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## Chapter 11

# Leveraging Monitoring and Evaluation Systems for Good Governance

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**Abstract.** *Successful pursuit of the recently adopted Sustainable Development Goals by the world community depends on appropriate national development policies and actions. These should be guided by considerations of social equity, gender equality, and respect for environmental stability, and must be supported by good governance in order to contain corruption. This chapter discusses the concept of good governance, with an emphasis on the mutually dependent and mutually reinforcing relationship between good governance and sound monitoring and evaluation. Recent efforts and initiatives to bring about improved governance and monitoring and evaluation (M&E) effectiveness in three South Asian countries—Bhutan, India, and Sri Lanka—are discussed. Initiatives in India and Sri Lanka designed to contain corruption in public service delivery and make it more transparent, and the significance of M&E in promoting good*

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*governance and enhancing Gross National Happiness in Bhutan are described. These initiatives suggest some of the options available for leveraging M&E systems for good governance.*

The adoption of the 2030 Agenda for Sustainable Development on September 25, 2015, at the United Nations Summit, which formalized the Sustainable Development Goals (SDGs) to be achieved by the world community of nations by 2030, has placed the SDGs center stage in the global development process. Attaining the 17 complex, interrelated SDGs in various socioeconomic sectors, and achieving the multitude of targets corresponding to each goal within the set time frame, has spurred action by the international community as well as by national governments to deliberate on what steps should be taken in order to make, measure, and assess progress toward these goals. While international action concerns sharpening of the goals and targets, and strengthening national capacities in measuring progress toward these goals, national governments are reviewing the capacities of their statistical and nonstatistical systems to respond to the requirements of such measurement. Attaining these goals calls for a systems approach, because the individual goals are not “in silos”: instead, they are mutually impacting, at times reinforcing, and on occasion, retarding other related goals. Multiple stakeholders—states, industries, civil society organizations (CSOs), and the community at large—must join hands and work together for this cause. While well-conceived policies and programs for equitable social and economic development through good governance can lead to sustainable development, sound monitoring and evaluation (M&E) systems would accelerate that progress. Policies and programs can lead to far better results under a scenario of good governance than when governance is poor. Good governance and effective M&E systems, which are mutually dependent and mutually strengthening, can contribute to optimizing returns on investment. While good governance assumes willingness on the part of policy makers and program planners and implementers to be subjected to a critical review of their actions, and to learn from such assessment, a robust M&E system can operate with a good measure of success only within an enabling environment. The imperative need for these two elements to work together has never been as obvious as it will be in the pursuit of SDGs by nations over the next decade and half. A robust M&E system that integrates within itself the requirements of sustainable development, mainstreamed within the national development agenda, is essential.

This chapter focuses on the concept of good governance and the interrelationships between good governance and sound M&E systems for sustainable development. It presents recent experiments and experiences in good governance and M&E in three South Asian countries—Bhutan, India, and Sri Lanka—and argues that there is more than one viable option available. The approaches followed in various countries can provide good learning that can be replicated in other places.

## THE CONCEPT OF GOOD GOVERNANCE

What is “governance,” and what is implied by “good governance”? In Kautilya’s *Arthashastra*, good governance by a ruling king is described in these terms: “... in the happiness of his subjects lies his happiness, in their welfare his welfare.”<sup>1</sup>

The United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) defines governance as “the process of decision-making and the process by which decisions are implemented (or not implemented)” in corporate, local, national or international contexts (ESCAP n.d.). Governance, therefore, is the result of the collective interaction of the decision making and implementing actions of the various actors and institutions concerned including those in both the public and private spheres of action: government at the national and local levels, industry, trade unions, CSOs, influential individual players, and even various organs of the media.

The World Bank, in its studies in more than 200 countries, has developed several indicators to measure the quality of governance using six dimensions: voice and accountability; political stability and absence of violence; government effectiveness; regulatory quality; rule of law; and control of corruption.<sup>2</sup> The World Bank views good governance as a necessary precondition for development, and the *Human Development Report* has defined good governance “as a democratic exigency [that], in order to [rid] societies of corruption, [gives] people the rights, the means, and the capacity to participate in the decisions that affect their lives and to hold their governments accountable for what they do” (Nzongola-Ntalaja, as quoted in UN DESA 2007, 4).

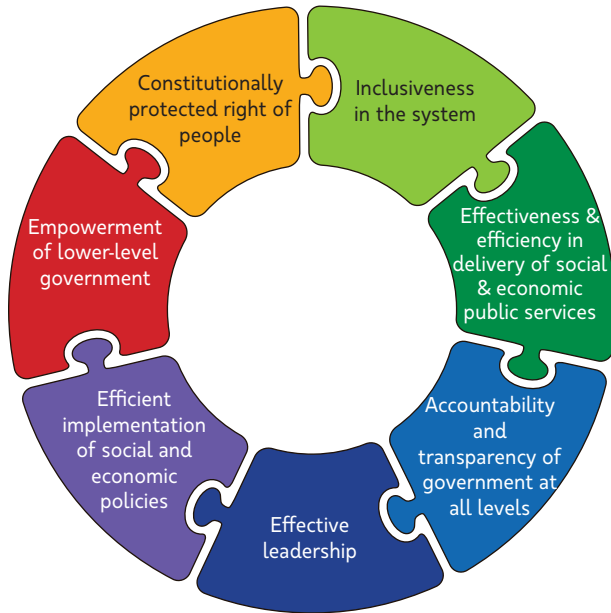
The United Nations has identified transparency, accountability, responsibility, participation, and responsiveness as the core attributes of good governance. Good governance is increasingly viewed as an essential element of any well-functioning society: when resources are allocated and used effectively, and the delivery of services to citizens in an equitable manner is ensured, the government gains a good measure of social legitimacy.<sup>3</sup> The essential characteristics of good governance can be summarized as shown in figure 11.1.

Whatever the definition, good governance refers to a situation in which a set of institutions and actors combine to lead to sound processes of decision making, and the implementation of policies, programs, and projects that contribute to economic and social development, with “no one left behind.” “No one left behind” is the theme of the SDG agenda, and it is directly linked

<sup>1</sup> *Arthashastra*, a treatise in Sanskrit on governance and statecraft, is traditionally believed to have been authored by Kautilya (also known as Chanakya and Vishnugupta) c. 350–283 BCE.

<sup>2</sup> The Worldwide Governance Indicators project (<http://info.worldbank.org/governance/wgi/#home>) reports aggregate and individual governance indicators on these six dimensions of governance for more than 200 countries and territories over the period 1996–2016.

<sup>3</sup> See United Nations Human Rights, <http://www.ohchr.org/EN/issues/Development/GoodGovernance/Pages/GoodGovernanceIndex.aspx>.

FIGURE 11.1 **Components of good governance: a summary**

to good governance. The concept includes an element of flexibility in relation to its application in different country contexts: it may mean different things in different countries, depending on the cultures, traditions, political structures, economies, and levels of development. In a broad sense, good governance is an umbrella concept that covers respect for human rights, rule of law, an efficient and effective public sector, and processes of accountability and transparency of actions in public sphere.

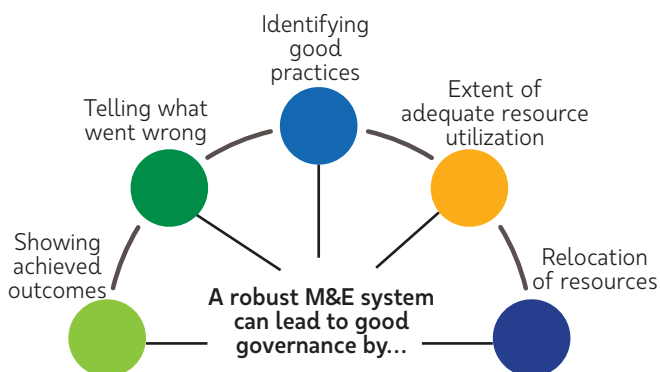
### **THE RELATIONSHIP BETWEEN GOOD GOVERNANCE AND M&E**

There is a symbiotic relationship between good governance and M&E. Good governance creates an enabling environment for M&E, and M&E contributes to good governance. The former includes a keen desire on the part of the system to assess its own performance from time to time, to learn from experience, and to improve the outputs, outcomes, and impacts of the policies and programs it is pursuing. This is achieved through better planning, management, and implementation (PM&E): and this in turn creates a demand and an enabling environment for M&E.

Participation and responsiveness are two of the core attributes of good governance that also tend to increase the demand for M&E from civil society and other stakeholders. An enabling environment for M&E would also include the adoption of a clear national policy that promotes M&E in all its aspects, including the development of evaluation capacity, socially equitable

and gender-responsive elements, and the sustainability of evaluation. In turn, M&E works as a “reality check” tool for what authorities are saying about development, and what is really happening on the ground, and generates evidence-based lessons for the future, thereby contributing to knowledge, and suggesting policy and program modifications for enhanced future outcomes. Good governance provides a way for good M&E systems to exist and evolve, while M&E systems provide governments with evidence and learning that helps in need-based policy planning, and the improvement of ongoing programs and learning. The relationship of good governance and M&E can be better understood from figure 11.2.

FIGURE 11.2 **Relationship between good governance and M&E**



## GOVERNANCE AND M&E IN INDIA: AN OVERVIEW

India’s constitution provides for a republic with a democratic, secular, and socialistic form of society: it places the principles of universal equality and social justice on a high pedestal. Appropriate affirmative action by the administration aims to raise the standard of living for the less socially and economically advantaged so that the gap between them and the rest of the society tapers off, and they can join the mainstream of development. The government aims to translate this intention into reality through a series of social and economic development policies, plans, and programs, through massive investment in the social sector. But huge investment does not necessarily produce the desired outcomes, unless it is operated in a scenario of sound governance. Good governance is critical to ensure that these investments lead to significant outcomes and impacts on the ground, through the efficient use of allocated resources; optimal management of public service delivery; and effective management of natural resources.

In a democracy, rising income levels also bring with them rising expectations among citizens, and a demand for good governance at all levels of the government: national, state, and local. Experience over the past over six decades indicates that while significant progress has been made in India

on most of the economic and social parameters, the impacts are not commensurate with the resources utilized, and could have been vastly superior with better governance. A significant step-up is required, through systemic improvements in implementation; increased efficiency of public agencies in the delivery of services to consumers; and tackling the menace of corruption, which has siphoned off huge chunks of public investments.

The Indian system of governance has two types of actors—formal and informal. **Formal actors** include the national and state legislative bodies, the judiciary, government functionaries, and constitutional bodies such as the Election Commission, the Comptroller and Auditor General, the Central Vigilance Commissioner, and organized industries and services in both the public and private sectors. **Informal actors** are the multitude of civil society organizations, academicians, the media, and the community. In the democratic set-up in India, both of these types of actors play an important role in planning and implementation. Together they contribute to the governance of the land as policy makers, enforcers of the enacted policies and laws, program planners, providers and receivers of various goods and services, and guardians of citizens' rights. In terms of economic and social development, there is broad consensus concerning the goals of inclusive and sustainable growth and gender equality, in line with global objectives and standards.

The National Institution for Transforming India (NITI Aayog), an organization that replaced the 60-year-old Planning Commission, is currently the main think tank for Indian policy makers on developmental issues.<sup>4</sup> NITI is looking forward to maintaining a state-of-the-art resource center, to be a repository of research on good governance and best practices in sustainable and equitable development, as well as to help them disseminate results of such research to stakeholders. NITI is also responsible for actively monitoring and evaluating the implementation of programs, and for identifying the resources needed to strengthen the probability of success and the scope of delivery. This is the main arm for M&E in the country: thus it is aimed at both strategic policy and program frameworks, and is monitoring both their progress and their efficacy.

## Recent Initiatives for Good Governance in India

India has a long history of policies and programs directed toward economic and social development, tuned to the principles of inclusiveness (five-year plans; for instance, see Government of India 2013). However, despite lofty ideals and goals, performance has often fallen short of expectations. The present government came to power with a motto of “minimum government and maximum governance.” In its objective of providing good governance, it has been seeking to simplify the delivery of services to citizens, and make the process as transparent and corruption-free as possible, primarily through the application of information technology as an interface between the

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<sup>4</sup> <http://niti.gov.in/content/overview>.

government and citizens. Some recent initiatives aimed at these goals can provide learning.

**Digital India.** Digital India is a flagship program of the government of India, with a vision of transforming India into a digitally empowered society and knowledge economy.

The program builds on various e-governance initiatives for wider sectoral applications, with an emphasis on citizen-centric services. The main pillars of the program include universal access to mobile connectivity, public Internet access, e-governance, electronic delivery of services (*e-Kranti*), and information for all.

**Jan Dhan Yojana.**<sup>5</sup> A vast majority of the Indian population have traditionally depended on informal financial services and remained outside of the formal banking system, making it difficult for service providers to reach them through formal channels. This informal system also gave birth to corruption. Jan Dhan Yojana is an important step taken by the government to mainstream that part of the population that has previously not been covered by banking services into the formal system by enabling and encouraging them to do so through incentives. Regular monitoring has indicated that until December 21, 2016, about 260.3 million savings bank accounts were opened under the scheme, 158.6 million of them in rural areas, and 101.7 million in urban areas, accounting for a total deposit balance of Rs 7,155.7 billion (or about \$110 billion). This is a significant step toward financial inclusion that will facilitate seamless and direct transfer of subsidies and other benefits into beneficiaries' accounts, reducing the number of opportunities for funds being pilfered en route.

**De-monetization and Digi Dhan Yojana.** Over 80 percent of the country's economic activities are carried out in the informal sector, through informal financial and other transactions, with no accounts kept. This state of affairs leaves enormous room for underreporting or nonreporting of incomes, thus undercutting the potential for tax collections; allows for corrupt practices of paying in cash for irregular services to take place; and enables some people to accumulate enormous amounts of black money.<sup>6</sup> This money, in large quantities and in fake currency, enables the funding of drug-related activities, terrorism, and other antisocial activities. A recent action by the government aimed at dealing with corruption, black money, and tax evasion has been de-monetizing high-denomination currency of India (notes of value Rs 1,000

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<sup>5</sup> Jan Dhan Yojana (literally meaning "people's money program") is aimed at ensuring access to various financial services including availability of basic savings bank accounts, access to need-based credit, remittances facility, insurance, and pension to excluded populations (e.g., vulnerable and low-income groups).

<sup>6</sup> Black money points to incomes and wealth from undisclosed and often illegal transactions, and on which taxes are not paid.

and Rs 500), which together accounted for about 85 percent of all cash in circulation, and issuing fresh currency to replace the deposits of old currency in the banks. Though the process has resulted in some temporary inconvenience to the people, long-term gains are expected, through increased tax revenue and a reduction in corrupt practices. There has been a visible decline in terrorist activities.<sup>7</sup>

Simultaneously, the government has launched a massive program to enable and encourage both consumers and traders to learn and to use noncash (digital) means of money transfers. It is expected that this change-over to an economy that is less dependent on cash transactions would make transactions more transparent, boost tax income, and make it easier to curb corrupt practices. A continuous monitoring process has helped to assess the problems coming out of these new initiatives, and to take corrective actions immediately. For example, to ensure that the lack of Internet connectivity and education do not hamper the practice of digital money transactions, a new app, Bharat Interface for Money (BHIM), which does not require Internet connectivity and can be used even by people without education, has been launched.<sup>8</sup>

**Clean India Mission.** This is another major initiative of the government aimed at making India open defecation-free by 2019 and making people aware of the importance of keeping their environs neat and clean, through an aggressive awareness-generation campaign involving prominent people from all walks of life, and providing financial assistance for building household and institutional sanitation facilities. M&E is a regular part of this program. Cities, towns, and villages are being ranked according to their level of cleanliness. Success stories are being disseminated across the country, and the work is going on with active community participation.

**Make-in-India and Skill India.** Other major developmental initiatives with an equity focus include the Skill India and the Make-in-India programs. The main goal of Skill India is to create opportunities, space, and scope for the development of the talents of Indian youth, and to further develop those sectors that have already been playing a role in skill development for the last so many years, and also to identify new sectors for skill development. This new program aims to provide training and skill development for 500 million youth by 2020, and to cover each and every village.

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<sup>7</sup> See, for instance, *India News* October 8, 2017, referring to the finance minister's observations on the subject, [www.dnaindia.com](http://www.dnaindia.com).

<sup>8</sup> The BHIM app enables people to make simple, easy, and quick payment transactions using a unified payments interface (UPI) with just a mobile number or UPI ID. Pioneered and developed by the National Payments Corporation of India, BHIM was launched by the prime minister, Narendra Modi, on December 30, 2016, to usher in a financially inclusive nation and a digitally empowered society.



The purpose of Make-in-India is to encourage local and international manufacturers to set up production facilities within the country to boost production and employment.

All of these initiatives include M&E components: thus, M&E is being mainstreamed into the development process.

### **Strengths and Weaknesses of M&E in India**

India, with its history of more than six decades of developmental planning supported by a network of M&E institutions and activities, is not new to this sphere of activity. But the growing importance of SDG-oriented M&E demands a stronger and more focused approach to M&E, supported by an M&E-enabled atmosphere, capacity building, and evaluation knowledge-sharing mechanisms.

**Institutional mechanisms.** The Development Monitoring and Evaluation Organization, a component of NITI Aayog, aided by its 15 regional offices across the country, keeps track of the developmental agenda in the context of SDGs, with evaluation as a priority. Apart from this centralized institution, most of the ministries and departments in the national and state governments have their own M&E systems.

**Capacity building in M&E.** Multipronged efforts are being made to develop national M&E capacities. A number of national institutions, such as the National Institute of Labour Economics Research and Development (NILERD), and international institutions such as the International Initiative for Impact Evaluation (3ie) and the Centers for Learning on Evaluation and Results (CLEAR) are organizing workshops, sensitization programs, and both short and long-term training programs for this purpose. Various states have approached NILERD, asking them to organize short-term programs for their officials. This indicates a growing awareness of the need for M&E capacities.

**Toward a national evaluation policy.** In spite of a long history of development evaluation, and the amount of emphasis currently being placed on M&E, India still does not have an explicit national evaluation policy. The strong need for a national evaluation policy that will provide a framework that defines the principles governing the role of M&E in development; the approach, quality, methods, and ethics to be ensured in the practice of development evaluation; utilization of the evidence-based results of such evaluations; and, importantly, the human and material resources to be optimally allocated for this purpose, is increasingly being recognized.

**The Evaluation Community of India.** Due to the growing demand for evaluations, and for capacity building from various corners, it was felt there was a need for a platform where planners, implementers, evaluators, and communities could come together to discuss various issues relating to M&E. Such a platform was launched in 2015, through the Evaluation Community of India (ECOI), a voluntary organization for professional evaluation (VOPE) with

the motto “to share and learn.” ECOI has action groups working on various aspects of evaluation, such as preparing a draft national evaluation policy, capacity development in evaluation, and so on. ECOI is looking forward to networking and interactions with various partners to collaborate in further developing evaluation culture.

## **RECENT DEVELOPMENTS IN M&E AND GOVERNANCE IN SRI LANKA**

Over the years the important role of M&E has been well recognized by the government of Sri Lanka.<sup>9</sup> Sri Lanka was one of the first countries to establish a web-based project monitoring system, e-PMS, to track projects implemented across all ministries. A homegrown electronic system was a significant aspect of that set-up. It was established in the then Ministry of Plan Implementation, to track financial and physical progress in implementation, and the results of all development projects and programs. The system could generate project information donor-wise, sector-wise, and ministry-wise. The Department of Project Management and Monitoring (DPMM), which has the mandate for M&E, has now replaced this system with a new Integrated National Development Information System.

However, the system is more or less confined to output-based progress monitoring of various development programs. In the context of SDGs, and the growing demand for effective monitoring and higher-level impact evaluations, the need for a comprehensive national M&E system is being increasingly felt. The Global Evaluation Agenda that evolved at Kathmandu in 2015 (Eva-IAgenda 2020) aims to strengthen the enabling environment for evaluation; develop institutional capacities; build individual capacities for evaluation; and support links among these first three dimensions by all stakeholders—governments, parliamentarians, VOPEs, the United Nations, foundations, civil society, the private sector, academia, and other interested groups—working together. In response to these developments, the Parliamentarians’ Forum for Development Evaluation (PFDE) South Asia project team organized a series of events to facilitate the establishment of a national M&E system in Sri Lanka. Groundwork for such a system has recently been laid by the initiatives of VOPEs, the Sri Lanka Evaluation Association, the South Africa Monitoring and Evaluation Association, and the Malaysia Evaluation Association, together with their respective government agencies, and with the support of the Eval-Partners Peer-to-Peer Small Grants Programme.

### **Sri Lanka’s National Evaluation Policy**

Although Sri Lanka commenced evaluations in the 1990s, the National Evaluation Policy (NEP) process had not been continued consistently until recently: one reason for the delay was the lack of its endorsement by the government. The DPMM is the department within the Ministry of National Policies and

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<sup>9</sup>Paper submitted by Priroshini Trikawalagoda to the APEA conference 2016.

Economic Affairs that has the mandate for M&E, under the leadership of the Prime Minister. DPMM was stimulated to take a lead in the NEP process after the implementation of EvalPartners Peer-to-Peer Small Grants Programme 2015: one of outputs of this was the draft preliminary action plan formulated to roll out the NEP. A draft of the policy initially developed by Sri Lanka Evaluation Association is being refined through a series of consultative processes between DPMM and other stakeholders that has been organized by PFDE and supported by EvalPartners, the EvalGender+ initiative, and UNICEF. A road map—another output from the stakeholder consultation—is expected to help guide the process for obtaining Cabinet approval for the NEP.

### **Motions in the Sri Lankan Parliament**

Two significant and highly encouraging events have recently taken place in the Sri Lankan Parliament. Two adjournment motions were moved in the Parliament: one to formulate a NEP, and the other to allocate funds for evaluation. The first motion was made in August 2016 by a member of parliament who proposed formulating a NEP, and an evaluation system for the country to assess whether the anticipated results from development programs have been achieved. Making the motion, the honorable member stated that Sri Lanka had pledged to achieve the SDGs by 2030, and emphasized the importance of the role of evaluation in assessing whether the anticipated results from development interventions have been achieved. He cited examples from several countries where evaluation systems have been established, and stated that around 20 countries have already formulated NEPs, demonstrating his interest in and commitment to the cause. The same member also called for a separate allocation of funds from the national budget to be set aside for evaluation. All of the parliamentarians who participated in the debate were in favor of both motions. It seems likely, therefore, that the Sri Lankan Parliament is keen to adopt a NEP.

The parliamentarians who joined the debate agreed in unison that the present national government, with the president and the prime minister representing the two leading parties, presents a good opportunity for implementing a NEP. PFDE–South Asia is closely supporting reactivation of the NEP process, to be backed by evaluation capacity development. Being the heads of the ministries concerned with the subject, the prime minister and his deputy are encouraging the initiatives.

During the debate, Malaysia, Nepal, and South Africa were cited as examples of countries that had commenced the process ahead of Sri Lanka. It is noteworthy that globally this may be the first-ever motion on evaluation moved in a parliament. Nevertheless, if the evaluation process is to function independently, a systematic framework that includes ministries, departments, boards, and so on, would have to be developed. For this purpose, a sizable allocation of funds is needed. These funds are worthy investments, since evaluation will facilitate the achievement of the objectives of the projects. Furthermore, the lessons learned from the process will help in effective decision making in the short, medium, and long term for the projects being evaluated, as well as when implementing future projects of a similar nature.

## **An Online Web-Based Project Monitoring System**

During the stakeholder consultations, the need to integrate areas of interrelated work, evaluation, data, and indicators with a strong information system that would be backed by relevant, high-quality, disaggregated, comparable, and timely data was emphasized. The existing system needs to be modified and upgraded so that it can cater to current needs. However, because it has no local partner the cost of maintenance is exorbitant. The system has been handed over to the Information Communication and Technology Agency, the government's information and communications technology arm, which is in the process of entering into a memorandum of understanding to modify and upgrade to a more user-friendly system. Some of the other issues currently faced by DPMM are inadequately trained staff in line ministries due to transfers to other departments with no succession planning, and delays in updating the system by the line ministries. Furthermore, it is difficult to verify the accuracy of data when the observations of senior management are not entered into the system. More stakeholders would be encouraged to use the system if it could be made more user-friendly, and if project progress could be tracked and used to contribute to informed decision making. PFDE–South Asia has also recognized the need to build awareness and strengthen the Department of Census and Statistics, and has invited them to participate in evaluation capacity development programs.

## **Capacity Building of Public Sector Officials**

In Sri Lanka, several capacity-building initiatives have taken place, including training workshops for government officials, and study tours to Malaysia and South Africa. The training workshops included evaluation, the Logical Framework Approach in evaluation and designing and managing evaluations.

A four-member delegation comprised of representatives of DPMM, and two representatives from PFDE–South Asia, visited South Africa with the objective of developing a preliminary action plan to implement a national evaluation system in Sri Lanka. The delegation had the opportunity to learn about the South African system of government and the application of planning, monitoring, and evaluation by the South African Department of Performance Monitoring and Evaluation. Discussions included the timelines used in developing a macro PM&E system, the rationale for PM&E, the various roles and responsibilities of different organs of the government, the outline of the department's work in the context of the central government, the National Development Plan 2030, the National Evaluation Plan, and the problems PM&E aims to address. The web-based system of frontline monitoring of the presidential hotline for community problem solving was also demonstrated.

The delegation also visited a participatory workshop on preparing terms of reference for an integrated development plan to ensure safety in the Republic of South Africa where they learned about the Management Performance Monitoring Tool (MPAT) and how performance is measured in departments using scorecards. The study tour was an important step in the long-term evaluation capacity-building program in Sri Lanka, supported by

the EvalGender+ network and the UNICEF country office. Such international experiences are very important if countries are going to work together to achieve the SDGs within the scheduled time frame.

In short, substantial efforts have been made to develop an evaluation culture in Sri Lanka, but there is a still need for the following:

- Strengthen parliamentarians' desire to use and demand evaluation
- Strengthen the evaluation capacity of district development committees where a decentralized budget is used
- Government endorsement of the national evaluation policy

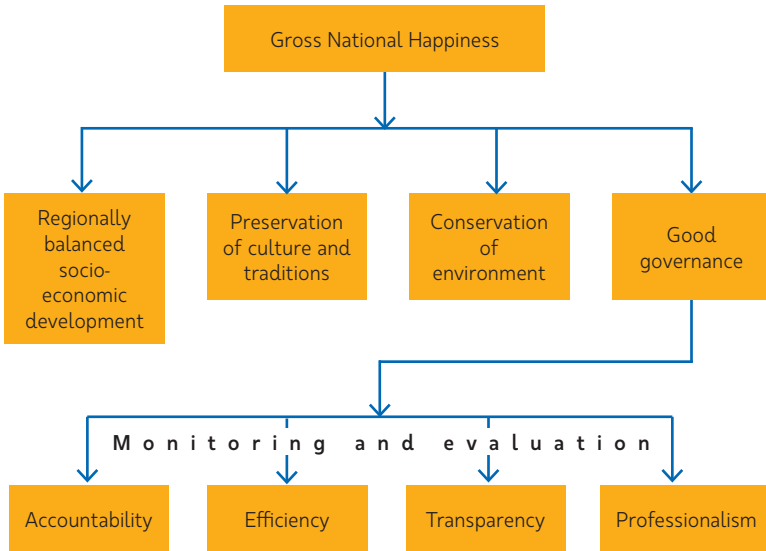
## **GOOD GOVERNANCE AND M&E IN BHUTAN: OVERVIEW**

Bhutan's economic plans and programs are guided by an overarching development philosophy of Gross National Happiness (GNH). The concept of GNH attempts to ensure that an economic activity not only reaps material benefits but also positively impacts issues like equity, sustainability, preservation of the environment, and culture. GNH is supported with four pillars: good governance is the fourth pillar, which is the underpinning for the success of the other three pillars.

Good governance in Bhutan is characterized by four features: accountability, transparency, efficiency, and professionalism. While the concept of M&E is a cross-cutting phenomenon transcending all four pillars of GNH, the practice of M&E is more obvious and apparent with respect to good governance. Evidence-based practice of good governance is desirable for ensuring success of the other three pillars. Figure 11.3 presents a flowchart depiction of GNH, good governance, and M&E in the Bhutanese context.

Because of its success in achieving the Millennium Development Goals, under the development strategies of the GNH philosophy, Bhutan involuntarily has already begun the implementation of development activities for the SDGs. This is due to the fact that under the GNH development strategies, activities desired under the SDGs have inherent links with existing development plans and programs. For instance, the GNH pillar concerning "regionally balanced equitable socioeconomic development" has inherent links with SDGs 1, 2, 3, 4, 5, 7, 8, 9, 10, and 11. Similarly, the pillar of "preservation and promotion of culture and tradition" has links with SDGs 11 and 12. The third pillar, "conservation of the environment" can conveniently absorb SDGs 6, 7, 12, 13, 14, and 15, while the "good governance" pillar is related to SDGs 16 and 17.

Bhutan's Planning Commission, known as the GNH Commission (GNHC), is the central coordinating agency for development PM&E. In a bid to streamline and institute an effective system for M&E of development plans in the country, in 2006 the GNH Commission developed a national M&E system, as a standard system for monitoring and evaluating the development plans and programs administered by ministries and agencies. A dedicated unit, known as the Research and Evaluation Division, is in place at the GNH Commission.

FIGURE 11.3 **GNH, good governance, and M&E in Bhutan**

### The Status of M&E in Bhutan

A strengths, weaknesses, opportunities, and threats (SWOT) analysis of Bhutan's M&E system was undertaken during one seminar on evaluation in Bhutan in March 2013, conducted by the GNHC and UNICEF-Bhutan. It was found that the evaluation system was weak; the technical capacity to conduct, commission, and manage evaluations was lacking; and the demand for evaluation was low. It was also noted that evaluations in Bhutan were generally donor-driven. These factors posed challenges for strengthening the evaluation culture in Bhutan. It was also recommended that a nonprofit association and a network of evaluators be established, to provide the much-needed platform to promote evaluation in Bhutan.

Therefore, evaluation is still at the nascent stage to this day. Evaluation is less understood and appreciated. Neither is there a demand for evaluation nor the supply. To this extent, there is a lack of capacity in evaluation.

On the contrary, there has been a considerable progress on the monitoring aspect. The sense of monitoring is not only becoming firmer in the system, but it is easier and more straightforward for agencies for implementation and oversight purposes.

In order to streamline, strengthen, and institutionalize the evaluation system, the national evaluation policy, and the national evaluation protocol and guidelines have already been formulated, and are awaiting the government's approval. Several evaluations of development policies and programs have also been conducted since 2013, through the Research and Evaluation Division of the GNHC, and in collaboration with government ministries. These

initiatives are geared toward promotion of the demand and use of evaluation by governments and parliaments so as to inform policy development and increased social accountability to citizens through evaluation.

## **Bhutan's Planning and Monitoring Process**

Bhutan's development plans and programs are based on overall five-year plans (FYPs); currently, the country is in its 11th FYP (2013–18). FYPs are prepared through government consultations with implementation agencies, both at the national and grassroots levels. Plan consultations are preceded by issuance of planning guidelines to agencies. As part of results-based planning and management practices, plans are corroborated with identified result areas known as national key result areas, sectoral key result areas, key performance indicators, and specific key interventions. Individual FYPs are prepared by the respective ministries, autonomous agencies, and local government agencies, and their plans must be aligned with the national priorities. Based on the approved FYPs, annual work plans (AWPs) and budgeting are prepared and executed during the year.

Appropriate information technology (IT) systems are employed at various stages in the planning and monitoring continuum. The formulation of overall FYPs is based on information provided by planning and monitoring systems (PLaMS). PLaMS also provide support during the preparation of AWPs and their implementation.

Annual budgets are prepared using a multiyear rolling budget system. Budget releases are made on a quarterly basis, upon receiving plan monitoring and progress reports, which are essentially both physical and financial progress reports. While these reports will be made by implementing agencies through the PLaMs, the Ministry of Finance will release periodic budgets through another IT system known as the public expenditure management system (PEMS). Every government transaction is conducted online through PEMS, upon submission of progress reports. Thus, the AWPs and the budget, during the implementation phase only, will have periodic monitoring and reporting requirements that must be followed by the agencies.

It is customary for the government to conduct midterm reviews of FYPs in the middle of the Five-Year period, typically when the plan has progressed two and a half years into the FYP. In addition, the present government has initiated the drawing of annual performance agreements between the prime minister and individual agencies to ensure successful implementation of the AWPs. The activities identified in the AWPs would be determined by the respective agencies and duly agreed upon with the prime minister. There will be an annual review of annual performance agreements with the implementing agencies.

## **Status of the Evaluation Profession in Bhutan**

Reaffirming the importance of evaluation within the system, UNICEF-Bhutan has been engaged along with the GNH Commission since the first day of the dialogue on promoting evaluation in Bhutan. Equally, parliament, through its

various standing committees, has always been on the frontline to promote evaluation culture in the country.

In an attempt to promote evaluation culture in Bhutan, with the technical and financial support of UNICEF-Bhutan, and the administrative support of the GNH Commission, the Evaluation Association of Bhutan (EAB) was formed in 2013, with a multibackground membership. Its registration for formal recognition of CSO status is already in process. In collaboration with UNICEF, the Community of Evaluators-South Asia, and the GNH Commission, the EAB regularly conducts training and experience-sharing events for its members and other stakeholders. Thus, the EAB is working on creating a network of high-quality evaluators and linking them with other evaluation communities.

From 2009 until mid-2015, about 16 officials from the government had attended the International Program for Development Evaluation Training (IPDET) funded by various sources of training, a major portion of which was supported by Danida. This training contributed immensely to enhancing awareness and capacity in the Royal Government of Bhutan. About 24 Bhutanese with an interest in evaluation are members of the International Organization for Collaborative Outcome Management, which was established in 2010. In 2013, a few Bhutanese evaluators joined the Community of Evaluators as individual members: this has strengthened the discourse on development evaluation, and the evaluation culture in the country.

However, despite these steps forward, the evaluation profession has not progressed very much. Except for donor-funded programs, no evaluation by independent practitioners has been conducted for government programs. And even for donor-led evaluations of programs and projects, the evaluations are mostly carried out without established processes and standards. Nonetheless, there is a silver lining, with the government's relentless effort toward the promotion of both demand and use of evaluation, and the disclosing of policy development through increased social accountability mechanisms.

The more plausible solutions, at this stage, are to:

- Expedite formal government approval of the national evaluation policy, guidelines, and protocol;
- Recognize the EAB as a legal CSO;
- Upgrade the capacity of evaluation practitioners; and
- Enhance the utilization of evaluation reports by agencies.

## CONCLUSION

Bhutan, India, and Sri Lanka are all South Asian countries, but their approaches to governance and M&E vary. Analysis indicates that Sri Lanka is still confined to an output-based monitoring system, although recent events suggest a growing realization of the importance of, and gradual transition to, higher levels of evaluation. The emphasis in India, with its long-entrenched M&E systems, has been on outcome monitoring and impact evaluations. However, it has no evaluation policy. This often results in inadequacy or a multiplicity of efforts in M&E, a lack of standardized practices of evaluations, and more



importantly, their inadequate utilization. Sri Lanka on the other hand, has initiated the process of developing an NEP, and outcomes have found a place in the national parliament. Sri Lanka has adopted a long and robust process of dialogue and consultation with various stakeholders to make their evaluation policy a reality, and a motion for specific fund allotment for evaluation has been raised in their parliament. In India, there is a strong need for evaluation policy, and the allotment of dedicated funds for evaluations to make them utility-oriented, as highlighted in recent stakeholder discussions. In recent times, India has witnessed initiatives toward good governance and promotion of the use of IT to make citizen services efficient and financial transactions transparent, thereby reducing corruption. Bhutan, meanwhile, has a totally different philosophy of good governance, and measures it by public happiness. Bhutan considers the sole purpose of development is making people happy. High incomes may lead to material benefits, but general happiness is more important than these material benefits. Therefore, in Bhutan M&E is a cross-cutting issue looking to assess impacts in terms of GNH.

All three of these countries are committed to achieving the SDG targets; and M&E, as well as good governance are essential tools in that process. All three countries share the view that capacity building in M&E is extremely important in order to achieve the SDGs. While in India evaluations are getting mainstreamed into the development agenda and there is a demand for evaluation from various stakeholders, in Sri Lanka and Bhutan evaluations are generally donor-driven. Now is the time for various countries to come together, share their experiences, and learn from each other for future action.

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