

Chapter- 12

Monitoring & Evaluation System

- 12.1 Monitoring and evaluation is an essential ingredient in the formulation of a successful implementation strategy. In simple terms, monitoring means the regular collection, reporting, reviewing and analysis of relevant information pertaining to a project/ scheme/activity while the work is in progress. It helps identifying the shortfalls, deviations, problems and causes thereof, so that appropriate and timely action can be initiated by the management. It aims at all round improvement and efficiency of an organization. It is related to target set before hand and helps in keeping the work on right track in tune with the fixed target. Thus it is an important tool of management and provides valuable inputs to ascertain whether scarce resources are being put to right use or not.
- 12.2 Evaluation, on the other hand, refers to mid-term appraisal of a project in term of its laid down objectives, time frames and goal. Thereby it provides valuable feed back to the implementing agency in proper planning, programming and decision making.
- 12.3 Given the importance of monitoring and evaluation in influencing successful implementation of policies and programmes, it is unfortunate that even now there is no monitoring agency put in place in respect of the local bodies in spite of large volume of funds being placed at their disposal.
- 12.4 It was the Twelfth Finance Commission, which for the first time, emphasized the need of a monitoring system particularly for the grant element in Finance Commission transfers. Specific purpose grant necessitates better targeting of expenditure in certain important areas so identified. In order to ensure this end objective for which grant is intended for, it was considered desirable by them to put a monitoring mechanism in place. Accordingly, the Commission suggested that the State should constitute a High Level Monitoring Committee headed by the Chief Secretary with the Finance Secretary and the Secretaries, Heads of Department concerned as members. The Committee shall be responsible for monitoring both financial and physical targets and for ensuring adherence to the specific conditionalities in respect of each grant. In the beginning of the year, the Committee may approve the projects to be undertaken in each sector, quantify the targets both in physical and financial terms and also lay down the time frame for achieving specific milestones. The Committee should meet at least once in every quarter to review the utilization of the grants and to issue directions for mid-course correction, if considered necessary.
- 12.5 Having regard to the large volume of resource transfer to the local bodies mainly in the shape of grants flowing from the recommendation of both Central and State Finance Commissions and for proper utilization of such grants, this Commission realized the necessity of a strong monitoring mechanism. Accordingly, the Commission in its interim report submitted for the fiscal year 2011-2012,

recommended that the scope of the existing High Level Monitoring Committee headed by the Chief Secretary with Finance Secretary and Secretaries of concerned departments as members for monitoring of Central Finance Commission grants may be extended to cover monitoring and utilization of SFC grants also.

- 12.6 In order to ensure smooth functioning of the High Level Monitoring Committee (HLMC), the government may fix a time frame for acceptance of the report of SFC, placing of Action Taken Report (ATR) in the State Assembly and implementation of the recommendations. Every year along with the budget document, a statement showing the details of tier/level wise transfer to local bodies based on the accepted recommendations of SFC, may be placed.
- 12.7 It may be advisable to put in place Monitoring and Evaluation Cells at the concerned Heads of Department offices. Such Cell in the Directorate would scrutinize the demand received from the grass-root level and consolidate the same for onward transmission to Finance Department both soft and hard copies through their respective Administrative Departments. This would facilitate placing the matter before the High Level Monitoring Committee for consideration and approval of projects / schemes etc in a time bound manner. Performance of individual unit may also be evaluated by the cells in terms of efficiency, effectiveness, efforts at tapping revenue from own sources, promoting participatory process, enhancing transparency and accountability etc. In order to ensure efficiency and effectiveness in service delivery bench-marking may be done in terms of level, quality and coverage of services. Consolidated data in respect of various indicators of performance and its comparison with the best performing areas or States will help evaluation of performance.