

Report of the Working Group on Strengthening, Monitoring and Evaluation System for the Social Sector Development Schemes in the Country (10th Five Year Plan), 2001

In view of the vast canvass covered under the terms of reference of the Working Group on Strengthening Monitoring and Evaluation System for the Social Sector Development Schemes in the country during the Tenth Five Year Plan, Chairman of the Working Group set up three Sub-groups viz. Sub-group on Monitoring, Sub-group on Evaluation and Sub-group on Utilization of Information Technology in the first meeting of the Working Group. These three sub-groups have submitted detailed reports for development of these sub sectors for an efficient M& E system in the country. The detailed reports are available at Annexures II, III and IV of this Report. Keeping in view the suggestions and deliberations of these sub groups, the recommendations of the Working Group are as under:

Background

1. The Approach Paper to the Tenth Five Year Plan (2002-2007) in its Chapter on “Design of Programmes, Governance and the Institutional Framework for Development” has highlighted the importance of monitoring and evaluation as an instrument for the successful implementation of development programmes. It has pointed out to the weakness in monitoring infrastructure (both physical and financial) and lack of interest in evaluation related activities. The role of evaluation as an important aid to sound governance and as a means to achieve High levels of public sector performance was recognized quite early in our planning process. In the first two decades of planned socio-economic development, monitoring and evaluation institutions were created at the Centre and the States to generate information and knowledge to aid the planning and policy-making processes. Within a very short period, these institutions proved their utility and the information generated by them were being used for mid-course correction in planning and implementation of development programmes. However, over time, because of certain socio-political processes, the role of these institutions in the system of governance has weakened. This in turn has led to deterioration in quality and gradual decline in the demand for evaluation results. However, following the economic crisis during the early nineties and subsequent adoption of new paradigm of development characterized by liberalization, the pressure on the

government to perform and be fiscally responsible has increased. This process has led to resurgence of interest in Monitoring and Evaluation. The approach paper to the Tenth Plan has rightly accorded due importance to the use of evaluation in governance and also to evaluation capacity development.

2. In view of the increasing pressure on the government to be fiscally responsible, for prudent macro management, better public sector performance and efficient delivery of services, the demand for evaluation is increasing multifold. However, the existing evaluation institutions do not have the capacity to meet the emerging demand in terms of quantity, timeliness and quality, even in the traditional area of programme evaluation. In addition, the emerging development pattern makes it imperative for each country to develop strategic response to global changes – which would require constant evaluation and tracking of policies, sectoral development and socio-economic institutions. The country does not have adequate capacity in these areas. Keeping in view the various aspects of national capacity building for evaluation viz. the capacity of evaluation organizations, the extent of use of evaluation results in planning and policy making, the strengths and weaknesses of public sector evaluation organisations, future evaluation needs and the restructuring and reforms required to facilitate the linkage between evaluation and governance, it is felt that:

- There is need for evaluation capacity development not only in the public sector evaluation organisations, but also in NGOs and research institutions;
- Evaluation needs special expertise and the evaluation professionals, both in the public sector and elsewhere, need regular training to keep touch with the development in theory and practices of evaluation;
- Evaluation activities of Planning Commission, the Ministries/ Departments of the Centre and States, as well as those of NGOs, aid agencies and research institutes need to be coordinated to make evaluation research more synergetic and purposeful;
- There should be plan schemes for evaluation capacity development in the country.

Concepts

3. Monitoring is an internal activity of programme management, the purpose of which is to determine whether programmes have been implemented as planned, i.e. whether resources are being mobilized as planned (input monitoring) and services or projects are being delivered on

schedule (output monitoring), it requires preparation of monthly or quarterly progress reports from the time the project starts up to the completion of the project implementation. The indicators required to be monitored would need to be identified at the time of project/programme formulation. The monitoring reports would need to be discussed in management meetings to give special attention to delays cost overruns and other kinds of problems. The management would examine the necessity of conducting follow up diagnostic studies to obtain feedback on the causes and possible solutions of the identified problems.

4. Evaluation is used to assess the appropriation of the design and implementation of the an ongoing and completed projects and programme or to estimate the impact and evaluate the performance of completed projects or programmes. Evaluation may be conducted within the project implementation agency or by an outside organization. To assess the appropriateness of design and implementation methods, data are normally collected while the project is under way. To be more meaningful and cost effective, diagnostic studies should be undertaken when the routine data from the input and output monitoring system is suggestive of actual or potential problem.

5. Concurrent evaluation studies would need to be conducted in order to understand various aspects such as the reaction of prospective beneficiaries to the proposed project, the reason of delay or cost overrun of certain components of project, the impact of project on different groups and whether some groups have become worse off as a result of the project. These studies may be conducted during implementation stage in order to examine various implementation problems, possible solutions based on continuous feed back from beneficiaries.

6. Impact studies on selected projects would need to be conducted after the projects have been completed or have started producing the intended benefits. These studies help to identify the quantum of benefits vis-à-vis programme objectives, the recipients and non-recipient of benefits, factors accounting for variation in impact and whether similar impact can be replicated.

7. Policy makers, planners and programme managers can directly use Monitoring and Evaluation studies in at least four ways. It can help policy makers and planners for improving the methods of identifying and selecting projects and programmes by ensuring that these endeavours are consistent with national development objectives, that they will have a good chance of succeeding, and that they are using the most cost-effective strategy for achieving the intended objectives. Second M/E studies can determine whether the project is being implemented efficiently, is responsive to the concerns of the intended beneficiaries, and will have its potential

problems detected and corrected as quickly as possible. Third, they measure whether projects and programmes that are underway are achieving their intended economic and social objectives, as well as contributing to sectoral and national development objectives. Fourth, evaluation studies can be used to assess the impact of the projects on wider development objectives such as alleviating poverty, removing literacy and giving women full economic, social and political participation in all aspects of development. In order to design an efficient M/E framework for the projects/programmes, the project implementation cycle would need to be covered by monitoring, concurrent evaluation and evaluation exercises at various stages.

Overall approach

8. There is a need to pay attention on important aspects of monitoring and evaluation at three distinct levels. At the lowest or micro programme level, design of indicators for monitoring and evaluation must form an integral part of programme design. Only if these are specified within every programme (design) monitoring and evaluation can be made comprehensive. If the base were weak, higher quality standard of evaluation results would not be met. It is recommended that at the secondary level of evaluation, evaluation have to be focused on sub-sectors. At this level, the evaluation should focus on the impact of a set of similar/related schemes and finally at the macro level the evaluation falling within the sub-sectors (taken together) has to focus on a geographical region or regions and evaluate the impact of all schemes being carried out in the region.

9. Generalized objectives of all programmes and schemes being implemented need to be broken down into specific goals from the point of view of evaluation and monitoring. Care should be taken to see that the evaluation and monitoring groups take note of them from the data generated by other agencies, both official and non-official, in the same or allied sectors. Primary data generated by different agencies should be used to crosscheck the progress as well as the impact of these schemes.

10. Rationalization of objectives, specification of goals/sub-goals, their operationalisation in terms of variables, preparation of a base-line/preparedness profile, identification of target group, existing or new organisation of people at the local level, process of intervention or service delivery, beneficiary and citizen participation, change over time in the socio-economic status of target groups (outcome/impact), conflicts and their resolution during implementation of a scheme, bottlenecks and their correction, transparency of results and future leads, comparison of

this data with those of other schemes in terms of opportunity, access, input, use, client satisfaction, social environment and strains, cost-effectiveness, created assets infrastructure/equipment) and impact etc. should deserve attention.

11. Preparation of social maps (i.e. poverty, illiteracy, inverse sex ratio, morbidity, mal-nutrition etc. severally and by superimposition) – scheme-wise and their integration (on selective basis) for visual effect and scrutiny by the lay public and elected representatives for debate, discussion, verification and validation, need to be introduced to improve monitoring of social sector programmes.

Monitoring & Evaluation – Implementation in the context of Plan Implementation

12. There are a number of social sector programmes/schemes being implemented by the State Governments and administered by the Central Ministries. It is suggested that the Planning Commission should review all the social sector schemes before the start of the Tenth Plan. Schemes that have become outdated or schemes, which are duplicate in nature being implemented by more than one Ministry for the same goals, should be scrapped/, amalgamated. We should have very few schemes in the social sector so that their monitoring and evaluation can be done focally and thoroughly.

13. The tentative targets for the programmes should be fixed by the respective Ministries by the end of March preceding the onset of the financial year so that the State Governments can further work out and plan their actions to achieve the State-wise / District-wise / Block-wise and Village level targets. The targets should be realistic and match with the financial allocations made to the States/UTs. Moreover, the final targets for the States and the UTs should be confirmed and conveyed by the administrative Ministries by 31st May of the financial year. In no case, the final targets should be revised and changed to suit the achievement of the States for the various programmes.

14. For effective monitoring, diversion of staff sanctioned for monitoring to other divisions/sections of the Ministries and the State Governments should be stopped. All vacant posts of the monitoring units should be filled so that monitoring does not suffer on account of inadequate manpower.

15. It is desired that District Collector, who is responsible for implementing social sector programmes in a district, should have minimum stay of three years in district so that he

concentrates fully on the implementation of social sector policies and programmes. This transfer rule can be applied to the other subordinate staff and heads of the monitoring units.

16. The State Plan Division of the Planning Commission, who recommends release of funds to the States and Union territories should, before releasing funds in a financial year to the States, should thoroughly monitor and evaluate the programmes implemented by the State in the preceding year to a financial year. Similarly, the other Sectoral Divisions of the Planning Commission should thoroughly monitor and review the performance of the administrative Ministries before recommending release of funds to the Ministries for a particular scheme. Moreover, these Divisions should also monitor and ensure that the plan goals formulated by the Governments are being achieved through the implementation of social sector schemes.

17. Performance-based system of releasing funds to States needs to be in place if monitoring is to play a role in improving implementation of social sector schemes. Release of funds must be linked with performance in the field. Budget of departments needs to be reviewed based on the performances of the schemes rather than expenditure incurred on these schemes alone. The present practice of fixing budget based only on expenditure of the last financial year should be given. This practice has prevented Ministries from curtailing grants to non-performing States on the ground that non-expenditure of budget would curtail their budget the following year. Flexibility to award additional fund for better performance of the States/UTs should be considered by the Planning Commission/Ministries. Financial monitoring to prevent diversion of development funds to non-developmental activities may be made a part of review when releasing funds to the States.

18. Review of all programmes through monitoring should be made compulsory before Annual Plan meetings. Each programme should be properly evaluated before the new budget estimates for these programmes are approved. Monitoring should be made an essential part of all programme reports. Targets for all programmes should be fixed based on the reports of the monitoring bodies so that realistic targets are set.

19. Monitoring of programmes must be supplemented by monitoring of action taken on recommendations made by the monitoring and evaluation units. Corrective measures suggested by the monitoring and evaluation units should be monitored to improve the implementation of the programmes. Each State should constitute a committee headed by the Chief Minister or the Chief Secretary to monitor and review the follow-up action on the monitoring and evaluation reports. Need to have review committees at district and block level may also be explored.

Reorientation of M& E System

20. Monitoring of Programmes should be purposeful. Professionals need to be associated with the monitoring team to raise the quality of monitoring and evaluation of social sector programmes. Economists, engineers, sociologists and accountants should form part of monitoring teams.

21. Scientific method is central to all innovation and progress. This essentially means experimentation, i.e., ceaseless trial and making an error. If we punish honest error sooner rather than later, all efforts for improvement will also cease. This is one of the major maladies of our delivery systems. A positive attitude to error and to failure in the genuine pursuit of perfection, must therefore, be appreciated, encouraged and publicly and positively reinforced if we want the entrepreneurial courage to take risks in the mission to provide excellent service to the citizen – the courage to try and try again, for better results in the future.

22. Reorientation of present monitoring system from quantitative to qualitative has to be made in order to capture the complete picture of development in the social sector. Development of appropriate indicators is necessary for making the impact of a programme visible in various stages of the programme cycle. Indicators should comprise input indicators, output indicators and impact indicators. Each social sector needs to develop appropriate indicators to assess the qualitative changes made by different programmes. Care should be taken to choose the indicators and they should be applied in a flexible fashion, selected to fit the programmes designed. Indicators should be used to link the programme objectives with expected outcomes and use of minimum number of indicators should be made to allow a reliable estimate on the efficacy and efficiency, which the project is implemented for.

23. The air of secrecy that very often prevails in Government functioning needs to be lifted if monitoring of programmes is to be effective. There is a need to share information and make the system more transparent. Transparency would facilitate faster reforms and make the administration more responsive and performance-orientated. Transparency in development activities would help ensure better implementation and improve monitoring at all levels. For implementation of the social sector programmes, several State Governments have been compiling and preparing village level/block level/district level lists of beneficiaries and the number of works completed. These lists should be readily available at village/block/district levels, which would help promote effective monitoring by the officials and even by the people at these levels.

24. To improve flow of information to the monitoring agencies statutory provisions requiring Ministries/States to supply the requisite information to them may be envisaged. This would ensure that monitoring units get the required information and time is not wasted in collecting data from the Ministries/States on the schemes being implemented by them.

25. To make monitoring of the social sector programmes/anti-poverty programmes more meaningful, the expenditure incurred on each programme by the implementing agencies should also be monitored so that the unit cost of delivery is ascertained and comparison between States and various implementing agencies can be worked out. The monthly ranking of the State Governments in effecting delivery of the programmes should also take into account their unit cost.

26. Accountability in the monitoring process is very weak. The fear of adverse remarks has prevented officials from reporting poor performances. Concealment of shortcomings and manipulation of data have been resorted to, to cover poor performances. Due to concealment of weaknesses in programmes, appropriate corrective actions are not taken. Monitoring units tend to shift responsibilities for poor performances to line departments. Monitoring Units and the Departments furnishing data and reports are not held accountable for false pictures created by them. To project a correct image of the programmes a clear picture of the performance of the programmes is necessary. Monitoring units should be held accountable for reports and data submitted by them on performances of schemes and programmes monitored by them. Accountability of performance monitoring will eliminate false reports and would help the Government to take corrective measures. At the State level there is not much initiative for monitoring and identifying programmes in which the performance has been poor. It is desired that the monitoring units of the State should take self-initiative to accelerate the performance of the line departments and regularly give feed back to the line departments on their performance

27. To have an effective monitoring and evaluation system it is necessary that a Central institution to coordinate between the different agencies should be in place. Presently, the nodal Ministries, Planning Commission, Ministry of Statistics & Programme Implementation and monitoring bodies at the State level, are doing monitoring. There is no coordination among these various monitoring bodies. Reports and evaluation studies done by various monitoring bodies are not shared among themselves. This lack of communication amongst them has led to duplication of work and given rise to conflicting reports. To improve the quality of monitoring and evaluation the central agency could act as 'Monitor of Monitors'. This agency will help

coordinate monitoring work. This nodal agency will hold review meetings periodically with Central nodal Ministries and the State Governments and UT Administrations to evaluate performance of various programmes. The decisions taken in the review meetings should be binding on the Central Ministries and the State Governments for improving their performance.

Participation by Stakeholders, NGOs & PRIs

28. For successful implementation of social sector programmes, participation of various stakeholders is essential. Widespread awareness about the programmes among the voluntary agencies, groups of beneficiaries, etc. would be desirable. The top down approach in Planning and Implementation has led to formulation of schemes without assessment of the need of the people. Thus the interests of the people in these programmes have declined. Stakeholders would, therefore, need to be actively involved in the formulation and planning of all schemes. This would facilitate not only better planning but also better monitoring of the programmes.

29. States should delegate more powers to the Panchayats for successful implementation of the programmes at the village/block level. Similarly, the Nagar Palikas in the towns should also be empowered to implement social sector programmes in towns and cities. Monitoring should be made an essential feature in the working of these local bodies, which would ensure that programmes are implemented properly. These bodies may be made accountable for monitoring all programmes in their respective areas.

30. Participation of Subordinate and attached Ministerial Institutions, Non- Governmental Organisations, Universities and Research Institutions in formulation and monitoring of programmes may be encouraged. They may be allowed to contribute their views in designing the programmes, which they have reviewed. Importance may be attached to monitoring reports of these bodies by the various ministries/departments of the Government.

Utilisation of Information Technology

31. Computerised Monitoring Information System (CMIS), if not in place, needs to be introduced immediately for effective monitoring and audit of each scheme in the social sector. In cases, such a system exists, its adequacy, in changing IT environment be examined and appropriate steps need to be taken to strengthen it. Provision for CMIS to be made a prerequisite for all new developments scheme in the social sector. The Districts Statistics Office (DSO) to be made the nodal agency for collection and dissemination of base line information in the district

covering information on key monitoring indicators on all development schemes being implemented in the district and information on evaluation studies conducted in the district in various sectors.

32. The data collected through various monitoring and evaluation mechanism to be arranged in terms of data bases/ data warehouses in order to take advantages of advanced IT techniques such as data mining for creating cross sectional analysis using novel information.

33. Extensive capabilities of network may be utilized for communication/ interaction/ discussions between monitoring/evaluating agencies, implementers, planners and researchers to improve the quality of implementation of development schemes in the social sector.

34. Use of network communication for improving the operational efficiency in conduct of evaluation studies should be made.

35. An effective web based system for follow-up on the findings of the monitoring evaluation studies needs to be developed

36. The results of evaluation studies should be properly documented preferably on electronic media for their effective use in taking up similar studies in future. Subject-specific databases of evaluation studies conducted in the country need to be created. Similar and related studies conducted in foreign countries could also be included for comparison and education.

Training in M & E

37. Training should be made an important organisational aspect of monitoring and evaluation. All staff should be adequately trained, particularly in modern methods of evaluation techniques and information-management. Since domestic capacity for training in evaluation techniques is limited, international organizations of repute may be contacted through World Bank/UNDP for training evaluation officials of Centre and States. Training in information technology significantly raises the computer capabilities of monitoring staff. Training of monitoring officials should be a mixture of training in technology as well as in aspects of general management. It is suggested that in the 10th Plan a training institute on monitoring and evaluation should be set up at the national level.

Summary

- 38 In order to strengthen the M & E systems the following is recommended:
- i. The design and implementation of new policies and programmes should rely on evaluation results of completed and ongoing schemes to avoid repetition of past mistakes and to ensure better utilization of development resources.
 - ii. Indicators for M & E must form an integral part of programme/project design.
 - iii. An evaluation data bank containing lessons from evaluation studies conducted by Central and State Evaluation Organisations as well as international organizations of repute needs to be created. This data bank can be accessed by planners and policy makers and even by the evaluators for literature survey.
 - iv. Better coordination is needed among evaluation organizations and CAG to avoid duplication of work and inappropriate use of resources. It would be useful if the broad areas of evaluation work for every year are identified in a meeting of evaluation organizations before the commencement of every annual plan.
 - v. Evaluation should be funded under plan funds in order to develop necessary infrastructure, human resources, collection and transmission of evaluation results.
 - vi. An evaluation plan needs to be prepared for the Tenth Plan. This will include evaluation of major programmes once in 2nd year and once in 4th year of the Plan.
 - vii. The Union Ministries/Departments and State Governments should be equipped with monitoring units for analyzing the reports of monitoring and evaluation on performance of the on going social sector development schemes and in case such units were not in existence, the services of research institutes from outside the Government should be hired for the said purpose.
 - viii. Computerised Monitoring Information System (CMIS) needs to be introduced immediately for effective monitoring and audit of each scheme in the social sector.
 - ix. In order to coordinate the work of various central and state monitoring units, an institution (existing/new) may be designated to act as monitor of monitors.
 - x. Training should be made an important organizational aspect of monitoring and evaluation. International organizations of repute may be contacted through World

Bank/UNDP for training evaluation officials of Centre and States and a training institute may be set up for imparting training on M & E techniques.

- xi. Expert Committee /Group under the Chairmanship of Member (Evaluation), Planning Commission to identify changes in procedures, rules, practices and laws that may be required for generating quality evaluation results, linking evaluation to resource allocation and using evaluation as a potent instrument of governance.
- xii. Planning Commission should take a lead role in establishing a national Association of Evaluators with membership drawn from the Central and State evaluation organisations, NGOs, and research institutions engaged in evaluation, appraisal and audit agencies. This association should hold annual conferences and bring out evaluation related literature/news etc. and promote exchange of views, wider dissemination of evaluation work done in the country and develop links with similar national and international institutions & associations.