

Government of Uttarakhand, Finance Department
Uttarakhand Public Financial Management Strengthening Project
Center for Training and Research in Financial Administration, (CTRFA)
UTTARAKHAND, INDIA
REQUEST FOR EXPRESSIONS OF INTEREST
(CONSULTING SERVICES – FIRMS SELECTION)

India

Uttarakhand Public Financial Management Strengthening Project

Loan No.: IBRD 8928

Assignment Title: Terms of Reference (TOR) for Preparation of Outcome budgets for 20 major Departments of the Government of Uttarakhand (GoUK)

Reference No. IN-CTRFA- 239390 -CS-QCBS

Request for Expression of Interest for Terms of Reference (TOR) for Preparation of Outcome budgets for 20 major Departments of the Government of Uttarakhand (GoUK)
(CONSULTING SERVICES – FIRM SELECTION)

Application Deadline:	1 st July 2021
Type of Contract:	Consulting Service-Firm Selection
Method of Procurement:	Quality Cost Based Selection (QCBS)

Reference No. IN-CTRFA- 239390 -CS-QCBS

Date: 16th June 2021

The GoUK has received a loan from IBRD for the Uttarakhand Public Financial Management Strengthening Project (UkPFMS) and intends to apply a part of the loan proceeds for this assignment toward the **Terms of Reference (TOR) for Preparation of Outcome budgets for 20 major Departments of the Government of Uttarakhand (GoUK)**

The overall objective of of this assignment is to prepare Outcome Budget for 20 major line departments for FY 22-23 in line with state priorities and UNSDGs. This assignment also intends to improve the Outcome Budget of the state of Uttarakhand. This includes key activities like developing Outcome Budget Manual, preparing Outcome Budget and providing training and capacity building to the staff

The scope of the project broadly involves the following but not limited to:

1. AS-IS study:
2. Developing an Outcome Budgeting Manual:
3. Developing a Results Framework Document (RFD) Guidelines:
4. Preparing Outcome Budget for 20 major departments including pilot study:
5. Developing training module and provide training and capacity building on Outcome Budget:

The Finance Department through the Center for Training and Research in Financial Administration (CTRFA) now invites eligible consulting firms (“Consultants”) to indicate their interest in providing the Services. Interested Consultants should provide information demonstrating that they have the required qualifications and relevant experience to perform the Services. The minimum required qualifications/criteria are available in Annexure 1 and terms of reference of the assignment can be accessed on the website <http://www.uttarakhandaudit.uk.gov.in> or can be obtained from CTRFA.

The attention of interested Consultants is drawn to paragraph 3.14 and 3.17 of the World Bank Procurement Regulations, July 2016 revised in November 2017 and August 2018 (“Procurement Regulations”), setting forth the World Bank’s policy on conflict of interest.

Consultant may associate with other firms to enhance their qualifications, but should indicate clearly whether association in the form of Joint Venture and/or sub-consultancy. In case of a Joint Venture, all the partners in a joint venture shall be jointly and severally liable for the entire contract, if selected

A Consultant will be selected in accordance with the **Quality Cost Based Selection (QCBS)** method set out in the Procurement Regulations.

Further information can be obtained at the address below during office hours *1000 to 1700 hours IST*.

Expression of Interest in the prescribed format along with relevant annexures must be delivered in a document form (hard copy or electronic pdf) at the address or mail id given below (in person, by post or by email) latest by 1st July 2021 **by 17:00 Hrs IST**

Project Director
Uttarakhand Public Financial Management Strengthening Project

91, Race Course,
Near Police Line,
Dehradun, 248001
Uttarakhand, India,
Mob: +91-9358119541,
E-mail: ukpfmswb@gmail.com

Annexure 1: Minimum Required Qualifications Criteria

S. No.	Basic Requirement	Specific Requirements	Supporting Documents Required
1)	Entity	Must be a legally constituted entity	Copy of the Certificate of Incorporation and constitutional documents
2)	Turnover	Should have an Average Annual Turnover of at least Rs. Two Crores during the last three financial years (2017-18, 2018-19 and 2019-20).	Certified copy of the audited financial statements OR certificate from the statutory auditor.
3)	Overall experience	Should have at least 10 years' overall experience of working in Public Financial Management in Government particularly and specifically in Budgetary mechanism with preference to Outcome Budget, Result Framework Document , Performance Budgeting	Self-certification of details of the experience
4)	Technical Capability	Should have proven track record of having successfully carried out minimum two (2) assignments, covering at least two area in the last five years 1. Developing an Outcome Budgeting Manual: 2. Developing a Results Framework Document (RFD) Guidelines: 3. Preparing Outcome Budget for departments 4. Developing training module and provide training and capacity building on Outcome Budget	Copy of work orders for ongoing assignments (In case of ongoing consultancy, the completion should be substantial (at least 75% of the technical deliverables has been submitted). (OR) Copy of work orders for completed assignments (OR) Work completion certificates from client
5)	Staff	Should have at least 15 staff\consultants with relevant qualifications and at least 5 years' experience in any of the above areas.	Self-certification of list of such staff with qualification and experience as per format provided.

EOI FORMAT

Instructions

1. Please provide the details as required in the format. Non-completion of the format may lead to rejection during evaluation.
2. The consultant can add other materials about the Organization and other relevant details as annexure.
3. Please provide all documents requested as annexure.

Name of the Consultant	
Registered Address	
Phone No:	
Email id:	
Name of the Contact Person for this EoI	
Phone no. of the Contact Person for this EoI	
Email id of the Contact person for this EoI	
Do you have a HO in the State	Yes/No. If yes, please provide the address
Do you have a branch office in the State	Yes/No. If yes, please provide the address
Date of establishment	
Registration number if any with ROC, registrar of societies etc	
Number of full-time qualified staff	
PAN	
GST	

Financial Particulars of the Consultant

Financial year	Turnover	
2019-20		
2018-19		
2017-18		

Key Staff Brief Profile ***

Name of Staff	Age	Years of experience	Qualification	Number of years associated with the Consultant	Name of clients handled with nature of work done

*** Please provide detail CVs separately as per format given below

Relevant assignments – Last Five years***

Project Name	Funding agency Name	Client Name	Nature of work	Year of Work	Status (Completed/Ongoing)	
	Central/State/Multilateral/Bilateral funding agency					

*** Please provide detail citation of work separately in the format given below. Relevant assignments are in related to either of the following -: Developing an Outcome Budgeting Manual/ Developing a Results Framework Document (RFD) Guidelines/ Preparing Outcome Budget for departments/ Developing training module and provide training and capacity building on Outcome Budget

Detailed Format for Citations

Assignment name:	Approx. value of the contract (in INR crores):
Country: Location within country:	Duration of assignment (months):
Name of Client:	Total N ^o of staff-months of the assignment:
Address:	Approx. value of the services provided by your Consultant under the contract (in current US\$ or Euro):
Start date (month/year): Completion date (month/year):	N ^o of professional staff-months provided by associated Consultants:
Name of associated Consultants, if any:	Name of senior professional staff of your Consultant involved and functions performed (indicate most significant profiles such as Project Director/Coordinator, Team Leader):
Narrative description of Project:	
Description of actual services provided by your staff within the assignment:	

UKPFMS

Terms of Reference (TOR): Preparation of Outcome budgets for 20 major Departments of the Government of Uttarakhand (GoUK)

Background

1. The Government of Uttarakhand (GoUK) has 31 departments. In 2019-20, Uttarakhand's budget size was INR 48,663 crores distributed across 2,248 schemes in 105 HODs. The General Budget focusses on expenditure. It is prepared by respective Line departments using a bottom up approach and compiled and consolidated by the Finance Department.
2. The Finance Department (FD) of the Government of Uttarakhand (GoUK) prepares the General Budget of the State every year between the months of September and March. The General Budget captures the financial allocations made to each sector under major programmes and schemes. It also has the provision of classifying expenditures as Capital or Revenue nature. The General Budget is however, not designed to capture the outputs and outcomes of these programmes. Owing to this, the critical link between efforts and results remains incomplete. The Outcome budget on the other hand, focuses on goals or outcomes. It is prepared by Line departments and compiled and consolidated by the Planning Department. While it is implied that moneys are spent to achieve outcomes, the preparation of the General budget and Outcome budget are seen as two separate exercises that fail to speak to each other.
3. With a view to overcome this shortcoming, the Government of India (GoI) introduced the 'Outcome Budget' in 2016-17. The purpose of the Outcome Budget is to make government programmes more result oriented. The Outcome Budget is prepared in addition to the General Budget. The Outcome Budget builds on the General Budget by capturing actual performance in financial and physical terms for the previous year, anticipated performance in financial and physical terms for the current year and projected performance in the form of qualitative targets over the medium term. The Outcome Budget gives a sense of how money (financial outlays) will be spent (on inputs) progressively to achieve development goals (outputs and outcomes) measured by quantitative and qualitative indicators. Thus, the Outcome Budget brings in transparency, predictability, accountability and ease in understanding the development agenda of the government. It can be used as a Monitoring Tool, a Policy Tool and even as a Performance report card of the State.
4. Uttarakhand has been publishing its Outcome Budget under the aegis of the Planning Department (PD) since 2017-18. The Planning Department has prepared a format for the

- Outcome Budget which includes fields such as name of scheme, objective of scheme, outlay, base line, projected outcome and timeline along with the SDGs schematic indicators. All line departments use this format to prepare their annual Outcome Budget. The Planning Department has imparted trainings to state officials on Outcome Budgeting. Presently, 50-line departments prepare the Outcome budget which is reviewed and compiled into a single document by the Planning Department. The compiled Outcome Budget is placed along with the General Budget for approval and voting and published on the website of the Finance Department.
5. In 2018, the State of Uttarakhand took up the exercise of drawing a Vision 2030. This Vision was drawn in consultation with line departments, keeping in mind the United Nations Sustainable Development Goals (UNSDGs) and the priorities of the State, and was tabled and approved by the Executive in December 2018. While the Vision talks about longer-term aspirations and breaks the same down into 3-7-10 year milestones, the Outcome Budget typically takes a 1-3-year view with respect to most schemes. The Outcome Budget exercise had already commenced one year prior to the release of the Vision. So, recently, the Planning Department, with the support of line departments, initiated an exercise to align department outcomes with the United Nation Sustainable Development Goals. This activity is being undertaken by the Centre for Public Policy & Good Governance (CPPGG) of Uttarakhand. Departments have started reporting progress against SDG targets in the Outcome Budget.
 6. While all departments have made an earnest effort towards developing their Outcome Budgets, there is much scope for improvement. Officers often confuse inputs, outputs and outcomes; KPI formulation, baseline determination and target setting against schemes are incomplete; so far, measurement of outcomes has not happened. A need is felt to obtain handholding and capacity building assistance from third party subject matter experts to assist state officials in improving the overall quality of the Outcome Budget document.
 7. GoUK intends to hire a consultant who shall develop Outcome Budget Manual, prepare Outcome Budget for 20 major line departments in line with state priorities and UNSDGs, which could be used as an input to the preparation of the budget for FY 2022-23, and ensure future sustainability of this exercise by building the state capacities in Outcome Budget preparation and monitoring.
 8. GoUK has availed of an IBRD loan to fund the Uttarakhand Public Financial Management Strengthening Project (UkPFMS) and intends to apply a part of the loan proceeds to this exercise.

Objective of the Assignment

9. The objective of this assignment is to prepare Outcome Budget for 20 major line departments for FY 22-23 in line with state priorities and UNSDGs.

10. This assignment intends to improve the Outcome Budget of the state of Uttarakhand. This includes key activities like developing Outcome Budget Manual, preparing Outcome Budget and providing training and capacity building to the staff.

- a. *Note: This assignment is not an academic exercise. It is a hands-on project where the consultant is expected to work with, and as far as possible, handhold departments throughout the process. Further, the consultant is expected to transfer the knowledge gained during this exercise to state officials via workshops, explaining his approach, results, learnings and recommendations. The outputs of this exercise must be presented in a way which is easy to understand, imbibe and implement by state officials.*

Scope of the Assignment

11. The assignment will involve the following key tasks -

- a. **AS-IS study:** Review the current Outcome Budget Framework of the State, carry out an AS-IS analysis to identify gaps and deficiencies in the current Outcome Budgets, suggest improvements supported by international and domestic examples; and agree on the final framework with Planning Department. The consultant should provide options and discuss with the Planning Department and finalize the framework. Output will be AS-IS Study and TO-Be report with final framework.
- b. **Developing an Outcome Budgeting Manual:** An Outcome Budget Manual needs to be prepared to serve as a Standard Guideline for the State of Uttarakhand. The Manual is expected to set out: (i) General principles; (ii) Department / sector specific principles and how the outcome budgets will be prepared. It has to have sector wise guidelines with possible indicators and results chains. The Manual should cover all the departments in the State and have specific recommendations for each department. The Guidelines are expected to be drawn based on (i) international examples; (ii) domestic examples; (iii) results of the AS-IS analysis conducted by the consultant; (iv) experience of the consultant in working with officers of identified departments. In addition, the Manual is expected to address how an Outcome Budget should be updated and used as a tool for monitoring and policy making in the future. The Manual should have clear guidelines on monitoring and evaluation of the outcome budgets. The Manual is expected to be developed in stages. Output will be Outcome Budgeting Manual.
- c. **Developing a Results Framework Document (RFD) Guidelines:** RFD provides a summary of the most important results that a department expects to achieve during

the financial year. This document has two main purposes: (a) shift the focus of the department from process-orientation to results-orientation, and (b) provide an objective and fair basis to evaluate department's overall performance at the end of the year. RFD is being introduced for the first time in the state. The consultant is required to refer to good examples of RFD from other states in India and develop a guideline for RFD for the state. These guidelines will be used to prepare RFD for the 20 departments along with the outcome budget.

d. **Preparing Outcome Budget for 20 major departments including pilot study:** The consultant is required to prepare outcome budget and RFD for 20 major departments as agreed with the Planning Department. The consultant will carry out this activity in two phases – pilot on 3-5 Departments based on principles agreed with the Planning Department, re-visit based on learnings and experience and then scale up to 20 Depts after concurrence with the Planning Department. The consultant is expected to work with at least one department officer from each identified department throughout this exercise to ensure that the final output meets expectations and so that the officer/s can reap the benefit of expert handholding while on the job.

e. The Outcome budget preparation exercise will include, but not be limited to, the following:

- Study Uttarakhand's Vision 2030 for the relevant sectors, understand the 3-7-10 year milestones and how the State wants to integrate the same with UNSDGs;
- Review the present Outcome Budget Framework of the State; Study the existing process of Outcome Budget preparation at the level of the Planning Department as the Nodal department;
- Study the existing process of Outcome Budget preparation at the level of each of the 20 identified line departments;
- Study international and domestic practices on Outcome Budgeting for purposes of developing a robust, yet usable Outcome Budget Framework for the State;
- Identify gaps and deficiencies in the present Outcome Budget Framework as well as present Outcome Budgets prepared by identified departments;
- Develop a revised Outcome Budget Framework;
- Pilot the revised Outcome Budget Framework with 3-5 identified line departments;
- Document the learnings from the pilot and discuss the same with officials of the State Planning and Finance Departments; Finalize the Outcome Budget Framework and prepare an Outcome Budget Manual;
- Conduct a workshop on the Outcome Budget Framework and Manual for officers of the state;
- Conduct a workshop on the RFD guidelines for officers of the state

- Apply the Framework and Guidelines to the outcome budget preparation exercise of 20 departments to develop the Outcome Budget for FY 22-23. Assist sectors in the refining / drawing up of performance indicators for evaluating the performance of schemes, breakdown the milestones into measurable and time-based outcomes, setting of realistic medium-term and short-term targets and estimation of financial resources which will be required to achieve the outcomes; Introduce and apply established structured thinking frameworks to the analysis;
- Develop RFD for all 20 departments along with the Outcome Budget
- Handhold the department in monitoring exercises of the Outcome Budget and assist them in updating the Outcome Budget as required within the period of the assignment

Output will be Outcome Budget and RFD for Pilot departments and Outcome Budget and RFD for 20 departments.

f. **Developing training module and provide training and capacity building on Outcome Budget:** The consultant is expected develop training material and impart training to staff identified by the Planning Department. This will include the following key activities:

- A Training Needs Assessment (TNA) of officials who are engaged in annual preparation of the Outcome budget from identified departments will be carried out;
- Based on TNA, a training curriculum and training module on Outcome Budgeting will be developed. The Training Module on Outcome Budgeting shall be used for delivery of in-house trainings by CPPGG, CTRFA etc. This training module needs to incorporate the lessons from this assignment. The module should also be developed as e-module which can be used for self-learning;
- Delivery of face-to-face trainings based on the above-mentioned Training Module to concerned officials from identified departments, particularly the Finance Officer and the Planning Officer (maximum 200-300 participants). The training will be provided in batches covering the following:
 - a. PESTAL (Policy, Economy, Social and Technology) Analysis of departmental programmes / schemes;
 - b. Linking finances with outputs and outcome for programmes/schemes.
 - c. Outcome Budget Manual and developing Outcome budgets.
 - d. RFD guidelines and developing RFD.

Output will be TNA report, Training curriculum, Training materials and Delivery of training.

Indicative Deliverables, Timelines, and Payment Terms

12. The time-input is estimated for key experts at 69 man-months and for support staff is expected to be around 80 man-months. The indicative deliverables, timelines and payments terms, are as follows -

Indicative Deliverables, Timelines, and Payment Terms			
Deliverables		Timeline (from commencement)	Payment (%age of contract value)
1	Inception Report with understanding of the objectives of the assignment, proposed activities and work plan, datasets required from GoUK	2 Weeks	5%
2	AS IS study and TO BE Report and 'Outcome Budget Framework ver1.0'	3 Months	10%
3	Training for pilot departments	4 Month	NA
4	Report of the pilot study of 5 departments, Refined Outcome Budget Framework and Outcome Budget Manual ver1.0	6 Month	15%
5	Workshop with Departments on Outcome Budget Framework and Manual	7 Month	NA
6	Draft Report on the Outcome Budgets for next 5 Line Departments	9 Month	1%
7	Draft Report on the Outcome Budgets for next 5 Line Departments	12 Month	10%
8	Draft Report on the Outcome Budgets for next 5 Line Departments	15 Month	10%
9	TNA report, Training Module and Materials, and Training curriculum	7 Month	10%
10	Delivery of Training for staff	Start from 7 Month	20%
11	Final Outcome Budget Report, RFD Report, Final Outcome Budget Manual and Final RFD guidelines	18 Months	10%

List of Key Experts (whose CV and experience would be evaluated)

13. The Consulting firm should demonstrate that they have successfully carried out similar work at the national/sub-national level in India and have sufficient qualified key-experts as well as non-key-experts (support staff) to undertake the proposed assignment. The

consultant will include detailed curriculum-vitae (CV) in its proposal for key experts. In case of support staff, the consulting firm will make their own assessment of the requirements and their CVs will be provided with educational qualifications and professional experience in brief. However, only the CVs of the Key-experts would be evaluated.

14. The list of key-experts along with qualifications and experience required for the assignment is as under

S. No.	Key Experts		Qualifications/Experience
1	Public Finance & Planning Specialist [Team Leader] – 18 Months	01	<ul style="list-style-type: none"> • Post-Graduate (or equivalent) in Finance/ Accounts/ Economics/ Public Administration/ Public Policy/ Public Planning/ Public Finance; • Overall work experience of 15 years; • At least 10 years of work experience in the government sector particularly in the field of Planning & Public Financial Management (PFM) in India; • Must have experience of working on Planning, Budgeting and Outcome budgeting either at the State or Central level in India; • Must have experience of delivery of training programmes in the field of Planning & Public Financial Management (PFM) in India; • Knowledge of Hindi and English is a must; • Additional relevant qualification(s)/ experience/ assignments would be of advantage and would be given added weightage.
2	Domain Specialists – 18 Months	01	<ul style="list-style-type: none"> • Graduate degree; • Overall work experience of 10 years; • At least 5 years of work experience in the government • Must have worked on Outcome budgeting either at state or central level in any sector (Education/Health/PWD) • Working knowledge of Hindi and English is a must; • Additional relevant qualification(s)/ experience/ assignments would be of advantage and would be given added weightage.
3	Economist – 18 Months	01	<ul style="list-style-type: none"> • Post Graduate degree in Economics; • Overall work experience of 10 years; • At least 5 years of work experience in the government sector • Must have worked on Outcome budgeting either at the State or Central level in India;

S. No.	Key Experts	Qualifications/Experience
		<ul style="list-style-type: none"> • Working knowledge of Hindi and English is a must; • Additional relevant qualification(s)/ experience/ assignments would be of advantage and would be given added weightage.
4	Finance Specialist -15 Months	01 <ul style="list-style-type: none"> • MBA(Finance)\CA\CWA • Overall work experience of 10 years; • At least 5 years of work experience in the government sector • Must have worked in the area of Public Financial Management (PFM), understand government budgeting; • Working knowledge of Hindi and English is a must; • Additional relevant qualification(s)/ experience/ assignments would be of advantage and would be given added weightage.
Support staff: CV will not be evaluated		
5	Research Analysts [Support Staff]	As required <ul style="list-style-type: none"> • CA/MBA/Economists; Post Graduate in Economics/Statistics/Mathematics/Commerce/Management • Must have an overall work experience of three years in the government in any sector; • Must have an understanding of government budgeting, especially outcome budgeting; • Working knowledge of Hindi and English is a must; • Advanced MS Office suite;

Technical Review Committee

15. The assignment will be administratively coordinated by **the Project Director UKPFM GoUK**. A 'Working Group' with participation from Planning, Finance, and Budget will be constituted for this purpose.
16. A Technical review committee headed by the Additional Secretary Planning and comprising of representatives from CPPGG, Finance, Budget and State Planning Commission will carry out the review of all the Reports, Manuals and Training Modules and provide comments which will be shared with the consultant for incorporation in the final manuals appropriately, along with any comments/suggestions from the World Bank. The Task Team will endeavor to review and provide the comments at the earliest, but not later than 3 weeks of submission of the reports and will inform the consultant in case of any delays.

Support to be provided by GoUK

17. The CPPGG will coordinate with departments for the workshops/training and to designate staff for training and facilitate meetings/ interviews with the stakeholders. For training, GoUK will provide the venue and cost of trainee travel including TA/DA, but all other requirements will be arranged by the Consultant.
18. The Budget Cell and Planning Department of GoUK will facilitate in provision of data required for the study and help the consultants to liaise with the Line Departments.

Duration of Assignment

19. The duration of the assignment shall be 15 months. The consulting staff is expected to be on-field at least 75% of the time allocated.