

# Development Evaluation in India

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The system of evaluation in India was almost simultaneously conceived at the time, when the country was gearing itself for a planned economy. During the post independence period, with huge resource constraints, government had intended to take development initiatives through the system of Five Year Plans. The planning exercises were geared to address the extreme socio-economic inequity and to bring in maximum welfare to the people at large. When the First Five Year Plan was launched in July 1951, the importance of creating of a systematic evaluation was felt and as such the central government proposed to establish an evaluation organization. The First Five Year Plan document highlighted the necessity as “Systematic evaluation should become a normal administrative practice in all branches of public activity. With the object of developing the techniques of evaluation a beginning has now been made with the establishment of an independent evaluation organization under the Planning Commission for community projects and other intensive area development programmes”.

## **1.Functions and Objectives of PEO:**

PEO used take up evaluation studies of schemes and programmes on the basis of the recommendations of various subject divisions of erstwhile Planning Commission. It also undertakes evaluation studies on the request of various central ministries/departments. The main objective of the evaluation done by PEO include objective assessment of process and impacts of development intervention, identification of success or failure of the programme being implemented, analyze the reasons or factors contributing to success of failure, people’s response to the development intervention and arrive at possible lessons that could be used for future programmes either for imparting possible corrections or for replication in future programmes/schemes.

**2.Creation of Programme Evaluation Organisation:** In the spirit of the observation made in the First Five Year Plan, the Programme Evaluation Organisation (PEO) was established in October, 1952 as an independent organization with overall guidance and direction of Planning Commission with a specific task of evaluating initially Community Development programme and area development programmes which were being implemented during the initial period of

five year plans. The PEO was having its Headquarters in Planning Commission in New Delhi along with 3 regional evaluation units and 20 project evaluation units located in different parts of the country. The PEO was mandated to assess the progress and achievement of community development and extension programmes and to bring out reports thereof highlighting the successes and failures of those programmes.

With the extension of plan schemes covering various sectoral schemes during the subsequent plan periods, the role assigned to PEO has also increased many fold. While considering the extended role of PEO in formulation of crucial plan schemes and programmes, the government wanted its activities to encompass the rural development activities and major share of activities relating to district level plans. Having achieved perceptible progress in the field of land reforms, co-operation, village and small industries during the First Five Year Plan, the government wanted to explore new areas to be brought in planning process. It was eager to understand the impact that the plan exercise has brought in and to identify various factors that have contributed to the welfare of the society. The Second Five Year Plan went on to remark that “It is of the utmost importance that social and economic changes should be analyzed objectively as they occur and the impact of economic development on different sections of the rural population observed, at first hand. The need for evaluation exists in all fields of development and more especially in those in which new and expanded activities are being undertaken.” It has further stated that “Understanding of the interaction of different elements that enter into programmes which bear closely on the life of the people can be of material help in enhancing their contribution to the welfare of the community.”

During the four Five Year Plan periods, the PEO activities have been vastly expanded all over India and the state governments were asked to establish their own evaluation units and undertake evaluation of the state level schemes. They were also asked to coordinate with PEO field level offices so that the evaluation activities taken up by the field units of PEO could be properly done and findings of various evaluation studies pertaining to the particular state could be cross-verified by them.

Extending the role played by PEO in evaluating the community development and other intensive area development schemes, it was also required to take up the plan schemes/programmes relating to various sectors such as agriculture and cooperation, rural

industries, fisheries, health, family welfare, rural development, rural electrification, public distribution system, tribal development, social forestry etc. Later on, the task of evaluating the centrally sponsored schemes was also entrusted to PEO.

### **3. Evolution of PEO:**

The PEO is basically a field based organization under the overall charge of erstwhile Planning Commission. It has a three-tier system having its Headquarters placed in New Delhi at higher level, the Regional Evaluation Offices performing at middle level and Project Evaluation Offices functioning at lower level. The PEO has undergone too many structural changes. As against its original set up during the First Five Year Plan, the overall size of PEO at various levels has been considerably reduced. The Headquarters staff strength during year 2014 has gone down drastically. The number of regional evaluation offices has been increased from three to seven. However, for the first time, greater damage has been done to evaluation system by when the number of project evaluation units were drastically cut from 20 to 8.

For nearly two consecutive plan periods, that is, Fourth and Fifth Five Year Plans, in spite of its continued performance, the role played by PEO did not the commensurate acknowledgement in the government machinery. A new found interest was shown during the Sixth Five Year Plan, when the government took note of the importance of revitalizing the evaluation machinery both at the Centre and State levels and as such a committee was set up to review and strengthen central and state level evaluation organizations. However, not much substantial changes have taken place in the functioning of the organization continuously since the Seventh Plan period.

Not only the PEO's contribution did not get its recognition but its roles and functions in government did not get reported adequately in the Five Year Plan documents brought out by Planning Commission. For example, the activities of PEO and the reports brought out by it do not get a mention in the 3<sup>rd</sup>, 5<sup>th</sup>, 9<sup>th</sup> and 10<sup>th</sup> Five Year Plan reports. It is not that in other Five Year Plan reports there were elaborate discussion about the roles and functions of PEO. Wherever it figured, it has been simply one or two paragraphs detailing again about wishful thought about making evaluation as essential and integral part of important policy formulation and programme implementation.

There seem to be, of late, some confusion in treating monitoring and evaluation. Monitoring pertains to continuous tracking of activities in implementing a scheme against its financial and physical targets set for the scheme. On the other hand, evaluation pertains to assessment of appropriateness of the design of the scheme, finding the success or failure of the scheme to deliver the desired outcome, identifying the factors that are responsible for success or failure and for suggesting possible remedial measures to correct the impediments if any and for making improvement in every aspect of the implementation of the scheme. But the 11<sup>th</sup> and 12<sup>th</sup> Five Year Plan document brought out by Planning Commission portray the functions of monitoring and evaluation as if they are interchangeable. The monitoring works relating to implementation of schemes/programmes are being done by the concerned ministries/departments, while evaluation of various schemes/programmes has been done by PEO on behest of Planning Commission.

The 11<sup>th</sup> Five Year Plan report reveal that government seemed to have understood the precarious situation of PEO when it reported that “ Given the current weakness of PEO and the even worse state of State Evaluation Organizations, it is necessary during the Eleventh Plan to rejuvenate the existing organizations and also network with evaluation capacity that exists outside the government”.

A renewed attempt was made during the 11<sup>th</sup> Five Year Plan when a new Central Plan Scheme, namely, Strengthening Evaluation Capacity in government was introduced in 2006-07. An allocation of Rs.26 crores was made in Annual Plan 2007-08 for PEO to undertake evaluation of prioritized programmes and schemes suggested by both Planning Commission and Central ministries. The report went on to state that “ Quality evaluation of various programmes and projects would not only bring improvement in public sector performance, but would also address a broad range of issues relating to economy, efficiency, sustainability and relevance of public sector funding and development intervention”.

Even though some solution seemed to have found out by introducing a Plan Scheme for PEO for taking care of the financial needs of the organization, not much efforts were made to ameliorate the administrative and staff problems that PEO has been facing for a long time.

Finally, without even taking note of worsening situation of PEO, the Planning Commission's 12<sup>th</sup> Five Year Plan goes on to state that “ There is a need for strong web-based monitoring and evaluation system to promote transparency and accountability and facilitate regular tracking of physical and financial performance of individual programmes/schemes, particularly the ongoing clusters”. The above is the only comment made in the plan document relating to monitoring and evaluation. But it primarily insists on transparency, accountability and close monitoring of the programmes being implemented. There is no mention either about evaluation work or about addressing the concerns of PEO and possible solution for them.

#### **4. Structure of the PEO:**

At the Headquarters, the organization is headed by Adviser (Evaluation) who is in-charge of planning and execution of evaluation work. He is supported by Directors/Deputy Advisers who are responsible for preparation of proposals, finalization of design and instruments for evaluation studies.

At the regional level, the office is headed by a Director, who is in-charge of overseeing evaluation work done in various states coming under the purview of the region. States are grouped into different regions and each regional office will be coordinating work between regional level and headquarter level, both for administrative and technical work.

The third level hierarchy consists of Project Evaluation Offices which are located at state capitals and is primarily responsible for doing the field survey and interaction with concerned state government for undertaking evaluation studies and sending the evaluation documents to Regional Evaluation offices for scrutiny and further action. These offices are headed by a Senior Research Officers who will be reporting to their respective regional offices.

The PEO field units basically consist of both Regional Evaluation Offices (REO) and Project Evaluation Offices (PEO). Presently, there are 7 REOs and 8 PEOs. Evaluation work involves canvassing of instruments of various study designs pertaining to various studies and collections of primary and secondary data on various indicators at various levels such as households, village, block, district and state levels and bringing out reports thereof. As the

important findings, interpretations, recommendations made in evaluation reports are primarily based on the crucial inputs and information provided by them, the PEO field units are considered the backbone of evaluation system.

**5. Problems involved in Evaluation System:** As against its active role played during the initial plan periods, the PEO could not get much importance and attention during the later plan periods, particularly from Fifth Five Year Plan onwards. It could be that during later plan periods, Planning Commission was not so keen to know what has happened to the plan schemes and programmes implemented in the country or it could be that the planners were too pre-occupied with the newer initiatives which were being taken from time to time and could not pay attention to see whether or not the initiatives they take in every plan period are bearing the desired results.

Whatever may be the reasons behind it, the PEO have suffered over a long period due to inadequate financial allocation and shortage of manpower. With inadequate financial allocations, the PEO could not take up the mandated studies. The evaluation function of the government suffered to a large extent. The field units found it extremely difficult to plan and complete the studies at the stipulated time schedule. This has resulted in delayed publication of evaluation reports which in turn has led to low utility of the reports.

Another major problem faced by the organization is the lack of adequate manpower. As in the case of financial allocation, proper attention was not given to deployment of personnel to work in the organization. Serious efforts were not taken to resolve shortage of personnel from time to time and this has affected the efficiency and timely completion of evaluation work in the organization. For a long this organization was not given a proper identity. Even though, this organization had huge staff strength including many officers drawn from organized services, it does not have the status of an attached office or subordinate office as is the normal practice that prevails in central government office set up. Thus, PEO is being run just like a division in a particular department.

The works of administration and accounts pertaining PEO were managed through an ad-hoc system by the Planning Commission till recently. With this kind of arrangement, PEO should naturally not be expected to deliver outputs which they are intended to.

**6. Outsourcing of Evaluation Studies by PEO:** Even while PEO was struggling with inadequate financial allocation and manpower to handle evaluation studies, there had been regular instances of outsourcing of studies by PEO to private institution and organizations. There are varied problems associated with assigning evaluation studies to the above agencies. Firstly, there is no systematic mechanism to ensure quality of the reports submitted by the outsourced agencies. Since the issue is a subjective matter, whatever might be the quality, the reports submitted by these agencies have to be accepted as they are. Secondly, even if PEO wants to ensure quality through checking or validating the findings, there is no proper mechanism existing in PEO to do that. Thirdly, at times reports are not submitted as per time schedule and as such the reports lose their relevance and the money spent on the reports goes to waste. There were instances of the agencies not submitting the evaluation reports as per the time schedule, in spite of the repeated correspondence by the PEO.

Fourthly, for any evaluation study, collection of information from government officials and field level staff through discussions, meetings and interviews are very important to understand the key operating mechanism involved in implementation of the schemes. Due to preoccupation of the government officials towards their work, the agencies entrusted to evaluation work do not generally get sufficient time from the government officials to interact and discuss about evaluation studies. This has a bearing in the quality of evaluation done by the private agencies.

**7. Outsourcing of Evaluation studies by the Ministries/Departments:** As of now there are no clear cut guidelines for conducting evaluation of various schemes/programmes implemented by different ministries/departments. Each and every ministry/department desirous of evaluating their schemes/programmes do so by outsourcing to individual research or academic organization /institution. But this is totally against the evaluation principle. The fund provider of the evaluation study and the office/organization whose scheme is to be evaluated logically should not be the same. Simply put, this system is equivalent to a ministry/department evaluating itself. If done so, there are all possibilities that evaluation reports brought out by the outsourced agency are likely to be biased as the agency is more likely to give a favorable report about the implementation of the scheme. The agency is likely to highlight the merits rather than the demerits of the scheme. The performance of a ministry in implementing a particular scheme

should be assessed independently and as such this is possible only if the evaluation of the scheme done by an independent agency outside the ministry which do not look forward to any financial assistance to do the work. PEO by its very nature have all the qualifications for undertaking independent assessment of schemes/programmes being implemented by the various ministries/departments. It cannot as a matter of principle have vested interest or motive to shield or hide demerits found in any evaluation study. As such, it would be more appropriate if the evaluation works of various schemes/programmes implemented by various ministries/departments are entrusted to PEO.

## **8. Merits of Evaluation done by PEO:**

**8.1 Accountability:** Since PEO is a government organization, all spheres of its activities are completely accountable to government and public at large. The organization is supposed to stand by its performance. Such a complete and unconditional accountability of functions towards evaluation and other functions cannot be expected from an agency or organization which undertakes works for remuneration. In spite of having applied numerous rules and regulations in getting evaluation studies done through private organization, there shall always be an element of sub-optimal accountability in the evaluation work done by the private institution/ agency.

**8.2 Perception about Concepts and Issues:** There would be qualitative difference between PEO and private agency in understanding concepts and other functional issues pertaining to a study that is to be undertaken for evaluation. PEO, as a government organization has far more domain knowledge of various interlinked issues concerning various schemes which cannot be equated with a research organization. PEO has better understanding of the basic concepts and themes behind the implementation of various schemes. An organization with a strong field level support and having highly qualified officials, the PEO stature cannot be compared with individual research organization.

**8.3 Interface with government machinery:** There are lot of difference between PEO and a research agency in interacting with government officials and organizations with regard to conducting of an evaluation study. Being a government organization, PEO officials would be able to meet, discuss and exchange views with ease on various facets of evaluation studies. The same kind of interactions and conducive atmosphere would not be available to research

organizations. If the private research organization could not get the complete cooperation of the government officials in handling evaluation studies, that would definitely have a bearing on the quality of product they would bring out.

**9. Creation of Independent Evaluation Office:** In the scenario of waning PEO, there was no effort to resolve the problems being faced by PEO. A new proposal was mooted to create another evaluation set up called “Independent Evaluation Office”(IEO) even before finding the logic behind creating a new evaluation organization while taking no effort to revive the languishing PEO. Ultimately IEO was created in 2013 with a mandate “to conduct evaluation of plan programmes, especially the large flagship programmes to assess their effectiveness, relevance and impact. It also has the freedom to conduct independent evaluations on any programme which has access to public funding or implicit or explicit guarantee from the government.”

However, in spite of having created, the organization is yet to make headway in evaluation function. IEO has been created as a proper government organization, but its deployment of staff and personnel seem to be based on ad-hoc system. It has not thought of making use of regular organized services available in government but propose to get evaluation work done “by selected institutes and researchers identified on a competitive basis”.

The IEO should be functioning on the lines of any other government office except that it should be objective in reporting the evaluation results to government and other stakeholders. In order to function as a government organization, it should have proper government machinery with deployment of government officers and staff. From the details of functions assigned to IEO, it would be perceptible that the office will get the entire evaluation work done only through ‘competitive bidding’.

The IEO seem to have been created only with the objective of having single office which will broadly do the outsourcing function. Then the question arises as to how IEO’s functioning is uniquely different from the existing PEO, which has also the system of outsourcing evaluation studies. On two points, PEO has merit over the IEO. Firstly, the PEO as a government organization does its major evaluation works by itself and its objectivity and accountability in preparation of the evaluation reports are far more superior to the outsourcing work done by IEO.

Secondly, PEO draws its strength from its field offices which have a dynamic well qualified personnel working at the grass root level. IEO obviously does not have any such organizational structure to be equated with PEO.

#### **10. Need for a strong evaluation organization:**

(1). There is an absolute necessity to assess as to whether or not the huge amount of public money spent on various development schemes are generating the required results that the scheme envisaged for. It is more pertinent for the policy makers and programme implementers to initiate appropriate mid-course correction as and when the evaluation results highlight the areas of deviations and faulty implementation. Unless and until the government has a sound evaluation system in place, it would not be possible to take up corrective measures.

(2) A strong evaluation system would ensure accountability for the public money spent. With an evaluation system in place, government would be able to make the right choices in allocation of budgetary resources. Evaluation findings would enable government to rescind budgetary allocation to the schemes/programmes which do not produce the intended results and to pave the way for more allocation to the new or relevant schemes/programmes or to the restructured programmes which are envisaged to produce more socio-economic benefits to the targeted groups. This would ensure judicious use of precious financial resources at this juncture when there are competing demands for financial resources owing to the compelling reasons.

(3) A vibrant and sound evaluation system would ensure dissemination of information to the stakeholders for taking timely and appropriate corrective measures in the implementation process. Consequently, it would enable the government to have precise focus on the channeling the benefit flow to the intended target groups.

(4) Through a sound evaluation mechanism, it would be possible to have a macro picture of schemes or programmes being implemented, including their nature, coverage and the target groups. Overlapping of schemes being implemented could be identified and measures could be taken up for termination or for appropriate restructuring of those schemes. Thus, evaluation system would ensure reduction of wasteful expenditure incurred on schemes/programmes which were erroneously taken up for implementation.

(5) The evaluation organization can work as a think tank as well as watchful vigilance entity that could provide crucial inputs to policy formulation on varied aspects of development intervention being taken up by the government. The dissemination of information could be of immense value to not only to government but also various other stakeholders including state governments.

(6) A strong evaluation system at the central level would encourage the state governments to promote creation and strengthening of state level evaluation and appreciate the significance of learning lessons from the field and adopting various methods to reach the benefits to the people through various schemes. As the number of state level schemes and programmes have been increasing continuously over the years, the importance of those schemes getting evaluated is also increases. The convergence of lessons learnt, methodologies adopted would bring in more knowledge and information to be used by government, research and academic organization/institutions etc.

**11. Conclusion and recommendations:** At this juncture, when the PEO has been weakened drastically and also the newly created IEO is yet to make a mark in evaluation activities, a vacuum has been created so far as the evaluation work is concerned. Considering the importance of having a vibrant evaluation system in the country, some crucial measures are required to be taken by the government.

(1) One of the most immediate requirements for PEO is that its manpower should be streamlined and strengthened. The organization should be strengthened with a multi-disciplinary team which consists of economist, engineers, doctors and sociologists in order to handle issues relating to various sector and subjects. The restructuring should be carried out at all three levels, namely, Headquarters, regional and project evaluation office levels.

Along with proper deployment of personnel, the infrastructure needs of PEO which include office equipments, electronic gadgets essential for advanced communication networks should also be provided to both Headquarters and field offices.

(2) PEO should be made an autonomous organization along with proper administrative and budgetary mechanism which would enable the organization function without any dependence on another hierarchy.

- (3) The restructured new PEO should prepare guidelines, methodologies, procedures for conducting evaluation studies. The rules and regulations governing outsourced evaluation are also to be firmed up so that management of outsourced evaluation studies could be properly monitored for its compliance. Further, the PEO should bring out an evaluation policy which would govern broadly the evaluation work done in the country. The evaluation policy also should be modified, from time to time, as and when such necessities arise to accommodate newer issues, thoughts and approaches.
- (4) A separate website should be created for PEO in order to ensure comprehensive and quicker dissemination of information from PEO to all the concerned. The PEO should establish high tech networking which would enable collection, processing and dissemination of data/information on real time basis within the PEO. This would facilitate PEO to process data and finalize the evaluation reports quickly. System should also be in place as the findings and recommendations of various reports are available to all the concerned stakeholders including concerned ministries/departments, research and academic institutions for their information. The Action Taken Reports (ATRs) of various ministries/departments on the recommendations/remarks made in the evaluation reports should also be put in the website of the PEO.
- (5) PEO during the course of conducting evaluation studies have to collect both primary and secondary data/information from various agencies including central and state governments and the organizations/ institutions relating to these governments. In the absence of any clear criteria or stipulation for supply of data/information by the state governments/organisations, PEO at times find it difficult to obtain data/information from them. Therefore, a statutory provision has to be brought in for the compliance of all the concerned to provide the data/information sought by PEO.
- (6) In order to cope up with ever changing technology, there is a need for the evaluation officials to be trained periodically so that they would be able to adopt the latest technologies in their day to day work. The PEO should have annual calendar of training/seminar programmes to be conducted both within and outside the country. These arrangements would immensely help improving the quality of reports brought out PEO on the one hand and keep the officials related to evaluation studies more research oriented on the other.

- (7) All through the Five Year Plan Plans, different advisory committees were formed to decide about the evaluation work to be taken up. A new evaluation advisory committee may be constituted to oversee the evaluation work. A statutory provision may be brought out by the government to the effect that PEO may take up evaluation studies as approved by an advisory committee. It may also bring in a stipulation that PEO should suo moto supposed to take up evaluation of schemes/programmes whose plan allocation exceed certain bench mark level. This would enable PEO to take up evaluation of important schemes on its own. This would also provide an opportunity for the government to keep abreast of various developments that are taking place in the field and take appropriate action concerning plan allocation.
- (8) Considering the importance of restructuring the PEO and also making use of the newly created IEO, an attempt could be made to amalgamate both these organizations for a more vibrant evaluation system in the country.

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