on which various departments are reporting allocations under Women's Component Plan / Gender Budgeting.

- The performance of the State in implementing Women’s Component Plan is not assessed regularly during the course of a Five Year Plan.

**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 Panchayat 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 breakup of allocations and expenditures from the State Budget.

**Good Practices**
- The State Government brings out almost all relevant documents related to the State Budget.
- With the help of information technology, the State Government has taken a number of initiatives for improving public access to budget information: it uploads all the published budget documents on its website on the day the budget is presented in the State Legislative Assembly.
- The budget documents present extensive information on the transfer of resources between public sector undertakings and the State Government.
- The budget formulation exercise begins with the first budget circular, which is placed on the government website, and the legislature is informed around 35 days in advance of the presentation of the State Budget in the Assembly.
- The documents relating to formalization of the State Budget are made available to all stakeholders 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.
- The State Government provides extensive information on SCSP and TSP separately in the Annual Plan document, including details of the government strategies and specific programmes for development of SCs and STs.
- The budget documents provide comprehensive information on allocations for SCSP and TSP under all State Government departments.

**Gaps in Budget Transparency**
- The documents related to the budget do not provide information on funds received from the Union Government, which are routed outside the State Treasury and hence not reflected in the State Budget.
- The State Government does not bring out assessment reports on the budget during the course of the fiscal year.
- The State Government does not bring out any document outlining information on the MoUs, which has signed during the last one year.
- The State Government does not release the public any report on the steps taken to address audit observations (i.e. CAG’s observations) on the State Budget.
- The State Government does not hold consultations with the legislature on the memorandum/demand to be submitted the State Finance Commission and Planning Commission.
- A full-fledged Gender Budget Statement is yet to be brought out.
- The budget documents do not provide disaggregated information on devolution of funds from the State Budget to the rural local bodies (RLBs) and urban local bodies (ULBs) at different tiers.

**Study conducted by:**
- Pathways, Gujarat
- CBGA

**In collaboration with:**
- Budget Analysis Rajasthan Centre, Rajasthan
- Centre for Rural Studies and Development, Andhra Pradesh
- Centre for Youth and Social Development, Odisha
- Gramin Development Services, Uttar Pradesh
- Life Education and Development Support Trust, Jharkhand
- North East Network, Assam
- Samarthan, Maharashtra
- Smart Development Group, Madhya Pradesh

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- International Development Research Centre (Think Tank Initiative)
- Oxford India

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**Transparency in State Budgets in India**

**Gujarat**

<table>
<thead>
<tr>
<th>State</th>
<th>Overall Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rajasthan</td>
<td>43.5</td>
</tr>
<tr>
<td>Rajasthan</td>
<td>44.9</td>
</tr>
<tr>
<td>Odisha</td>
<td>52.6</td>
</tr>
<tr>
<td>Maharashtra</td>
<td>48.3</td>
</tr>
<tr>
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<td>50.2</td>
</tr>
<tr>
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<td>48.4</td>
</tr>
<tr>
<td>Gujarat</td>
<td>61.7</td>
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<tr>
<td>Chhattisgarh</td>
<td>50.1</td>
</tr>
<tr>
<td>Assam</td>
<td>51.8</td>
</tr>
<tr>
<td>Andhra Pradesh</td>
<td>61.7</td>
</tr>
</tbody>
</table>

**Summary Scorecard on Budget Transparency in Selected States**

<table>
<thead>
<tr>
<th>Parameter</th>
<th>States</th>
<th>Average Transparency Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Availability of Budget Documents</td>
<td>68</td>
<td>67</td>
</tr>
<tr>
<td>Completeness of the Information</td>
<td>51</td>
<td>50</td>
</tr>
<tr>
<td>Facilitating Understanding and Interpretation of the Information</td>
<td>59</td>
<td>51</td>
</tr>
<tr>
<td>Timeliness of the Information</td>
<td>39</td>
<td>29</td>
</tr>
<tr>
<td>Audit and Performance Assessment</td>
<td>50</td>
<td>55</td>
</tr>
<tr>
<td>Scope for Legislative Scrutiny</td>
<td>49</td>
<td>44</td>
</tr>
<tr>
<td>Practices relating to Budgeting for Disadvantaged Sections</td>
<td>24</td>
<td>31</td>
</tr>
<tr>
<td>Overall Budget Transparency Score (in %)</td>
<td>51.8</td>
<td>50.1</td>
</tr>
</tbody>
</table>

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**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 (explained in the analysis refers to some extent to parameters subsequent page(s) 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 emphasizes the significance of the legislature, media and general public as key stakeholders and draws attention to budgetary strategies relating to disintegrated sections of the population and budget practices pertaining to fiscal decentralization.

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.
Transparency in the State Budget of Gujarat

(i) Availability of Budget Documents / Reports / Statements

The first parameter of budget transparency, which measures 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 every year.

- The budget documents provide a detailed account of the financial assets held by the State Government.
- The State Government produces all the statements that are required under the directives of the State's Fiscal Responsibility and Budget Management Act.
- The documents related to the budget do not share comprehensive information on funds received by the State from the Union Government, which are routed outside the State Treasury and hence are not reflected in the State Budget.
- The budget documents do not present a detailed account of the physical assets held by the State Government.
- The documents related to the budget do not inform about the reasons for non-payment of State Government for reasons such as tax exemptions.
- The documents related to the budget do not provide comprehensive information on the implementation of the previous year's budget proposals.

(ii) Completeness of the Information

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 provide all kinds of relevant information such as the magnitude and composition of tax revenue forecasting due to tax base expansion; 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; schemes of submission 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.

- The budget documents provide complete information on government expenditure and receipts during the fiscal year 2009-10, breaking it down in terms of different administrative units as well as various functions of the government.
- The budget documents present extensive information on transfer of resources between public sector undertakings and the State Government.
- The budget documents provide comprehensive information about outstanding debt as at the beginning and the end of the fiscal year 2008-09; the documents also provide relevant details about the nature and composition of public debt.
- The budget documents present comprehensive information on the transfer of resources between public sector undertakings and the State Government.

(iii) Facilitating Understanding and Interpretation of the Information

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 discussions of the relevant policy goals or priorities of the State Government.

- Some of the budget documents produced and made available to the public facilitate a reasonably good understanding of the budget proposals.
- Some of the budget and other related documents include a discussion of the relevant policy goals or priorities of the State Government.
- There is scope for making the budget documents more comprehensive as well as incorporating discussion of the relevant policy objectives of the State Government. In this regard, the State Government should also consider bringing out a Key to Budget Documents.

(iv) Timeliness of the Information

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 budgetary reforms made by the State Government have been implemented and made available on the internet to enable easy access by the public.

- The budget documents are made available to all stakeholders in a timely manner.
- The budget circular (for the next State Budget) is made available to the public, media and legislators in a timely manner.
- The budget calendar (for the next State Budget) is 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 medium-term 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 estimated amount of revenue for the State Government, i.e., audit and accounts related reports, are made available more than eight months after the end of the fiscal year concerned.

Audit and Performance Assessment

A 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.

- The State Government makes some effort to provide relevant information on the final outcomes of government interventions for all those administrative departments that are required to track such information.
- The State Government does not bring out assessment reports on the budget during the course of the fiscal year.
- The State Government does not bring out any document outlining information on the MoUs, which it has signed over the last one year.
- The State Government does not release to the public any report on the State to address audit observations (i.e. CAG's observations on the State Budget).

(v) Scope for Legislative Scrutiny

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 also examine whether all budget documents are shared with the legislators; whether 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 (looking into budgetary matters) are functioning regularly.

- The performance of the State in implementing Scheduled Castes Sub Plan and Tribal Sub Plan is assessed regularly during the course of a Five Year Plan.
- The Annual Plan documents do not provide comprehensive information on various components such as Gender Budgeting.
- The State Government does not explain clearly the basis on which various departments are reporting allocations under Scheduled Castes Sub Plan and Tribal Sub Plan.
- The State Government does not explain clearly the basis on which various departments are reporting allocations under Scheduled Castes Sub Plan and Tribal Sub Plan.