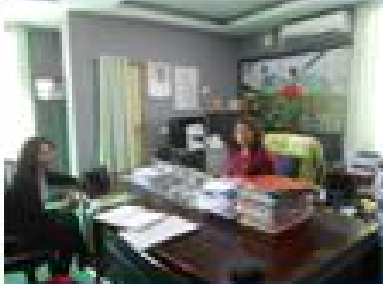




An Assessment of the Utility of TEDF Studies to the Stakeholders



FINAL REPORT



Submitted to:
Techno Economic Development Fund
(TEDF)



Submitted by:



Advisory & Consultancy Division
North Eastern Development Finance
Corporation Ltd. (NEDFi)



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EXECUTIVE SUMMARY

TITLE OF THE STUDY TEDF STUDIES TO THE STAKE HOLDERS

Introduction

The present study is an outcome of a decision taken in the 6th Meeting of the Advisory Board of the Techno Economic Development Fund (TEDF), which had advised that an assessment of the studies supported by the above fund be done. It may be noted that the TEDF had been set up with the objective of undertaking relevant techno-economic studies on industry and infrastructure for the North Eastern (NE) Region of India. As many as 68 such studies, listed at Appendix-1, had been completed when this work started. Out of these, 29 studies, given at Appendix-2, have been assessed under this exercise.

The current assignment was taken up in order to gauge the utility of completed TEDF studies to the stakeholders. This assessment has been done on the basis of the parameters like relevance of the study to TEDF objectives, data collection and study inferences, time frames, utilization of the studies and the organization and readability of the reports. These parameters have been discussed further at Appendix-3, which also gives the study methodology. The assessment covered the extent to which the completed studies have met the objectives of TEDF. It also suggests some guidelines for the future conduct of these studies. The Terms of Reference (TOR) of the assignment have been furnished at Chapter-1.

This document is the Final Report, which has been submitted by the Advisory & Consultancy (A&C) Division of the North Eastern Development Finance Corporation Ltd. (NEDFi) as a deliverable in connection with the present assignment. It gives the findings of the study, including the analysis of collected data from desk study and field interactions with various stakeholders. In addition, the comments received from Experts, who reviewed the Draft report, have been taken up while finalizing the report.

Desk Study

A wide range of studies covering various themes and located across the region (or having a regional dimension) have been chosen for assessment under the present assignment. The conduct of the present assignment was based on an assessment of 29 of the 68 completed studies. As advised, all studies from 2006 onward (except two studies carried out by NEDFi) and a selection of the studies of the previous years have been covered. Under the first category (studies from 2006 onward), 15 studies have been assessed. The remaining 14 assessed studies pertain to the earlier years.

The TEDF studies taken up for assessment can be categorized into the following broad types: (a) Studies related to Industries in the NE Region; (b) Studies related to the Infrastructure Requirements of the NE Region; (c) Studies related to Revival and Restructuring; (d) Evaluation and Monitoring Studies, including Baseline Studies for future Impact Assessment; and (e) Other Studies.

Table-2.2 (in Chapter-2) gives the list of studies under each of the above categories. In addition, the geographical scope has been given in Table-2.3. It is seen that 6 of the 29 selected studies (about a fifth) are Regional Studies in scope, while the balance are state-specific in nature.

During desk study; the concerned files available with TEDF and the Final Reports were examined in order to obtain secondary data about various aspects of the present assignment. In this manner, information was obtained regarding the background of the selected studies, details of their proponents and the name of the consultants selected for undertaking these studies. In addition, the other relevant details were collected for the selected TEDF studies. These have been listed at Section 2.2.

The above findings from desk study have been furnished in detail at Annexure-1 for all the assessed studies. In addition, the above annexure gives the utility of these studies as reported by the contacted stakeholders.

Relevance of the selected Studies to the TEDF Objectives

All the selected studies were found to be relevant to the objectives of TEDF. In this connection, Table-A (5).1 may be perused at Appendix-5. The objectives of TEDF are quite broad in nature and include studies 'in any other area as decided by the Advisory Board', which enables a wide view of proposals. There is no 'negative list' of studies, i.e. studies that will not be considered for funding under the TEDF auspices, as long as the proposals pertain to the NE region of India.

Organization of the Reports

Under 'Organization of the Report', the aspects covered include an examination of the availability of features like Executive Summary, Heading for Sections & Sub-sections, Study Recommendations, Table of Contents, List of Acronyms / Abbreviations used, List of Appendices / Annexure etc.; the presence of which usually mark out a properly organized report. The salient findings in the above regard have been reported at Table-A (6).1 which is given at Appendix-6.

It is seen that over one-third of the assessed reports do not have an Executive Summary; while one-sixth of these do not have a separate chapter of the study recommendations. In two reports, there is no Study Recommendation of any kind.

In addition, 30% of the reports do not have any appendix or annexure of any kind; and nearly one-quarter of the remaining reports do not have any 'List of Appendix / Annexure'.

In one-sixth of the reports, either there is no 'Table of Contents' (1 study) or the table has no page numbers at all (4 studies). Less than one-quarter of the final reports have a 'List of Acronyms / Abbreviations'.

Readability of the Reports - Language and Grammar etc

The Final Reports of the selected TEDF studies (under assessment) were also reviewed from the view point of their readability in aspects like language, grammar, size of text and spacing, directness of language, length of sentences, size of paragraphs etc. The above points need to be adequately considered to improve the ease-of-use of any report.

Most of the final deliverables are quite readable, as they use mostly direct language with short or medium sized sentences, contained within short to medium sized paragraphs. Most of the reports utilize readable (medium or large sized) text with adequate line spacing. However, explanatory notes were needed about the technical and (less common) financial terms used in the many of reports.

[The above remarks do not pertain to the extent of coverage of the Terms of Reference (TOR) of the study, collection of primary data and the quality of the analysis carried out. These aspects have been covered below.]

Data Collection & Study Inferences

Methodology of Data Collection & Analysis

Secondary information, obtained from various sources, has been furnished in all the study reports, except for one study. In fact, some of the study reports appear to be based largely upon secondary data.

During the present assignment; 30 study reports had been assessed, including one study where two Consultants had been used. In 15 of these reports, the Consultant stated that primary data had been collected. However, primary data has been adequately reported through text, tables or graphs in only six of the reports - i.e. in one fifth of the TEDF reports covered by the present assessment. Table-3.2 contains the names of these study reports. If primary data had been collected in other studies, the same has not been furnished in the Final Report as Data Tables or analyzed therein in as Analysis Tables.

Almost all the studies based on primary data are small sized in terms of their costs. These were carried out by agencies located within the region. Many of these agencies are institutions having a tradition of field based research work.

The analysis of primary data has been done in simple terms like proportions or percentages. These have been reported in the text, sometimes supplemented by the use of simple graphs. The study reports usually have not furnished any other statistical analysis like confidence intervals, test of hypothesis etc.

Coverage of Study TOR by Data Collection

The Terms of Reference (TOR) of a study give the guidelines for their conduct. Data collection and analysis has to be accordingly undertaken. The extent of coverage of the TOR by the data collection has been marked on a 5-point ordinal scale as follows: No Coverage / Low Coverage / Partial Coverage/ Medium Coverage / High Coverage.

It is gauged that the coverage of the Terms of Reference (TOR) by the data collection undertaken and reported is 'Low' or 'Partial' in seven-tenths of the assessed study reports. The same is analyzed to be 'High' in one-tenth of such reports; and 'Medium' in one-sixth of these reports. **However, the coverage of TORs has improved considerably in the recent years.**

Derivation of the Study Recommendations

The study assignments are usually carried out to obtain some recommendations, which are sometimes stated in the form of an Action Plan or suggestions about projects (or products) to be taken up. Ideally, such recommendations should flow from (a) the primary data, or (b) from a combination of both primary data and secondary data.

It is seen that in two fifths of the assessed reports, the study recommendations have been made without any clear basis (**this has reduced in the recent studies**); while nearly one- quarter of the study reports contain recommendations made on the basis of secondary data only. Only one-tenth of the reports have recommendations made either on the basis of primary data only (3%) or on the basis of both primary data and secondary data (7%). **The use of primary data as basis of study recommendations has been higher in the last ten studies.** Further; in one-fifth of the reports, recommendations have been made on a 'mixed basis' (i.e. some of the recommendations have one type of basis, while some other recommendations may have other type of basis or no basis at all).

Extent of Coverage of the TORs in the Study Report

The TEDF studies are assigned to Agencies (Consultants) through an Agreement, which includes specific Terms of Reference (TOR). An endeavour has been made in this part of the assessment to understand the extent of coverage of the TORs in the Study Reports submitted as the Final Deliverable. Accordingly, a score was developed to assess the extent of such coverage. The possible scores range from 0.00 (no coverage of TORs) to 1.00 (full coverage). This coverage score does not measure the depth (or quality) of the coverage, only the extent of coverage in the final report.

Over one-third of the study reports covered the Terms of Reference in a scanty manner (coverage score of 0.50 or less); while over a quarter of these covered the TOR considerably (coverage score of above 0.50 to 0.75). Over a quarter of the study reports covered the TOR quite meticulously (coverage score of above 0.75); while it was not possible to assess the extent of coverage of the balance 10% of the study reports, as the TOR was not available. **The coverage scores are considerably higher (on the whole) in the recent years, and the scores show an upward trend over the years.**

It is understood that in a few of the studies, the Terms of Reference (TOR) has undergone some modifications due to observations of experts and Internal Committee members. As all the pertinent details are not in the file, the original Scope of Work / TOR as per the LOI / Agreement have been used as the benchmark

Relation between Number of TORs and their Coverage: A correlation analysis between the numbers of TORs and the Coverage Scores (extent of Coverage of TORs) was carried out. It was seen to have a value of -0.605. The above score indicates a (reasonably) strong negative correlation. It may be inferred that studies with a larger number of terms of reference (TOR) are *likely* to have covered these terms less properly (as far as the extent of coverage is concerned).

Time Analysis

The time frame and actual time requirement is not available for eight studies, while for another study (carried out by scientists of a Government Institute with domain expertise, where they charged the cost of travel and stay only), the time frame was not applicable. Hence, the above analysis is carried out for the remaining 20 assessed studies. Even for these studies, some time related information was found to be unavailable.

Time Frame Allowed

Inception Report: The time allowed for Inception Report is found to be less from 2009 onward, while it was much greater in the initial period (up to 2002). In the intervening years, time frame was less than the initial years (in 2003), but much higher in 2008 for two studies. The requirements of these deliverables may have been greater.

Mid-Term Report: This deliverable seems to have become a requirement from 2009 onward only. Hence, for nearly two-thirds of the assessed studies, it was not needed. In one-tenth of the studies, where time frame data is available for the present analysis, the above deliverable was to be submitted within one month (of the date of agreement), while for two-tenths of such studies, time allowed for the above deliverable was over one month (of the date of agreement) but up to two months only.

Draft Final Report: For one-seventh of the studies, where time frame data is available for the present analysis, the above deliverable was to be submitted within two months (of the date of agreement) due to urgency. In case of one-quarter of such studies, time permitted was over four months from the date of the agreement. For another one-quarter, the time frame ranged from over two months (of the date of agreement) but up to three months only. For another quarter of the studies, the data is not available. In the balance one-tenth of the above studies, the above deliverable was not needed

It may be noted that for three studies, the time periods for the submission of Draft Final Reports were extended later on.

Final Report: For over one-third of the studies, the submission of Final Report was reckoned from the date of receipt of comments, usually one month, but sometimes less (due to urgency). The usual practice is to compute the submission of Final Report from date of agreement or LOI, as seen from three-fifths of all studies. Varying periods ranging from two months to four months have been given, but the recent trend is to require the Final Reports to be submitted within 4 months of the Date of Agreement.

Analysis of Time Overruns

A few studies (for which data are available) had less time overrun in submission of Draft Final Report. These included two reports which submitted these deliverables with 20% time overrun or less. Other studies had considerably higher overruns, which range from 50% to 267% for Draft Final Report. For Final Reports; such delays vary from 33% to 1673% with respect to studies where the time frames were calculated from the date of comments, and from 50% to 998% where time frame for submission was considered from the date of assignment.

In case of submission of Final Report, no Consultant had been able to submit the deliverable in time (for studies where information is available).

Steps to avoid Time Overruns

The reasons for time overruns were assessed for 20 studies, where pertinent data was available. In 12 of these studies, time overrun was due to slack performance of the Consultants in meeting the agreed upon time frames. Inadequate time frames may have led to time overruns (or unsatisfactory data collection) for 10 of the studies where data is available. Ground conditions may have led to delays in completion of 4 of the studies. Experts delayed the submission of their comments in the case of 4 studies. In 4 of the studies, delays in holding meetings and presentations contributed to the delays. Some studies may have been delayed by more than one of the above reasons.

Based on the above analysis, some steps have been suggested for the avoidance of delays in future studies. These have been furnished in the Study Recommendations, and may be referred to therein for the details.

Assessment of Utility of the Studies

Utilization of the Studies

The present study sought to determine the utilization of the studies carried out with support of the TEDF. This was done by carrying out discussions with a cross-section of the stakeholders, especially concerned Government offices, available Consultants and units in the field. In addition, a detailed study of the files of the selected TEDF studies was carried out.

Regarding the utilization of the assessed TEDF Studies by the Proponent or concerned State Government(s); it could be determined that about a quarter of the TEDF studies taken up for the present assessment had been used. A similar proportion (just over one-quarter) of the selected TEDF studies was not used by Proponent or State Government.

Owing to factors like the passage of time and the non-availability of the involved officers of the proponents due to retirement or transfers, the utilization of the other studies could not be ascertained despite the best efforts made for the same during the present assessment.

In addition, there has been a utilization of the TEDF Studies by other stakeholders. These instances are listed below.

- (a) Utilization by Government Offices for policy making and for the preparation of schemes and project proposals - as copies of the study reports are forwarded to North Eastern Council; Ministry of Development of NE Region, Government of India and to the states of the NE Region.
- (b) Purchase of Reports by stakeholders working for the development of the region such as government officials (from Govt. of India and State Governments), entrepreneurs, research scholars, consultants, trade and industry associations etc.
- (c) Reference in NEDFi Library by visitors to the above facility, as a copy of the study report is kept there for use by readers.
- (d) Website visitors who can freely refer to the Executive Summary of all completed TEDF studies, which are available for public viewing in the website of NEDFi.
- (e) Improvement of Understanding about Key Sectors of NE Region since the studies have added to the existing understanding of such sectors, which are important for the development of the NE Region.

Assessment of the Utility of TEDF Studies to Stakeholders including the Beneficiaries

In order to assess the utility of the selected TEDF studies to the stakeholders, including the beneficiaries; the approach is to understand how the studies were used and how the intended beneficiaries benefited. In addition, the unutilized studies have been examined in order to understand the reasons for their non-utilization.

It is seen that a marked feature of utilized studies is that the proponent had a clear objective in mind, while proposing the study and securing its funding by TEDF. Another obvious utility of the TEDF to the above agencies is that they secured funding to carry out these studies. The established reputation of the Consultant was usually sufficient for the utilized TEDF study to be accepted by the decision making authority, which either provided funds or investments to the proponents, or else used the study for policy making inputs.

The beneficiaries of the utilized studies were usually the proponent and the sections benefitted by the consequent implementation of the projects, whose funding (or investment) had been assisted by the TEDF studies.

On the other hand, quite a few TEDF studies remained unutilized. From these cases, it is seen that the interest and ability of both the proponents and the intended beneficiaries to undertake the follow up activities is critical for the utilization of the TEDF studies.

TEDF Studies & Key Sectors of North Eastern Region

Key Sectors which are important to North Eastern Region

The determination of the key sectors, which are important to the North Eastern (NE) Region of India, has been done on the basis of documents like (a) 'Three Year Action Agenda (2017-18 to 2019-20)' of the NITI Aayog (National Institution for Transforming India); (b) 'North Eastern Region Vision 2020' prepared earlier by the Government of India; and (c) Sectors mentioned for TEDF Studies. Based on the above sources, it has been inferred that the key sectors of importance to the region can be viewed as consisting of the following:

- Agriculture & Agro-processing;
- Horticulture (including Floriculture);
- Tea and other Plantation Crops;
- Medicinal & Aromatic Plants;
- Livestock & Poultry, Dairying;
- Sericulture and Silk Industry;
- Handloom & Handicrafts;
- Wood and Paper based Products, Forest Products and Reforestation;
- Power Generation through hydro-electricity generation;
- Shale Oil & Gas, other Mineral Deposits;
- MSME Units for employment; and
- Tourism & Other Service Sector Areas (like IT / ITES).

[Of course, areas like *connectivity* (internal and with outside areas including neighbouring nations through roads, railways, water transport and air links) and *infrastructure* (power, communications, digital links, marketing infrastructure etc.) are also of paramount importance to break the region's physical and emotional isolation. These are not considered for the present analysis.]

How TEDF studies have improved our understanding of the key sectors

Sectors covered by the Selected Studies: Under the present assignment, 29 of the 68 TEDF studies (completed till 2016) were assessed. The sectors covered by the above selected studies have been tabulated at Table-6.2 of Chapter-6. It is seen that 7 of these studies pertained to the Primary Sector (agriculture and allied), 13 to the Secondary Sector (manufacturing / industry, infrastructure, gas supply etc.), while 6 were from the Tertiary Sector (mainly tourism and IT). Three studies were from multiple sectors.

Extent of Coverage of Key Sectors by the Selected Studies: It is seen that nearly three-fifths of the assessed studies (17 out of 29) pertain to the key sectors important for the NE Region. There has been a good coverage of some sectors like agro-processing, horticulture (including floriculture) and tourism. None of the assessed studies cover the following key sectors: medicinal and aromatic plants, sericulture and silk industry, wood and paper based products, forest products, power generation and MSME sector for employment generation.

However, other TEDF studies (which were not selected for assessment) had covered sectors like medicinal and aromatic plants, sericulture and silk industry, and MSME sector. Hence, it is concluded that the TEDF studies have covered almost all the key sectors which are important for the NE Region.

Ability of Studies to provide new Understanding: An endeavour has been made to understand the ability of the assessed TEDF studies, which were carried out on the key sectors, to add to the existing understanding of the NE region. This exercise has been attempted by considering the pertinent factors, such as coverage of Terms of Reference (TOR), data collection (of secondary and primary data) and data analysis, study recommendations, and the utilization of the TEDF studies.

On the whole, it is observed that the key sector studies have added to the existing understanding of the stakeholders about different sectors that are important for the development of the NE Region. This has been inferred considering the factors mentioned at the previous paragraph. The discussion given in Page Nos. 51 and 52 of this report may be referred to for the pertinent details. In fact, considerable insights have been provided by many of the assessed studies.