

No. G.11011/28/2016-Bud /375
Government of India

Ministry of Water Resources,
River Development & Ganga Rejuvenation
(Budget Section)

New Delhi, Dated 14th January, 2017

OFFICE MEMORANDUM

Sub:- Preparation of Outcome Budget 2017-18 of MoWR, RD & GR –reg.

The undersigned is directed to inform that Outcome Budget of the Ministry is required to be presented to Lok Sabha Secretariat (Standing Committee on Water Resources Branch).

2. As per the guidelines issued by the Ministry of Finance (Department of Expenditure) by O.M. dated 28th January, 2016, every Ministry/Department is required to prepare its Outcome Budget. This will broadly indicate physical dimensions of the financial budgets and also the actual physical performance in 2015-16, performance upto 31st December, 2016 and the targeted performance during 2017-18.

3. As far as feasible, sub-targets for coverage of women and SC/ST beneficiaries under various developmental schemes and the schemes for the benefit of the North-Eastern Region should be separately indicated.

4. MoF has said that the Outcome Budget should also contain the information regarding **Normal Savings, Under/ No-utilisation and Surrenders.**

The Outcome budget 2017-18 will be prepared on the basis of Budget 2017-18 in the form of a document, separate for each Ministry/ Department, broadly consisting of the chapters detailed below:

- a) **Executive summary:** Apart from summarizing relevant chapters, this portion should prominently highlight the details of the monitoring mechanism and the public information system put in place by the Ministry/Department to regularly monitor physical and financial progress during the course of the year and inform the general public about it.

(Action: JS (PP) - to be coordinated from all SMDs)

- b) **Chapter I Introduction:** This will contain a brief introductory note on the functions of the Ministry/Department, organizational set up, list of major programmes/schemes implemented by the Ministry/department, its mandate, goals and policy framework. This introduction should highlight, in particular, if the Ministry has goals or major programmes or schemes in respect of women/gender equality.

(Action: JS (PP) - to be coordinated from all SMDs)

dir. Circulate to
all divisions for
summary by 10/01
05/1
PDS

Tech. Div, NLC

- c) **Chapter II Statement of Budget Estimate (SBE):** As per Budget Circular 2017-18, this Chapter of Outcome Budget may be formulated in new format (enclosed as Annexure-A).

(Action: JS & FA)

- d) **Chapter III Reform measures and policy initiative:** This will detail reform measures and policy initiative, if any, taken by the Ministry/department and how they relate to the intermediate outputs and final outcomes in areas such as public private partnerships, internal revenue mobilization efforts, alternate delivery mechanisms, social and women's empowerment processes, greater decentralization, transparency etc.

(Action: JS (PP) - to be coordinated from all SMDs)

- e) **Chapter IV Review of past performance:** At the very least, this should indicate the performance during 2015-16 and 2016-17 (upto December, 2016) in terms of targets already set. The analysis of physical performance should be Scheme wise with the reasons for variations; explaining the scope and objectives of individual programs/ schemes, giving their physical targets and achievements. Indicators of performance relating to individuals should be sex-disaggregated.

As per the instructions of Parliamentary Committee on Water Resources, 'Outcome Budget' of this Ministry may be prepared as a comprehensive annual document indicating clearly all the work executed, physical, as well as, financial targets fixed, results achieved, funds allocated and expenses incurred on each Project/Scheme of the Ministry during the year. All the SMDs/Organizations are, therefore requested to furnish information with regard to expenses incurred on each project/scheme of the Ministry during the years 2015-16 and 2016-17 (upto December, 2016) under remarks column (in the existing format of **Annexure -I & II of Chapter-IV**) alongwith the reasons for variation.

(Action: JS (PP) - to be coordinated from all SMDs)

- f) **Chapter V Financial Review:** Financial Review covering overall trends in expenditure vis-à-vis Budget Estimates/ Revised Estimates in recent years, including the previous year. Data should be segregated scheme-wise, object head-wise, and institution wise in the case of autonomous institutions. Position of outstanding utilization certificates and unspent balances with States and implementation agencies should also be brought out.

(Action: JS & FA – to be coordinated from Office of C.A., PP Wing, FM Wing, Pen. River Wing & MI Division)


- g) **Chapter VI Review of performance of Statutory and Autonomous Bodies:** In the case of review of performance of Statutory and Autonomous Bodies under the administrative control of the Ministry/department, the same principles as in reporting on the Ministry's own performance should be followed. These

principles include sex disaggregation of performance indicators relating to individuals.

(Action: JS (PP) - to be coordinated from all SMDs)

6. It is requested that material for inclusion in the "Outcome Budget 2017-18" may kindly be sent to Budget Section in accordance with the above guidelines by the 10th January, 2017 positively. It is also requested that the material should be vetted by concerned SMD before the same is forwarded to Budget Division of this Ministry. A CD/Pen drive having the material may also kindly be sent along with the hard copy to facilitate compilation of the document. The material may also be sent by e-mail to budget-mowr@nic.in. Further, it is added that in case fresh guidelines on preparation of Outcome Budget is received from Ministry of Finance, the same will be circulated amongst all concerned for furnishing additional/supplementary information, if necessary.

Encl: As above.



(Y.P. Yadav)
Under Secretary (Budget)
Tel.No.23711486

To

JS (PP), MoWR, RD & GR.

Copy for necessary action to:-

1) ADG(Stat)/ DS(GA)/Dir(ID)/DD(PP)/Dir(E-II)/Dir(Estt-I.)/Dir.(NWM) /Dir.(WQ)/ Dir(GW)/Dir.(Stat)/Dir(E-III)/Dir(CAD)/DS(Coord)/ DS(Admn.)/ Sr. Hydrogeogist (HP) / SJC(B&B)/Sr.JC(MI)/ Sr.JC(Indus)/ Sr.JC(PP)/Sr.JC(BM)/ Sr.JC(CAD)/ Sr.JC(Pen.Riv) /Sr.JC (FM)/Sr.JC(SPR)/Sr.JC(PR)/DC (BM), MoWR.

2) All Wing /Organization Heads (As per list attached).

No.10(2)/E.Coord/2015
Government of India
Ministry of Finance
Ministry of Expenditure

North Block, New Delhi
Dated: 28th January, 2016

OFFICE MEMORANDUM

Subject: GUIDELINES FOR PREPARATION OF OUTCOME
BUDGET 2016-17.

Introduction:

Outcome Budget have become an integral part of the budgeting process since 2005-06. OUTCOME BUDGET 2016-17 will broadly indicate the physical dimensions of the financial budgets, as also the actual physical performance in 2014-15, and the performance till December for the year 2015-16 and the targeted physical performance during 2016-17.

Scope of coverage in Outcome Budget 2016-17:

2. The Outcome Budget documents will be prepared separately by each Ministry/Department in respect of all Demands/Appropriation controlled by it, except those exempted from this requirement, and to the extent that disclosures are not barred on considerations of security, etc. A list of Demands/Appropriations exempted from this requirement is enclosed at Annexure-I. However, even the Ministries/Departments and other authorities 'exempted' from preparation of Outcome Budget and placing it in public domain are requested to carry out this exercise for internal use and voluntarily decide to place it in public domain fully or partially.
3. As far as feasible, sub-targets for coverage of women and SC/ST beneficiaries under various developmental schemes and the schemes for the benefit of the North-Eastern Region should be separately indicated. The support to CPSEs and autonomous bodies (with GIA Capital/GIA Salary/GIA General breakup) may also be captured for appropriate reflection in Expenditure Budget Vol. I and Vol. II.

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Broad Format of Outcome Budget 2016-17:

4. The Outcome Budget 2016-17 will be prepared on the basis of Budget 2016-17 in the form of a document, separate for each Ministry/Department, broadly consisting of the chapters detailed below:

Executive summary: Apart from summarizing relevant chapters, this portion should prominently highlight the details of the monitoring mechanism and the public information system put in place by the Ministry/Department to regularly monitor physical and financial progress during the course of the year and inform the general public about it.

Chapter I Introduction:

This will contain a brief introductory note on the functions of the Ministry/Department organizational set up, list of major programmes/schemes implemented by the Ministry/Department, its mandate, goals and policy framework. This introduction should highlight in particular, if the Ministry has goals or major programmes or schemes in respect of women/gender equality.

Chapter II Statement of Budget Estimate (SBE):

This will contain a tabular format, which may be visualized as "vertical compression and horizontal expansion" of the Statement of Budget Estimate (SBE) included in the Expenditure Budget Vol. II (with suitably adapted format for Railways). There may be separate tables for separate Demands/Appropriations controlled by the Ministry/Department. The main objective is to establish a one to one correspondence between (financial) Budget 2016-17 and Outcome Budget 2016-17. The details will comprise of the financial outlays, projected physical outputs and projected/budgeted outcomes (intermediate/partial and final, as the case may be). Projected physical output should be disaggregated by sex, wherever possible and appropriate, i.e. where delivery is to individuals. An indicative format for these Demands/Appropriations – wise tables is enclosed as Annexure-II. Explanatory notes may be liberally added, wherever necessary.

Chapter III Reform measures and policy initiative:

This will detail reform measures and policy initiative, if any, taken by the Ministry/Department and how they relate to the intermediate outputs and final outcomes in areas such as public private partnerships, internal revenue mobilization efforts, alternate delivery mechanisms, social and women's empowerment processes, greater decentralization, transparency etc.

Chapter IV Review of past performance:

At the very least, this should indicate the performance during 2014-15 and 2015-16 in terms of targets already set. The analysis of physical performance should be Scheme-wise with the reasons for variations, explaining the scope and objectives of individual programs/scheme, giving their physical targets and achievements. Indicators of performance relating to individuals should be sex-disaggregated.

Chapter V Financial Review:

Financial Review covering overall trends in expenditure vis-à-vis Budget Estimates/Revised Estimates in recent years, including the previous year. Data should be segregated scheme-wise, object head-wise and institution-wise in the case of autonomous institutions. Position of outstanding utilization certificates and unspent balances with States and implementation agencies should also be brought out.

Chapter VI Review of performance of Statutory and Autonomous Bodies:

In the cases of review of performance of Statutory and Autonomous Bodies under the administrative control of the Ministry/Department, the same principles as in reporting on the Ministry's own performance should be followed. These principles include sex disaggregation of performance indicators relating to individuals.

5. The following points may be noted in respect of contents of Chapter II of Outcome Budget 2016-17 giving targets for 2016-17 :

(i) The description of items should match with the description shown for the different items in the Statement of Budget Estimates (SBE) as included in Expenditure Budget Vol. II of the Budget 2016-17. However, minor items may be clubbed to avoid cluttering up and to focus attention on significant items.

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(ii) The terms "complementary extra-budgetary resources" refers to the resources committed for the purpose by the entities other than the Central Government. Typically, it would include matching share from the State Governments for Centrally Sponsored Schemes or resource contribution by Public Sector Undertakings or by private parties in the case of Public Private Partnership projects.

(iii) There should be a separate table for each Central Public Sector Enterprise (CPSE) under the administrative control of the Ministry, with itemized listing of major projects in hand. The Outcome Budget should be prepared on the basis of the Central Plan Outlay comprising of both the Gross Budgetary Support (GBS) component as well as the Internal & Extra Budgetary Resources (IEBRs) component of the Central Plan Outlay. Thus, the Outcome Budget in respect of CPSEs may be prepared even if there is no budgetary support. The Railways may give a separate list of projects to be implemented through GBS.

(iv) Wherever a Ministry/Department has large Autonomous Bodies dependent upon Government for financial support, separate tables may also be considered for each such organization as per the assessment of the Ministry/Department.

(v) The tables concerning CPSEs and Autonomous Bodies should list out important projects in hand, give such details as sanctioned cost, scheduled date of completion, total cumulative expenditure till the beginning of the year, total expenditure planning during 2016-17, likely date of completion and the related "outputs" and "outcomes". The latter should be sex-disaggregated where they relate to projects oriented to individuals.

(vi) The 'final outcome' need not necessarily be co-terminus with the annual outlays and 'intermediate physical outputs'. 'Final outcomes' may span a longer time frame than the annual final outlays and corresponding intermediate outputs. Wherever the 'final outcomes' are estimated to take longer than one year, the estimated time frame should be clearly indicated. In case, the gestation is four to five years or longer the 'partial outcomes' need to be tracked on an annual basis to ensure that the 'final outcomes' once indicated as achievable after five years are not forgotten or mechanically repeated in the document from one year to the other and that the progress made towards achieving the final goal is reflected. Information should be provided whether the project is in the 'initial' stage, 'intermediate' stage or 'final' stage.

(vii) Wherever 'physical outputs' are in a sense the 'final outcomes', assessment of 'quality of output' through 'appropriate indicators of quality' should be brought out.

(viii) Wherever 'final outcomes' are not the direct results of the annual outlays and are the cumulative effect of past several years' outlays, this should be clearly explained.

(ix) The 'final outcome' component of the Outcome Budget need not necessarily have yearly targets, as final outcomes will vary by Ministry and Programme. 'Final Outcome' wherever possible can be measured in a five year time frame in line with five year plans. The 'partial outcome' may be mentioned in these cases in the Outcome Budget of that year.

(x) Where the 'final outcomes' are not measurable and quantifiable, the likely benefit that will accrue may be incorporated.

(xi) The explanatory notes should attempt to bring out the role and financial commitment of other agencies that is required to fructify the intended outcome of a particular scheme of the Ministry/Department, even though such agencies may or may not be directly involved in the implementation and may be providing complimentary services.

(xii) Non-Plan expenditure are necessary to maintain the basic infrastructure without which the Plan interventions are bound to fail in meeting the intended objectives. Role of Non-Plan expenditure is therefore supplementary and facilitative. Hence, outcomes cannot be categorized as Plan outcomes and Non-Plan outcomes. The Outcome Budget 2016-17 will cover Non-Plan expenditure as far as possible. The column on Budget support would have been two sub-columns "Plan" and "Non-Plan" and the outcomes will be related to the total budget provision. Schemes/items in the Statement of Budget Estimates having only Non-Plan expenditures, which can be linked to certain deliverable outputs, should find mention in the Outcome Budget.

(xiii) The Outcome Budget should also contain the following information :-

(a) **Normal Savings** : Savings resulting from economic use of resources;

(b) **Under/Non-utilisation** : Savings due to 'non-implementation/delay in execution of projects/schemes; and

(c) **Surrenders** : Savings due to obsolete/defunct projects/scheme or due to completion of a project/scheme and the funds are no more required.

6. The outcomes reflect the ultimate aims of Government policy through budgetary support, tax exemption/concessions and preferential treatment in procurement of goods and services. It would be desirable if the Ministries/Departments include a chapter in the Outcome Budget detailing such extra-budgetary measures and their impact. The revenue forgone in promotion of certain policy measures is defined as 'tax expenditures' and it would be useful if the impact of this implicit expenditure is also assessed.

Certain presentational features:

7. It is desirable that the above documents brought out by different Ministries/Departments have a common level of detailing, at least for a minimum set of disclosure parameters; separately in Hindi and English; be reader-friendly and adopt certain common printing formats. Accordingly, the following may be kept in view:-

❖ In the case of Departments having total budget provision of less than Rs. 100 crore (as per the netted figure shown in the Expenditure Budget Vol. II), all amounts may be shown in "in lakh" with two decimal places. For others, the amount may be shown "in crore" with two decimal places. The amounts may be shown with comma separators.

❖ Each page may be given a running header giving the chapter number, title and page number running for the whole document from the 1st page of Chapter I. The documents may be printed on the size of paper used for Detailed Demands for Grants.

❖ Any other addition/alteration, inclusion of graphics/charts etc. to improve readability of the document.

8. However, the above guidelines are not intended to prescribe a rigid format. These are indicative of minimum disclosure requirements and do not preclude any value addition that the Ministries/Departments decide to carry out on their own.

Planning for future refinements

9. The Ministries/Departments are advised to put in place, if not already there, systems of data collection, with the help of specialized agencies wherever necessary, for the purpose of (i) developing measurable 'indices of performance' to measure and assess quality of implementation; (ii) developing norms of standard unit cost of delivery of a service; (iii) quantification/factoring in of environmental outcomes; (iv) quantifications of community and empowerment outcomes through social capital formation (v) quantification of impact of funds earmarked for publicity/awareness generation; and (vi) disaggregation, by sex and other relevant factors, indicators of performance and impact. This will not only involve collection of data on past trends but also on present development in markets and technology. The Ministries/Departments are encouraged to make use of the services of the Cost Accounts Branch of this Department in addressing the costing issues.

Independent Evaluation

10. The Ministries/Departments may engage independent evaluators and assessment agencies for scrutiny/evaluation of the achievements against physical outputs and final outcomes of major flagship schemes. Due care may be taken to avoid duplication of efforts in evaluation studies conducted by the NITI or the Department of Programme Implementation.

Time Schedule and responsibility

11. The Outcome Budget 2016-17 documents should be laid before both the Houses of Parliament after final approval of the Minister-in-charge, to ensure that the process is complete after presentation of Budget and before end of the Budget session or such date as may be necessary. In exceptional cases, where laying of documents is not feasible, these may be circulated to Hon'ble Members of Parliament through the Secretariat of the House. These should be available to the Departmental Standing Committees or Parliament for examination. The Ministries/Departments should also place these documents in the public domain by putting it on their website after presentation in Parliament.

12. Responsibility for preparation of this document will rest essentially with the Ministries/Departments. The Financial Adviser of the Ministry/Department will be the nodal officer for coordinating the whole exercise and organizing 'need-based consultations' with various officers within the Administrative Ministry/Department or with the Ministry of Finance, NITI and outside experts, with due regard to the confidentiality of the budget process. Heads of various Divisions handling different schemes may be instructed to provide necessary draft write-ups and other material to the Financial Adviser sufficiently in advance.

13. The draft Outcome should include Flagship Programmes, if any, also. The draft Outcome Budget 2016-17 in respect of "Flagship Programmes" may be got vetted from the Department of Expenditure (Plan Finance-II) as well as from the NITI.

Follow-up action after presentation of Outcome Budget

14. The real value of Outcome Budget lies in its utility as a policy tool to establish effective linkage with allocation and disbursement of public funds on the basis of measurable performance.

15. As mentioned in paragraph 4 above, the Ministries/Departments should indicate their monitoring mechanism and the public information system in the Outcome Budget. This will result in periodic progress reports being made available to the Ministry/Department by the implementing agencies. The next logical step would be to link release of funds with progress in achieving monitorable physical progress against commitments made in the Outcome Budget.

16. As the Ministries are aware, Rule 212 of the General Financial Rules, 2005 introduced significant changes in the system of "Utilization Certificates". Besides financial certification of having fully spent the amount for approved purpose, the Utilization Certificate should also disclose whether the specified, quantified and qualitative targets that should have been reached against the amount utilized, were in fact reached, and if not, the reasons therefor. Utilization Certificates should contain an output based performance assessment instead of input based performance assessment.

17. Accordingly, the Ministries/Departments should revise the guidelines and practices applicable to their schemes to ensure a staggered and controlled release of funds. In combination with other expenditure management measures like e-banking, it should be feasible to ensure that funds are made available in time for actual requirement and that the funds are neither delayed, diverted or parked outside Government account.

Annie G. Mathew

(Annie G. Mathew)

Joint Secretary to the Government of India

All Secretaries to the Government of India

All Financial Advisers to the Ministries/Departments

All Heads of accounting wings in the Ministries/Departments

Copy to:-

1. CEO, NITI

2. The Technical Director, NIC, Department of Expenditure with the request to upload this Office Memorandum in the official website of the Ministry of Finance.

ANNEXURE I

List of Demand/Appropriation in respect of which outcome budget is not mandatory

The Outcome Budget 2016-17 is intended to cover the entire Central Plan Outlay (Gross Support and Internal and Extra Budgetary Resources) and connected Non-Plan provisions that are amenable to Outcome Budgeting. In general, a Ministry/Department may exclude to "Assistance to State Plan" component of its Plan Budget from the scope of Outcome Budget. The following demand/appropriations are specifically exempted from the purview of outcome budgeting:

Ministry of Defence
Defence Pensions
Defence Army
Defence Navy
Defence Air Force
Defence Ordnance Factories
Defence Services Research and Development
Capital Outlay on Defence Services
Interest Payments
Transfer to State and Union Territory Governments
Loans to Government Servants etc.
Repayment of Debt
Pensions
Indian Audit and Accounts Department
Cabinet
Transfers to Union Territory Governments
Election Commission
Supreme Court of India
Ministry of Parliamentary Affairs
Ministry of Personnel, Public Grievances and Pensions
Staff, Household and allowances of the President
Lok Sabha
Rajya Sabha
Union Public Services Commission
Secretariat of the Vice President
Andaman and Nicobar Islands
Chandigarh
Dadra & Nagar Haveli
Daman & Diu
Lakshadweep

FORMAT OF TABLES IN CHAPTER II OF OUTCOME BUDGET 2017-18

(Rs. in crores)

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Performance of 2015-16

Annexure-I
(Chapter-IV)

Sl. No.	Name of Scheme / Programme	Objective/ Outcome	BE 2015-16	Quantifiable Deliverables/ Physical Outputs	Process/ Timelines	Achievements w.r.t Col (5) as on 31.03.2016	Remarks/ Risk Factor
1	2	3	4	5	6	7	8

[illegible]

Performance of 2016-17

Annexure-II
(Chapter-IV)

Sl. No.	Name of Scheme / Programme	Objective/ Outcome	BE 2016-17	Quantifiable Deliverables/ Physical Outputs	Process/ Timelines	Achievements w.r.t Col (5) as on 31.12.2016	Remarks/ Risk Factor
1	2	3	4	5	6	7	8

1. JS (A), MoWR, RD & GR
2. JS (PP) , MoWR, RD & GR
3. JS (CAD), MoWR, RD & GR
4. JS (Pen. River), MoWR, RD & GR
5. Chairman, B&B, Assam-29
6. Chairman, CGWB, CENTRAL GROUND WATER BOARD , Bhujal Bhawan, NH-IV, Faridabad – 121001
7. Commissioner(SP), MoWR, RD & GR
8. Economic Adviser, B-Wing Shastri Bhawan, New Delhi
9. Commissioner(FM), MoWR, CGO Complex, Lodhi Road, New Delhi
10. Commissioner(Indus), MoWR, CGO Complex, Lodhi Road, New Delhi
11. Commissioner(Pen.Riv), MoWR, RD & GR, Krishi Bhawan , New Delhi
12. Commissioner(B&B), MoWR, RD & GR, CGO Complex, Lodhi Road, ND
13. Director (NMCG). MTNL Building, 9-CGO Complex, Lodhi Road ND.
14. Director, R&D, CWC, Sewa Bhawan, RK Puram
15. Director, General, NWDA, Saket, ND
16. Director, CSMRS, Hauz Khas, ND
17. Director-in-charge, CWPRS, Pune
18. Director, NIH, Roorkee-247667
19. US, PSU Section, MoWR, RD & GR
20. Registrar, RBWT, RK Puram
21. Registrar, KWDT, BCP, ND
22. Registrar, MWDT, Janpath
23. Registrar, VWDT,
24. Registrar, CWDT, Janpath
25. CMD, WAPCOS, KG Marg
26. CMD, NPCC, Haryana- 121004
27. MS, UYRB, RK Puram
28. CA, MoWR, RD & GR, Shastri Bhawan.
29. Secretary, BCB, M.P-486005
30. GM, FBP, West Bengal-742212
31. Secretary, SSCAC, Vadodara-390001
32. Chairman, GFCC, Patna-800015
33. CE, BRB, Jhansi-284003
34. CE, NWA, CWC, Pune
35. Executive Member, NCA, Vijay Nagar (Indore, Madhya Pradesh -452012)
36. Chairman, Tungabhadra Board, P.O. Tungabhadra Dam, Taluk Hospet, District Bellary, Karnataka-583225
37. Chairman (CWC), 315, Sewa Bhawan (S), RK Puram, New Delhi 110 606
38. ADG. (Stat.) MoWR, RD & GR, Lok Nayak Bhawan, Khan Market New Delhi
39. Pay & Accounts Officer, Shastri Bhawan
40. Cash Section, MoWR, RD&GR, Shastri Bhawan New Delhi

