सत्यमेव जयते

NITI Aayog

DEVELOPMENT MONITORING AND EVALUATION OFFICE

Output Outcome Monitoring Framework

Bulletin of Key Terms

2022

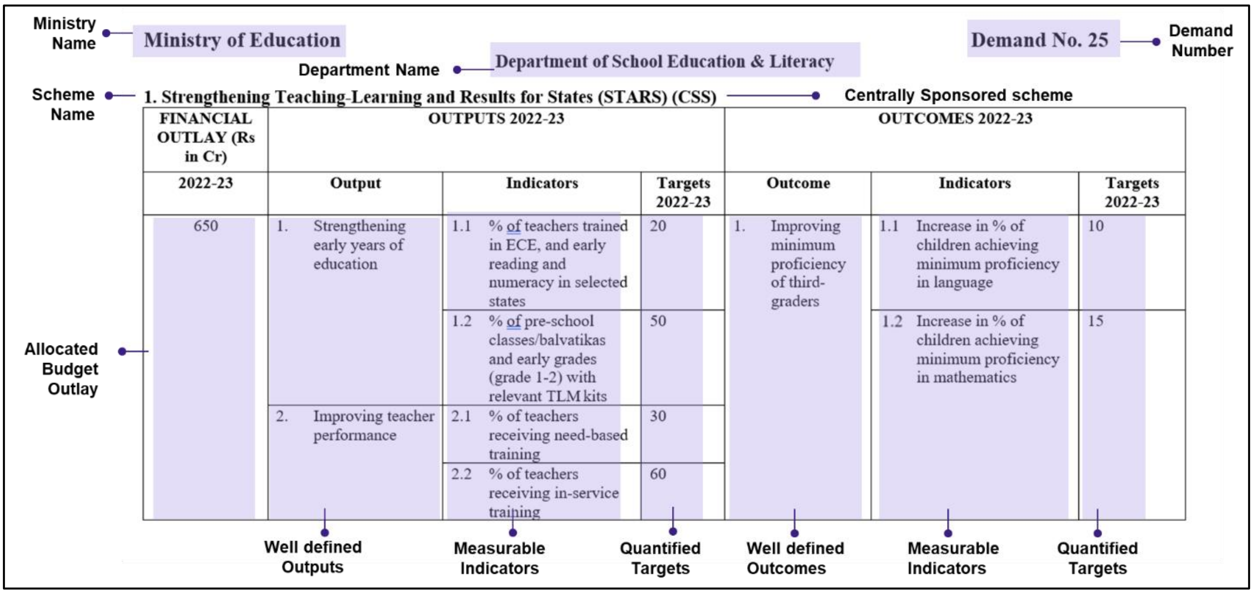
This document is a bulletin of key terms associated with the Outcome-based budgeting and monitoring systems.

The Output-Outcome Monitoring Framework (OOMF) is an effort to strengthen monitoring in government schemes and programmes. This is based on the premise of a **Log-frame Approach** to enable greater accountability and transparency in public expenditure.

A sample of the Log-frame is given below:

	Objective statement	Indicators	Means of verification	Important Assumption	Risks involved	Baseline Year	Baseline value	Target			Progress		
								FY1	FY2	FY3	FY1	FY2	FY3
Impact	Improved student learning outcomes												
Outcome	Improvement of reading proficiency by 20% among students in a year			Students attend school regularly									
Output	Classrooms and students have access to good-quality TLMs	THEN		Teachers are trained to use TLM when delivering lessons									
Activity	Distribution of teaching-learning materials (TLMs)	IF	AND	TLMs are of high quality and child-centric									
Input	Materials, Money, Human resources												

The above framework is used to develop the **output-outcome monitoring framework**, as depicted below:



FINANCIAL OUTLAY (Rs in Cr)	OUTPUTS 2022-23			OUTCOMES 2022-23		
2022-23	Output	Indicators	Targets 2022-23	Outcome	Indicators	Targets 2022-23
650	1. Strengthening early years of education	1.1 % of teachers trained in ECE, and early reading and numeracy in selected states	20	1. Improving minimum proficiency of third-graders	1.1 Increase in % of children achieving minimum proficiency in language	10
		1.2 % of pre-school classes/balvatikas and early grades (grade 1-2) with relevant TLM kits	50		1.2 Increase in % of children achieving minimum proficiency in mathematics	15
	2. Improving teacher performance	2.1 % of teachers receiving need-based training	30			
		2.2 % of teachers receiving in-service training	60			

Description of key components in the frameworks above:

1. **Input:**

   Input are all the resources necessary to undertake the activities and the processes to accomplishing outputs. It includes financial, human, physical resources such as money, time, staff, expertise, facilities etc. required to bring about the intended outputs, outcomes, and impact.

2. **Activities:**
   Activities are the specific actions that are directed towards bringing about outcomes and impact in a program. The type of actions differs with different actors and implementing agencies.

3. **Output:**
   Output is the first level of results which need to occur in order to achieve the anticipated outcome. It is understood as a direct, tangible result of the activities performed within a project/scheme etc. In simple terms, output is a numerical count of a program's actions or products that were created or delivered, i.e. the number of people served, and the activities or services provided and so on. This is typically easy to measure, readily determined and is evidence of completion of planned activities. For instance, one of the outputs of a disaster relief program could be '100 packets of food distributed to flood victims'

4. **Outcome:**

   Outcomes are the short to medium term effects, which is a precondition to accomplish the long-term goal/objective. It is a set of meaningful changes for the population served, such as anticipated changes in knowledge, skills, attitudes, behaviour and practise. It is measurable, time-bound and typically qualitative in nature. It may sometimes take a while to determine its full effect and attribute the change to the program. Example - For a disaster relief program, one of the outcomes could be 'Flood victims have food to survive and are less likely to starve'

5. **Impact:**

   Impact refers to the longest-term and indirect effects or objectives intended to be achieved. Impacts are generally difficult to measure since they may or may not happen with a greater time-period for its realization. These results are determined by evaluations that attributes the change to the program and factor out other explanations. Example - For a disaster relief program, impact could be 'Reduced risks of disaster and improved resilience'

6. **Objective statement:**
   It enlists the schemes/project objectives which are also the outcomes and impacts intended to be achieved through the scheme cycle

7. **Indicator:**

   Indicators are direct or indirect measures of conditions which verify to what extent the objective is fulfilled and the desired change has occurred. Indicators are supposed to reveal and track progress of the program and help make programmatic changes and decisions. A good indicator has SMART attributes, i.e. specific, measurable, attainable, realistic and timely.

7.1. Quantitative Indicator

It indicates a quantity. The quantity can be a pure number, an index, ratio or percentage. Quantitative indicators are numerically comparable. This enables program/project officials to compare the performances or achievements of two or more programs/projects and also help in comparing the statuses of the same program/project at different times. [1]

7.2. Qualitative Indicator

Qualitative Indicators do not show numeric measures as such. Rather, they depict the status of something in more of qualitative terms. For example, how much a poor community is empowered may not be measurable in strict quantitative terms. But they can be graded based on qualitative findings. Whether a cooperative body is properly functioning or not, can be assessed in qualitative terms and then it can be graded.

8. **Means of Verification:**
The means of verification describe the data sources of information and methods that will demonstrate what has been accomplished

9. **Assumptions:**
Assumptions are the necessary and underlying conditions, measures or decisions to ensure that the expected change in the results chain at every step is met and the results are sustainable in the long run.

10. **Risks:**
Risk are the external conditions which may affect the achievement of the desired results and completion of planned activities. These are the conditions over which the project has minimal or no control and it is subjected to surrounding factors which are beyond the scope of the project

11. **Central Sector scheme (CS):**
Central sector schemes are implemented by the central government and the budget or financing needed for the scheme is entirely sourced by the central government

12. **Centrally Sponsored scheme (CSS):**
Centrally Sponsored Schemes (CSS) are those schemes which are implemented by the state government but sponsored by the central government with a defined shareholding. The funding is borne by the states in a certain ratio like 50:50 or 75:25 and so on. These schemes are aimed at supplementing efforts undertaken by the state government as the central government has more resources at its disposal. These schemes can either be national or regional in character.

13. **Targets:**
This is the statistic or the number to denote the result (measurable value) that the indicator should achieve by the end of the year.

14. **Progress:**
This is the statistic or the number denoting the actual achievement of the targeted result (measurable value) by the end of the year.

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[1] http://monitoringevaluation.weebly.com/quantitative--qualitative-indicators.html

15. Baseline Year:

It is a fixed point of reference i.e., the time-point from which the scheme progress and status is to be tracked and compared. It is generally the starting year of the scheme/project.

16. Baseline Value:

It is the value of the indicator at the beginning (during the baseline year or the fixed point of reference). It is captured to measure the change in the value of indicator post-implementation of the scheme/project.

17. Budget estimate/outlay (BE):

Every year, the Budget is presented before Parliament by the Union finance minister on 1st February. The budget lays out the amount of money allocated in the Budget to any ministry or scheme for the coming financial year. These numbers are called Budget estimates. These estimates are not the exact number or the final commitment by the government to any particular initiative. These state the estimates or approximate value of the extent of expenditure the government is willing to go for.

18. Revised estimate/outlay (RE):

Revised Estimates are mid-year review of possible expenditure, taking into account the rest of expenditure, New Services and New instrument of Services etc. This gives a revised estimate of how much is possible for the government to extend to the said sector. The revised estimates and budget estimates may vary, but the difference may not be huge.

19. Actual expenditure (AE):

The actuals are the numbers that represent the real amount extended by the government to the scheme concerned. Actuals give the real number for how much was really spent.

20. Demand for Grants (DG):

Article 113 of the Constitution mandates that the estimates of expenditure from the Consolidated Fund of India included in the Annual Financial Statement and required to be voted by the Lok Sabha, be submitted in the form of Demands for Grants. The Demands for Grants are presented to the Lok Sabha along with the Annual Financial Statement. Generally, one Demand for Grant is presented in respect of each Ministry or Department. However, more than one Demand may be presented for a Ministry or Department depending on the nature of expenditure. Each Demand normally includes the total provisions required for a service, that is, provisions on account of revenue expenditure, capital expenditure, grants to State and Union Territory Governments and also loans and advances relating to the service.

21. Annual Financial Statement

The Annual Financial Statement (AFS), the document as provided under Article 112, shows the estimated receipts and expenditure of the Government of India for current FY in relation to estimates for previous FY as also actual expenditure for the second to last FY. The Annual Financial Statement distinguishes the expenditure on revenue accounts from the expenditure on other accounts, as is mandated in the Constitution of India. The Revenue and the Capital sections together, therefore make the Union Budget.

22. Finance Bill:

At the time of presentation of the Annual Financial Statement before the Parliament, a Finance Bill is also presented in fulfilment of the requirement of Article 110 (1)(a) of the Constitution, detailing the imposition, abolition, remission, alteration or regulation of taxes proposed in the Budget. It also contains other provisions relating to the Budget that could be classified as Money Bill. A Finance Bill is a Money Bill as defined in Article 110 of the Constitution.

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The Development Monitoring and Evaluation Office (DMEO), attached to NITI Aayog, is the apex monitoring & evaluation (M&E) office in the country, with a mandate to drive evidence-based policy making through M&E of government policies and programmes. Since its inception in 2015, the Office aims to shift the discourse of public policy towards rigorous, data-driven, citizen-centric, and decentralized policymaking, to improve governance and facilitate the formation of a New India.

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