Outcome budgeting

Why in news?

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Delhi government’s Outcome Budget is a unique effort towards accountability.

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What is the issue?

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- The Finance Minister of Delhi government has unveiled Delhi’s Outcome Budget for 2017-18 calling it “an historic innovation for ushering in transparency and accountability in public spending”.
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- Delhi’s Outcome Budget document was released last week and gives several reasons to believe why this claim might be true.
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Why is outcome budget important?

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- Public administration in India has been plagued by a lack of focus on results and outcomes that matter most to citizens.
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- Annual planning and monitoring revolves largely around the allocation of the government’s budget to its departments and programmes and periodically checking if the money is being spent and activities completed.
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- But such an approach, however, completely misses the difference between doing the job, and doing it well.
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- An outcomes-based approach shifts the perspective to the short and long-term outcomes of governance.
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- For example rather than asking did they build enough toilets or did they

open schools and hospitals, the questions will be like whether the toilets built are clean and functional and did open defecation reduce?.
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- An outcome budget seeks to enshrine this approach within governments by linking budgetary outlays to specific outputs (tangible services or infrastructure provided) and outcomes (short or long-term benefits to the people).
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- It arms citizens with data to hold governments accountable, and in turn empowers the governments to better orient the bureaucracy towards results.
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- Outcome Budget was first introduced in India by the UPA in 2005-06 by stating that “the people of the country are concerned with outcomes, not outlays”.
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- Since then, the Centre has continued to release annual Outcome Budget reports with incremental changes and without any reference to the previous year’s performance.
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- Building on this, the Delhi government’s Outcome Budget for 2017-18 shifts the bar for transparency and accountability in public spending to a new level.
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Why Delhi government’s budget is unique?

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- There are at least three distinct ways in which the Delhi government’s effort is unique for any government in India.
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- First, a substantial chunk of the annual budget has been linked to quantifiable indicators measuring both outputs and outcomes.
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- In all, 1,938 unique indicators were developed to capture the performance of 34 departments and agencies of the Delhi government.
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- The report also captures the baseline performance against these indicators for 2016-17 and targets for 2017-18, a bold act of suo moto disclosure for any government in India.
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- Second, realising the difficulty of capturing certain outcomes through administrative data, the Delhi government plans to rely on independent

surveys and citizen feedback to assess the outcomes of important programmes.
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- For example, independent surveys will now measure the percentage of community toilet seats that are functional and their average cleanliness score.
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- The independent surveys also measure average satisfaction levels among citizens using Mohalla Clinics and hospitals of the Delhi government.
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- Third, the Delhi government plans to use the Outcome Budget as a government-wide quarterly monitoring framework facilitated through an IT application, and not as a one-off annual report.
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- This has major implications for creating a common bottom line for government functionaries to focus on, similar to the quarterly profit and performance targets (KRAs) driving private sector managers.
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- Delhi's outcome budgeting initiative puts it in the league of global cities that rigorously measure the performance of their agencies.
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- For example, since 1977, the New York City government releases a half-yearly Mayor's Management Report which tracks the city's 44 agencies against 1,649 performance indicators.
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- Delhi's Outcome Budget is a remarkable achievement also for the fact that it was not just a technocratic project.
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- Backed strongly by the elected leadership, it was a collaborative exercise between the Planning department and hundreds of officials from various departments.
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- Much more work will be required to improve upon the choice of indicators and to build robust systems to generate reliable data.
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Source: Indian Express

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