



सत्यमेव जयते

Government of India
Ministry of Commerce and Industry
Department for Promotion of Industry and Internal Trade

#startupindia

» STATES' STARTUP RANKING 2022 «
ASPIRING LEADER



NAGALAND



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State Startup Ecosystem

Nagaland participated in 23 Action Points of the Ranking Framework 2022. Nagaland performance in each of the Reform Area has been graphically represented. Data presented below is the percentile score, which is the relative performance of the State in each Reform Area as compared to other participating States/UTs.

For example, if Nagaland has a score of 100th percentile in the 'Institutional Support' Reform Area, this implies that the State has scored higher than all the participating States/UTs in that Reform Area.

Nagaland has been evaluated on seven Reform Areas that have a significant contribution towards propelling the startup ecosystem in the State. Detailed analysis with insights into the initiatives taken by the State to promote its startup ecosystem are discussed in the subsequent sections.



State Startup Ecosystem

Nagaland is situated in North-eastern India bordering Assam to the north, Arunachal Pradesh to the east, Manipur to the south, and Myanmar to the west. It covers an area of over 16,000 square kilometres and consists of 16 administrative districts, inhabited by seventeen major tribes and other sub-tribes.

Agriculture and forestry contribute to the majority of Nagaland's gross domestic product (GDP). However, the State is also rich in mineral resources, such as coal, limestone, iron, nickel, cobalt, chromium, and marble.

The Nagaland Startup Ecosystem is still in its preliminary stages of developing a robust Startup ecosystem. The State Government is promoting and supporting Startups through several initiatives, including the Startup Nagaland Policy 2019.

The State Department of Industries & Commerce has been appointed as the nodal department to implement the Startup Policy. The nodal department is responsible for creating an enabling environment for Startups to grow by ensuring knowledge exchange, coordination, capacity building, policy implementation support and access to funding.

State Startup Policies and Incentives

The Government of Nagaland offers various fiscal and non-fiscal incentives to Startups to achieve its objectives, such as:

- Reimbursement of State GST
- Reimbursement of stamp duty, registration fee or conversion fee
- Digital upgradation subsidy for purchase of computers, related hardware or purchase of relevant software
- Broadband connectivity reimbursement
- Marketing and promotional assistance
- Power subsidy to Startup
- Reimbursement of patent filling cost (including filing fees, attorney fees, search fees, maintenance fees)
- Financial assistance to private or higher education institute or technical institute to establish incubator centres
- Reservation in funding support to women entrepreneurs

Highlights of State Startup Ecosystem²

The Startup ecosystem in Nagaland is in its preliminary stages of development, but it is growing gradually and the State efforts are recognisable . The following is a glimpse of the statistics claimed by the State in the State Ranking Framework 2022 period

~100

Startups Registered

1000+

Student entrepreneurs encouraged through ~20 programs

~10

Programs sensitising potential investors

~5

State supported incubators trained

~50

Startups receiving incubation support

~5

Programs connect startups ~20 startups with funds or investors

~80

Startups provided market access opportunities through ~20 programs

~5

Programs sensitising ~20 State Government officials.

30+

Startup working on Rural Impact

²https://www.startupindia.gov.in/srf-2022/reports1/Arunachal_Pradesh_State_Report_07-06-2022.pdf

Key Initiatives Driving Growth

The State Government has implemented a range of key policy measures to nurture its Startup ecosystem, transforming it into a thriving hub for emerging businesses:

- For the implementation and smooth functioning of all the provisions to facilitate the Startups, the Government of Nagaland has constituted a 12-member Nagaland Innovation Society.
- It provides regulatory support and monitors the implementation of the Startup policy.
- A dedicated web-portal has been setup where entrepreneurs can get details of Startup incentives, incubation centres, and mentors.
- With the collaboration of the School Education Department and Higher Education Department, Entrepreneurship Development Cells (EDCs) have been set up in five schools.
- The State has organised a one-month long Startup competition, "Innovation Tiger," with the theme "Think Big, Visualise and Realise" at NIELIT Kohima.
- The State regularly organises different competitions, workshops, entrepreneurship awareness programs, and EDC Business Venture Programs to promote the Startup ecosystem in the State.



Institutional Support

Introduction

Institutional Support focuses on the facilitation and execution of the State/UT's Startup policy through a comprehensive user-friendly portal and specific incentives provided by various Government stakeholders. This Reform Area focuses on paving way for easy access of information to Startups and ecosystem stakeholders.

It analyses whether a particular State/UT has a functional Startup portal offering single-window solutions for all Startup ecosystem stakeholders. A holistic Startup portal offers services ranging from Startup registration to an efficient grievance redressal mechanism having quick 30 days of query resolution.

The Reform Area also emphasises institutionalised support provided to the Startups from various State/UT Government departments including through Government policies that are currently active for support to Startups.

Government of Nagaland has provided the relevant information on State Startup portal providing easy access to State Startups. Contact details of Startup team is available on the website for any query or issues related to Startup ecosystem. The performance of the State in the Reform Area of Institutional support has been highlighted in the section below.

State Performance

Official website "Startup Nagaland" (<https://www.Startupnagaland.in/>) with information and other facilities related to Startups has been made by Government of Nagaland. The Department of Industries and Commerce, Government of Nagaland is the nodal department and provides institutional support to the State Startups.

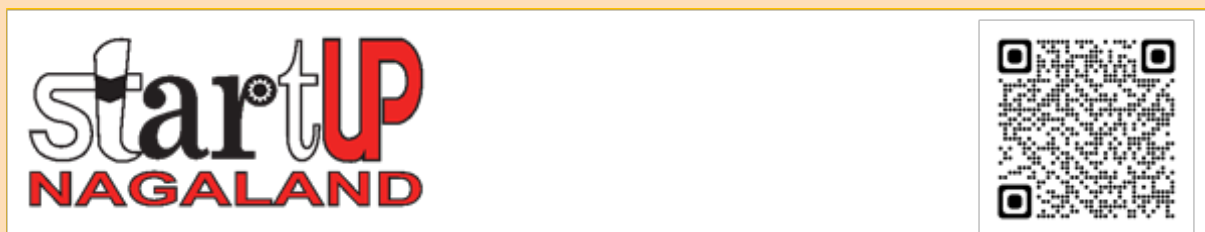


Figure A: QR of Startup Nagaland Portal

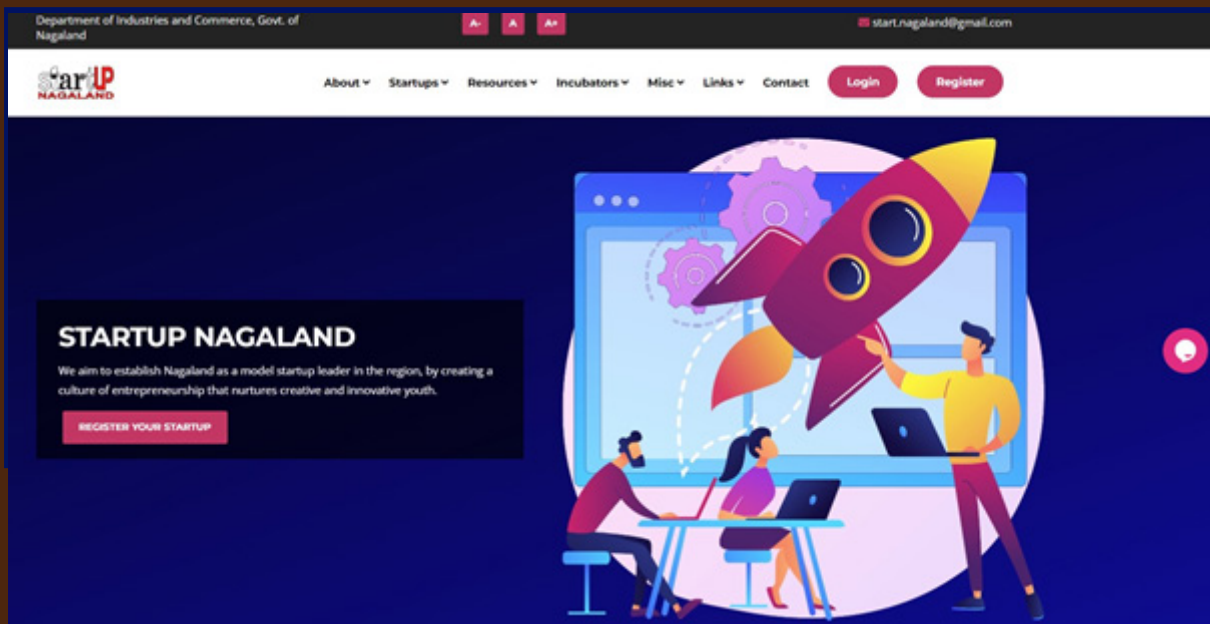


Figure B: Homepage of Startup Nagaland

Through Startup Nagaland portal, Startups may avail the facilities and access information provided as below:

1. Details of State level approvals & clearances for Startup registration
2. Details of Nodal Departments, State Nodal Officers, and dedicated team for Startups
3. List of Incubators and Accelerators with contact details
4. List of Mentors
5. Details of Public Procurement relaxation for Startup on Portal
6. Details of availing Funding Support
7. Details of marketing, outreach, events, webinars on State Startup portal
8. The portal is also accessible to Persons with Disabilities (PwD)

The nodal department and the Investment and Development Authority of Nagaland is providing institutional support to the Startups. For queries or grievances, Startups may directly contact the nodal department and its dedicated team. The details have been provided on the State Startup portal.

The State has active Startup Policy 2019, covering necessary aspects of ecosystem development and incentives to support State Startups and other Stakeholders.

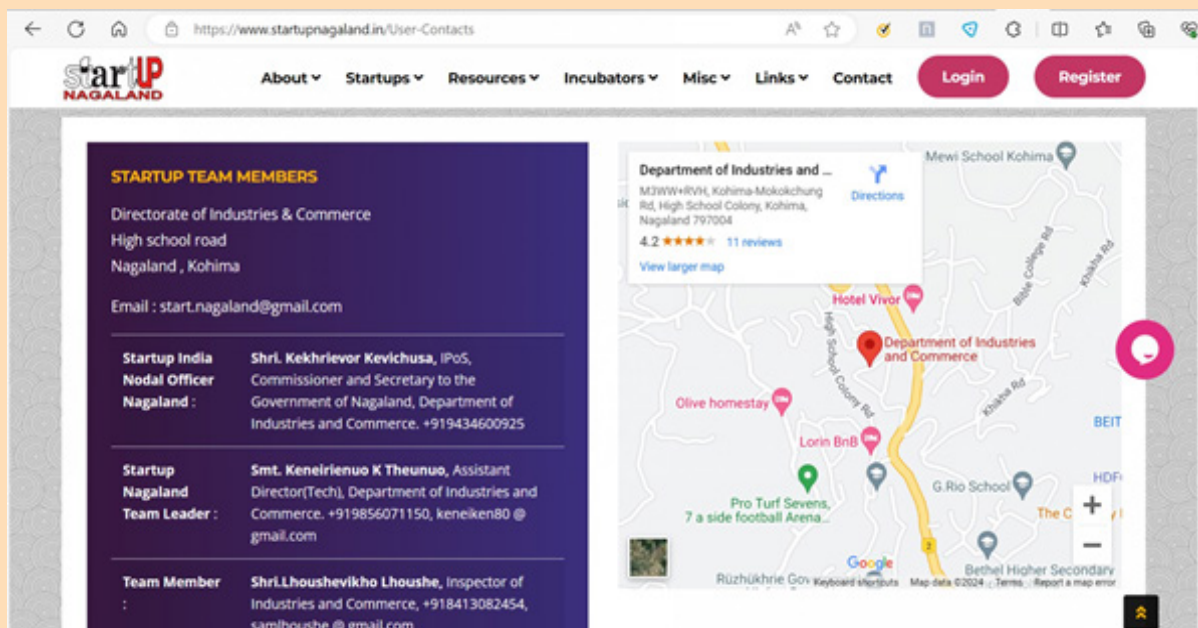


Figure C: Webpage with Contact details of Startup Nagaland team

Way Forward

1. The State may add missing information tabs on State Startup portal as per the criteria for evaluation.
2. The State may include the policies and schemes in the Startup Nagaland Portal for easy access to the information for stakeholders.
3. The State may conduct department-specific awareness programs and design policies along with Government orders to encourage other departments to provide holistic support to Startups.
4. The State may have an active query tracking mechanism for better query resolution of the stakeholders.
5. All State Government departments may be mandated to provide institutional support to startups in the state. The number of activities and frequency of institutional support offered by the departments already offering support may be increased so as to increase the number of beneficiary Startups.
6. The recurring events being organised by other State departments may be made available with updates on the Startup Nagaland portal to encourage maximum participation.

Fostering Innovation & Entrepreneurship

Introduction

Fostering Innovation and Entrepreneurship, as the name of the Reform Area suggests, seeks to encourage the spirit of innovation among aspiring entrepreneurs with a focus on student entrepreneurs, entrepreneurs from Higher Education Institutions (HEIs) and women entrepreneurs. It focuses not only on the assessment of the total number of registered Startups in each State, which is a direct result of the State support but also on the regulatory reforms undertaken to support Startups in diverse sectors.

This Reform Area assesses the extent to which HEIs have been engaged in providing support to student entrepreneurs. It also highlights the value of innovation and entrepreneurship be it students or women. Furthermore, special focus has been drawn towards women-led Startups with specially tailored incentives and schemes to ensure equitable implementation.

~100 registered Startups have been recognised during the period of consideration. the State. More than 10 events have been undertaken in schools to support student entrepreneurs which included various workshops, bootcamps and sessions focused on innovation and entrepreneurship development.

State Performance

~100

Registered Startups

1000+

Students attended
~20 entrepreneurial
workshops and

With the recognition ~100 State Startups during the period of consideration, Government of Nagaland has been regularly organising events to support these Startups. Adding to this, close to 20 programs were undertaken by the State Government to support student entrepreneurs, 1,000+ student entrepreneurs from various schools and HEIs participated in these programs.



Figure D: Snapshot of Startup Competition by Government of Nagaland

The State has defined women-led startups under its Startup Policy and offered specific incentives for them.

Way Forward

1. The State may focus on designing knowledge support and outreach programs to disseminate the benefits of registering Startups, thereby encouraging entrepreneurs to do the same.
2. The State may actively support the involvement of women entrepreneurs in leadership roles within business and industry organisations.
3. The State may set up University Innovation Hubs in bigger urban centres which cater to small towns in a hub-and-spoke model to engage students in remote areas as well.



Access to Market

Introduction

This Reform Area seeks to encourage State Governments to ease participation in the public procurement process for Startups and become an enabler in connecting Startups with private stakeholders. The States are evaluated based on the support provided by them to Startups through the organisation of showcase opportunities such as Demo-Days, Buyer-Seller Meets, National and International Events, and relaxation in rules for Government work orders.

The aim is to steadily increase the number of work orders awarded to Startups by helping them be at par with the established players in their respective sectors.

Government of Nagaland encourages the State Startups to participate in public procurement process. In the State Startup policy, the State Government has provisioned the exemptions for the Startups providing products or services as per the specifications of RFP or Tenders. Further, providing showcase opportunities for Startups in the State, the Government has organised more than 20 programs.

State Performance

More than 40 Startups were submitted for evaluation for which work order or purchase order were awarded. ~20 programs were undertaken to provide showcase and market access opportunities for ~80 startups.

Way Forward

1. The State Government may undertake programs to connect Startups to Government departments as well to present case-wise solutions to the departments and promote procurement activities by them. These programs may be GeM workshops, Demo Days, Grand Challenges, Hackathons, Innovation Zones, Buyer-Seller meets, and corporate innovation programs. The informational programs conducted may be streamed on the Startup portal and online streaming platforms for wider reach.
2. The State may organise training initiatives focused on market identification and effective business promotion strategies.
3. The State may give mandate to each State Departments and State PSUs to compulsorily procure a certain percentage of required goods or services from registered startups.

Incubation and Mentorship Support

Introduction

This Incubation and Mentorship support is provided to States in the form of financial and infrastructural support to Startups and State-supported incubators. The State Governments are initiating the setting up of new incubators or upgrading existing incubator facilities through various fiscal and non-fiscal incentives along with conduction of acceleration programs across the State/ UT. This Reform Area also aims at ensuring proportionate utilisation of the incubation capacity of the State-supported incubators.

The support provided by the State to the incubators through programs and incentives will in turn help Startups in scaling up and thereby, contribute to the growth of the State Startup ecosystem. The Reform Area measures efforts by the State Government in facilitating mentorship to Startups. This has been assessed by the number of Startups benefitting from the States' network of mentors.

The Government of Nagaland has provided the relevant details of State incubators and mentors on their Startup portal. These Incubators have been actively supporting State Startups in their venture. State Government in collaboration with these incubators have been working on development of conducive ecosystem for the Startups.

State Performance

20+

Registered mentors

~5

Functioning incubators

There are close to five incubators in the State and ~50 Startups received incubation support during the period of consideration. The details of State incubators are available on State Startup portal.

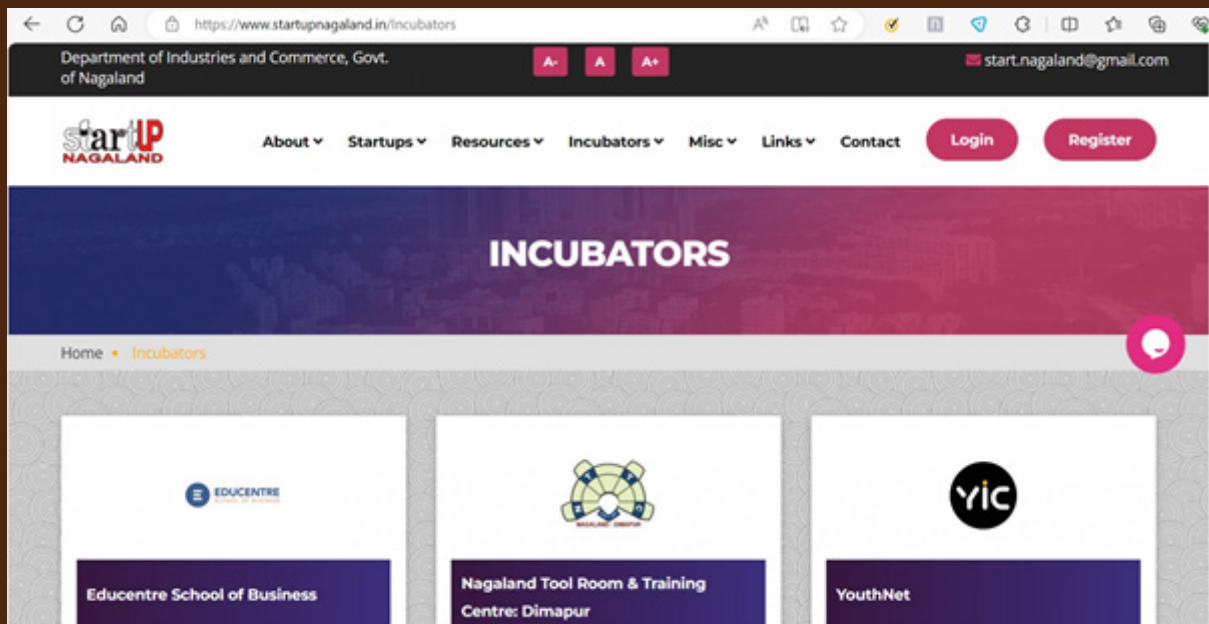


Figure D: Snapshot of Startup Competition by Government of Nagaland

Along with this, around 20 mentors available in the State have provided mentorship support to State Startups. The brief profiles and contact details of these mentors have been provided on the State Startup portal for easy access to Startups.

Way Forward

1. The State may explore the possibility of setting up additional number of incubators
2. The State may provide additional fiscal support to incubators such as (a) one-time capital assistance (b) Subsidised loans (c) Reimbursement of stamp duty and registration fee (d) power tariff subsidy (e) Reimbursement for electricity duty paid for the first 5 years.
3. The State may organise acceleration programs and work on increasing the reach of these programs. The State may enhance the reach of workshops by leveraging the virtual format.
4. The State may expand the mentorship network to include experts from the relevant sectors, including industry experts, corporates with experience in the required field, people from the financial sector with funding experience, and successful entrepreneurs.
5. The State may further look to engage and connect with mentors at the national and international levels. The option for virtual mentorship through video calls may be explored. As the number of mentors grows, the State may categorise registered mentors for Startups to gain sector-specific guidance.

Funding Support

Introduction

All Startups require timely availability of funding for their growth. This Reform Area encourages various State Governments to establish either new Seed or Venture funds or Fund of Funds for Startups or continue supporting the existing ones. It also focuses on the access to these funds established by the State Government.

A special emphasis has been given to State-supported initiatives and programs to mobilise the private investments into the Startup ecosystem by connecting Startups with investors such as workshops, networking events and pitching sessions.

The Government of Nagaland with its provisions of incentives in State Startup Policy has provided funding support to the State Startups. Funding supports were in the form of seed funds and awards.

State Performance

~50 private investors connected with Startups through ~5 programs

Close to 20 Startups were connected with funds or investors through state supported programs.



Figure : Snapshot of Nagaland CSR & Investment Conclave, 2022

Capacity Building of Enablers

Introduction

Capacity building of key stakeholders and enablers is essential for driving the growth of the entire Startup ecosystem. It is vital to provide necessary information to the key ecosystem facilitators to enable Startups with the opportunity to contribute to Government initiatives.

This Reform Area assesses sensitisation workshops, programs conducted for Government officials, and workshops conducted to train State-supported incubators. It also focuses on the capacity development of potential private investors to encourage local private investments.

The Government of Nagaland have been conducting capacity building training to make the State Government officials and incubator managers well equipped through trainings relevant to support State Startup ecosystem. Some of the topics covered are Promotion of Entrepreneurship in Nagaland, various Stages of Startup life Cycle, Understanding the Startup Sector, its current Challenges amongst others.

State Performance

~20 State Government officials from more than five Government departments of the State were provided with Capacity building trainings about startup ecosystem during the period of consideration. Close to five state supported incubators were trained through programs organised by the State Government.

~10 programs have been conducted by the State Government to sensitise potential investors on investment in State Startups. In one of such program, the Government of Nagaland signed an MoU with The Confederation of Indian Industry (CII) to collaborate and unleash the potential of entrepreneurial talents in Nagaland at the Nagaland CSR & Investment Conclave 2022.

As part of this agreement, CII will establish Startup cohorts and conduct capacity-building programmes for State Government officials, financial institutions, and banks, incubators, and academic innovation cells for engaging with Startups.

Way Forward

1. The State may conduct quarterly sensitisation workshops for various Government departments and officials. These workshops aim to encourage direct interactions with Startups, fostering a deeper understanding of their concerns and creating a more supportive environment.
2. The State may train State-supported incubators through capacity development workshops by collaborating with incubators from other States to explore mutual learning opportunities.
3. The State may conduct monthly virtual programs spread across various districts to sensitise potential investors on investment in Startups.



Roadmap to a Sustainable Future

Introduction

Roadmap to a Sustainable Future seeks to encourage the spirit of innovation in rural Startups, and at the same time focus on sectors like renewable energy, sustainability, and climate change with an emphasis given to Startups working on Circular Economy.

The aim is to steadily increase the number of Startups working in the space of renewable energy and sustainability and follow India's direction of attaining a more inclusive and greener world.

The Government of Nagaland has been encouraging Startups that are creating rural impact by supporting them with fiscal and non-fiscal support. Similarly, Startups focused on sectors like renewable energy, sustainability, and climate change are also being supported by the State Government.

Way Forward

1. The State may provide the scheme documents covering all the incentives for Startups that are impacting rural development.
2. The State may develop some active policies which will support Startups working on circular economy.
3. The State may develop a clear definition of startups which qualify as working in the field of sustainability, renewable energy, climate change and circular economy may be established as an amendment to the Startup Policy.
4. The State may develop specific incentives for the Startups working in the field of sustainability, renewable energy, climate change and circular economy and consider amending any existing policy or incentive for Startups in the State to support these Startups.
5. The State may undertake sensitisation workshops with Startups, Incubators and other stakeholders in the field of sustainability, renewable energy, climate change and circular economy.

Annexure

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Figure A: QR code of Startup Nagaland Portal

Figure B: Homepage of Startup Nagaland

Figure C: Webpage with Contact details of Startup Nagaland team

Figure D: Snapshot of Startup Competition by Government of Nagaland

Figure E: Snapshot of Nagaland CSR & Investment Conclave, 2022

Abbreviations

GDP: Gross Domestic Product

GST: Goods and Services Tax

EDCs: Entrepreneurship Development Cells

NIELIT: National Institute of Electronics & Information Technology

PwD: Persons with Disabilities

HEIs: Higher Education Institutions

MSME: Micro, Small and Medium Enterprises

RFP: Request for Proposal

GeM: Government e-Marketplace

CII: Confederation of Indian Industry

CSR: Corporate Social Responsibility

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