



ABSTRACT

Evaluation and Applied Research Department- Evaluation of Schemes – Reconstitution of State Evaluation committee and Formation of An Advisory Committee - Approved -Orders - Issued.

PLANNING, DEVELOPMENT AND SPECIAL INITIATIVES (ST.2&E) DEPARTMENT

G.O.(Ms).No.78

Dated: 16.09.2015

Jaya – Aavani 30

Thiruvalluar Aandu 2046

READ:

1. G.O.(Ms.) No.120 Planning and Development (PC) Department, Dated: 17.08.1994.
2. G.O. (Ms).No.147, Planning, Development and Special Initiatives (ST2&E) Department, Dated:12.11.2012.
3. G.O.Rt.No.111, Planning Development and Special Initiatives Department, dated: 26.04.2013.
4. From the Director (FAC), Evaluation and Applied Research Department, D.O. Letter No.167/ E&AR/ SEC/ 2015, Dated: 03.03.2015 and 05.03.2015.

ORDER :-

In the Government Order first read above, Government have lastly reconstituted the State Evaluation Committee in Government with Secretary, Planning and Development Department as Chairman to decide the list of studies to be taken up for evaluation and to review the status of the evaluation studies taken up by the Evaluation and Applied Research Department.

2. In the Government Order second read above, an State Evaluation Committee in the State Planning Commission was lastly reconstituted under the Chairmanship of Vice Chairman, State Planning Commission for the purpose of suggest schemes to be evaluated and also discusses the evaluation reports for taking follow up action and the findings of the Evaluation Studies. In the Government Order third read above, this committee has also subsequently renamed as State Evaluation and Review Committee.

3. There is need for greater clarity in the functioning of the two committees. Further, to strengthen the evaluation process, the methodology of conduct of the studies needs greater attention so that the results of evaluation studies are valid and fruitful. Hence, to provide more effective oversight it is essential to delineate the functions of the two committee more clearly and name them in a manner to avoid confusion.

4. In this connection, the Director (FAC), Evaluation and Applied Research Department has also requested to reconstitute the State Evaluation Committee, lastly reconstituted in the reference first read above and to set up an Advisory Board in the State Planning Commission.

5. The Government after careful consideration accept the request of the Director (FAC), Evaluation and Applied Research Department and decided to maintain clarity, reduce overlap of functions amongst the existing two State Level Committees and to have more effective, expert input into the evaluation process at the appropriate stages. Accordingly, Government reconstitute the State Evaluation Committee and the State Evaluation Review Committee in State Planning Commission into the State Evaluation Advisory Board with expanded functions as follows:-

(i) State Evaluation Committee :

(i)	The Principal Secretary to Government, Finance Department.	Chairperson
(ii)	The Principal Secretary to Government, Planning, Development and Special Initiatives Department.	Member
(iii)	Secretaries of Concerned Departments.	Member
(iv)	The Member Secretary, State Planning Commission	Member
(v)	The Director, Evaluation and Applied Research Department.	Member Secretary

(i) The State Evaluation Committee will meet once in a year to select the schemes to be taken up for evaluation and the studies to be taken up.

(ii) To review the functioning of the Department of Evaluation and Applied Research.

(ii) State Evaluation Advisory Board:

(i)	Vice Chairman, State Planning Commission.	Chairperson
(ii)	Principal Secretary, Planning Development and Special Initiatives Department.	Member
(iii)	Principal Secretary, Finance Department or his nominee.	Member
(iv)	Secretary of the Department, concerned (relating to schemes under evaluation).	Member
(v)	Member Secretary, State Planning Commission.	Member
(vi)	Director, Evaluation and Applied Research Department.	Member Convenor
(vii)	Director, Madras School of Economics.	Member
(viii)	Director, Madras Institute of Development Studies.	Member
(ix)	The Director, Indian Statistical Institute, Chennai.	Member

The State Evaluation Advisory Board may meet once in three months.

(i) To approve the methodology for the evaluation studies approved by the State Evaluation Committee.

(ii) To review interim reports and draft reports before finalization.

(iii) To discuss the follow up action and findings of the Evaluation Studies, the Board may also suggest scheme to be taken up for evaluation.

The State Evaluation Advisory Board, if necessary, invite additional experts as required for any particular meeting or nominate new institutional members.

6. This order does not require the concurrence of Finance Department vide its G.O.Ms. No.519/Salaries/1997, dated.29.9.1997.

(BY ORDER OF THE GOVERNOR)

**S.KRISHNAN,
PRINCIPAL SECRETARY TO GOVERNMENT.**

To

- The Principal Secretary,
Finance Department, Chennai-600 009.
- All Secretaries to Government,
Chennai-600 009.
- The Director,
Madras Institute of Development Studies, Chennai-20.
- The Director,
Madras School of Economics, Kottur, Chennai- 600 025.
- The Member Secretary,
State Planning Commission, Chennai-600 005.
- The Head, Chennai Centre,
Indian Statistical Institute, CIT Campus Taramani,
Chennai 600113.
- ✓ The Director (FAC),
Evaluation and Applied Research Department, Chennai-108.

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18/9/15
SECTION OFFICER.

PS
18/9/15



ABSTRACT

Evaluation and Applied Research Department – Institutionalize an Evidence-Based Approach to Policy Making – Approval of the Guidelines for Programme Evaluations – Orders – Issued.

Planning, Development and Special Initiatives (ST.2&E) Department.

G.O.(Ms).No. 80

Dated: 23.10.2017.
Heyvilambi, Ippasi-6,
Thiruvalluvar Aandu 2048.

READ:

1. G.O.(MS)No. 78, Planning Development and Special Initiatives (ST2&E) Department, Dated: 16.09.2015.
2. The Director (FAC), Evaluation and Applied Research Department, Letter No.2077/ E&AR/ SEC/2015, Dated.12.04.2016.

ORDER:-

In the letter read above, the Director (FAC), Department of Evaluation and Applied Research Department has stated that the Evaluation and Applied Research Department has been undertaking evaluation studies of development programmes and the State Planning Commission undertakes mid-term reviews and assessments of programme implementation in order to be able to advise the Government on appropriate modification and restructuring of schemes as well as on approval of new schemes for inclusion in the State Budget. Apart from this, different implementing departments also commission and undertake evaluation of their schemes and programmers as required for reporting to Government of India external aid agency, Government of Tamil Nadu and for their internal use.

2. Further, to support the Vision Tamil Nadu 2023 document, the Government of Tamil Nadu is committed to institutionalizing an "Evidence Based Approach to Policy Making". To ensure that all programmes and schemes of strategic importance to the State are systematically evaluated and that evidence from evaluations studies are systematically used to inform policy making, the Director (FAC), Department of Evaluation and Applied Research Department has suggested that common guidelines for Programme Evaluation may be issued which can be used by departments. She has stated that the purpose of the Guidelines is to create a common basis for designing, undertaking and commissioning evaluations by various Government agencies that are intended for informing the design of new policies and programmes, review of existing schemes for extension or termination, and for preparing evaluation plans and commissioning studies.

3. The Government after careful consideration, has decided to accept the request of the Evaluation and Applied Research Department and issue orders for "Programme Evaluation Guidelines" as annexed to this order to create a common basis for designing, undertaking and commissioning evaluations by various Government agencies that are intended for informing the design of new policies and programmes, review of existing schemes for extension or termination, and for preparing evaluation plans and commissioning studies.

4. This order issues with concurrence of Finance (Public) Department, U.O.No.28571/Finance(Public)/17, Dated:07.07.2017.

(BYORDER OF THE GOVERNOR)

S.KRISHNAN,
PRINCIPAL SECRETARY TO GOVERNMENT.

To
The Director(FAC),
Evaluation and Applied Research Department, Chennai-108,
The Member Secretary,
State Planning Commission, Chennai-05.

Copy to:

The Private Secretary to the Additional Chief Secretary to Government,
Finance Department, Secretariat, Chennai-09.
The Private Secretary to the Principal Secretary to Government,
Planning Development and Special Initiatives Department, Secretariat, Chennai-09.
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SECTION OFFICER

23/10/17

ANNEXURE
GOVERNMENT OF TAMIL NADU

GUIDELINES FOR PROGRAMME EVALUATIONS

1. POLICY MANDATE

- 1.1. The Government of Tamil Nadu is dedicated to achieving a highly inclusive growth pattern and ensuring that the State is poverty-free. The Tamil Nadu Vision 2023 Document states: "Improving quality of governance and transparency in the working of government institutions is both an outcome of the vision and an important enabler in achieving the vision". In order to achieve the ambitious growth targets set out in Vision 2023, the State lays great emphasis on innovation and knowledge. To support this vision, the Government of Tamil Nadu is keen on **institutionalising an evidence-based approach to policy-making**.
- 1.2. Programme evaluations play a key role in ensuring effective design, development and implementation of Government policies, and in measuring progress against intended outcomes. An evidence-based approach requires systematic collection, timely review, detailed analysis and effective use of data related to the performance of government programmes and schemes. Therefore, availability of relevant and credible data in a timely manner is essential for critical decisions, such as formulating new programmes and policies, tracking and improving implementation, allocating resources more effectively and efficiently, and improving transparency and accountability.
- 1.3. In Tamil Nadu, the practice of programme evaluation has existed since 1964, when an Evaluation Cell was created under the Directorate of Statistics, with the mandate of undertaking evaluation studies of development programmes in the State. Subsequently, the Government of Tamil Nadu decided to transfer the Evaluation Cell from the Directorate of Statistics and bring it under the control and guidance of the Department of Finance (Planning) [G.O.Ms.No.734, Finance Department, Dated: 26.05.1972]. This decision was based on the recommendations of a Working Group constituted by the Union Planning Commission which advised that every State Government should have an Evaluation Organisation as an integral part of their planning machinery, and that this should function either as a wing or division of the Planning Department or as a Directorate attached to it, and it should not be under the administrative control of any other department.
- 1.4. Recognising that economic evaluation is an essential link to future planning, the State Government was of the view that the purpose would be better served if the existing Evaluation Cell was brought under the purview of the Planning function. Subsequently, in 1974, the Economic Analysis and Research Division of Finance (Planning) Department, to which the Evaluation Cell had been attached since its transfer, was declared to be a Department, and its Director instituted as the Head of the Department [G.O.Ms.No.602, Finance (OP) Department, Dated: 27.04.1974].

- 1.5. Alongside the Department of Evaluation and Applied Research (as it came to be known later and, henceforth, E&AR), the State Planning Commission also undertakes mid-term reviews and assessments of programme implementation in order to advise the Government on appropriate modifications and restructuring of schemes, as well as on approval of new schemes for inclusion in the State Budget.
- 1.6. Additionally, different implementing departments also commission and undertake evaluations of schemes and programmes as required, to report to Government of India, for Centrally Sponsored Schemes, or for Externally Aided Projects, or for their internal use.
- 1.7. Given these long-standing institutional arrangements, it has been recognised that common guidelines for evaluation will further help institutionalise the practice of undertaking and using evidence from evaluations while making decisions. To this end, **the Government of Tamil Nadu has issued these Guidelines for Programme Evaluation (henceforth, Guidelines) to ensure that all programmes and schemes of strategic importance to the State are systematically evaluated, and that evidence from evaluation studies are systematically used to inform policy-making.** These Guidelines are consistent with the key principles of evaluation: independence (from implementation), autonomy of evaluations and uniformity of process. These guidelines are applicable to all agencies of Government of Tamil Nadu which may be utilising State resources to undertake programme evaluations.

2. CONTEXT

- 2.1. Since 2013, the Government of Tamil Nadu has initiated several efforts to institutionalise evidence-based policy-making. Some notable examples among these initiatives are summarized below:-
- 2.2. In recent years, the staff strength of E&AR has come down significantly. Therefore, although E&AR continues to undertake a large number of evaluation studies each year, these tend to be small-scale field studies that lack the depth and rigour required to inform broad policy questions and decisions. Further, E&AR mostly receives requests for evaluation after a programme or scheme has been rolled out; rarely does it have the opportunity to undertake a scoping study or needs assessment which is very useful in planning new programmes/schemes.
- 2.3. It was therefore decided that a multi-pronged approach to strengthen the role of evaluations in informing policy decisions be adopted by standardising organisational practices and processes of E&AR; as well as strengthening capabilities such that E&AR could undertake more with existing staff. The initiatives undertaken in this regard are summarized below:
- 2.4. Evaluation manual: The Handbook (or Manual) for E&AR prepared in 2003 was updated keeping in mind the requirements of an evidence-based policy-making approach, with greater focus on recent developments in evaluation techniques. Focus areas such as large-scale and rigorous impact evaluations and cost-

effectiveness analysis, processes for commissioning evaluation studies and ensuring quality of data were revised.

- 2.5. State Evaluation Committee (SEC) and Advisory Board (SEAB): The Government has created a new body called the State Evaluation Advisory Board (SEAB), in addition to the existing State Evaluation Committee (SEC). The SEC is chaired by Principal Secretary to Government, Finance Department and is composed of Principal Secretary to Government, Planning and Development Department; Secretaries of Concerned Departments; Member Secretary, State Planning Commission and Director, E&AR. The SEAB is chaired by the Vice Chairman, State Planning Commission and consists of government officials and academic researchers. While the role of SEC is to approve the final list of evaluation studies being taken up by E&AR each year, the SEAB provides technical advisory support to E&AR on an ongoing basis [Refer G.O.Ms.No.78, Dated: 16.09.2015 and paragraphs 6.1-6.3 and 7.1-7.3 for details on roles of the SEC and SEAB]
- 2.6. Collaborations with research institutions for capacity-building: Forging long-term research and capacity-building collaborations with leading academic and research institutions such as the Jameel Poverty Action Lab (J-PAL) South Asia at IFMR, the Indian Statistical Institute (ISI), the Madras Institute of Development Studies (MIDS), Madras School of Economics and the Indian Institute of Technology, Madras (IITM), among others, has facilitated greater interaction between researchers and policy makers. This, in turn, has helped leverage the latest developments in cutting-edge research to inform policy decisions and to strengthen capabilities and systems within the Government, especially of E&AR, to generate better data and internalise its use in decision-making.
- 2.7. Commissioning large-scale and complex evaluations: Since programme evaluations typically require large sample sizes, multiple rounds of data collection and sometimes tracking the same sample of population over a period of time, staff capacity constraint can be overcome by redefining the functions of E&AR staff, such that their skills are used more for the design of evaluations, ensuring quality of data, as well as the analysis of data. The more labour-intensive aspects of evaluations such as data collection and compilation may be commissioned to external agencies. In 2015, E&AR successfully commissioned and completed a large nutritional outcomes-tracking survey across all districts of the State and, in the process, trained all its technical staff in their redefined roles.
- 2.8. Empanelment of institutions: The State Planning Commission, in order to save on time and costs in commissioning large-scale evaluation studies, followed a rigorous multi-stage tendering process, as per Section 32(1) of the Tamil Nadu Transparency in Tender Act, 1998, and Rules there under 2000. At the end of this process, a set of 13 institutions were empanelled in December 2015, under the "Policy Research and Evaluation" panel for a period of 2 years. [See Annexure: SPC Order: Procds. No. 1639/ SPC (PC)/ 2015, Dated: 30.12.2015.]

- 2.9. Use of mobile (tablet) devices for digital data collection: The Government is also systematically encouraging a transition to using mobile and digital devices for data collection across departments that rely on extensive data collection, since this not only improves the quality and speed of data collection, but also enables speedy compilation and more advanced analytics of the data thus collected.
- 2.10. Other complementary initiatives: To encourage the use of large governmental datasets for advanced analysis, the Government established a Data Analytics Unit in 2016. This initiative is co-hosted by the Department of Economics and Statistics and the Tamil Nadu e-Governance Agency.
- 2.11. It is expected that any large-scale census or sample surveys administered by the Department of Economics and Statistics, or other implementing departments, will contribute significantly to the quality of evaluations. Such surveys could serve as baselines to help understand the existing situation and persistent issues, and also track trends/ prove to be a means of tracking trends in key socio-economic outcomes in the State. The aim is to synthesise several of these related interventions under the framework of evidence-based policy-making.

3. OBJECTIVES

- 3.1. These guidelines aim to create a common basis on which to design, execute and commission evaluations, as well as ensure that evidence from evaluation studies are used in planning and decision-making at the Government and Department levels.
- 3.2. Specific objectives of the Guidelines are to:
- Underscore the need for evaluations and how they can inform public policy-making. Streamline institutional mechanisms to facilitate independent, credible, rigorous and timely evaluations relevant to policy-making purposes. [See sections 1 and 4 of these Guidelines.]
 - Issue common and standardised guidelines on what types of schemes, projects, programmes and policies should be evaluated, when, by whom and how, including their source of funding, as well as about how the existing evidence base could be used for insights into policy decisions.[See Sections 4, 5, 6, 7 of these Guidelines.]
 - Introduce measures to integrate evidence from evaluations in the Government and Department-level processes of planning, budgeting and decision-making on resource allocation and reallocation, targeting, mid-term course correction and improvement of government schemes and programmes. [See Sections 6 and 7 of these Guidelines.]
 - Create a centralised and high-quality evidence base of information from evaluation studies and set criteria for access to and dissemination of reports and data, to ensure transparency and accountability. [See Section 6 and 7 of these Guidelines.]

4. COVERAGE AND SCOPE

- 4.1. For the purpose of this document, "Evaluation" is described as the systematic collection and analysis of evidence on planning, performance and outcomes of programmes and activities, to determine the extent to which they are effective or not effective in delivering intended results, and how efficiently they are able to do so.
- 4.2. Specifically, programme evaluation is the process of assessing all aspects of design, implementation and measurement of results of programmes and policies considering their relevance, effectiveness, efficiency, sustainability and impact. Together, these are commonly referred to as the OECD Development Assistance Committee (DAC) Criteria for evaluation of development interventions. Such programme evaluations may be undertaken prior to the launch of a programme, while a programme is running or after it has been completed.
- 4.3. While the mandate for undertaking programme evaluations lies primarily with the Planning and Development department and its agencies – E&AR and SPC, individual departments are also encouraged to adopt the practice of utilising evidence from independent evaluations in their process of policy design and to improve effectiveness and efficiency while implementing their programmes. These guidelines are relevant for decision-making for both new and ongoing schemes/ programmes/ policies/ initiatives or projects funded by the State Government, in part or in full. It is expected that evidence from robust evaluations can inform these types of decisions.
- 4.4. To address most policy questions, typically five different programme evaluation methods are most commonly used: diagnostic or needs assessment; programme theory assessment; process evaluation; impact evaluation; and cost-effectiveness analysis.
- 4.4.1. Needs Assessment: is a systematic approach to identify the nature and scope of a social problem, define the target population to be served, and determine the service needed to meet the problem.
- 4.4.2. Programme Theory Assessment: models the theory behind the programme, i.e., examining if there is a plausible and feasible plan for improving the target problem or social condition. This involves charting the causal pathway between the inputs of a programme and its ultimate goal.
- 4.4.3. Process Evaluation: Process evaluations analyse the effectiveness of programme operations, implementation and service delivery against work plans.
- 4.4.4. Impact Evaluation: An impact evaluation identifies the causal impact of a programme by isolating the change in key outcomes of interest that are solely due to the programme alone
- 4.4.5. Cost-Effectiveness Analysis: A cost-effectiveness analysis compares the impacts and costs of various programmes run in different contexts and time-periods that aimed at achieving the same objective.

Table 1: Most commonly used evaluations for decision-making

Types of decision-making needs	Types of evaluations
Designing a new scheme /programme.	Diagnostic/needs assessment studies, impact evaluations (of pilots), feasibility studies, evaluation of alternative means of delivery.
Scaling up a pilot initiative/project.	Impact evaluation, feasibility studies, cost effectiveness studies, cost benefit analysis.
Improving the implementation of an existing scheme/programme.	Outcome tracking, impact evaluation, process evaluation, beneficiary satisfaction assessment.
Demonstrating the success of a programme/scheme/approach; Discontinuation of a flagship programme.	Impact evaluation, cost effectiveness, cost benefit analysis.
Targeting public spending with new activities or strengthening existing programmes/schemes.	Impact evaluations, needs assessments, process evaluations, beneficiary satisfaction assessment.
Allocation and reallocation of financial and human resources for activities and programmes.	Impact evaluation, cost effectiveness, cost benefit analysis.

5. EVALUATION STANDARDS

5.1. All evaluation studies undertaken by E&AR or any other department should follow the "Standards of Evaluation" laid out in this Section.

5.2. **High quality:** Evaluations should serve the intended purpose and yield reliable and consistent information for the intended use(s). Evaluations should employ sound design and practices, and ensure that credible information is collected and used. The findings of evaluation studies must be able to stand the test of research validation

5.3. **Relevant and timely (aligned to policy needs and policy-making processes):** Evaluations must provide findings on effectiveness, efficiency and relevance of schemes and programmes, and make specific recommendations for policy action to be taken up in a time-bound manner.

- 5.4. **Involvement of all key stakeholders:** Evaluations must involve all relevant individuals and groups with an interest in the programmes as well as those affected by the evaluation, at all stages of the evaluation.
- 5.5. **Ethics:** Evaluations should follow all professional and ethical guidelines and be undertaken with integrity and honesty. They should be designed and conducted in accordance with human and legal rights, and maintain dignity and freedoms of participants and other stakeholders.
- 5.6. **Transparency (in selecting evaluators, methods and findings):** The entire evaluation process must be transparent and independent of programme implementation. Evaluations must fully document and disclose (except when in violation of legal and proprietary obligations) all information pertaining to purpose of the study, implemented designs, processes, data, findings and limitations.
- 5.7. **Systematically integrating evaluation evidence into decision-making:** Policymakers are encouraged to systematically refer to existing evidence from evaluations or commission new studies when considering introducing new interventions. Hence, evaluation findings should suggest recommendations that could be put into action to benefit intended users.
- 5.8. **Compliance of Evaluation Guidelines:** Relevant implementing authorities and governance mechanisms will ensure that all evaluations financed by State resources - adhere to the provisions laid out in these guidelines.

6. OPERATIONALISATION

Governance Mechanisms:

- 6.1. The implementation of these Guidelines are to be -supervised by the SEC and SEAB. [Refer G.O.MS.No.78, Dated: 16.09.2015.]
- 6.2. As described in para 2.5, The SEC is composed of Principal Secretary, Finance department (Chair), Principal Secretary, Planning and Development department; Secretaries of Concerned Departments; Member Secretary, SPC and Director, E&AR. The SEAB is chaired by the Vice Chairman, SPC and is comprised of all the SEC members (representing the government) and the Directors of the Madras Institute of Development Studies; Indian Statistical Institute and the Madras School of Economics (representing academic research institutions). The SEAB will meet at least once in a quarter, and E&AR is expected to present for recommendations and approval by the Board, study methodologies, progress and final results for a subset of the evaluation studies undertaken by the E&AR (whether in-house or commissioned).
- 6.3. All departments other than E&AR, which undertake evaluation studies, should also intimate SEC about the details of such evaluations.

Process of identifying topics for evaluation

- 6.4. The SEC will meet at least once a year and as often as required, in order to select topics to be taken up for evaluation by E&AR during the course of the year. The process of identifying specific subjects, schemes and activities for evaluation could be informed by the following multiple sources:

- The Finance Department and Planning and Development Department could identify key schemes and areas of spending for evaluation;
- The SPC, through its annual process of discussion and workshops around Plan-related schemes, could identify critical areas or gaps that require evaluation;
- Externally Aided Projects (EAPs) and Centrally Sponsored Schemes (CSS) that have inbuilt impact evaluation requirements;
- The SEAB could provide recommendations on areas of research and specific topics for evaluation;
- Inputs from other sources, including public, will also be considered;
- Implementing departments could also submit their requests for evaluation of specific schemes or policy questions. In addition, if departments are using external agencies to undertake evaluations, they should inform the SEC about the details of the studies.

6.5. In identifying the list of areas for evaluation by E&AR, the SEC will describe the need for evaluations for each of these selected areas, and elucidate specific policy question(s) (such as, planning of new interventions, targeting of interventions, resource allocation, course correction) or any other decision that the evidence from an evaluation is expected to address, and also specify the timelines for the same. In this process, the SEC will also take cognisance of relevant findings from past or ongoing evaluations undertaken by the Department or any other State/ Central Government agency, or by reputed research institutions. This is to ensure that newly assigned evaluation studies address gaps and add to the existing evidence-base, and do not duplicate other efforts.

6.6. In this process, the SEC, with regular inputs from E&AR, must ensure that impact evaluations are undertaken, wherever feasible, for the following:

- All State-sponsored schemes or programmes with a budget of over INR150 crores per year;
- All Schemes/programmes/ projects/ pilot initiatives in sectors identified in State policy documents as being of strategic and critical importance to the State, irrespective of which source they are financed by;
- New and innovative schemes or programmes that are introduced on a pilot basis with the intention of State-wide scale-up.

6.7. To enable this, E&AR will regularly compile (i) key details pertaining to the above mentioned types of schemes and programmes, (ii) a list of all evaluations already carried out for these schemes and programmes to date and (iii) suggestions for taking up impact evaluations wherever necessary.

Implementing evaluation studies

6.8. Finalising list of evaluation studies

6.8.1. Based on the areas for evaluation identified by the SEC, E&AR will prepare a draft Annual Evaluation Plan for the list of studies approved by the SEC. This will also be submitted to SEAB, and discussed in detail in a meeting [Refer Table 2 for timeline of activities].

6.8.2. The Annual Evaluation Plan (AEP) will be finalised based on the inputs and recommendations provided by SEAB. The finalised AEP should describe the objective, scope and scale of each of the proposed evaluation studies and the manner in which they will be undertaken (whether in-house by the E&AR team or commissioned to an external agency). An estimate of the funds required to undertake the evaluations and ensure quality control must be given for any study that is commissioned. Additionally, E&AR will prepare an evaluation cover sheet for every study request in a standardised template (see Annexure 1), as well as a detailed budget for all activities.

6.9. Budgeting cycle for evaluation studies

6.9.1. Based on the above, E&AR will prepare and submit its regular budget proposal for all in-house activities by August, for the next financial year (April to March), under the budget provision created for evaluation studies as well as the Revised Estimate for the current financial year [Refer Table 2 for timeline of activities]. In addition to this, for commissioned studies, E&AR will submit a proposal for the number of studies to be undertaken in that year after obtaining approval from the SEC.

6.9.2. E&AR will prepare the scope of work and define the methodology for each study based on guidelines, including the quality control protocols prescribed in the Department's Manual on Evaluation Methods as updated in 2017, and also take into account recommendations provided by the SEAB during the first meeting. Standardised templates already developed and available with E&AR will be followed for preparing the scope of work and issuing Requests for Proposals while commissioning studies.

Table 2: Indicative Timeline for Implementing Evaluation Studies (using 2018-19 as an example)

Sl.No.	Details	Month
1.	Compilation of list of study requests from various departments/sources (as per 6.2.1).	May-June 2017
2.	Identification of evaluation studies by SEC.	June 2017
3.	Preparation of Annual Evaluation Plan for 2018-19 by E&AR and status of previous year's plan (i.e. 2017-18).	July-August 2017
4.	Meeting of SEAB to discuss Annual Evaluation Plan to confirm mode of execution (in-house and Commissioned).	July- August 2017

5.	Based on Annual Plan and report completion, submission of Budget estimate for 2018-19 and Revised Estimate for 2017-18.	By August 2017
6.	Approval of study methodology, progress and findings by SEAB.	Ongoing (and at least every quarter)

6.10. Determining mode of execution – in-house vs. commissioning

6.10.1. E&AR has the option of either undertaking a study in-house with its own staff or commissioning some or all parts of a study to an external agency qualified to undertake the study. A pre-qualified pool of empanelled institutions is available through the State Planning Commission's Panel on "Policy Research and Evaluation Studies" (SPC Order: Procds. No.1639 / SPC (PC) /2015, Dated: 30.12.2015) and as described in para 2.8 .

6.10.2. E&AR will also determine which aspects of a study (if not all) will be commissioned, depending on the nature and scope of the study. These include: defining the scope of the evaluation, including methodology and sampling; design of survey instruments; data collection and compilation; data analysis; and report writing. For all studies, E&AR will determine the key policy objectives to be served, and ensure quality of the study findings.

6.10.3. The SEC, on recommendation of the E&AR will determine whether a particular study is to be undertaken in-house or commissioned (in part or full) to an external agency, based on specific considerations such as the motivation for and scope of the study, the level of technicality of the study design and implementation, as well as any sensitivities associated. A detailed matrix (see Annexure 2) will be used by E&AR in taking this decision. The following indicative factors will be considered:

- **Technical expertise:** The design and execution of studies requiring complex technical and sectoral expertise, into selection of indicators for measurement, and/or methods of measurement, may be commissioned to external agencies with specialised skills.
- **Size and scope:** E&AR is better equipped to undertake in-house, small-scale studies in a limited geography for a small sample. Large-scale, multi-district, multi-year evaluation studies are best commissioned to external agencies. However, many models are possible in this context. For instance, E&AR may decide to commission only the data collection and compilation tasks, while retaining the tasks of study design and instrument design.
- **External validation:** Certain schemes may require external evaluations of their programmes independent of Government. In such instances such as the validation of internal government records or the verification of the successes of a programme, an external evaluation lends further credibility to the findings.

- **Sensitivities:** Studies that may have certain sensitivities attached to them, such as while evaluating pilot programmes targeted at vulnerable communities, or those that track gaps and leakages in service delivery, may be better handled by in-house staff of E&AR.
- **Other considerations:** Several other considerations such as availability of resources and timeframe for the evaluation may also affect the decision about whether to undertake an evaluation in-house or commission it to an external agency.

6.11. Process of commissioning to external agencies

6.11.1. Once it has been decided that the study will be commissioned, E&AR shall call for a pre-application meeting of agencies empanelled for Policy Research and Evaluation, to discuss the scope and other details of the study. Based on the inputs received in the meeting, E&AR department shall prepare and advertise a Request for Proposals (RFP) for the specific studies to the Panel (refer to Sections 2.6 and 2.7 of these Guidelines) and invite both technical proposals and financial bids. It must use a Quality and Cost-Based Selection (QCBS) approach for selecting an agency to undertake the study.

6.11.2. If E&AR opens out the study opportunity to institutions other than the empanelled institutions, it must do so by first recording, via an open tender, the specific reasons that necessitate advertising beyond the empanelled institutions. Further, such open tendering/ this open tender must keep within the regulations of the Tamil Nadu Tender and Transparency Act, 1998 and the rules framed therein.

6.12. Financing evaluations

6.12.1. To ensure the smooth and timely implementation of evaluation studies, greater clarity is required on the financing of evaluations. Currently, E&AR staff and incidental costs are financed through the State budget, effectively covering all activities undertaken in-house by the staff. [See table 3 below.]

6.12.2. Individual departments sometimes have funds for evaluations, as a percentage of the funds of a Centrally Sponsored or Externally Aided scheme is set aside for monitoring and evaluation activities. Similarly, certain State schemes such as the Tamil Nadu Innovation Initiative (TANII), Special Area Development Programme (SADP) and the State Backward Grant Fund (SBGF), too have funds available. [See table 3 below.]

Table-3: Current Financing of Evaluation

Sl.No.	Source	Amount (INR Crores)
1.	E&AR Regular Budget	3.40
2.	SPC	1.50
3.	SBGF, TANII & SADP	1.00
4.	Other line departments	1.50
5.	Provision for E&AR outsourced studies	.50

- 6.12.3. Ongoing, multi-year programme evaluations provide valuable evidence on cost-effectiveness of large public spending. As per International best practice and as endorsed by Government of India, it is recommended that a small percentage (usually 2%) of a scheme or programme be set aside for monitoring and evaluation activities.
- 6.12.4. In 2016-2017, the Government of Tamil Nadu spent close to INR 60,610 crores as Plan Expenditure. This includes the State's contribution towards Centrally Sponsored Schemes and Externally Aided Programmes, which, typically, already includes a small percentage of their funds towards monitoring and evaluation of the programmes. Therefore, deducting these, as well as components such as salaries and benefits, it is estimated that the expenditure on State Government plan schemes is, approximately, INR 43,045 crores (Upto February). For the year 2017-18, the total State Government expenditure will be around INR 2.18 lakh crores comprising of development expenditure of INR 1.58 lakh crores and non-development expenditure of INR 60,000 crores.
- 6.12.5. Different types of evaluations are necessary to inform policy questions at various stages of the scheme's/ programme's life cycle. The cost of evaluation varies considerably based on the size, scope and complexity of the evaluation study required for a particular policy question(s). While a diagnostic study in a small number of villages in one district could be completed in a budget of INR 10-15 lakhs, a multi-year rigorous impact evaluation of a major scheme could cost up to INR 2-2.5 crores a year.
- 6.12.6. Therefore, **as a guideline, it is desirable to have a total provision of around INR 10 crores per annum with appropriate in duration to inflation to enable adequate number of high quality evaluation studies** expected to be taken up by E&AR, both in-house and commissioned/ whether in-house or commissioned. This will encourage the systematic use of evaluation studies to assess effectiveness of Government spending on all major State schemes and programmes. This provision is a very insignificant proportion of the total development expenditure of the State Government. This provision will also include the total regular budget of E&AR which is INR 3.40 crores as per the Budget Estimate of 2017-2018.
- 6.12.7. This is also in line with the current capacity of E&AR, which typically undertakes 12-15 studies annually, using/engaging in-house staff. As described in para 2.7, E&AR has recently started commissioning a few medium to large-scale evaluation studies. In 2015-2016 and 2016-2017, E&AR was allocated INR 50 lakhs for its outsourced studies. With/ Given its existing capacity, in a year, E&AR can commission and monitor at most about 4-5 concurrent evaluation studies at a given time/ 4-5 studies simultaneously, which would typically take 12 to 24 months from inception to final completion. Hence, in any cycle, about 10 outsourced studies would be ongoing/ running concurrently. As described above, the SPC already has a provision for INR 1.5 crores for various studies and reports. In addition, about INR 1 crore from the SBGF, TANII and SADP budgets can be utilised for evaluation studies of schemes and projects financed under

these heads. Further, evaluation funds are available in other line departments, from which about INR 1.5 crores could also be drawn upon. The lump sum provision of INR 50 lakhs made for outsourced studies should be enhanced to INR 2.5 crores. This will create a fund of INR 9.9 crores for evaluation. This amount may be increased every year by indexing to inflation and additional means. The table below shows the break up:-

Table-4: Financing of Evaluation

Sl.No.	Source	Amount (INR Crores)
1.	E&AR Regular Budget	3.40
2.	SPC	1.50
3.	SBGF, TANII & SADP	1.00
4.	Other line departments	1.50
5.	Provision for E&AR outsourced studies	2.50
	TOTAL	9.90

6.12.8. Existing provisions for monitoring and evaluation under Centrally Sponsored Schemes (CSS) and Externally Aided Projects (EAP) will continue as is.

7. TRACKING AND FOLLOW UP OF EVALUATION STUDIES

Role of SEAB

- 7.1. As described in the preceding section, the primary role of SEAB is to support E&AR in preparing an annual evaluation plan and budget for each year.
- 7.2. Further, the Board will oversee and guide E&AR in its work and methodology adopted for studies, and ensure the quality of evaluations it undertakes and commissions. Additionally, SEAB will also play an active role in ensuring that evidence from evaluations are integrated into decision-making and implementation processes at the State and Department levels.
- 7.3. For a sub-set of the evaluation studies identified for the year, SEAB will meet every three months to provide ongoing advice to E&AR on matters relating to defining the scope and evaluation methodology adopted, and whether it should be taken up in-house or commissioned. For these studies, SEAB will also review the progress made and provide suggestions on how findings from the study could be presented or used for further analysis, so as to inform specific policy decisions/ action.

Use of evaluation studies

- 7.4. For completed evaluation studies, E&AR will maintain a repository of all final reports and databases in soft copy and ensure that it is accessible to all concerned departments and agencies within the State Government. Upon approval by SEAB and concerned department, the final report (in full or an abstract) and associated data (stripped of individual identifying information) will be made publicly available on the website of E&AR (or SPC), and will be in accordance with the provisions of the Right to Information Act.

- 7.5. Further, the Department should showcase findings from select completed evaluation studies during a conference where all departments will be invited. An annual publication, with a compilation of study details (topic, departments involved, whether in-house or commissioned), key findings and recommendations of studies undertaken in the previous year, may also be brought out/ published.
- 7.6. Upon the completion of a study, SEAB will be responsible for facilitating the process of follow-up, in order to encourage use of relevant evaluation evidence to inform pre-defined policy questions. These include planning new programmes; targeting of policies/programmes; allocation (or reallocation) of resources; making mid-term course corrections or improvements to existing schemes and programmes; scaling up of innovative ideas and/or identifying unmet policy priorities; or initiating further research and investigation into identified issues. To enable this, SPC will require the concerned user department to submit a "Proposed Action Plan" within 3 months of the submission of the final evaluation report by E&AR, and subsequently an "Action Taken Report" within 6-12 months of submitting the Action Plan (or in accordance with the timeline proposed in the Action Plan, whichever is earlier).
- 7.7. Individual departments, when submitting expenditure proposals to Departments of Finance and Planning for approvals, must indicate all evaluations that they have undertaken and commissioned with respect to their programmes and activities. They are further encouraged to describe how findings from the evaluations have influenced their proposals for the year. All departments applying for funds through the TN Innovation Initiative for pilot interventions are already required to undertake impact evaluations before such innovative interventions can be scaled up.
- 7.8. This document does not conflict or negate the need for ongoing performance monitoring of Government schemes, programmes and activities. These are to be undertaken systematically through concurrent monitoring, macro statistical data collection and compilation, and other forms of routine reporting.

S.KRISHNAN,
PRINCIPAL SECRETARY TO GOVERNMENT.

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(Signature) 23-10-17
SECTION OFFICER.
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