

**No.1(1)-PF II/05
Ministry of Finance
Department of Expenditure
(PF II Division)**

New Delhi, 30th June, 2005

**Subject:-Revised format for Expenditure Finance Committee (EFC)
Memorandum.**

In the Budget Speech for 2005-06, Finance Minister had observed as follows-

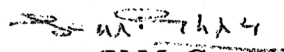
"I must caution that outlays do not necessarily mean outcomes. The people of the country are concerned with outcomes. The Prime Minister has repeatedly emphasized the need to improve the quality of implementation and enhance the efficiency and accountability of the delivery mechanism."

2. In his letter dated 17th March, 2005 addressed to all Ministers, Prime Minister has reiterated the importance of focusing on development outcomes instead of outlays.

3. In pursuance of these directions it has been decided to add para 2(1) to the EFC memorandum as follows-

2(1). What are the development "outcomes" and "outputs" of the scheme/project? The development outcomes and outputs should be specified in measurable and monitorable terms alongwith baseline data against which the impact of the scheme will be assessed. (An illustration of the distinction between "outcomes" and "outputs" is available under the National River Conservation Programme - setting up of an STP/Laboratory is an "output" while improvement of river water quality to a prescribed standard is a development "outcome")

4. All Departments are requested to ensure that development outcomes and outputs are clearly defined in measurable and monitorable terms in respect of all schemes/projects considered by SFC/EFC, as indicated in para 3 above.


(K.M. Gupta)
Director (PF II)

To

- (i) Secretaries of all Ministries/Departments.**
- (ii) FAs of all Ministries/Departments.**