

CONCEPT NOTE

NAGALAND DEPUTY COMMISSIONERS CONFERENCE 2025

Sub-theme: Promoting Innovation in Economy & Governance

**Concept Note on
Promoting Innovation in Economy & Governance**

1. Introduction and Rationale

Nagaland's economy is largely consumption-oriented, with over 70% of goods — including food, clothing, and consumer items — imported from outside the state. While 70% of the population depends on agriculture, most are engaged in low-productivity, subsistence farming. The state's Gross State Domestic Product (GSDP) remains one of the lowest in India, and unemployment among youth exceeds 21% (as per Periodic Labour Force Survey, 2022).

Despite this, Nagaland has immense untapped potential:

- Fertile land and a suitable climate for high-value organic crops
- A strong base in handloom and handicrafts, with over 1.6 lakh weavers/artisans
- A rich cultural identity and youth-driven creative talent
- Strategic location for inter-state and international trade with Southeast Asia (Act East Policy)

There is an urgent need for structural transformation — from import dependency to local production, value addition, and enterprise-led growth.

2. Vision and Objectives

Vision:

To build a self-reliant, production-oriented Nagaland that generates employment, adds local value, and becomes a key contributor to regional and national markets.

Strategic Objectives:

1. Promote local production and branding across agriculture, craft, and digital sectors.
2. Create sustainable employment in MSMEs, logistics, and creative industries.
3. Develop full value chain ecosystems from raw material to market.
4. Strengthen logistics infrastructure, skill development, and entrepreneurship.

5. Leverage cultural identity and tourism for inclusive economic growth.

3. Sectoral Priorities with Local Data & Pilot Models

3.1 Agriculture & Agri-Processing

- **Local Context:**

Nagaland has over 7.5 lakh hectares of cultivable land, yet limited processing capacity. High-potential crops include pineapple (Medziphema), Naga King Chilli, ginger (Phek), turmeric, large cardamom, and oranges (Mokokchung).

- **Pilot Project Idea:**

"Integrated Pineapple Value Chain Cluster" – Medziphema

- FPO-led collective farming of pineapple
- Setup of processing unit for pulp, juice, and dried slices
- Cold storage + pack house + solar drying
- Export to Northeast markets and online sales under a Nagaland Organic label

3.2 Handloom & Handicrafts

- **Local Context:**

Nagaland has around 17 recognised tribes with unique weaving, basketry, and woodcraft traditions. Over 1.6 lakh women weavers remain unorganized, with low design and market access.

- **Pilot Project Idea:**

"Craft Village – Diezephe (Chümoukedima)"

- Setup of a live working village with artisan studios, design labs, and tourist experiences
- Brand collaboration for modern product development
- Establish a “Made in Nagaland” crafts portal for global sales
- Training of youth in craft entrepreneurship, marketing & social media
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3.3 Manufacturing & MSMEs

- **Local Context:**

Dimapur, Chümoukedima, and Kohima can become MSME hubs for processed food, bamboo products, packaging materials, and eco-friendly building items.

- **Pilot Project Idea:**

"Bamboo Utility Product Cluster – Tuli (Mokokchung)"

- Bamboo crafts scaled for urban use: trays, containers, home décor
- Machinery support + common facility center
- Cluster-level marketing and B2B supply tie-ups with hotels, cafés, and retail chains

3.4 Digital & Creative Economy

- **Local Context:**

Nagaland has a vibrant youth population, high smartphone penetration (65%), and emerging music, content, and fashion creators. However, limited structured support exists.

- **Pilot Project Idea:**

"Creative Incubator – Kohima"

- Incubation for digital artists, filmmakers, designers, and app developers
- Co-working studio + media lab + startup grants
- Create Naga storytelling content for YouTube, Spotify, and OTT
- Train youth in digital marketing, coding, and content monetization

4. Enabling Infrastructure & Ecosystem

4.1 Logistics & Aggregation

- **Current Bottleneck:**

High logistics cost (~15% higher than national average), poor storage infrastructure, and uncoordinated farm-to-market linkages.

- **Proposal:**

- **Multi-Warehouse & Agri-Logistics Hub – Chümoukedima** (under planning – ₹8–10 crore budget) *
- Cold chains + farm gate aggregation points

- Hub-and-spoke model connecting 5 districts
- Smart inventory + transport app for MSMEs & farmers

4.2 Skill Development

- **Need:**
Targeted skill development for crafts, food processing, agri-logistics, and creative tech.
- **Proposal:**
 - State Institute for Agro & Creative Skills (SIACS) – Kohima
 - Short-term residential and online programs
 - Certifications in food processing, handicrafts, design, digital production, and entrepreneurship
 - Industry tie-ups for internships and placements

4.3 Entrepreneurship & FPO Support

- **Proposal:**
 - **Startup Nagaland 2.0:** Provide seed capital (₹5–10 lakh), incubation, and digital branding assistance
 - Expand FPOs in all 16 districts (e.g., “Phek Ginger Collective”, “Wokha Orange Growers”)
 - Promote women-led SHGs in crafts, spices, and dried food products

5. Expected Outcomes

Domain	5-Year Target
Jobs Created	20,000+ direct jobs (agri, MSME, digital, logistics)
FPOs/Startups	100+ new FPOs & 500+ small enterprises
Export Growth	2x increase in agri and craft-based exports
Craft & Tourism	3x increase in artisan income through craft-tourism integration
Skill Training	30,000+ youth trained in production-aligned skills

6. Implementation Strategy

Phase I (0–18 Months)

- Launch pilot clusters in Medziphema, Diezephe, and Tuli
- Setup Creative Incubator and training modules
- Roll out Start-up incentives and FPO mobilization

Phase II (18–36 Months)

- Expand agri-logistics infrastructure (Chümoukedima hub)
- Operationalize State Skill Institute
- Full-scale product branding and e-commerce rollout

Phase III (3–5 Years)

- Export enablement and national marketing networks
- Full state-wide coverage of FPOs, craft villages, and digital hubs
- Integration with national and ASEAN trade routes (Act East Policy)

7. Stakeholder Mapping

Stakeholder	Role
Govt of Nagaland (Planning, Agri, Industries, Tourism)	Policy, funding, coordination, monitoring
District Administrations	Local facilitation, land, convergence with rural schemes
FPOs/Cooperatives	Aggregation, production, and first-line management of clusters
SHGs/Women’s Collectives	Craft production, food processing, community-based enterprises
Startups & Entrepreneurs	New business models, innovation, service delivery
NGOs & CSOs	Training, community mobilization, incubation
Technical Partners	Capacity-building, finance, design, branding
Donors/CSR Partners	Gap funding, innovation pilots

10. Next Steps for Execution

A. Feasibility & DPR Preparation

- Conduct cluster feasibility studies (Pineapple, Craft, Bamboo)
- Finalize DPRs with financials and ROI models
- Baseline survey of skill gaps and youth preferences

B. Proposal Submission

- To Central Ministries (MSME, MoFPI, DoNER, MoTextiles)
- Seek convergence under PM Gati Shakti, Startup India, SFURTI, PMFME

C. Institutional Setup

- PMU at State level with dedicated cluster managers
- Create local implementation cells at district level

11. Conclusion

This customized roadmap offers Nagaland a strategic blueprint for economic transformation. By unlocking the state's local strengths, building institutions, and empowering its youth and communities, Nagaland can become a model of decentralized, culture-rooted, production-driven development.

The development of a robust logistics ecosystem is important, which should combine both physical infrastructure—such as roads, warehouses, and cold chains—with institutional support mechanisms, including digital supply chain platforms, logistics coordination bodies, and streamlined regulatory processes. Efficient logistics will be key to reducing transaction costs and improving market access, particularly for niche and export-oriented products. By aligning infrastructure, policy, skills, and market access, Nagaland can build a resilient and inclusive growth model that prioritizes production, competitiveness, and long-term economic sustainability.

Investment and Development Authority of Nagaland (IDAN)

Promoting Innovation in Economy and Governance

1. Introduction

Innovation is increasingly recognized as a fundamental pillar of transformative economic growth and responsive governance in the 21st century. As global economies evolve rapidly and public expectations from governance systems intensify, the capacity to innovate becomes indispensable. For a state like Nagaland—characterized by its unique socio-cultural fabric, complex terrain, and historical challenges—innovation offers a viable pathway to bridge development gaps, optimize resource utilization, and stimulate sustainable, inclusive progress.

In the context of Nagaland, fostering innovation is not just about adopting advanced technologies or establishing start-up ecosystems. It also involves reimagining governance, policy frameworks, and institutional capacities to create a forward-looking state machinery. This concept note provides a strategic direction for embedding innovation into the twin engines of economic growth and governance reform.

2. Objectives

1. To institutionalize innovation as a fundamental component of Nagaland's economic and governance frameworks.
2. To identify and prioritize key sectors where innovation can drive accelerated growth and job creation.
3. To develop an enabling ecosystem that supports start-ups, MSMEs, and grassroots entrepreneurs.
4. To integrate digital technologies for improved public service delivery, transparency, and citizen engagement.
5. To build institutional capacities through structured training, administrative reforms, and international technical cooperation.
6. To catalyze a culture of continuous learning, experimentation, and problem-solving within the government workforce.

3. Rationale

Nagaland's developmental trajectory has often been constrained by factors such as limited infrastructure, geographic isolation, and historical neglect in administrative training and human resource development. Despite being one of the oldest states in the Indian Union, there exists a gap in institutional capacities that hinders effective policy implementation and innovation adoption.

As outlined in the Government of Nagaland's recent application to the Japan International Cooperation Agency (JICA) under the technical cooperation program, the state recognizes the critical importance of building administrative capacities to ensure better governance outcomes. The lack of emphasis on structured training in the past has contributed to inefficiencies in managing resources and implementing developmental schemes.

Innovation, when coupled with capacity building, can rejuvenate the public administration, promote efficient policy execution, and enhance service delivery. Additionally, the growing digital connectivity and the creative potential of Nagaland's youth provide fertile ground for building a knowledge-based, innovation-driven economy.

4. Key Strategies

A. Economic Innovation

1. Establishment of Innovation & Entrepreneurship Hubs:

- These hubs will act as incubators for early-stage startups and social enterprises, focusing on sectors such as agri-tech, food processing, traditional crafts, eco-tourism, and digital services.
- Collaboration with institutions like IDAN, national innovation missions, and private investors will be encouraged.

2. Start-up Facilitation Policy:

- A comprehensive policy framework offering seed funding, mentoring, market access, and tax incentives.
- Introduction of a single-window digital platform for registration, approvals, and access to government schemes.

3. Skill Innovation Labs and Design Studios:

- Establish labs within ITIs, polytechnics, and residential skill academies that expose youth to design thinking, rapid prototyping, and digital tools.

- These labs will promote grassroots innovation by empowering artisans, students, and SHGs to co-create market-ready products.

4. Digital Economy Enablement for MSMEs:

- MSMEs will be supported to adopt digital marketing, automation, and e-commerce platforms.
- Access to cloud-based ERP systems and logistics solutions will be facilitated through public-private partnerships.

B. Governance Innovation

1. Smart and Responsive Public Services:

- Integration of e-Governance platforms across departments for efficient service delivery—land records, education, health, and citizen certificates.
- Use of AI and machine learning for predictive decision-making in public health, disaster preparedness, and agriculture.

2. Citizen Co-creation Platforms:

- Development of mobile apps and interactive dashboards that enable citizens to provide feedback, submit grievances, and participate in planning exercises.
- Special modules for youth engagement in budget tracking, urban innovation, and social audits.

3. Data Governance and Analytics:

- Creation of a State Data Management Policy and centralized State Data Repository.
- Training departments to use data dashboards for evidence-based planning and policy evaluation.

4. Institutional Capacity Building:

- The Department of Personnel and Administrative Reforms (P&AR) will take the lead in embedding innovation in civil service training.
- Drawing from the JICA-supported technical cooperation project, capacity-building activities will include:
 - Comprehensive training needs assessments across departments
 - Annual training plans with innovation modules
 - Deployment of sector-specific experts and modern training tools

- The Administrative Training Institute (ATI) will be the hub for conducting these programs, integrating innovation with performance management.

5. 5. Implementation Framework

The successful promotion of innovation in Nagaland's economy and governance will depend on a clear, structured, and phased implementation strategy that is both inclusive and results-oriented. The implementation will be coordinated through dedicated nodal departments and supported by inter-departmental convergence mechanisms, expert partnerships, and phased rollouts to ensure both efficiency and scalability.

5.1. Nodal Institutions and Governance Structure

- **Nodal Departments:** Planning Department and Department of Personnel & Administrative Reforms (P&AR) will jointly lead the initiative.
- **Supporting Departments:** Department of Information Technology & Communication, Department of Industries & Commerce, Department of Higher & Technical Education, and Department of School Education.
- **Innovation Governance Council:** A State-level Innovation Steering Committee (chaired by Chief Secretary) will be established to monitor progress, approve strategic decisions, and resolve inter-departmental issues.
- **District Innovation Units:** District-level Innovation Cells (DICs) will be constituted under the Deputy Commissioners to oversee local innovation projects and liaise with state institutions.

5.2. Capacity Building and Training

- **Lead Training Institution:** Administrative Training Institute (ATI), Kohima
- **Activities:**
 - Conducting Training Needs Assessments (TNA) across departments.
 - Designing annual training calendars integrating innovation, digital governance, and leadership.
 - Onboarding expert trainers and consultants, including international technical assistance (e.g., JICA).
 - Development of online learning modules and innovation toolkits for continuous learning.

5.3. Infrastructure and Technology Enablement

- Innovation Hubs and Skill Labs:
 - Five multi-sectoral Innovation Hubs to be established by 2026 in Kohima, Dimapur, Mokokchung, Tuensang, and Mon.
 - Innovation Labs and Maker Spaces in ITIs and colleges to support hands-on learning and prototyping.
- Digital Ecosystem:
 - Launch of the Nagaland Innovation Portal (NIP) for startup registration, service tracking, training access, and citizen participation.
 - Cloud-based infrastructure for data management and analytics dashboards.

5.4. Funding and Resource Mobilization

- State Budget: Dedicated annual allocation through Planning and P&AR Departments.
- Convergence: Integration with central schemes such as Digital India, Startup India, PM Gati Shakti, and Mission Karmayogi.
- International Cooperation: Leverage support from JICA and explore partnerships with UNDP, GIZ, and World Bank.
- Private Sector and CSR: Mobilize funding through industry partnerships, CSR grants, and innovation-focused accelerators.

5.5. Partnerships and Stakeholder Engagement

- Academic Institutions: Collaborate with Nagaland University, NIT Nagaland, and national innovation networks.
- Industry and Startups: Co-create pilot projects with startups and industry leaders in strategic sectors.
- Civil Society and Youth Networks: Engage SHGs, student unions, and NGOs to promote grassroots innovation.
- Monitoring Partners: Partner with third-party research agencies and think tanks for independent evaluations.

5.6. Phased Rollout Timeline (2025–2030)

- Phase 1 (2025–2026):

- Establish Innovation Governance Council and pilot Innovation Hubs in Kohima and Dimapur.
- Launch state innovation policy and digital portal.
- Conduct first round of innovation trainings for departmental officers.
- Phase 2 (2026–2028):
 - Expand Hubs to three more districts.
 - Integrate innovation modules in all ATI and departmental training.
 - Initiate digital service transformation in three pilot departments (e.g., Agriculture, Health, Urban Development).
- Phase 3 (2028–2030):
 - Scale successful models across all districts.
 - Embed innovation KPIs into department performance reviews.
 - Establish annual Nagaland Innovation Awards and Innovation Index rankings.

This structured implementation plan will ensure that the innovation agenda is not only adopted at the policy level but is also operationalized through institutional reforms, cross-sector collaboration, and real-world outcomes.** Planning Department and Department of Personnel & Administrative Reforms (P&AR)

- Training Partner: Administrative Training Institute (ATI), Kohima
- Collaborating Entities: IDAN, State IT Department, academic institutions, private sector, and international agencies (e.g., JICA)
- Implementation Timeline: 2025–2030
- Funding Channels: State budget, convergence with central programs (e.g., Startup India, Digital India), multilateral cooperation (e.g., JICA), and CSR

6. Expected Outcomes

- Establishment of at least five fully operational Innovation Hubs and Labs across the state by 2026
- Doubling of registered start-ups and digital enterprises in the next three years
- Integration of innovation metrics into departmental performance evaluations

- Enhanced citizen satisfaction through responsive governance platforms
- Improved policy coherence, planning efficiency, and resource utilization within government
- Institutionalization of innovation as a core theme in administrative training and policy making

7. Monitoring & Evaluation

- **Innovation Index for Departments:** Annual ranking based on digital adoption, service delivery outcomes, and stakeholder feedback
- **Training Effectiveness:** Evaluation of innovation capacity-building programs through pre/post assessment and department-level impact tracking
- **Third-Party Evaluation:** Independent assessments by academic institutions or research agencies
- **Reporting Dashboards:** Real-time monitoring of innovation projects, policy reforms, and service indicators

8. Conclusion

Promoting innovation in the economy and governance is no longer an aspirational goal but an essential strategy to address the unique development challenges and opportunities in Nagaland. This concept note seeks to embed innovation at all levels—from grassroots entrepreneurs to senior policymakers, from civil service training to citizen engagement platforms.

By aligning with capacity-building initiatives such as the JICA technical cooperation project and integrating digital technologies across sectors, Nagaland can lead by example in building a smart, inclusive, and future-ready administration. Strategic investments in human capital, institutional reform, and digital innovation will ensure that the state not only catches up with the national development trajectory but emerges as a leader in citizen-centric, innovation-driven governance.