

# [The chain is not always direct, and several](https://assignbuster.com/the-chain-is-not-always-direct-and-several/)

The process of conversion of outlays into outcomes is a long one with several intermediate stages and complementary resources required in achieving intended impact. The cause and effect chain is not always direct, and several environmental factors influence the actual impact and outcomes. Outlays are financial resources deployed for achieving certain outcomes.

Part of the money may be directly from the budget and part from other stakeholders such as State Governments, public sector undertakings (PSUs) or even private parties in the growing area of Public Private Partnership (PPP). Inputs are physical resources subsumed under outlays. Outputs are a measure of the physical quantity of the goods or services produced through a government scheme or programme.

They are usually an intermediate stage between ‘ outlays’ and ‘ outcomes’. For example, construction of a school building is the ‘ output’, while increase in the literacy rate is the ‘ final outcome’ or ‘ impact’. Outcomes or impact are the end results of various Government initiatives and interventions. Going beyond mere ‘ outputs’, they cover the quality and effectiveness of the goods or services produced as a consequence of an intervention. In poverty monitoring, impact is placed at a higher level than outcomes. Overall well-being or living standards of the poor is treated as a higher level impact with outcome defined as poor’s access to and use of goods and services. Goals, indicators and targets have been drawn up for various schemes and programmes. The ministries/departments would engage independent evaluators and assessment agencies for scrutiny / evaluation of the achievements against physical outputs and final outcomes of major flagship schemes.

Guidelines for preparation of the outcome budget by various ministries have been issued.