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North Eastern Region Power System Improvement Project

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Why in News

The **Cabinet Committee on Economic Affairs** has approved the Revised Cost Estimate (RCE) of **Rs. 6,700 crore** for the **North Eastern Region Power System Improvement Project (NERPSIP)**.

This is a major step towards **economic development of the North Eastern Region** through strengthening of Intra - State Transmission and Distribution systems.

Key Points

- **North Eastern Region Power System Improvement Project:**

- **Background:**

The Scheme was initially approved in **December 2014** as a **Central Sector Scheme** of the Ministry of Power.

- **Funded By:**

The **assistance of the World Bank** fund and by the Government of India through the Budget support of the Ministry of Power on **50:50** basis except for the **capacity building component for Rs. 89 crore, which will be entirely funded by the Government of India.**

- **Implemented By:**

- The scheme is being implemented through **Power Grid Corporation of India Limited (POWERGRID)** in association with six beneficiary North Eastern States namely, **Assam, Manipur, Meghalaya, Mizoram, Nagaland, and Tripura** and is targeted to be commissioned by December 2021.
- **POWERGRID** is a 'Maharatna' Company operating under Ministry of Power, it is engaged in power transmission business with the responsibility for **planning, implementation, operation and maintenance of Inter-State Transmission System (ISTS).**

- **Maintenance:**

After commissioning, the project will be owned and maintained by the respective **North Eastern State Utilities.**

- **Objective:**

Government's **commitment for the total economic development** of the North Eastern Region and to **strengthen the Intra-State Transmission & Distribution Infrastructure** in the North East Region.

- **Significance:**

- Implementation of this scheme will **create a reliable power grid and improve NER States' connectivity to the upcoming load centers,** and thus **extend the benefits** of the grid connected power to all categories of consumers of beneficiaries in the North Eastern Region.
- The scheme shall also **increase the per capita power consumption** of these States, and shall **contribute to the total economic development** of the North-Eastern Region.
- Hiring local manpower is **generating a lot of employment for skilled and unskilled manpower** of North-Eastern Region.

- **Other Initiatives for North Eastern States:**

- **North-East Industrial Development Scheme (NEIDS):**

In order to promote employment in the North East States, the Government is incentivizing primarily the MSME Sector through this scheme.

- **International Tourism Mart (ITM):**

- It is organized annually with the **objective of showcasing the largely untapped tourism potential of the North East region** in the domestic and international markets.
- 10% of the plan allocation of the Ministry of Tourism is marked for the NorthEast region.
- There are also plans to hold an NER Tourism Mart where tour operators from all over the country can meet and the regional tourism can be showcased.

- **National Bamboo Mission:**

The Mission envisages promoting holistic growth of the bamboo sector by adopting the area-based, regionally differentiated strategy. It aims to increase the area under bamboo cultivation and marketing.

Source:PIB