and CII provide opportunities for entrepreneurs to network with each other and other stakeholders in the space.



### Challenges

Agencies promoting MSMEs in the NER face a number of challenges. According to the NER Vision 2020 report, challenges to the MSME-Cluster Development Program include inadequate management bandwidth amongst facilitating agencies to manage clusters that are defined too broadly, lack of prioritization amongst clusters, lack of required skills amongst facilitating agencies and partners in regional institutions and inability to co-ordinate production, storage and marketing operations of MSMEs - primarily due to lack of infrastructure facilities like cold storages, warehouses.

A number of agencies have noted increased costs of servicing clients/communities because of difficult geographic conditions owing to a hilly topography and poor infrastructure to connect remote areas to the urban centres. Most development schemes/subsidies/programs in the NER are regionally focused and not state specific. The projects will have a greater impact if they are better thought through as individual state programs. Most interventions by government/multilateral agencies towards rural development follow a top-down approach and do not involve local communities in the decision making process. This leads to a lack of awareness and ownership in the community and hence a reduced uptake of the available services.

While the challenge of funding is being addressed, there is a strong need to guide entrepreneurs and build capacity in order to make the sector ready to leverage the capital they are being provided with. Mr. A.K Gokhe, Managing Director at MSME Development Institute Gangtok shared that while they had the capital to disburse to MSMEs, they hadn't been able to do so. He adds, "We struggle to find enough MSMEs eligible to avail these schemes as they do not meet the criteria in terms of legal status, and other requirements." In a situation where organisations are not guided or equipped to use the funds efficiently, it is likely that the capital will not produce results. R. Ramhangaia of Hnam Chhantu Pawl, an NGO in Mizoram that promotes handicrafts and handlooms says, "There have been too many training (programs) organized by the Government and banks where TA/DA are paid. This has developed a culture for easy money and is counter-productive for the growth of industriousness and entrepreneurship among the people."

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### Footnotes



- 88 Special Category States: States that have a hilly terrain, low level of infrastructure development and low population density.
- 89 *Special State Incentives for MSMEs*: <http://www.dcmsme.gov.in/MSE-CDProg.htm>  
*Central Schemes for MSMEs*: <http://msmeditmpbal.nic.in/documents/MainIncentiveSchemesMSME.pdf>
- 90 The ratio of credit extended by the banks to the deposits generated in any region. A low ratio indicates lack of credit offtake because of lack of demand, due to low commercial activity or low creditworthiness of borrowers
- 91 To be inserted: statistic on bank branches and similar indicators as compared to rest of India/national average
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# 7 Potential Areas For Intervention

The social enterprise ecosystem is still nascent in the region. Efforts are required to create a cohesive and collaborative environment for the ecosystem to come into its own and become sustainable. Over the last few years, policy intervention has infused much needed funds towards economic development of the region. The way forward towards a well-functioning ecosystem, however, would be to nurture an environment that leans towards public private partnerships. This preliminary study has highlighted potential areas for intervention and technical assistance to promote social enterprise activity in the NER. While Government interventions are extremely necessary to create a foundation for well-developed market forces to exist, the below mentioned interventions are focused towards greater financial and non-financial assistance from other key stakeholders that could support the emerging social enterprise ecosystem.

## **Collaboration and Coordination**

There are some existing programs in the region run by donors such as the ADB and IFAD that are focused on SME and cluster development. Synergies might exist in identifying and collaborating with donors that promote sectors and clusters with high potential for social impact. Such collaborations could be targeted at expanding, complementing or deepening existing programs, and acting as a connector between local programs and social enterprise promotion activities and organisations in the rest of the India.

## **Improve Investor Interest**

Given the nascent state of social enterprise activity in the NER, short term equity investments are likely to come from funds focused on early stage social enterprises such as Village Capital<sup>94</sup>, LGT Venture Philanthropy<sup>95</sup>, Grassroots Business Fund<sup>96</sup> and Aavishkaar Micro Venture Capital<sup>97</sup> as well as high net worth individuals especially those from within the region. There is an opportunity to create a region-focused investor network that would be keen to evaluate high potential enterprises exclusively from the NER. Partnerships with existing angel investor networks could be contacted to evaluate interest. Regional chapters of industry networks such as CII and FICCI could be tapped to launch and manage such a network. There are further opportunities to launch region-focused venture funds. SIDBI Venture Capital<sup>98</sup> (SVCL), SIDBI Risk Capital, Aavishkaar and Pragati Finance have launched funds that have a mandate to invest in social enterprises that are focused on the development of the low-income states in India. Knowledge exchange with these funds will help develop similar funds for the NER.

## **Patience Investing**

While social enterprises in the region are yet to achieve scale and operations which would excite equity investors, capital infusion at the early stage are required for their growth. Organisations interested in supporting their development could identify one or many sectors of interest in the region and explore patient investments into select, innovative enterprises. A comparable role will be that played by Michael and Susan Dell Foundation (MSDF)<sup>99</sup> in urban microfinance and affordable education. MSDF extends grants and technical assistance to high potential non-profits and for-profits to pilot activities and establish business and revenue models. Once the business matures, it evaluates investments in its equity.



### **Build Cluster Capacity**

As discussed earlier, cluster development forms a key strategy in the existing economic development approaches in the region. Key challenges could be addressed in identified or selected clusters enabling better market access and incomes. Such an intervention could be planned in partnership with the National Innovation Council that is already involved in cluster development in the region and plans an innovation fund, partly targeted at social enterprises.

### **Public Private Partnership**

Additional development work is required to provide access to basic services such as health, education, and infrastructure within the region. Extended policy thrust has created a slew of programs and initiatives that support this development. There is an increasing need for public private partnerships for implementation of such initiatives and reaching the unreachable regions, especially the remote, far flung regions and riverine areas. Insights from NRHM towards execution of its health programs in participation with social organisations like C-NES<sup>100</sup> could be emulated for other sectors as well.

### **Assist Enterprises**

Based on these findings, there is a significant need for external capital for current operations or future growth of the enterprises. While many enterprises seek increased flow of grants, there is an overwhelming need to access debt and equity capital. Most enterprises fail to secure bank loans or equity investments due to poor documentation or lack of a proper track record. Investor readiness programs are required to assist enterprises to improve their business and financial models, documentation, business plans etc. Formats to evaluate include a mentorship network, capacity building workshops, investor readiness workshops and investor-investee networking.

### **Strengthen Entrepreneur Network**

On overwhelming need voiced by the participants at the workshop was to reach out to other entrepreneurs in the region to establish a support network. Programs like the Practitioner's Workshop at IIE, Guwahati organized by GIZ, Intellectap and E&Y (aforementioned in the study). GIZ-IIE workshop was one of the first few organized efforts towards facilitating such a network. More formal entrepreneur networks are required. Local chapters of national networks like NEN, TiE, NASE will help foster this ecosystem. Partnership with established entrepreneur institutions such as IIE, Guwahati could be initiated. Additionally, formal and well-structured peer-learning and exchange programs are required. Peer-to-peer learning programs involving entrepreneurs from the NER as well as more established entrepreneurs from other Indian states would help knowledge exchange. Case studies with successful business models, innovative solutions to common challenges, and potential replication or franchise opportunity from successful social business across the country could be shared with emerging enterprises.

### **Establish Virtual Incubation**

Virtual incubation and mentorship could be established with existing organisations that could support emerging entrepreneurs. Organisations such as Villgro<sup>101</sup>, Dasra<sup>102</sup>, and Unltd India<sup>103</sup> could be tapped to create a virtual network. Besides the need to develop specially tailored programs to suit the region's requirements, such networks will also provide access to a larger range of workshops, programs, activities that can be accessed by the enterprises.

### **Showcase Potential of NER's Social Enterprises**

There is opportunity to offer exposure and recognition for NER-specific social enterprises, either by launching a new program or forging partnerships with existing programs such as the Sankalp Forum<sup>104</sup>, Development Market Place<sup>105</sup> and Mahindra Rise<sup>106</sup> to initiate a special track focused on the region. The program can create networking opportunities for identified entrepreneurs with peers and investors in the region. Additionally, an annual publication on the status and performance of social enterprise activity and social entrepreneurs in the region could be considered.



### Build Awareness Programs

Due to geographical isolation, poor connectivity and large rural population, the village and tribal community have limited knowledge on fair trade, quality products, market prices, latest technology, demand and supply market forces etc. There is a need to promote awareness programs that would sensitize the producer and consumer communities towards such challenges. Partnerships with NGOs with a large footprint in the region along with grassroots understanding and established community relationships could be explored.

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#### Footnotes



- 94 <http://www.vilcap.com/>
- 95 <http://www.lgrop.com/>
- 96 <http://www.gbffund.org/>
- 97 <http://www.aavishkaar.in/>
- 98 <http://www.siddhivemure.co.in/>
- 99 <http://www.msdf.org/>
- 100 <http://www.c-nes.org/>
- 101 <http://www.villgro.org/>
- 102 <http://www.dasra.org/>
- 103 <http://www.unltdindia.org/>
- 104 <http://sankalpforum.com/>
- 105 <http://www.dm-india.com/>
- 106 <http://rise.mahindra.com/>





# Annexures

## Annex 1: List of Donors Active in the North-East India Region

Donors	Focus
Sir Ratan Tata and Navajbai Ratan Tata Trust	NER Initiative launched in 2008. Focus areas are: <ul style="list-style-type: none"> <li>• Better land use for better agriculture</li> <li>• Diversified on-farm and off-farm income generation</li> <li>• Natural resource management</li> </ul>
Sir Dorabji Tata Trust	Increasing focus on North East belts (since 2007-08) are being forged as part of the overall focus on regions with low development indices. Funds NGOs only, but some of its thematic funding extends to areas MSMEs work in like: <ul style="list-style-type: none"> <li>• Urban poverty and livelihoods</li> <li>• Education</li> <li>• Health</li> </ul>
National Foundation for India	Much of the work is focused on NER and CE India. 300 grants totaling US\$7.3 Mn disbursed so far. Funds some thematic focus areas that MSMEs work in as well like: <ul style="list-style-type: none"> <li>• Education – funding schools in Arunachal Pradesh and Meghalaya</li> <li>• Citizens and Society – funding voluntarism and leadership development programmes in North East India, including internships, apprenticeship, fellowships, and project grants to build social leadership amongst local communities</li> <li>• Livelihood Security - gives grants to and supports farm and non-farm based livelihood activities in Sikkim</li> </ul>
Oxfam India	Started work in North East India recently, after a consultation held in Guwahati in 2010. Is currently running the Global Grow campaign for food security in Assam – under which it funds local NGOs.
IFAD	Current - North Eastern Region Community Resource Management Project (NERCORMP) is a livelihood and rural development project aimed to transform the lives of the poor and marginalized tribal families in North East (NE) India. NERCORMP is a joint developmental initiative of the North Eastern (NEC), Ministry of DoNER, Govt. of India and International Fund for Agricultural Development (IFAD). NERCORMP has reached out to 60,373 households so far. Pipeline - North Eastern Region Livelihoods Project: <ul style="list-style-type: none"> <li>• The aim of the project is to enhance livelihood opportunities among participating local community groups through participatory and demand-driven investment choices and collective action, with support from value-adding partnerships.</li> <li>• The World Bank is expecting to provide US\$120.0 million. IFAD is expected to co-finance about 13 per cent of the total project cost.</li> </ul>



Donors	Focus
World Bank	<p>Primarily funding livelihoods and infrastructure related activity. Some examples</p> <ul style="list-style-type: none"> <li>• Livelihoods: North East Rural Livelihood Project: Total funding allocation of INR 5 Bn; started disbursement in 2010-11, focus areas of social empowerment, economic empowerment, partnership development and management, project management.</li> <li>• Infrastructure: In May 2012 announced funding of INR 13,000 crores for infrastructural development of power generation facilities in the North East which would be executed by Power Grid Corporation of India</li> </ul>

**Annex 2: Agenda of the Practitioners' Workshop: Promoting Sustainable & Inclusive Businesses in the North East, held on July 27, 2012 at Indian Institute of Entrepreneurship (IIE), Guwahati, Assam**

Time	Session	Facilitator (s)
9.00 AM - 9:45 AM	Registration	Intellectap
9:45 AM - 10:15 AM	Welcome and Introductions	<b>Facilitator:</b> Katherine Miles, Senior Manager - Advisory Services, Climate Change & Sustainability Services, Ernst & Young
10:15 AM - 10:30 AM	About GIZ and the Workshop Share the background of the workshop, GIZ focus areas and interest in the North East	<b>Presenter:</b> Stefanie Bauer, Advisor, Sustainable Economic Development, GIZ
10:30 AM – 11:00 AM	Introduction to Social Enterprises and Insights from North East Key highlights on the social enterprise sector in India and NER specific insights, followed by Q & A	<b>Presenter:</b> Aparajita Agrawal, Co-Founder & Director, Intellectap
11:00 AM – 11:15 AM	<b>Tea/Coffee &amp; Networking Break</b>	
11:15 AM - 12:30 PM	<p>Understanding Challenges and Potential for Social Enterprise Activity in the North East Region</p> <p><b>Group Activity and Presentations:</b> Identify challenges to scale in the North East and possible solutions</p>	<p><b>Facilitator:</b> Katherine Miles, Senior Manager - Advisory Services, Climate Change &amp; Sustainability Services, Ernst &amp; Young</p> <p><b>Facilitators + Note-taker for each group</b> • Stefanie Bauer &amp; Priyanka Jindal</p>



Time	Session	Facilitator (s)
		<ul style="list-style-type: none"> <li>• Katherine Miles &amp; Meenakshi Kishore</li> <li>• Anurag Agrawal &amp; Trina Datta</li> <li>• Aparajita Agrawal &amp; Sriparna Baruah</li> <li>• Lalmuanzuala Chinzah &amp; A K Baruah</li> </ul>
12:30 PM - 2:00 PM	<p><b>Understanding legal structures and implications</b> Understand legal structure options available to a social enterprise, relevance and implications, comparative advantages and disadvantages</p> <p><b>Group Activity:</b> Case Study analysis and presentation Sharing of findings from the group, followed by Q &amp; A</p>	<p><b>Facilitator:</b> Manju George, Co-Founder and Head-Corporate Development, Intellectap</p>
2:00 PM – 3:00 PM	<b>Lunch &amp; Networking Break</b>	
3:00 PM – 3:30 PM	<p><b>Experience Sharing: Learning from Real Life Social Entrepreneurs</b> Facilitated session drawing on specific experiences of social entrepreneurs</p>	<p><b>Facilitator:</b> Manju George, Co-Founder and Head-Corporate Development, Intellectap</p> <p><b>Guest Entrepreneur:</b> Puneet Rustagi, Director-Strategy and Business Development, Husk Power Systems</p>
3:30 PM – 3:45 PM	<b>Tea/Coffee &amp; Networking Break</b>	
3:45 PM – 5:30 PM	<p><b>Investment Raising 101</b> <b>Group Activity:</b> Mock Investor Pitch by each group (Understand investor expectations and improve business pitches)</p>	<p><b>Facilitator:</b> Anurag Agrawal, Co-Founder, COO, Intellectap</p> <p><b>Investor Panel:</b></p> <ul style="list-style-type: none"> <li>• Anurag Agrawal, Intellectap</li> <li>• Josh Engel, Anavo Global</li> <li>• Molly Alexander, Acumen Fund</li> <li>• Katherine Miles, E&amp;Y</li> </ul>
5.30 PM – 6.00PM	Concluding Remarks & Vote of Thanks GIZ and IIE	<p><b>Facilitator:</b> Katherine Miles, Senior Manager - Advisory Services, Climate Change &amp; Sustainability Services, Ernst &amp; Young</p>
6.30 PM onwards	<b>Networking Dinner at a Local Restaurant in Guwahati</b>	



### Annex 3: List of Participants at the Workshop

Category	Name	Organisation	Email ID
Organiser	A. K. Baruah	Indian Institute of Entrepreneurship	ak_baruah@yahoo.com
Entrepreneur	Abdur Mukit Bin Rouf	Fuzion Crafts	mukitrouf@gmail.com
Observer	Anisha Patnaik	FirstLight Accelerator Consultants Private Limited	anisha@firstlight.vc
Speaker	Anurag Agrawal	Intellectap	anurag@intellectap.com
Observer	Anushka	Aromatic soaps and plants enterprise	anushka.k@gmail.com
Organiser	Aparajita Agrawal	Intellectap	aparajita@intellectap.com
Entrepreneur	Arindam Dasgupta	Tamul Plates Marketing Pvt. Ltd.	arindam.dasgupta@tpmc.co.in
Entrepreneur	Ashok Rao	C-Nes	arjrt22@gmail.com
Entrepreneur	Bhaskar Das	North East Agro Consortium	mbdghy@yahoo.co.in
Entrepreneur	Chandana Bora	C-NES	cbbnagaon@rediffmail.com
Entrepreneur	Chhatra Singh Nahata	Fabric Plus Pvt. Ltd.	csnahata@fabricplus.in
Organiser	Dr. Sriparna Baruah	Indian Institute of Entrepreneurship	sriparnabbaruah@gmail.com
Entrepreneur	Guru T Ladakhi		guru_tl@yahoo.co.in
Entrepreneur	Hiren Kalita	Ajagar Social Circle	ajagarsocialcircle@yahoo.co.in
Entrepreneur	Joon J Changkakoty	Eight Sisters Tours and Travel Holidays	joonchangkakoty@yahoo.co.in
Speaker	Josh Engel	Anavo Global	josh@anavoglobal.com
Organiser	Katherine Miles	Ernst & Young	Katherine.Miles@in.ey.com
Entrepreneur	Kaushik Das	Atma Nirbhar - Ek Challenge	atmanirbhar@satyam.net.in
Organiser	Lalmuanzuala Chinzah	GIZ	lalmuanzuala.chinzah@giz.de





Category	Name	Organisation	Email ID
Observer	Leena Saikia	IIE	leenasarmah08@gmail.com
Entrepreneur	Manik Ch. Boruah	C-Nes	mborua@gmail.com
Organiser	Manju George	Intellectap	manju@intellectap.com
Organiser	Meenakshi Kishore	Intellectap	meenakshi.k@intellectap.net
Speaker	Molly Alexander	Acumen Fund	malexander@acumenfund.org
Observer	Moriah Akhers	Impulse	makers@princeton.edu
Entrepreneur	A.G.Kharbhih	Impulse	hkharbhih@rediffmail.com
Entrepreneur	Debotosh Purkyastha	Impulse	
Entrepreneur	Neelam Dutta	LAMP	neelamdutta@hotmail.com
Entrepreneur	Nelson Deb	The Eco Hub Small Industries	nelson.deb20@gmail.com
Entrepreneur	Pinaki Roy	North Eastern Society for Preservation of Nature and Wild Life	pinaki.r@gmail.com
Organiser	Priyanka Jindal	Intellectap	priyanka.jindal@intellectap.net
Speaker	Puneet Rustagi	Husk Power Systems	rustagi@huskpowersystems.com
Entrepreneur	Puspadhar Das	Srishti Handlooms Limited	srishtihandlooms.ltd@gmail.com
Entrepreneur	Ricky Renthlei	Bethany Society	bethanyngo@rediffmail.com
Entrepreneur	Runu Hazarika	Navchetna Society	runuhazarika@rediffmail.com
Entrepreneur	Samir Ranjan Bordoloi	S.S.Botanicals	prakritiassam@gmail.com
Entrepreneur	Saswati Barman	Shishu Sarothi, Centre for Rehabilitation and Training for Multiple Disability	shishu_sarothi@yahoo.com
Observer	Shantanu Garg	GIZ	shantanu.garg@giz.de



Category	Name	Organisation	Email ID
Observer	Siddharth Chaturvedi	National Rural Livelihood Mission	sidmails@gmail.com
Organiser	Stephanie Bauer	GIZ	stefanie.bauer@giz.de
Observer	Swarup Beria	TechnoServe	sberia@tns.org
Organiser	Trina Datta	Ernst & Young	Trina.Datta@in.ey.com
Entrepreneur	Vikramaditya Das	Grameen Sahara	goldenweavers@gmail.com

#### Annex 4: List of Organisations Interviewed for Primary Research

Name of organisation	Point person	Type of organisation
North Eastern Development Finance Corporation Ltd.(NEDFi)	BP Muktieh, Chairman and MD	Development financial Institution
Federation of Indian Chambers of Commerce and Industry (FICCI)	Biswajit Chakrabarty, Head North East Council	Apex body
North eastern regional agricultural marketing corporation ltd (NERAMAC)	S.Bhattacharjee, MD	Apex body
North-Eastern Industrial and Technical Consultancy Organisation Ltd(NEITCO)	Arijit Bhattacharjee, MD	Apex body
Ayursundra (affordable healthcare)	Abhijit Hazarika	Enterprise
NABARD	R.M Talukder, AGM	Apex body
Rickshaw Bank/ Centre for Rural Development (CRD)	Krishna Deka, AGM, CRD and Subhas Sarma, Team lead for Rickshaw Bank	Enterprise
Rashtriya GraminVikas Nidhi (RGVN)	Amiya Kr. Sharma, Chairman	Financial institution
Indian Institute of Entrepreneurship (IIE)	S.K Saikia, Acting director	Educational institute/Network
Assam Small Industries Development Corporation ltd.	Deepak Bora, Manager	Financial institution
Federation of industry and commerce of North eastern region (FINER)	R.S Joshi, Chairman	Financial institution



Name of organisation	Point person	Type of organisation
Ex-Chairman Assam Institute of Management, Currently Chairman, Secondary education board	Shantikam Hazarika	Individual
C-NES, The Boat Clinic	Dipankar Das, Director	Enterprise
Foundation for Social transformation	Monisha Behal	Enterprise
The Shillong Times	Patricia Mukhim, Editor	Individual
Impulse Social Enterprise	Hasina Kharbhih, Founder	Enterprise
Commerce and Industries Department	W Langstang, Director	Financial institution
Meat Treat		Enterprise
Sikkim University, Vice Chancellor	Mahendra Lama	Individual
MSME development institute Sikkim	A.R Gokhe, Managing director	Financial institution
Member of Parliament, Sikkim	P.D Rai	Individual
Axis Bank	Karma Sherpa, Branch head	Bank
Entrepreneur	Guru Ladakhi	Enterprise
Mizoram Entrepreneurship Network	Joseph L Ralte, General secretary	Network
Mizoram Venus Bamboo Products (P) Ltd.	Rinzuala, Executive Director	A joint venture company of the Govt of Mizoram
Hnam Chhantu Pawl	R. Ramhmangaiha, President	Enterprise

**Annex 5: List of Social Enterprises based in the North East (by sector)**

Social Enterprise	Sector	Point Person	Email ID
Action North East trust	Rural Businesses (Skills training/ livelihood generation)	Sunil Kaul	sunil.theant@gmail.com
Ajagar Social Circle	Rural Businesses (Skills training/ livelihood generation)		ajagarsocialcircle@yahoo.co.in



Social Enterprise	Sector	Point Person	Email ID
Eco Hub Small Industries	Rural Businesses (Skills training/ livelihood generation)	Nelson Deb	nelson.deb20@gmail.com
Foundation for social transformation	Rural Businesses (Skills training/ livelihood generation)	Nani Kumar Saikia	satrasipajhar@yahoo.co.uk
Fabric plus Pvt. Ltd	Rural Businesses (Skills training/ livelihood generation)	Dilip Barooah	dbarooah@fabricplus.in
Fuzion crafts international	Rural Businesses (Skills training/ livelihood generation)	Abdurmukit bin Rouf	mukitrouf@gmail.com
Impulse social enterprise	Rural Businesses (Skills training/ livelihood generation)	Hasina Kharbhih	hkharbhih@rediff.com
Red River	Rural Businesses (Skills training/ livelihood generation)	Kakoli Das	kakoli.das@gmail.com
Nedan foundation	Rural Businesses (Skills training/ livelihood generation)		nedan_ne@yahoo.co.in and nedanfound@gmail.com
Package for Seed Production for Muga Silkworm	Rural Businesses (Skills training/ livelihood generation)	Dr. Dipali Devi	dipali.devi@gmail.com
Srishti Handlooms Limited	Rural Businesses (Skills training/ livelihood generation)	Puspadhar Das	srishtihandlooms.ltd@gmail.com
Weaving Destination	Rural Businesses (Skills training/ livelihood generation)	Digambar Narzary	weaving.destination@gmail.com
Bethany Society	Financial Inclusion	Carmo Noronha	bethanyngo@rediffmail.com
Grameen Sahara	Financial Inclusion	Sarat Das	saratchandradasgs@gmail.com
Nightingale Charitable Society	Financial Inclusion	Mantu Nath Sharma	nightingale2006@sify.com
Prochesta	Financial Inclusion	Dr. Anjana Barkakati	aborkakati@gmail.com
Individual entrepreneur	Agriculture	Guru T Ladakhi	guru_tl@yahoo.co.in
Naga indigenous foods	Agriculture	Charles Chasie	Nagafoods7@gmail.com





Social Enterprise	Sector	Point Person	Email ID
Himalayan holidays	Agriculture	Tsering Wange	
Jungle travels	Agriculture		jti.holidays@gmail.com
The boat clinic	Healthcare	Dipankar Das	dipankard4@gmail.cohoo.co.in
MediAngels	Healthcare	Debraj Shome	
GNRC-Ashadeep	Healthcare	Dr. NC Borah	gnrc ltd@gnrc.in
Electro plus	Energy		info@electroplus.co.in

**Annex 6: List of Social Enterprises Expanding into North East (by sector)**

Social Enterprise	Sector	Point Person	Email ID
B-able	Education and Vocational Training	Sushil Ramola	sushil.ramola@b-able.in
B-able	Education and Vocational Training		abhishek.gupta@b-able.in
Edubridge Learning Pvt Ltd	Education and Vocational Training	Girish Singhania	girish@edubridgeindia.com
IL&FS Education	Education and Vocational Training	Ninad	ninad.vengurlekar@ilfsets.com
TechnoServe	Education and Vocational Training	Swarup Beria	sberia@tns.org
Technable Solutions Pvt. Ltd.	Education and Vocational Training	Santanu Bhattacharjee	sunny@technable.com
Bamboo House India	Rural Business (Skill training/livelihood generation)	Prashant Lingam	prashant@bamboohouseindia.org
Babajob.com	Rural Business (Skill training/livelihood generation)	Maya	maya@babajob.com



Socio Enterprise	Sector	Point Person	Email ID
Safal Solutions	Rural Business (Skill training/livelihood generation)	Subodh Gupta	subodh@safalsolutions.com
Tamul Plates Marketing Pvt. Ltd.	Rural Business (Skill training/livelihood generation)	Arindam Dasgupta	arindam.dasgupta@tpmc.co.in
Envirofit India Pvt Ltd	Energy	Harish Anchan	harish.anchan@envirofit.org
Kirti Solar	Energy	Dhiraj Bhangchandka	
Noble Energy Solar Technologies Ltd.	Energy	Bharat Barki	bharatbarki@gmail.com
Thrive Energy Technologies Pvt Ltd	Energy	Sombabu	sombabu @thriveenergy.co.in
Intuit Labs Fasal	Agri and Food Processing	Deepa Bachu	deepa_bachu@intuit.com
Shree Kamdhenu Electronics Pvt. Ltd.	Agri and Food Processing	Ujval Parghi	ujval@akashganga.in
Suminter India Organics Pvt Ltd	Agri and Food Processing	Tina Goyal	tina@suminter.com
AYZH Health and Livelihood Pvt Ltd	Healthcare	Zubaida Bai	zubaida@ayzh.com
Forus Health	Healthcare	K. Chandrashekar	kc@forushealth.com
The Satyam foundation	Healthcare		
Asomi	Financial Inclusion		axomi@rediffmail.com
Bhartiya Samruddhi	Financial Inclusion	Vishali	info@basixindia.com
Finance Limited Tandean Pvt Ltd.	Water and Sanitation	Sunil Uplap	sunil@tanclean.com



# Web Resources

Aavishkaar Venture Management Services: <http://www.aavishkaar.in/>

Accion Venture Labs: <http://www.accion.org/page.aspx?pid=4070>

Ashoka Changemakers, Competitions: <http://www.changemakers.com/competitions>

Asian Social Enterprise Incubator: <http://www.asei.com.ph/>

Bombay Connect: <http://www.facebook.com/BombayConnect>

British High Commission, New Delhi, Samridhi: <http://ukinindia.fco.gov.uk/en/news/?view=PressRe&id=706857682>

Dasra: <http://www.dasra.org/>

DFID, 2011: Poorest States Inclusive Growth (PSIG) Programme Business Case, 4 August 2011. EDRM No. 3156078

Government of India (GOI), Department of Science and Technology (DST), National Science and Technology Entrepreneurship Development <http://www.nstedb.com/institutional/tbi-center.htm>

G 20, challenge: <http://www.g20challenge.com/>

G 20: [www.g20.org](http://www.g20.org)

Global Social Venture Competition (GSVC): <http://www.gsvc.org/>

Good Company: <http://goodcompanygroup.org/node/214>

iDisc, Defining the Incubator's Operational Model: <http://www.idisc.net/en/Article.52.html>

iDisc, Incubation Models: <http://www.idisc.net/en/Page.MELA.Incubator.Models.html>

iDisc, Printable toolkit: <http://www.idisc.net/en/ToolkitPrint.aspx>

iDisc, Types of Business Incubators: <http://www.idisc.net/en/Article.38689.html>

iDisc: <http://www.idisc.net/en/Index.html>

Indian Angel Network: <http://www.indianangelnetwork.com/band-looking-for.aspx>

Indian Innovation Portal: <http://innovation.gov.in/innovation/fetchAllHomeItems.action>

InfoDev: <http://www.infodev.org/>

Intellectap, business consulting: <http://intellectap.com/services/business-consulting>

Intellectap: <http://intellectap.com>

Milagrow: <http://milagrow.in/>

Millennium Alliance: <http://www.millenniumalliance.in/>

National Association for Social Enterprises: <http://naseindia.org/>

National Business Incubators' Association: [www.nbia.org](http://www.nbia.org)

Ogunte, Make a wave: <http://www.ogunte.com/innovation/make-a-wave-pre-incubator>

Root Capital, Women in Agriculture Initiative: <http://www.rootcapital.org/support-us/women-agriculture-initiative>

Root Capital: [www.rootcapital.org](http://www.rootcapital.org)

Rural Technology Business Incubator, IIT – Chennai: <http://www.rtbi.in/>

Sankalp Forum: <http://sankalpforum.com/>

The Hub: <http://www.the-hub.net/>

The Unreasonable Institute: <http://unreasonableinstitute.org/fellows-all/>

Venture Nursery: <http://venturenursery.com/Program-Schedule.html>

Villgro: <http://www.villgro.org/index.php/knowledge-mgmt>

Villgro, Unconvention, Wantrepreneur: <http://unconvention.co.in/wantrepreneur>

## About GIZ

Working efficiently, effectively and in a spirit of partnership, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH supports people and societies worldwide in creating sustainable living conditions and building better futures. The services delivered by GIZ draw on a wealth of regional and technical competence and tried and tested management expertise.

It is owned by the German Government and works in the field of international cooperation for sustainable development. GIZ is also engaged in international education work around the globe. It currently operates in more than 130 countries worldwide.

## GIZ in India

Germany has been cooperating with India by providing expertise through GIZ for more than 50 years. To address India's priority of sustainable and inclusive growth, GIZ's joint efforts with the partners in India currently focus on the following areas:

- Energy- Renewable energy and energy efficiency
- Sustainable Urban and Industrial Development
- Natural Resource Management
- Private Sector Development
- Social Protection
- Financial Systems Development
- HIV/AIDS-Blood Safety





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