Chapter 8

Project Evaluation

Project Evaluation is a step-by-step process of collecting, recording and organizing information about project results, including short-term outputs (immediate results of activities, or project deliverables), and immediate and longer-term project outcomes (changes in behaviour, practice or policy resulting from the project).

Common rationales for conducting an evaluation are:

- Response to demands for accountability;
- Demonstration of effective, efficient and equitable use of financial and other resources;
- Recognition of actual changes and progress made;
- Identification of success factors, need for improvement or where expected outcomes are unrealistic;
- Validation for project staff and partners that desired outcomes are being achieved.

The project planning stage is the best time to identify desired outcomes and how they will be measured. This will guide future planning, as well as ensure that the data required to measure success is available when the time comes to evaluate the project.

Project evaluation assumes a comprehensive point of view looking at the project as a package. Success or failure is determined by the achievements of the whole project measured against its objectives. The evaluation process results in the refinement of policy and implementation. However, it is not yet institutionalized in most government planning agencies.

Effective project evaluation requires that evaluation standards, criteria and indicators are established during the early stages of the project planning process. The identification and collection of baseline data should entail a preliminary evaluation framework with the following specifications:

1. Identification of evaluation criteria: these are key result areas (e.g. cost and budget limits, productivity output targets, time schedule) specified in measurable terms;
2. Selection of evaluation techniques: apart from the cost benefit analysis, the use of control groups for comparative analysis, baseline measures, sampling and various data gathering methods such as field surveys, FGD, questionnaires and interviews may be chosen.
3. Time Schedule: in the case where the project results are not evident immediately after project completion, project evaluation should be scheduled;
4. Budget for evaluation: the acquisition and efficient utilization of needed resources for evaluation must be planned for;
5. Organization and staff requirements: the size of the evaluation team, its qualifications, the reporting relationships and access to project information and staff should be outlined;
6. Participation of beneficiaries: the evaluation process should be designed in such a way that beneficiaries are involved in the process.

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7. Way that it allows the intended beneficiaries to assume a vital role in it.

Cost benefit analysis, as main evaluation technique, attempts to determine what success the country will have towards achieving national objectives by pursuing a particular strategy against opportunities lost because it has committed its measure if the computations made for societal/ macroeconomic costs and benefits done in the feasibility and appraisal process reflect what actually occurred. This could require a recompilation or remodification of societal / macroeconomic costs and benefits in the light of changing government priorities.

Why is Project Evaluation important?

Evaluating project results is helpful in providing answers to key questions like:
- What progress has been made?
- Were the desired outcomes achieved? Why?
- Are there ways that project activities can be refined to achieve better outcomes?
- Do the project results justify the project inputs?

What are the Challenges in Monitoring and Evaluation?

- Getting the commitment to do it;
- Establishing base lines at the beginning of the project;
- Identifying realistic quantitative and qualitative indicators;
- Finding the time to do it and sticking to it;
- Getting feedback from your stakeholders;
- Reporting back to your stakeholders.

Assessing Outcomes is a comprehensive process to determine the extent to which the project has achieved the changes or “outcomes” that it was designed to achieve. Assessing Outcomes is typically done after the project has been implemented for at least a year, or as long as one would expect it would take to reasonably achieve certain outcomes. It requires a well-thought out plan for how you will collect the type and level of information needed to accurately assess project outcomes.

Assessing Outcomes and Tracking Outputs both involve the collection of information used to evaluate a project. Recall, however, that there are differences between the frequency and level of information collected for Assessing Outcomes and Tracking Outputs, as outlined in the following table:
<table>
<thead>
<tr>
<th></th>
<th>Tracking Outputs</th>
<th>Assessing Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency</td>
<td>Monthly/quarterly</td>
<td>Annual, mid-term and/or end of project</td>
</tr>
<tr>
<td>Type and Level of Information</td>
<td>Results/outputs of project activities; what was done and what were the immediate results</td>
<td>Longer-term changes occurring as a result of completion of all project activities</td>
</tr>
<tr>
<td>Research Method</td>
<td>Recording information using participant tracking forms, activity evaluation forms</td>
<td>Formal: combination of document review (i.e., review of tracking reports), key informant interviews, focus groups, survey, etc., depending on project research resources</td>
</tr>
<tr>
<td>Report Size/Depth</td>
<td>Brief</td>
<td>In-depth, with executive summary</td>
</tr>
<tr>
<td>Audience</td>
<td>Internal stakeholders: mainly project managers</td>
<td>Internal</td>
</tr>
</tbody>
</table>

**OBJECTIVE OF PROJECT EVALUATION:**

Project evaluation is applied for one or more of the following purposes:

**Effectiveness:** How effective is the development project? Did it achieve the goals it set out to achieve?. The degree of objective intended results. For example, whether the use of new technologies and hybrid seeds benefited farmers in increased agricultural productivity, assuming that productivity is an objective. Whether a water supply project after implementation could supply the desired standard of water to the targeted beneficiaries.

**Efficiency:** Efficiency has come to mean the project’s capability to utilize inputs like financial & other resources with available/fixed time to produce results with the least amount of wastage and deviation.

**Impact:** Impact is a measure of overall project’s results, which actually work to alleviate or reduce the development problems, which originated the idea for the project in the first instance. An example would be an evaluation, which examined the extent to which subsidies for farmers actually increased the agricultural productivity.

*It may be clarified that there exists relationship between these three purposes of evaluation. But all three require different methods of evaluation. These even occur at different times. For example efficiency criterion is best made while the project is under way. In contrast, impact evaluation is best conducted a long time after the conclusion of the project.*
Objectives of a Few Types of Evaluation

Some important types of evaluation of projects and their objectives are discussed below:

(i) Performance Evaluation: Performance evaluation of the project usually requires that project manager or senior project staff prepare summary documents on all aspects of project performance. It may take place at any time during project cycle. Usually it focuses on one of elements of a project i.e., performance related to time, cost and scope. It also focuses on deliverables.

(ii) Audit: An audit is an important evaluating technique for evaluating the quality of a project management’s handling of finances and utilization of specialized equipment for project purposes. The audit is usually conducted by a specially contracted third party. For large projects, it is generally advisable to have a financial audit and inventory study once in a year.

(iii) Results Evaluation: Results evaluation is a technique of showing indicators of achievement. It corresponds to the issue of whether the project output match the project objectives.

(iv) Cost-benefit Analysis: The cost-benefit analysis is an effort to ascertain whether the benefits, which were achieved from the project, actually justify the resources expended to attain them. However in most development projects benefit are not easy to reliable quantity. This kind of analysis is possible in a situation in which financial projects can be compared to costs.

(v) Impact Analysis: Impact analysis is an effort to ascertain whether the project actually had the impact we hoped it would on development need. But it is difficult to design and conduct impact studies because of latest nature of impacts. For example it may take 10 years to examine the extent to which a new source of credit for rural women actually improved their living standards.

Purposes of five types of project evaluation

<table>
<thead>
<tr>
<th>TYPES</th>
<th>PURPOSES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Impact</td>
</tr>
<tr>
<td>Performance Appraisal</td>
<td>X</td>
</tr>
<tr>
<td>Audits</td>
<td>X</td>
</tr>
<tr>
<td>Results Evaluation</td>
<td></td>
</tr>
<tr>
<td>Cost/ Benefit</td>
<td>X</td>
</tr>
<tr>
<td>Impact</td>
<td></td>
</tr>
</tbody>
</table>
Steps in Evaluation

Set Evaluation Questions

Your Project Logic Model lists the outcomes you hope to achieve through your project. In assessing these outcomes, it is not enough to ask: “did we achieve this outcome”? You need to also consider factors affecting the achievement of desired outcomes, in order to learn about the overall effectiveness and efficiency of your work.

The types of questions you should ask about your project can be organized into several general categories.

- **Effectiveness:** To what extent has implementation of project activities led to the achievement of desired project outcomes?
- **Efficiency:** To what extent were project inputs managed in a clear, responsible and timely fashion? Were project activities carried out as planned?
- **Rationale:** Were the implemented activities the most appropriate to meet the intended project outcomes? Could better outcomes have been achieved through other means?
- **Equity:** Was participation in the project equally accessible to all potential beneficiaries? Did project benefits reach most of the intended target group or only a small segment of the target population?

Step 2: Identify Who Needs to Know What, and Why

The questions you choose should relate directly to the information or decision-making needs of project stakeholders, including project managers, staff, board members, funders and community members. Use the "Identify Project Stakeholders" worksheet to identify (and set in order of priority) the most important stakeholders, noting their interests and concerns. (You will use this information again in Developing a Communication Plan.) Stakeholders could include:

- Target group/clients/participants
- Funders/investors
- Board members
- Management
- Staff
- Community
Step 3: Develop Questions

1. Did the project meet its objectives, and if not, where and why did it fall?
2. Which lessons and information does the project evaluation provide for policy formation and project management in general?

The priorities and interests of your key stakeholders should determine the list of questions that your research should answer. Stakeholders may have very general or very specific questions about the project. Work with your stakeholders to identify and refine a set of key questions that relate to the effectiveness and efficiency of your project in achieving desired outcomes.

Tips for designing questions:

- Review the objectives and outcomes set out in your Project Logic Model.
- Develop questions about:
  - Whether you accomplished what you set out to do;
  - How effectively you implemented your plans; and
  - What you learned about doing economic development work with your target population.

Important Questions to Ask

To ensure accountability

- What were the benefits for our clients/target group?
- What changes did our interventions create?
- Did we achieve our desired results?
- Was the initiative a worthwhile investment?

To evaluate project design and implementation

- Did we do the right things?
- Did we do them well?
- Was the work done according to the program plan and schedule?
- Was this an effective approach to take?

To learn about effective economic development practice

- *How* did our interventions create change for our target group?
- What have we learned about effective practice in developing and delivering this type of program?
- What learning can we share with other economic development practitioners?
Step 4: Tracking Outputs and Outcomes

Tracking outputs should begin the moment you start implementing project activities. It involves monitoring and recording the immediate results or “outputs” of your activities (as distinguished from longer term results called “outcomes”, which reflect changes in behaviour, attitudes, policies, etc.).

To illustrate the difference between outputs and outcomes, let’s use an example: A training on GIS software implemented over 2 years and involving weekly modules. Possible outputs of the training might be “x” number of participants who completed the GIS training module. Possible outcomes could include the % of participants who were effectively applying the software in their working 6-12 months after completing the training.

Most people who implement projects do some informal or formal tracking of outputs, usually to meet funders’ requirements. Municipal projects, for example, tend to require a regular progress report to Council.

Step 5: Communications Plan (for Evaluation of Project)

Communication planning helps how you are going to communicate the evaluation findings with each of your target groups.

<table>
<thead>
<tr>
<th>WHO</th>
<th>INFORMATION THEY MAY REQUIRE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipality</td>
<td>How can we work together for the benefit of our communities?</td>
</tr>
<tr>
<td>Government</td>
<td>Whether output and outcome as per the guidelines would be met or not?</td>
</tr>
<tr>
<td>Funding Agencies</td>
<td>Has the project met the goals and objectives and financial viability</td>
</tr>
<tr>
<td>Staff</td>
<td>What changes will there be in my day-to-day work environment?</td>
</tr>
<tr>
<td>Volunteers</td>
<td>What role will we play in the future?</td>
</tr>
<tr>
<td>General Public</td>
<td>What do I know about the organization and the project? What are the tangible and intangible</td>
</tr>
<tr>
<td></td>
<td>benefits of the project to the public and beneficiaries</td>
</tr>
<tr>
<td>Stakeholders</td>
<td>What benefits will the organization have for me in the future?</td>
</tr>
<tr>
<td>Partners</td>
<td>What new projects can we launch together?</td>
</tr>
</tbody>
</table>
Media Release about Project

- Use language that everyone understands
- Avoid acronyms
- Be accurate, especially when you are quoting someone or using numbers
- Keep it simple. If you are too wordy, they won't get your message

Project Authority/Manager during Interview

- Expect to communicate no more than three key points
- State your most important points at the beginning of your conversation
- Be prepared for "off the wall" questions. You don’t have to answer them – instead, simply restate one of your three key messages.

Newspapers, radio and TV are the usual places to distribute a media release. Also consider using newsletters, websites and meeting places of other community organizations.

Don't forget:

- Schools
- Community Centres
- Public Buildings
- Offices
- Newsletters
- Religious institutions/temples
- Etc.

Organizing Community Meetings

Some of your results will be communicated to the community through meetings and forums.

- Try to get meeting places that are well lit and free from distractions.
- Have a chair for everyone who attends. Tables are optional.
- Be well prepared with your messages and make sure that any overheads, visuals, etc. are easy to read and brief.

Design your meeting so that there is a chance for real input from participants. Given an opportunity for open discussion, they will feel that they are a part of the process or project.

Writing Report on Project Evaluation

The evaluation report presents the key findings of your project evaluation process. Along with Methodology, data sources and tools used for evaluation, the report takes all the research results, adds explanations and makes it meaningful for project stakeholders.

Your final evaluation report can be used to prepare other communication resources (i.e., presentations, media releases, etc.) to share evaluation results with different audiences. This is why it is very important to consider the contents of your evaluation report while you are planning your evaluation. This will ensure that the right information is collected during the evaluation.

When you have completed the analysis of project data, you may be left with a collection of tables, charts and summaries that show trends, themes, patterns, comparisons and changes, as
well as any information from diaries. The challenge in preparing the evaluation report is to capture the key learnings from this analysis. The focus should be on the outcomes achieved, both intended and unexpected, along with the factors that contributed to or hindered achievement of project outcomes. Most importantly, the evaluation report should include conclusions and recommendations on what direction the project should take based on the evaluation results.

Although every evaluation report is unique, there is a common structure that can be used as a guide. The headings include:

- Table of Contents
- Executive Summary
- Introduction
- Findings
- Conclusions
- Recommendations
- Appendices
- Glossary
- References and Credits
- Contact information

Main Components of the evaluation report

1. The extent to which articulated objectives are valid, and the extent to which they were achieved.
2. The extent to which the assumptions upon which the feasibility study depended were proven true or untrue as the project was implemented?
3. The deviation in cost benefit analysis terms between anticipated results and actual results and the internal and external causes of this deviation;
4. The deviation in the three areas of time and schedules, budgets and costs and quantity and quality of productive output; the causes, justified or unjustified, for the deviation;
5. The impact of the project on development in general on the intended beneficiaries in particular; the unintended other impacts and side effects of the project;
6. Prescriptions and recommendations for continuity, replication, scaling up, or phasing out of post project activity;
7. Identification of opportunities for further project or investment linkages based on elements of generalizability (that is, those elements with applicability to several projects) recommendations and proposed guidelines for future similar projects and for policy at the supraproject level in general.
QUIZ

Chapter-8

1. Project Evaluation is a step-by-step process of collection, recording & organizing information about project results
   a. True
   b. False

2. Success or failure is determined by the achievements of the whole project measured against its objectives
   a. True
   b. False

3. Effective project evaluation requires that evaluation standards, criteria & indicators are established during the early stages of the project planning process
   a. True
   b. False

4. Project evaluation is applied for one or more of the following purposes;
   a. Effectiveness
   b. Efficiency
   c. Impact
   d. None of the above

5. You want to perform active risk acceptance. What should do?
   a. Create contingency reserves in resources, money and time.
   b. Develop a plan to minimize impact in case that an identified risk occurs.
   c. Develop a plan to minimize the probability of occurrence for identified risks.
   d. Make additional resources available to speed up the project.
## Purpose of Project Evaluation

The purpose is to facilitate the evaluation of completed or failed projects and learn lessons from the mistakes and build on strengths and formalize the process and standardize the practice of documentation for future use and not repeat similar mistakes in other projects.

## Key Areas of Assessment

- Overall Impact of project
- Scope management
- Quality of output/tasks
- Key accomplishments
- Areas needing improvement
- Future Action for consideration

## Overall Impact Assessment

- Did the project meet all goals and objectives as per project charter
- Feedback from all stakeholders (positive and negative) on the quality of output
- Was the Projected on time, within budget

## Scope Management

- Did the project deliver items originally agreed upon?
- Whether project changes documented and approved?
- Whether time and budget maintained/adjusted even after change in the scope?
  Performance against Planned Target, Time and Cost

## Quality of Output/Tasks

- Stakeholders/people satisfied with output?
- Any outstanding quality output that can be of value?
- Tasks that could not be met? Reasons

## Key accomplishments

- Discuss strengths of team work and use of specific tools that made difference to quality of output
| Areas Needing Improvement | • Discuss areas that were problematic and require corrections and that could be done better next time from the point of credibility and accountability (Be honest)  
  • What actions to be taken to prevent such problems from occurring in future? |
|---------------------------|---------------------------------------------------------------------------------------------|
| Future Action             | • Explain what action is required to improve this project?  
  • Propose/devise any tools/techniques for better project outcome? |
| Best Practice             | • Document best practice part of the project that was established and how they will be formalized and implemented in future projects |

Name of Project Manager                          Signature

Name of Project Owner/Sponsor                    Signature
Date
Developing Scientific Evaluation Model/Parameters

**Project Concept and Objectives of the project**

- **Social Survey**
- **Demand survey of the requirement**
- **Engineering Survey**

**Preparation of Project**

- Role of Government
- Role of Local Body
- Role of State level agency
- Role of Consultant
- Role of Contractor
- Role of Community

**Appraisal**
- Technical Appraisal to determine whether the technical parameters are soundly conceived, realistic and technically feasible.
- Financial Appraisal to determine whether the financial costs and returns are properly estimated and whether the project is financially viable
- Institutional Appraisal to determine whether the implementing agencies are capable for effective implementation, monitoring, and evaluation of the scheme.
- Environmental appraisal to see any detrimental environmental impacts and how to minimise the impacts.

**Technical Appraisal**
- Feasibility
- Specifications
- Technology options
- Quality and durability
- Standards
- Designs etc

**Project Execution**
- Tendering
- Contractor
- Schedule
- Target
- Procurement of materials/equipment
  - Performance
  - Payments
  - Likely hurdles
  - Scope etc

**Financial Appraisal**
1. Loans/Grants
2. Own Sources
3. Subsidies
4. Capital investment
5. O&M investment
6. Cost-Benefit analysis
7. Cost Recovery Mechanism
8. Repayment of Loans

**Legal Appraisal**
- Legal documentation

**Social Appraisal** (Social cost and benefits, target group)

**Monitoring and supervision**
- Progress reports
- Site Inspection
- Cost and Time Control
- Deviations
- Completion Reports

**Project Evaluation Documentation**
- Project study
- Project performance
The author has finally developed a scientific model for evaluation of all the project components as shown in the above flow chart. However the model can be suitably modified based on the type of the project.

The evaluation model derived above is comprehensive as it comprises various stages of project development and implementation.

1. The first stage i.e. Project Concept and objectives need to be evaluated to find out whether the project was conceived well and the objectives were clearly defined.

2. Social survey : Whether the social survey was done to assess the benefits and disadvantages of the project to the society and target group. Have the reactions of the society were taken into account while formulation

3. Demand Survey: Was the demand for the project assessed by conducting a survey on the internal and external customers

4. Engineering survey: To assess whether the engineering survey was sound and adequate

5. To assess the role of various stakeholders in the projects and to examine whether the responsibilities assigned were clear. Also to assess whether they all have performed their roles and responsibilities.

6. To study the appraisal mechanism of project: To assess whether the technical, institutional, financial, legal, environmental and social appraisal have been carried out and find out the innovative lessons and drawbacks

7. To assess the project execution and hurdles faced if any and how the hurdles are overcome during the execution.

8. How was the monitoring and supervision done to maintain the performance standards of the project

9. Has the project achieved its objectives?. Was project yielded desired performance?. Whether the post evaluation done?.

These are the essential parameters for scientific assessment of the projects