

PLANNING, PROGRAMME MONITORING AND STATISTICS SECRETARIAT

Sub : Sanction of New Plan Scheme Viz Karnataka Evaluation Policy and Karnataka Evaluation Authority-Regarding

- Read :** 1) G.O. No. IFS 42 EVF (1) 1999, Bangalore dated 17th Nov 2000
 2) Circular No. PD 41 EVF(1) 2003, Bangalore dated 5th June 2003
 3) D.O. Ltr No. M-13048/12(KT)2010-SP (South)/DCH/11CD 83 receipt from Montek Singh Ahluwalia, Deputy Chairman, Planning Commission GOI.
 4) Proceedings of the meeting held on 03.12.2010 under the Chairmanship of Chief Secretary to Government, GOK – regarding Karnataka Evaluation Policy.

Preamble:

Karnataka Government was one of the first in the Nation to evolve a policy on evaluation as early as the year 2000. In the Government Order read at 1 above, the State Government had issued Evaluation Policy which indicated that all the schemes with a budget outlay of more than Rs. One crore should be evaluated by an external agency at least once during the plan period. Upto 1% of the project (scheme) cost with an upper ceiling of Rs. 5.00 lakhs was earmarked for evaluation. Further, it was stipulated that if any scheme/programme had to be taken forward beyond a plan period, it should have justified itself through an evaluation. The policy also envisaged that the outcomes of the evaluation should have been used for improving programme design and delivery.

2. However, it was soon discovered that to carry out an evaluation of every programme by the Government was not an easy task as there had been far too many programmes with an outlay of Rs. One Crore or more even within each department or wing of the Government. Consequently a change was introduced in the Evaluation Policy in the Circular read at 2 above whereby it was envisaged that each line department would select at least one key plan or non-plan scheme or programme every year for evaluation through an independent agency.

3. The responsibility of evaluation policy implementation was vested with two committees: the respective Departmental co-ordination Committee; and the State Evaluation Coordination Committee chaired by the Additional Chief Secretary. A recent review of the experience of implementing the Evaluation Policy and a workshop conducted by the Planning Department to recognize the challenges ahead revealed that there were quite a few shortcomings in the implementation. They are as follows:

- (i) Absence of well formulated programmes with clear verifiable outcomes and measured baseline or benchmarks against which evaluation could have been objectively carried out.
- (ii) Imperfection in the supporting institutional structure created in the Planning department and staffing it with personnel without adequate specialized technical competencies as well as the absence of an enabling environment to handle capacity building, advisory service, supervision, coordination and handholding for effective evaluation.
- (iii) Uninspiring quality of evaluation reports due to both capacities of the various external agencies taking up evaluation as well as capacity and inclination of various Government departments to effectively monitor and facilitate meaningful evaluation.
- (iv) Absence of accountability mechanism, lack of involvement by stakeholders and predominance of official presence in the evaluation process, reducing rigor of evaluation and prevent the creation of an independent stakeholders pressure.
- (v) Evaluation process had inherent conflict of interest as the departments being evaluated were the paymaster of the outsourced evaluation agency. The arrangement between Government and evaluator tended to be that of Principal and Agent without independence.
- (vi) Absence of well thought out control mechanism both for the programme implementation and for programme evaluation, nor was there a procedure for proper dissemination of the findings. The result was that both transparency and quality of the evaluation reports suffered.
- (vii) The Policy has not infused any incentives/penalties for the line departments for not seeking evaluation inputs on an ongoing basis and in a transparent manner. Nor had there been a properly established mechanism for incorporating the feedback from evaluation addressing the policy-makers, operational staff and other stakeholders.
- (viii) Capacity limitations of the human resources and financial caps (e.g. 1 per cent of the programme outlay) to assess the evaluation designs submitted by the research agencies, imperfect vendor selection and out sourcing evaluation leading to improper (if not sub-standard) evaluation studies. In turn, such evaluations lead also many departments to take the evaluation reports in a routine and monotonous manner than using the reports for improving the policy design, better target identification etc.
- (ix) Evaluations are undertaken with very little time prior to the preparation of programmes and financial planning each year. Consequently the evaluations fail to inform the departmental policy making during the subsequent years.
- (x) Most evaluations have not been meaningfully used for mid-course correction or reformulation for any of the schemes.

4. In the circumstances explained above and in order to supervise, facilitate, build capacity and handhold the departments for effective evaluation and its use for effective planning, monitoring and fine-tuning the policies, programmes and schemes for result oriented and outcome based implementation Planning Department has now proposed to establish Karnataka Evaluation Authority in the State. This proposal was considered in a meeting taken by Chief Secretary on December 3rd, 2010, and a decision was taken that Planning Department to move a detailed proposal in this regard, vide proceedings read at (4) above.

5. Also Planning Commission - GOI with the approval of the Central Cabinet envisaged establishment of Independent Evaluation Office (IEO) to undertake impartial and objective assessment of the various public programmes and improve the effectiveness of public interventions. Karnataka will be the first state to set up a Karnataka Evaluation Authority which is analogous to that of Independent Evaluation office of Government of India.
6. The Honourable Chief Minister has felt the need for an independent Evaluation unit in his 2011-12 Budget speech (Para 236). Further a recent letter read at (3) from Shri Montek Singh Ahluwalia, Deputy Chairman, Planning Commission, GOI addressed to Honourable Chief Minister, GOK dated January 22, 2011 has appreciated the strategy of the state for constituting Karnataka Evaluation Authority for outcomes based implementation of the programmes across all departments.
7. The evaluation policy vis-à-vis setting up of Karnataka Evaluation Authority proposed by Planning Department envisages Key policy parameters of evaluation such as Principles and Objectives, policy framework & applicability of evaluation of programmes/schemes and evaluation responsibilities. Besides it proposes to set up an Institutional model of Karnataka Evaluation Authority as a society to be registered under Karnataka Societies Registration Act 1960, to carry out Evaluation of programmes and schemes.
8. The above proposal has been examined by the Finance Department and while endorsing the need for evaluation, however, FD opined in favour of strengthening of existing evaluation Division without setting up a society. Also, it has suggested to have scale less posts in respect of 6 technical posts of programme division. In response to these observations Planning Department justified that there is a strong case and requirement for establishing Karnataka Evaluation Authority as society in view that Present evaluation directorate within the Secretariat set up is unable to function properly as the decision making takes long as for any small requirement the file have to move from Planning to DPAR to Finance. Evaluation requires quick, timely and frequent decisions and it needs more flexible decision making process. Further PD agreed to the observation of FD that the six technical posts may be made scale less with the proposed pay scale prescribed as only indicative for equivalence.
9. The Cabinet has accorded its approval in Toto on 23.08.2011 vide case No. C/264/2011 for the new scheme called Karnataka State Evaluation Policy and Karnataka Evaluation Authority as proposed by Planning Department. Hence the following order.

Government Order No. PD/3/EVN (2)/2011, Bangalore, Dated 11-07-2011

In the circumstances explained in the Preamble, Government are pleased to sanction the New Scheme called "Karnataka State Evaluation Policy and Karnataka Evaluation Authority" with effect from 2011-12 with the following features:

The key policy parameters of Evaluation are as follows:

1. Evaluation Vision

Aims of Evaluation shall be keeping in place a transparent, effective and efficient practice of evaluation of its development policies and programmes. The Government recognizes the need for an effective use of credible evaluation as a tool to benchmark the state of affairs, refine its public policies, and designing programmes and schemes with prudent and optimal use of resources for maximizing the intended and measurable outcomes and citizen satisfaction

2. Evaluation Mission

The following are the principles and objectives of Evaluation:

- Prescribing standards of policy and programme formulation, monitoring, evaluation and refinement.
- Institutionalising enabled machinery backed by adequate financial resources and informed procedures to facilitate, supervise and enforce timely, useful and accountable evaluation.
- Enhanced technical capacities within the departments of the Government and by the independent evaluation agencies to undertake and effectively utilize evaluation outputs for informed decision-making.
- Enhanced Stakeholders' satisfaction through participation, transparency and accountability.

3. Evaluation Policy Framework and Applicability:

- Government is pleased to accord sanction for a framework for Evaluation of Government Policies, programmes in Karnataka whereby the policy context envisages for supporting capacity building, facilitation, conduct, consulting responsibility matrix of various stake holders and other relevant attributes, procedures and processes essential for effective and timely evaluation and its feedback utilization for quality outcomes.
- This policy framework is applicable to all entities in the Karnataka Government including Urban and Rural local bodies, Government departments, Public undertakings, Boards etc. It envisages to constantly learn from experience and discussion of its work by involving experts in the fields of development, evaluation, policy studies, administrators and the general public.
- The policy envisages distinctly two broad types of Evaluation they are as follows:

a. External Evaluation:

All evaluation initiated by the Karnataka Evaluation Authority and paid by its own fund shall be referred as an external evaluation. The schemes which is earmarked by the authority for evaluation shall not be taken up by the line department for evaluation. Line department and its officers and implementing agencies will be duty bound to furnish all required information in time and extend all required help to the KEA for the success of the evaluation. In a year KEA may take up 20-30 evaluations which are vital for the key policy and programme refinement and assessment.

b. Internal Evaluation:

Any evaluation taken up by the line departments from their own resources shall be referred as an internal evaluation. As there is a conflict of interest in such cases the same needs to be managed, utilized and interpreted with caution. It shall be mandatory for all the line departments to take advice from the KEA on TOR, data collection tool, methodology-vendor/outsourcing agency selection and all other technical matters pertaining to the internal evaluation and follow the rules, procedures etc, prescribed by the authority. The department may earmark 1% of the plan fund for such evaluations. In a year all the departments together may take up 40-60 such evaluations. KEA will monitor the progress of the such evaluation and will receive and safe upkeep in archives all TORs, data tools, soft copy of the data collected and reports etc., for future use.

In cases of certain key evaluations of prime importance, like the one mandated in an externally aided or Centrally Sponsored Programme, the concerned department may arrive at the likely cost of such evaluation and by mutual consent entrust such evaluations to the KEA and deposit the required amount with the KEA for taking up such evaluation. Empowered committee may entrust any internal evaluation at any stage to the KEA.

4. Evaluation of Programmes/Schemes:

- i. In pursuance of the aforesaid objectives every Government programme both Plan the Non-Plan category shall be evaluated in a Five Year Plan period at least once. Based on such an evaluation giving proper justification for the continuation of extension, plan programme shall be continued beyond the original plan period.
- ii. As far as possible, small programmes/schemes shall be merged into larger generic schemes/programmes which are well formulated as per prescribed standards and in no case a department should have more than 7 to 10 such generic programmes so that they are better implemented and monitored to achieve the desired outcomes.

5. Evaluation Responsibilities

It shall be the responsibility of the Principal Secretary/Secretary of the Government Department concerned to draw up a five-year calendar of the evaluation programmes of the various Departments, Boards and Units etc., coming under her/his control. The calendar shall be in a prescribed format. One Senior Officer of the department shall be made the nodal officer for facilitating and following up of each such evaluation thus undertaken. An Officer shall not be given the concurrent responsibility of more than two programmes (Schemes). The Secretary of the department shall facilitate one or two key evaluation. Commissioner, Director, Additional or Joint heads should be assigned two programmes each. In future facilitation of evaluation work should compulsorily be taken as one of the important item of work enumerated in the Annual Appraisal Report of the Senior Officers and quality of evaluation and utilization of its feed back in programme design and implementation shall be used for their annual appraisal.

II. The institutional Model of Establishment of Karnataka Evaluation Authority (KEA):

- i. The Government accorded sanction to set up KEA as a society and to register under the Karnataka Societies Registration Act 1960, which will be the focal point for Evaluation of Programmes.
- ii. The management of the affairs of the authority shall be vested with the General Body under the Chairmanship of Chief Secretary to Government. Executive committee and Technical committee under the Chairmanship of Principal Secretary, Planning Department and Chief Evaluation officer shall be the Member-Secretary of the Authority as enshrined in the Memorandum of Association/Rules to be framed for the purpose. The Authority shall have representation from Public Administration, Management, Academics, Civil Society, Media etc.,
- iii. The Planning Department is authorized to formulate necessary Memorandum of Association (MOA) and Rules for setting up of KEA and to register as Society.
- iv. **Activities/Functions of KEA:**
 - a. The KEA shall be primarily responsible to supervise, facilitate, build capacity and handhold the departments for effective Planning, Monitoring and fine tuning the policies, programmes, and schemes for result oriented and outcome based implementation.
 - b. The Authority may undertake or commission training, consultancy, advocacy activity to further goals of effective and meaningful scheme formulation, Monitoring and Evaluation.
 - c. Authority shall keep record of all the TORs, data collection tools, evaluation reports in their data base and follow-up utilization of evaluation outputs.
 - d. KEA shall take a target to conduct at least 20 to 30 very important evaluations every year.

v. Selection of Outsourcing Agency:

KEA shall adopt well laid out procedure for both tendering and selecting appropriate agency and empanelling them for evaluation where need be two part tendering process may be adopted.

- a. It is crucial to establish concrete criteria on which to assess each applicant. A scoring or rating scale will be developed to establish the basis on which the proposals will be assessed. One option is to assign "each criterion with a numerical value reflecting its relative importance in comparison with other criteria." As noted in the KUIDFC procedure of selecting a consultant/agency/research institute/university/NGO. Agreeing on standards for rating the applicants provides a consistent measurement strategy and promotes an objective evaluation of proposals. Once the scoring method is established, the task of reviewing the proposals can begin. Some criteria that may be used to assess the proposals include:

- Evaluation plan and a detailed outline of how to carry it out;
 - Successful experience evaluating a similar program;
 - Knowledge about evaluation methods;
 - Knowledge about the population to be evaluated, including knowledge of the population's culture and first language;
 - Ability to submit work in a timely manner;
 - Ability to communicate well with the targeted audience in person and in writing;
 - Manpower with requisite capability;
 - Financial and institutional strength;
 - Prior publication and research outputs;
 - Institutional self interest in research and domain knowledge etc.
- b. Several additional questions may help in the final selection:
- Does the evaluator's view of the goals for the evaluation match those of the program to be evaluated?
 - Is the evaluator willing to assist in building the knowledge base and skills of program staff?
 - Is the evaluator culturally sensitive and able to work with varied target populations?
- c. A committee will be set up to review the proposals using the criteria spelled out above. A strong methodological expertise in the review process may help the KEA to weed out inadequate proposals.
- d. After all the proposals have been reviewed and rated, KEA will choose the proposal with the highest rating that matches the criteria. There may be a few proposals that are close in rating, and in-person interviews may help the team reach a final choice. If additional information is needed, each applicant may be asked to respond to questions or participate in a "best and final" meeting to ensure that all bidders are given the same opportunities and to ensure an objective scoring. Once an evaluator is chosen, sign a contract defining the scope of work to be completed, deliverables expected, time table, and cost.
- e. Evaluation report benchmarking may also will be used to upgrade, down grade rating or black listing of evaluation agencies.
- f. The empowered committee chaired by Chief Secretary will finalize and approve the evaluation expenses and outsourcing formalities based on the standard guidelines which will be formulated after constituting the KEA.
- g. KTPP Act shall apply to the evaluation outsourcing to the extent that it does not conflict with the quality of evaluation. The Empowered Committee chaired by the Chief Secretary shall decide exceptional cases needing relief and discretion under 4(g) of the KTPP Act.

vi. Evaluation Manual:

The KEA will develop a detailed training manual on evaluation. It may define in detail what is to be evaluated, how it is to be evaluated, when and by whom it is to be evaluated. It will also develop evaluation-monitoring mechanism, guidelines for outsourcing evaluation and evolve procedure to benchmark evaluations. It will also develop responsibility and accountability matrix for evaluation.

vii. Evaluation utilization:

KEA will closely monitor utilization and incorporation of the evaluation findings for fine tuning policies and programmes. A formal procedure to ensure this practice shall be evolved by the Authority.

viii. Evaluation dissemination:

- a. Mechanism should be developed for wider dissemination of evaluation findings through making it available on the web. In annual Economic Survey and Annual Report of the Department, invariably a chapter should be on evaluation outcomes a gist of how the (mid-course) revisions (if any) are proposed to be undertaken.
- b. Evaluation Authority will also provide facility to archive and safe upkeep of TORs, Data collection tools, Evaluation reports etc. for future use. All the departments shall send their TOR, Data Collection tools, Evaluation reports etc to the authority for this purpose.

ix. Evaluation monitoring and tracking:

Proper mechanism may be developed for effective evaluation tracking and monitoring.

iii. Evaluation Financing:

- a. The Government accords sanction for utilization of Rs. 10.00 crores by KEA as earmarked in the Budget for the year 2011-12 under the Head of account : 2515-00-101-0-26, for discharge of its functions.

The detailed expenditure head are as follows as given in the Head of account No. 2515-00-101-0-26 (Detailed Estimates of Expenditure for the Year 2011-12: major Head 2425-2810—Volume VII—Page No. 42)

Sl. No.	Particulars	Amount (Rs. Lakhs)
1	Salary-Officers	48.70
2	Salary-Staff	19.48
3	Dearness Allowances	19.82
4	Other Allowances	17.05
5	Medical Allowances	1.00
6	Travelling Allowances	10.00
7	Telephone Expenses	1.50

8	Other Expenses	5.00
9	Machinery and Equipments	20.00
10	Transport Expenses	10.00
11	Grant in Aid (Evaluation Studies)	830.45
Total		1000.00

- b. The cost of conducting 20 to 30 important detailed external evaluation studies along with a few small exploratory studies is estimated to be around 8.3 crores, which is given in the grant in aid of the budget head. In the case of internal evaluation, the line department may earmark 1% of the plan fund for such evaluations. In a year all the departments together may take up to 40-60 such evaluations.
- c. Also the salary for the officers and administrative staffs can be met from Head of account No. 2515-00-101-0-26.

IV. Organization Structure of KEA:

- a. KEA shall have the sufficient number of well qualified and trained staff capable to conducting, facilitating and/or outsourcing evaluation research.
- b. The Authority at the state level shall have two units namely i. Programme wing & ii. Administrative wing. The support staff serving the Authority shall be under the control of Administrative Unit.
- c. The employees of the Authority at the State level in each of the two wings and other support staff under the control of Administrative units shall be as follows:

KEA Staffing Pattern:

Sl.No.	Category of posts	No. of posts	Pay Scale (Rupees)	Salary Per Year (in Rs.)
I	Programme Wing			
1	Chief Evaluation Officer*	1	Scale less post (37400-67000) (AGP 10000)	1400000
2	Additional Chief Evaluation* Officer	1	Scale less post (37400-67000) (AGP 9,000)	1100000
3	Evaluation officers*	4	Scale less post (15600-39000) (AGP-6000)	2400000
4	Web and MIS Manager	1	20025-28725	300000
5	Research Assistants	4	11400-21600	800000
II	Administrative Wing			
6	Administrative Officer	1	20025-28275	289800
7	Accounts Officer	1	14050-25050	234800
8	Office Assistant	1	8000-14800	136800
9	DTP Operator	1	8000-14800	136800
10	Attender	2	4800-7275	150000
11	Driver	2	4800-7275	150000
	Grand Total			7098000

Note: *These are scale less posts and the scale prescribed are only indicative.

- d. For appointment of all categories of professional staff as per the qualifications prescribed shall be done by KEA by setting up a screening committee. The Rules and Regulations of screening committee and selection committee will be framed separately.
- e. For appointment of supporting staff General Body will prescribe eligibility criterion the selection procedure for supporting staff such as MIS and Web Manager, Administration officer, controller of Accounts (Treasurer), Account/Administrative officer/Assistants, DTP operators, Drivers and Group-D Staff.
- f. Once the above staffing arrangement is made then the posts of present Evaluation Division of the Planning Department will be redeployed in other functional divisions or wherever necessary.
- g. After the Evaluation Authority is registered as a society under the Karnataka Societies Registration Act: 1960 and its staff are in place the Evaluation Division of Planning Department will cease to exist.

This order issues with the approval of the Cabinet vide case No. C/264/2011, Dated: 26.06.2011 as per the provision 16(VI) in the First schedule and within the purview of the sub rule (2) of Rule 17 of the Karnataka Government (Transaction of Business) Rules 1977.

By Order and in the name of the Governor of Karnataka

B. Chikkaraju

Under Secretary to Government 1 & 2
Planning, Programme Monitoring
and Statistics Department.

P.R. 1778