

programmes for development of women are not shared.

- The State Government does not explain clearly the basis on which various departments are reporting allocations under Women's Component Plan / Gender Budgeting.

(viii) Practices relating to Fiscal

Decentralisation is the eighth parameter of transparency in the State Budget, which examines whether the State Government follows relevant budgetary practices relating to devolution of funds to Panchayati Raj Institutions and urban local bodies. It emphasises the need for providing disaggregated information on devolution of funds from the State Budget to the rural and urban local bodies at different tiers. It also examines whether the budget documents provide information on the district-wise break-up of allocations and expenditures from the State Budget.



Positives

- The State Government has constituted the State Finance Commission at regular intervals over the last decade and the SFCs have submitted their reports in a timely manner.
- The State Finance Commission holds wide-ranging consultations with relevant stakeholders such as representatives of both RLBs and ULBs, legislators, civil society groups and academicians in the process of formulation of their recommendations.

Negatives

- The budget documents do not provide disaggregated information on devolution of funds from the State Budget to the rural local bodies (RLBs) at different tiers.
- The budget documents do not provide disaggregated information on devolution of funds from the State Budget to the urban local bodies (ULBs) at different tiers.
- The budget documents do not provide information on the district-wise breakup of allocations and expenditures from the State Budget.

Good Practices and Gaps in Budget Transparency in Chhattisgarh

An assessment of budget transparency in Chhattisgarh reveals some good practices and a number of gaps in terms of facilitating public access to budget information that need to be addressed by the State Government. These are:

Good Practices

- State Budget documents for all previous years, i.e. from 2001-02 onwards, are available on the State Finance Department's website.

- All of the budget documents of the State are available on the website of the State Finance Department.
- A separate 'Key to Budget Documents' is produced to facilitate accessibility of the budget information.
- Government of Chhattisgarh came out with its first Gender Budget Statement in 2008-09 covering 14 out of the total 40 departments. This practice has continued since, although there is a need for reviewing the methodology of Gender Budgeting adopted by the government.
- The State Government brings out separate budget books outlining the allocations and expenditures under SCSP and TSP for all administrative departments.
- The State Government conducts quarterly review of receipts and expenditure pertaining to the State Budget; the Review Minutes are made available on the website of the State Finance Department.
- Some useful information on the status of MoUs signed by the State Government is provided on the website of the agency delegated for this purpose, viz. State Investment and Promotion Board.
- The State Government is bringing out Outcome Budgets explaining the performance of administrative departments.

Gaps in Budget Transparency

- Most of the budget documents that are produced and made available to the public do not facilitate any appreciable understanding of the budget proposals.
- Apart from the Budget Speech, none of the budget documents include any discussion of the relevant policy goals or priorities of the State Government.
- The State Five Year Plan, Annual Plans and Administrative Reports are not available on the internet.
- The State Government does not release to the public any report on the steps taken to address audit observations (i.e. C&AG's observations on the State Budget).
- Though the State Government is presenting some information on the funds flowing to the State, which are routed outside the State Treasury, details of utilization of these resources are not provided.
- A separate document on devolution of funds from the State Budget to the RLBs and ULBs is not produced. The budget documents do not provide disaggregated information on devolution of funds from the State Budget to the RLBs and ULBs at different tiers.
- The budget documents do not provide information on the district-wise breakup of allocations and expenditures from the State Budget.
- The executive does not hold consultations with the legislature on the memoranda / demands to be submitted by the State to Finance Commission and Planning Commission.

Transparency in State Budgets in India Chhattisgarh

Overall Score



Summary Scorecard on Budget Transparency in Selected States

Transparency Parameters	States									
	Andhra Pradesh	Assam	Chhattisgarh	Gujarat	Jharkhand	Madhya Pradesh	Maharashtra	Odisha	Rajasthan	Uttar Pradesh
	Average Transparency Score									
Availability of Budget Documents	68	67	65	87	72	68	65	68	80	64
Completeness of the Information	75	74	81	85	74	81	77	75	56	69
Facilitating Understanding and Interpretation of the Information	51	50	39	65	64	35	70	47	71	42
Timeliness of the Information	59	51	77	77	53	84	53	69	25	33
Audit and Performance Assessment	39	29	55	39	23	67	35	31	35	35
Scope for Legislative Scrutiny	50	55	43	55	38	62	41	60	36	36
Practices relating to Budgeting for Disadvantaged Sections	49	44	71	63	37	70	29	43	30	40
Practices relating to Fiscal Decentralisation	24	31	19	24	27	14	17	29	19	29
Overall Budget Transparency Score (in %)	51.8	50.1	56.1	61.7	48.4	60.2	48.3	52.6	44.0	43.5

Notion of Budget Transparency

Transparency in budgets can be interpreted as public access to information on budgets. The extent and quality of such access (to information) shapes public understanding of government decisions pertaining to budgets, determines the scope for public participation in budget processes and forms the foundation on which the government can be held answerable for budgets.

Scope of the Analysis

State-specific situations and factors should be taken into account in identifying the key parameters for assessing transparency in State Budgets in India. The present analysis

refers to a set of transparency parameters (explained in the subsequent pages) that would necessarily be relevant for the Budgets of all States though this set of parameters might not be adequate to capture all State-specific situations and factors.

The study emphasises the significance of the legislature, media and general public as key stakeholders and draws attention to budgetary strategies relating to disadvantaged sections of the population and budget practices pertaining to fiscal decentralisation.

A structured questionnaire was administered during the period August to December 2010 to collect the relevant information on the State Budget pertaining to the fiscal year 2009-10.

Study conducted by:



Sanket Development Group



CBGA
Centre for Budget and Governance Accountability

In collaboration with:

- Budget Analysis Rajasthan Centre, Rajasthan
- Centre for Rural Studies and Development, Andhra Pradesh
- Centre for Youth and Social Development, Odisha
- Grameen Development Services, Uttar Pradesh
- Life Education and Development Support Trust, Jharkhand
- North East Network, Assam
- Pathy, Gujarat
- Samarthan, Maharashtra

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- Ford Foundation
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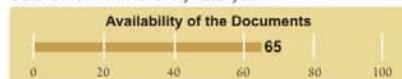
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Transparency in the State Budget of Chhattisgarh

(i) Availability of Budget Documents / Reports / Statements

is the first parameter of budget transparency, which probes the availability of State Budget documents and other government documents related to the State Budget. Taking into account the Constitutional requirements as well as the requirements of planning, auditing, performance assessment, budgetary strategies for disadvantaged sections, and fiscal decentralisation, the analysis refers to a wide range of documents that need to be produced and made available to various stakeholders by the State Government for every fiscal year.



Positives

- The State Government brings out most of the relevant documents related to the State Budget.

- It does make some efforts to ensure that the budget documents are available to the relevant stakeholders.

- State Budget documents for all previous years, i.e. from 2001-02 onwards, are available on the State Finance Department's website

Negatives

- The State Government does not produce some of the documents, like, Budget Memorandum.

- The Finance Bill/Act, memorandum submitted to the Planning Commission and mid-term appraisal documents are produced only for internal purposes and are not available to the public.

- The State Government needs to take additional measures to ensure distribution of all relevant documents related to the State Budget to the various stakeholders.

(ii) **Completeness of the Information** is the second parameter of budget transparency, and looks at whether the information given in the budget and other related documents provide a complete picture of the fiscal situation of the State. It examines whether the available documents capture different kinds of relevant information such as the magnitude and composition of tax revenue foregone due to tax exemptions; funds flowing from the Union Budget to the State that are routed outside the State Budget; budget allocations as well as audited figures of actual expenditure on the development schemes; submissions made by the State Government to the Union Government or central institutions (like the Planning Commission and Finance Commission); and information on the agreements/Memoranda of Understanding (MoUs) signed by the State Government with the Union Government or any other agency on matters pertaining to public finance.



Positives

- The budget documents provide complete information on government expenditures and receipts during the fiscal year 2009-10.

- They present a detailed classification of government expenditures and receipts breaking it down in terms of administrative units as well as in terms of government functions.

- They present extensive information on transfer of

resources from the Union Government to the State for the fiscal year 2009-10.

- They provide complete information about outstanding debt as at the beginning and the end of the fiscal year 2009-10.

- They outline information about the nature and composition of public debt with the relevant details.

- They present an extensive overview of the transfer of resources between public sector undertakings and the State Government.

- They produce all the statements that are required under the disclosure norms of the State's Fiscal Responsibility and Budget Management Act.

- They present details of expenditures relating to maintenance and repair of capital assets.

- The State Government is bringing out Outcome Budgets explaining the performance of administrative departments.

Negatives

- The budget documents do not provide information on funds received by the State from the Union Government or external agencies, which are routed outside the State Treasury and hence not reflected in the State Budget in a comprehensive manner.

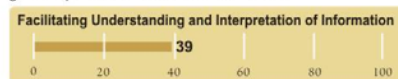
- They do not share an account of the physical assets held by the government.

- They do not make available details of the deferred liabilities of the State Government.

- They do not inform about the estimated amount of revenue foregone by the State Government for reasons such as tax exemptions.

(iii) Facilitating Understanding and Interpretation of the Information,

as a transparency parameter, attempts to gauge whether the information provided by the State Government facilitates public understanding of its decisions relating to budgets. The questions pertaining to this parameter look at whether the budget documents help ordinary citizens to easily understand the budget proposals and whether these documents include any discussion of the relevant policy goals or priorities of the State Government.



Positives

- The Finance Minister's Budget Speech facilitates a reasonably good understanding of the budget proposals and includes a discussion of the relevant policy goals or priorities of the State Government.

- The Memorandum of Finance Secretary, though technical in nature, provides very useful information on budget proposals and their implementation.

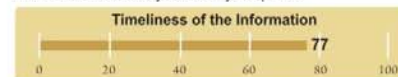
Negatives

- Budget documents, with the exception of the FM's Budget Speech and Memorandum of Finance Secretary, that are produced and made available to the general public do not facilitate any appreciable understanding of the budget proposals.

- Apart from the FM's Budget Speech, none of the budget documents include any discussion of the relevant policy goals or priorities of the State Government.

(iv) **Timeliness of the Information** is the fourth parameter adopted for measuring budget transparency, which tries to assess whether the relevant documents are brought out in a timely manner. Some of the questions

pertaining to this parameter also examine whether the State Treasury has been computerised and made available on the internet to enable easy access by the public.



Positives

- The budget circular and budget calendar (for the next State Budget) are made available to the public, media and legislators in a timely manner.

- The executive adheres to the budget calendar in formulation of the State Budget.

- The State Government obtains legislature's approval for the supplementary budget in a timely manner.

- The State Treasury is linked to internet and detailed information on its receipts and disbursements are provided on a monthly basis.

Negatives

- The reports of the Comptroller & Auditor General of India relating to the State Government, i.e. audit and accounts related reports, are not made available in a timely manner.

(v) **Audit and Performance Assessment** is the fifth parameter, which examines the availability of information pertaining to audit of the State Budget (by the Comptroller & Auditor General of India) and performance assessment by the State Government itself. The questions relating to this parameter try to gauge whether – the State Budgets are audited regularly; the State Budget provides audited figures or provisional figures for the year before the previous year; the State Government brings out performance assessment reports at regular intervals; and, the State Government is following relevant practices pertaining to Outcome Budgeting.



Positives

- The State Government's assessment reports on the budget provide some useful information about the fiscal situation of the State at regular intervals during the course of the year.

- The State Government brings out a document outlining some information on the MoUs, which it has signed over the last one year.

- The State Government makes an effort to provide the relevant information on outcomes of government interventions for all those administrative departments that are required to track such information.

Negatives

- The assessment reports on the budget brought out by the State Government do not provide any reasons for the deviations from the original budget estimates.

- The State Government does not release to the public any report on the steps taken to address audit observations (i.e. C&AG's observations on the State Budget).

(vi) **Scope for Legislative Scrutiny** is the sixth parameter of budget transparency, which looks at the possibilities for the State Legislature to assess the budget and hold the government accountable. The key concerns raised by this parameter include whether all budget documents are shared with the legislators; which of the budget documents of the State are subject to scrutiny by the legislators; how much time is available for discussion of the budget by the legislators; whether the legislators are

informed about the agreements or MoUs signed by the State Government on matters pertaining to public finance; and, whether appropriate committees within the State Legislature (for looking into budgetary matters) are functioning regularly.



Positives

- The State Government provides budget documents to the legislators for scrutiny at least one month before the beginning of the next fiscal year.

- There are appropriate committees within the State legislature to look into the reports of the Comptroller & Auditor General of India relating to the State Government.

Negatives

- There are no Departmentally Related Standing Committees in the State legislature to look into the details of the budgetary provisions for various departments.

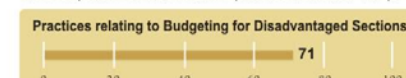
- The State Government does not share comprehensive information with the legislature on the MoUs to be signed by the State.

- The executive does not hold consultations with the legislature on the memoranda / demands to be submitted by the State to Finance Commission and Planning Commission.

- The executive does not present to the legislature a separate document with the details of the funds received by the State Government, which are routed outside the State Treasury.

(vii) Practices relating to Budgeting for Disadvantaged Sections,

the seventh parameter of budget transparency, draws attention to the need for every State Government to follow relevant practices relating to budgetary strategies for the development of disadvantaged sections of the population such as women (Gender Budgeting), Scheduled Castes (Scheduled Caste Sub Plan or SCSP) and Scheduled Tribes (Tribal Sub Plan or TSP).



Positives

- In the process of formulation of Five Year Plan and Annual Plans of the State, some of the relevant stakeholders are consulted in the preparation of Scheduled Caste Sub Plan and Tribal Sub Plan.

- The State Government provides extensive information on Scheduled Caste Sub Plan and Tribal Sub Plan separately in the Annual Plan document. This also includes details of the government strategies and specific programmes for development of SCs and STs.

- The budget documents provide comprehensive information on allocations for Scheduled Caste Sub Plan and Tribal Sub Plan for all the State Government departments.

- The State Government also brings out a Gender Budgeting Statement.

- The performance of the State in implementing Scheduled Caste Sub Plan, Tribal Sub Plan and Women's Component Plan is assessed regularly during the course of a Five Year Plan.

Negatives

- The State Plan documents do not provide extensive information on Women's Component Plan / Gender Budgeting. Details of government strategies and specific