

Evaluation of Governance – A Study of the Government of India’s Outcome Budget

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In 2005, the Government of India launched an apparently excellent initiative – the Outcome Budget – with the objective of changing the culture of measuring performance in terms of the amount of money spent against the budgeted allocations, to one of measuring performance in terms of the delivery of the outcomes that people are concerned with. This paper describes how the Outcome Budget was launched, articulates the theory of change underlying the Outcome Budget, presents a case study of the Outcome Budget of the Government of India’s Accelerated Power Development and Reforms Programme, and discusses the lessons that the Government of India may learn from its experience with the Outcome Budget.

The paper argues that the Outcome Budget has failed. This has happened because the assumptions of the theory of change underlying the Outcome Budget have not been satisfied. The failure of the Outcome Budget has extremely important lessons for the Independent Evaluation Office, which the Government of India has decided to set up. The paper articulates the theory of change underlying the Independent Evaluation Office. This theory assumes that policymakers in India currently demand rigorous impact evaluations of public interventions and will continue to demand such evaluations in future, not because they have to comply with any requirement but because they really want to know the answers to the impact evaluation questions of “what works, under what conditions does it work, for whom, what part of a given intervention works, and for how much?”, so that they may draw appropriate lessons from these answers and use these lessons while designing and implementing public interventions in future. However, given Indian public officials’ current culture, the Independent Evaluation Office may not make any visible difference in development effectiveness in India.

[The paper](#), published in *Journal of Development Effectiveness*, Volume 2, Number 4 (December 2010), is amongst the Journal’s “most read” (downloaded) papers, and is currently on the free download list of most read papers.

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4. India
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