



DIRECTORATE GENERAL MONITORING & EVALUATION  
PLANNING & DEVELOPMENT DEPARTMENT  
GOVERNMENT OF THE PUNJAB

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No. DGM&E/DG/9058

Dated: 12<sup>th</sup> June, 2012

To,

The Secretary,  
Government of the Punjab,  
Planning & Development Department,  
Lahore.

**Subject: DGM&E EVALUATION GUIDELINES, JUNE, 2012 (REVISED)**

Kindly refer to the subject captioned above.

Directorate General Monitoring & Evaluation Guidelines for the Evaluation of the development projects of Government of the Punjab were prepared in 2006. Later, gradual improvements were made in Evaluation guidelines and the Revised Evaluation Guidelines were issued in 2008.

During Evaluation of the development projects, numerous alterations in the practicing Evaluation techniques/tools have been made which raised the need of further revision of the document.

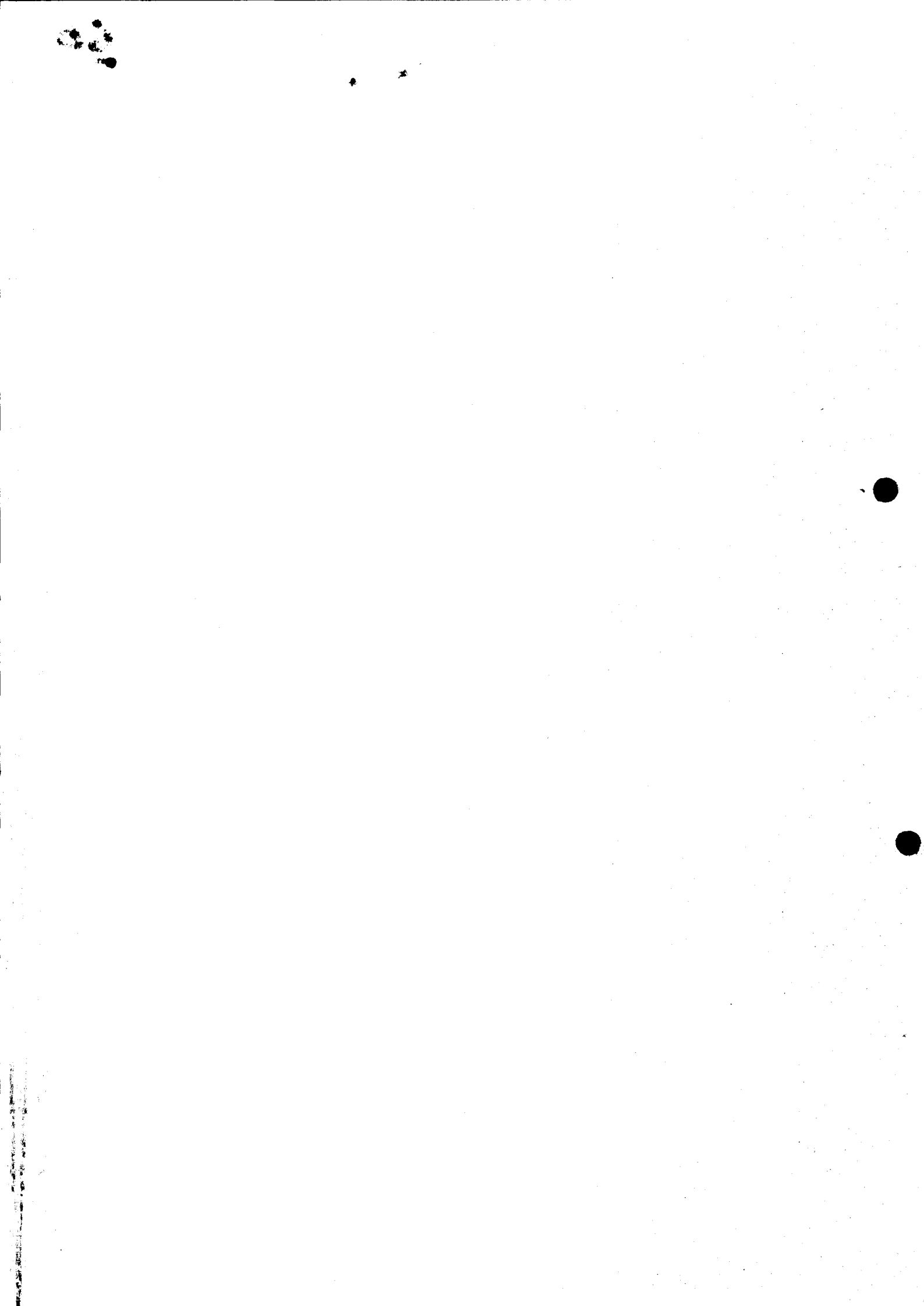
Therefore, draft of Revised Evaluation Guidelines (2012) providing detailed Instructions of the DGM&E's Evaluation procedure for the completed development projects is being forwarded for kind perusal and further valuable suggestions / comments and recommendations.

o/c

Sajjad Mubin  
Director General

Cc:-

1. PSO to Chairman, Planning & Development Board, Government of the Punjab.



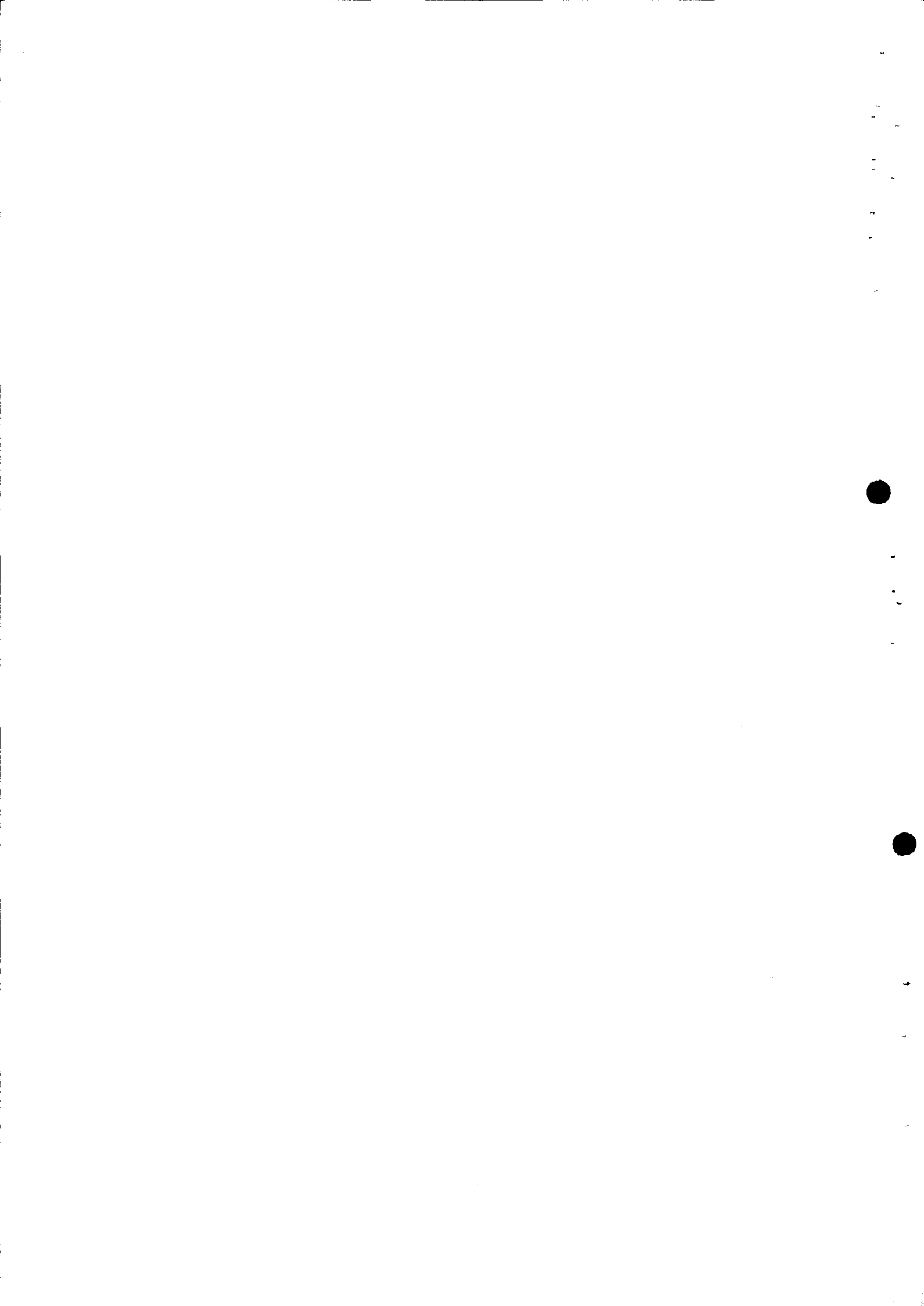


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# **DGM&E EVALUATION GUIDELINES**

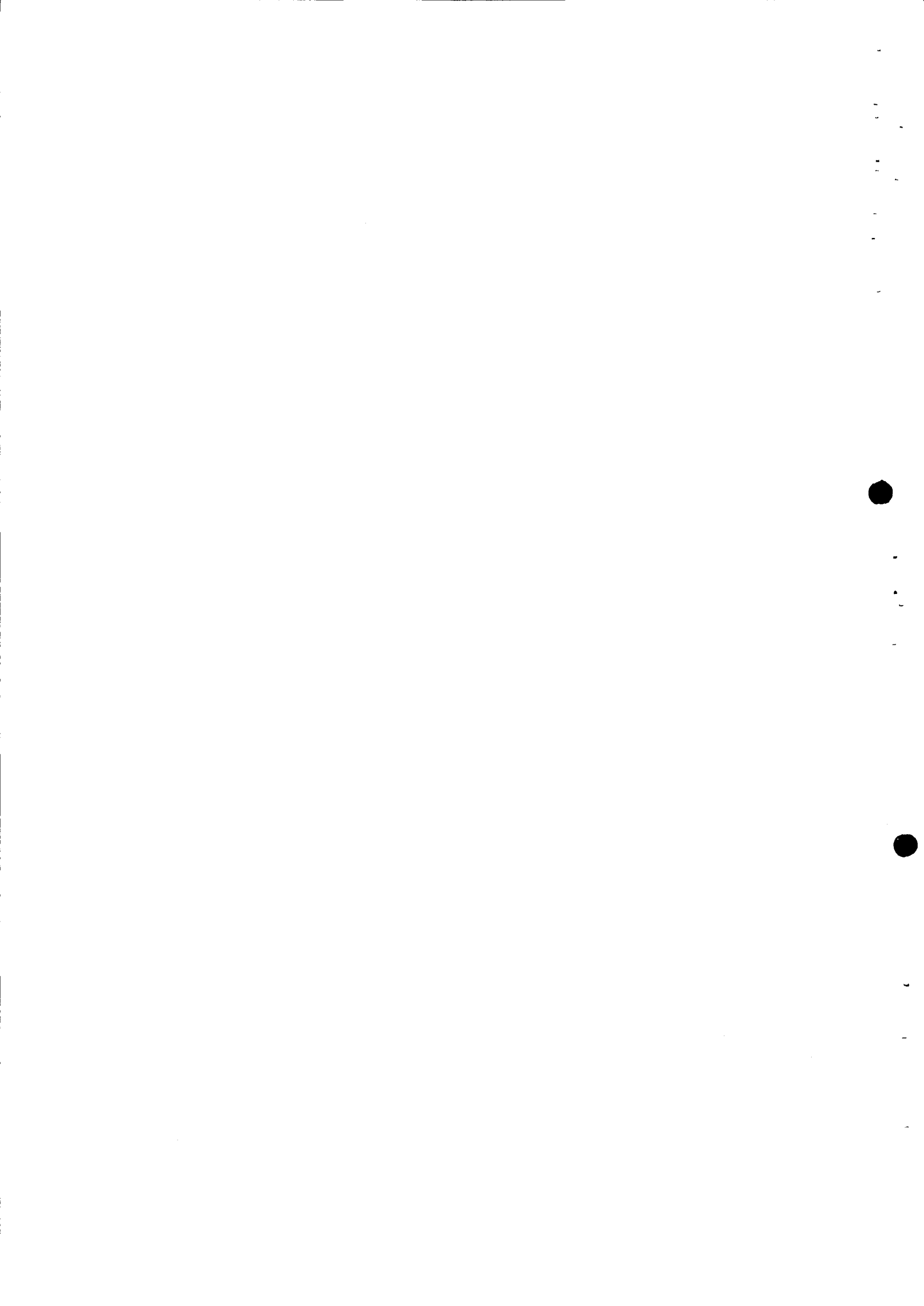
**Directorate General Monitoring & Evaluation  
Planning & Development Department  
GOVERNMENT OF THE PUNJAB**

**June, 2012**



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## 1. PURPOSE

These Evaluation Guidelines have been prepared for the purpose of introducing Evaluation in the Punjab Government, and are to be utilized as a working document for the Directorate General of Monitoring and Evaluation. Evaluation as a project management function is presently non-existent in the Punjab Government and has been recognized as a valuable component of the functions of the DGME. Hence, the Evaluation Wing of the DGME has been designated the responsibility of undertaking post-completion project evaluation, and will comprise of a dedicated evaluation team.

The DGME Evaluation Guidelines have been designed to act as an easy-to-understand, step by step guide on the evaluation process, tracing the procedures of planning, managing, reporting and responding to an evaluation.

The Evaluation Wing of the DGME shall provide the essential feedback component in the project planning process, by documenting and disseminating the lessons learnt from the Evaluation results. Apart from managing Evaluation, the DGME shall provide an advisory role to the P&D in the planning stage of provincial projects, specifically in the preparation of PC-1's and objectives definition. In addition to this it shall exercise a management role for overseeing third party Evaluation, without being directly involved in field research activities. Overall, it will be concerned with selecting appropriate Evaluation consultants, organizing field research activities, undertaking coordination between the Evaluation team and the DGME, setting quality standards and benchmarks, and selecting projects for following type of Evaluations.

### 1.1 Terminal Evaluation

This type of evaluation is conducted after the completion of the project. After circulation of evaluation Report, project is discussed in Evaluation Committee Meeting (ECM), and decision about the transfer of project to Non-development side is taken.

### 1.2 Mid Term evaluation

During execution of the project, Chief Minister (CM), Chairman P& D Board and Secretary P&DD may direct DGME to conduct mid-term evaluation to evaluate the targets for further decision on the project.

### 1.3 PC-V Review

Newly defined category for Evaluation, it is only conducted for those projects which have already been discussed in Evaluation Committee meeting and are conditionally approved because of incomplete scope achievement, lack in implementation or some targets which were left incomplete. Evaluation Committee directs to complete leftover work. After completion of these leftover works, sponsor's department submits PC-V of the project for further decision on the project.

## **2. IMPORTANCE OF EVALUATION**

Evaluation enables project stakeholders to trace the feedback process that links project outcomes with project objectives. Evaluating a project's outcomes against its objectives (which were previously decided upon during the planning stage) helps to determine its success in achieving those objectives. Evaluation of a completed project will help the government understand the factors affecting project performance, and ascertain whether all the time, effort and money spent was worthwhile in achieving project objectives or not. Effective evaluation is the essential connecting factor between all stages of the project life-cycle, as evaluation findings improve the planning process of future projects by generating new ideas and approaches.

## **3. TYPES OF EVALUATION**

Evaluation can be applied for different purposes as well as to a specific activity, project or program. It is not restricted to the completion stage only but involves periodic investigations at many stages. The different types of evaluation that can be carried out during a project are as follows:

### **3.1. Ex-ante Evaluation**

Ex-ante evaluation is carried out prior to the start of the project. Details of the project and its expected outputs are analyzed. In ex-ante evaluation, evaluation indicators are set and they are used to measure the effect of the project in subsequent evaluation, from the mid-term evaluation to the ex-post evaluation. It is during this phase that the practice of Value Engineering needs to be incorporated. According to the Value Engineering Manual of the West Virginia Department of Transportation, Value Engineering is the 'systematic application of recognized techniques by multidiscipline team that identifies the function of a product or a service; establishes a worth for that function; generates alternatives through the use of creative thinking; and provides the needed functions at the lowest cost.' The concept, put simply, pertains to the search for the second right answer. The reason behind this activity is to prevent wastage of resources. Once the funds have been allocated to a particular project, the rationale behind the allotment needs to be examined in order to avoid unnecessary spending. Discussing the alternatives to achieve the desired results is a main component and coming up with least cost option is the objective.

### **3.2. Mid-Term Evaluation**

Mid-term Evaluation is conducted at the mid-point of projects. This kind of evaluation aims at examining the achievements of the project – a check on the progress is also kept, keeping in view the relevance and efficiency criteria. The



results obtained through this evaluation assist in the revision of the original plan, or the strengthening of the operation structure, if needed. They measure and report on performance to date and indicate adjustments that may need to be made to ensure the successful implementation of the project or program. Questions such as to what extent have the agreed objectives been achieved, what are the reasons for the achievement or non-achievement of outputs or outcomes, and what could be done to make the intervention more effective, are answered. Here a tool such as Configuration Management can prove to be beneficial – Configuration Management is used to manage activities during the course of the project. It is basically an instrument used to integrate planning, execution and change control to keep project requirements and the end results of the projects synchronized. Configuration Management, applied over the life cycle of a configuration item, provides visibility and control of its performance, functional and physical attributes.

### **3.3. Terminal Evaluation**

At the project closeout stage, the Implementing or Executing Agency conducts a terminal evaluation. The main purpose of such evaluations is to review the implementation process and achievement of results and draw lessons. Its focus is primarily on the efficiency, effectiveness and sustainability criteria. This type of evaluation also helps to determine whether the project has been successfully completed, if it requires a follow-up etc. The Evaluation Body reviews the Terminal Evaluation reports to validate the evaluation findings and to assess lessons learned. It is at this time, when the project is adjudged to be complete, that the PC-IV form is required to be submitted. The PC-IV form requires information pertaining to the name of the project, date of commencement, completion and the period of completion etc. Furthermore, the project history regarding financial and physical phasing of the project is analyzed; closing of the project accounts, the number of people employed, benefits accrued and any other changes made during the course of the project and suggestions for similar future projects are discussed as well.

### **3.4. Ex-Post Evaluation**

Ex post evaluation of policies refers to backward-looking assessment of the effects of introduced policies or proposals. This type of evaluation is conducted after a particular time period has elapsed since the completion of the project, ranging from a year to five years or more. The purpose of an ex-post evaluation is to analyze how close the actual outcome is to the projected one. Furthermore, ex-post evaluation aims at studying the impact and sustainability aspects of the project – a project are considered sustainable if the produced effects continue after the termination of the project. Impact assessment reports on the development results achieved and focus on the intended and unintended, positive and negative outcomes and impacts. Post-completion evaluation of this

sort is necessary for improving the effectiveness of development related expenditure. Through this evaluation, lessons and recommendations, as well as the planning and implementation regarding the improvement of the programs is derived. In short, the intention is to identify the factors of success or failure, to assess the sustainability of results and impacts, and to draw conclusions that may inform other interventions. During this phase, the preparation of PC-V form is required – PC-V form is to be furnished on an annual basis for a period of five years by the agencies responsible for operation and maintenance of the projects.<sup>1</sup> PC-V contains information mostly related to reviews – reviews of costs, expenditure and financial results.

#### **4. INTERNATIONAL PRACTICES FOR EVALUATION**

When evaluating a project, international practice deems the usage of a scale along which certain evaluation criteria are used as dimensions, to rate the project usually on a scale of 1 to 5. Referring to this criterion helps decision-makers and all stake holders involved in evaluation to keep the evaluation study focused as they can clearly distinguish on what aspects to rate the project.

Further detail on the commonly used Evaluation Criteria is given below:

##### **4.1. Relevance**

Relevance is concerned with assessing whether the project was the right development intervention chosen to address a specific need of the people. For example, a project for constructing a road can be judged for its relevance by asking whether its objectives were rightly framed in accordance to the state's development plans: Assessing project relevance includes back-tracking decision trees, identifying reasons for changes in scope and analyzing gaps in planning and actual work execution.

Relevance is very important for tracing changing political, economic and social conditions during project implementation. Relevant changes in the development and political scenario of the country can have repercussions rendering certain projects irrelevant in lieu of the latest shift in development plans Judging the relevance of projects during post-completion evaluation assesses the usefulness of the project objectives in the current scenario, and helps policy makers decide on continuing similar projects or not.

##### **4.2. Efficiency**

Efficiency deals with the relationship between project inputs and outputs; a project may be called an efficient intervention, if it uses minimum inputs at least available cost to obtain the desired result. Often there is a trade-off involved with

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<sup>1</sup> Pg. 27, Manual for Development Projects, Projects Wing Planning & Development Division, Govt. of Pakistan, May 1997

quality of the inputs versus the costs involved; least-cost methods often compromise on quality, involving careful decision making on part of the project executioners.. For other projects that are more difficult to assess qualitatively, for example awareness campaigns, education projects etc., efficiency may be judged by calculating wastage levels of economic resources, or conducting an inter-project comparison with similar qualitative projects.

#### **4.3. Effectiveness**

Measuring the effectiveness of the project refers to how well it fulfilled its objectives, by taking into account the effect of the project on the beneficiaries. When assessing project effectiveness, the following questions need to be asked:

How have the conditions of the intended beneficiaries group changed since the beginning of the development intervention? How do these identified conditions differ from the intended conditions? And to what extent was the change in the conditions caused by factors external to the project. Hence the effectiveness of evaluation is determined by the change in the observed outcome and assigning it to the intervention

#### **4.4. Sustainability**

A project may fulfill all the above criteria, but if its positive impacts are not long-lasting, the project loses its worthiness. Sustainability deals with asking questions such as the availability of sufficient resources to maintain project results. It is often the most rigorous evaluation measure as it is concerned with how well a project is environmentally and financially sustainable. For example, sustainability of a road project could be measured by the likelihood of the road being maintained and its perceived usefulness in the future, keeping in mind forthcoming developments surrounding the constructed road.

#### **4.5. Impact**

Impact is a measure of all significant effects of the development intervention, positive or negative, expected or unforeseen, on its beneficiaries and other affected parties. For most projects, it gets increasingly difficult to attribute broad effects to specific causes. This is primarily due to the fact that various number of factors that can lead to that particular effect. Hence in order to conduct an impact evaluation, which aims at measuring the effect of an intervention, an estimation of a counterfactual situation is required. This can be achieved by comparing the two identical groups – one which has been subjected to the intervention and one which has not.

### 5. STEPS OF EVALUATION

Following steps must be taken to execute the successful project Evaluation.

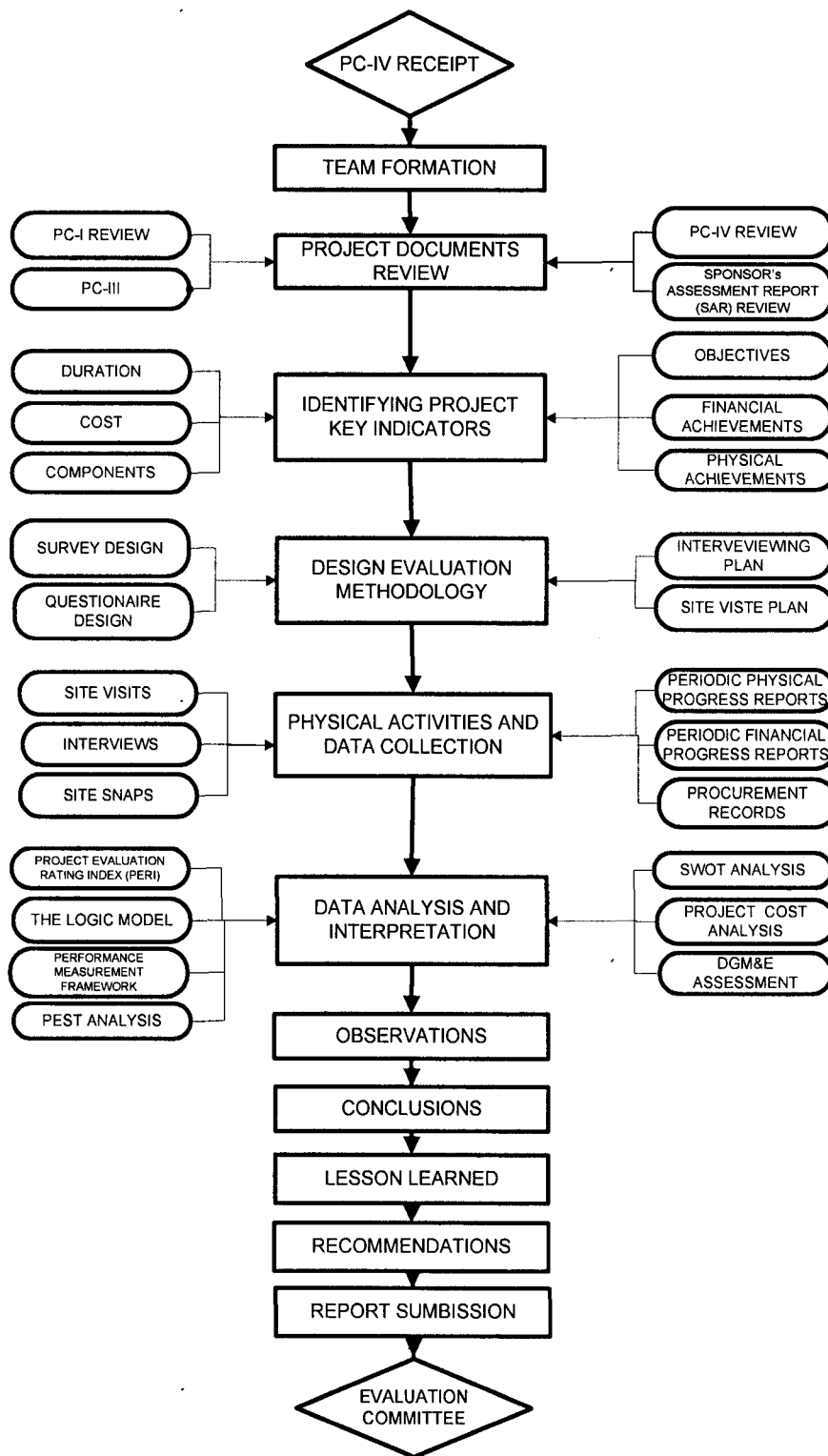


Figure: Flow Chart / Schematic diagram for Project Evaluation

### **5.1. PC-IV Receipt**

Line Departments prepare and submit PC-IV of the completed ADP projects to DGME via Sr. Chief (Evaluation), P&D Department. Sometimes, line Departments may also request Director General (Monitoring & Evaluation) directly for Evaluation. After sifting of the project documents, DGME officials categorize the project for evaluation. P&D also directs DGME to conduct midterm review and third party validation of specific on-going projects.

### **5.2. DGM&E Meeting & Team Formation**

After identifying the purpose of evaluation by the officials of DGME, a serial no. is allotted to the file and is placed in the queue. Turn-wise PC-IV documents are submitted to DG (M&E). DG (M&E) conducts an in house meeting for formulation of evaluation team based on qualification and experience of the individuals. Further, decisions regarding the services of consultants (if required) are also taken.

### **5.3. Project Documents Review**

To conduct Evaluation, the following project documents may be reviewed;

#### **5.3.1. PC-I Document**

Main purpose for review of PC-1 document of a project to be evaluated is to get an idea about the project credentials at the planning stage. Later on, these are compared with the actually achieved targets reported in PC-IV. PC-1 of the project is reviewed to get information regarding following aspects of the project at planning stage.

- i. Objectives
- ii. Justification
- iii. Gestation period
- iv. Cost
- v. Scope
- vi. Benefits/Revenue
- vii. Staff (if required)
- viii. Recurring cost of the project. (if any).

Revised PC-1 documents are also appraised in case of revisions.

#### **5.3.2. PC-IV document**

Comparison of planned targets of the project to be achieved (defined in PC-1) and actually achieved targets are made, for which, it is compulsory to review PC-IV of the project. Detail of points to be noted in PC-IV is as under:

- i. Total Actual Cost
- ii. Actual Gestation period
- iii. Item-wise physical & financial targets achieved against planned targets
- iv. Year-wise physical & financial targets achieved against planned targets
- v. Actual Capital & Revenue Cost break-ups.
- vi. Actual Benefits/Revenue

**5.3.3. PC-II document**

In case of Mega Projects or in case of Projects having consultancy component, PC-II of the project must be reviewed. This review leads to know about the feasibility report and its recommendation in case of Mega Projects whereas, Consultancy cost, Total duration, Man months and approved ToR's in case of consultancies involved in the project.

**5.3.4. PC-III document**

In projects where it is defined to carry periodic internal/departmental monitoring, PC-III proformae must be reviewed to know about the monthly or yearly physical & financial progress of the project.

**5.3.5. Sponsor's Assessment Report (SAR)**

Sponsor's assessment report (SAR) is submitted by the sponsoring department; however, it is reviewed to know about the summary of project description, its financial achievements against projects' planned targets along with physical achievements against its planned objectives. The above-said detail regarding the project activities & its performance is discussed and included in Evaluation report.

**5.3.6. Others (if any)**

According to the project planned activities, evaluation team may ask to submit other relevant documents which may deem necessary for evaluation e.g. bidding documents, tendering detail, audit reports etc.

**5.4. Identification of Project Key Indicators**

To evaluate a project successful completion against its planned objectives, first of all the project inputs be converted into measurable indicators to obtain a more comprehensive understanding of the project physical & financial achievements against its objectives after completion. Indicators need to have an established baseline against which targets achieved may be evaluated in view of the initial project plan. Following may be some major key indicators:

- i. Objectives
- ii. Physical Achievement
- iii. Financial Achievement
- iv. Cost
- v. Duration
- vi. Components

**5.4.1. Selection of Project Key Indicators**

The criteria for selecting key indicators for evaluation of a project depend upon the purpose, resources, and time available for evaluation. The following criteria are usually suggested:

1. **Simplicity:** The indicator should be simple enough to be understood by non-specialists.
2. **Unambiguous definition:** It should be clearly defined.
3. **Ready determination:** The data can be obtained without unnecessary difficulty. This is also referred to as timely and feasible.
4. **Accurate measurement:** The indicator should be measured accurately, which is often difficult when dealing with farming communities.
5. **Validity:** The indicator should actually measure what it is supposed to measure.
6. **Relevance:** It should be geared to the specific needs of decision makers
7. **Specify:** It should reflect changes only in the situation concerned and should measure specific conditions that the project aims to change.
8. **Consistency:** The value of indicators should stay constant so long as they are collected in identical conditions, no matter who does the collecting.
9. **Sensitivity:** Indicators should be sensitive to changes in the situation being observed.
10. **Prioritization:** Indicators should be prioritized and a minimum feasible list prepared.

### **5.5. Designing Evaluation Methodology**

After identification and selection of key indicators for evaluation, evaluation methodology is designed to plan for data collection against selected indicators along with scheduling project site visits. One or all of the following may be selected

#### **5.5.1 Interviewing plan**

Project Officials, target group and control group are interviewed about the target benefits and procedures involved in the project. These group interviews are valuable for the evaluation purpose. Their response regarding the said interventions is judged for carrying out Evaluation.

#### **5.5.2 Site visit plan**

Site visits are mandatory for the on-site verification of quantitative & qualitative objectives. Therefore, project sites visits are planned and conducted as per schedule. The Sponsor's departments are informed well before the visit for making arrangements.

#### **5.5.3 Survey design**

In case of projects where diversified sites are involved, it becomes very difficult to visit each and every site of the project. Therefore, sampling for the site visits is carried out. Most commonly used methods for sampling is Random sampling & systematic sampling.

#### **5.5.4 Questionnaire design**

To evaluate the response of the beneficiaries and the officials, different questionnaires are designed before the site visits. These questionnaires are designed on the basis of defined objectives of the project. Later on, data is extracted from these questionnaires and used for further analysis.

While designing evaluation plan, methods for data collection and analysis are also selected.

### **5.6. Physical Activities & Data Collection**

In order to collect the most appropriate type of data, it is imperative to select the right method of data collection. Certain methods employ both quantitative and qualitative data. For example, data can be quantified in a questionnaire survey with response options prepared (e.g., 80% of respondents are satisfied), whereas only qualitative data is available if it is structured with open-ended questions.

#### **5.6.1. Commonly Used Data Collection Methods**

The most commonly used data collection methods are as follows:

- i. Reviewing statistics, literature and existing data
- ii. Observation
- iii. Questionnaire survey
- iv. Interview
- v. Focus group discussion

In order to maximize the merits and minimize the demerits of each data collection method, several different methods should be combined. For example, a questionnaire survey can be conducted to complement existing data. Or, a focus group discussion among local people may be conducted to know their perception after an understanding of the general tendency has already been learned through a questionnaire survey. It is also possible to carry out a survey using both quantitative and qualitative data collection methods. It is important to consider the combination of several methods in order to reduce the biases of surveyors as well as respondents.

### **5.7. Data Analysis & Interpretation**

Evaluation does not end with the collection of data and its analysis – it is also very important to follow through with the interpretation of this data and reporting the results to the concerned stakeholders. The interpretation of this data is to be done on the basis of different analyses set forth. Depending upon the nature and need of the assignment, one or combination of all of the data analysis methods are selected.

#### **5.7.1. SWOT Analysis**

SWOT analysis is a method used to evaluate the Strengths, Weaknesses/Limitations, Opportunities, and Threats involved in a project or in a venture. It involves specifying the objective of the project and identifying the internal and external factors that are favorable and unfavorable to achieve that project objective. Analysis can be carried out in tabular form as shown in table 1: