Tripura Leads the Nation

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Why in the News?

Tripura has achieved a major milestone by becoming the first state in India to complete all priority areas under Deregulation Phase-II of the national *Compliance Reduction and Deregulation Initiative* (CRDI)

The state had previously ranked Joint No. 1 nationally in Phase-I (Deregulation 1.0) along with Odisha and Uttar Pradesh.

CRDI

- **Nature -** It is a national-level reform exercise aimed at improving the Ease of Doing Business (EoDB) by reducing the regulatory burden, cutting down red tape, and simplifying government processes.
- **Nodal Authority -** Cabinet Secretariat, Union Government.
- **Timeline & Phases -** Phase-I: Completed early on, with Tripura being a top performer.
    - **Phase-II -** Launched in January 2026 to deepen reforms across States and UTs.
- **Key Focus Sectors -** The initiative covers critical sectors including Revenue, Urban Development, Industries, Labour, Environment, Tourism, Health, Education, and Digital Governance.
- **Core Mechanisms -** The initiative heavily relies on three pillars: regulatory simplification, approval digitization, and the reduction of physical/procedural requirements.

Implemented by Tripura

In total, Tripura successfully executed **51 priority reform areas** (23 in Phase-I and 28 in Phase-II). Key measures include:

- **Self-Certification for Land Use -** Introduced self-certification mechanisms for the Change of Land Use (CLU), significantly cutting down bureaucratic delays for industries setup.
- **Strengthened Single Window System -** Upgraded the *Single Window Approval Agency* to provide time-bound, digitized business clearances.
- **Automation of Approvals -** Rationalized the requirement for No Objection Certificates (NOCs) and completely automated approvals for low-risk business activities.
- **Inspection Exemptions -** Allowed specified categories of industries to begin operations simply through a self-declaration, granting them exemptions from routine inspections for up to three years.

Significance

- **Investment Boost** - By slashing compliance burdens, Tripura has signed 394 MoUs worth

₹35,140 crore since 2022, out of which projects worth ₹5,352 crore have already been grounded on the territory.

- **Target 2026 -** The state is leveraging these regulatory milestones ahead of a scheduled *Mega Business Conclave* in July 2026, aiming to attract total investment proposals worth nearly ₹40,000 crore.
- **Cooperative & Competitive Federalism -** Tripura's success serves as a model template for other North-Eastern states and smaller states to utilize digital governance and industrial policy tools effectively to compete with larger manufacturing hubs

For Reference: Business Line | IAS Parliament

