the State Government follows relevant budgetary practices relating to devolution of funds to Para/Prepary 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 levels. It also examines whether the budget documents provide information on the district-wise break-up of allocations and expenditures from the State Budget.

### Practices relating to Fiscal Decentralisation

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<tr>
<th></th>
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<th>20</th>
<th>40</th>
<th>60</th>
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</tbody>
</table>

#### Positives
- The State Government has constituted the State Finance Commission at regular intervals over the last decade.
- There is a separate document which provides information on the district-wise break-up of allocations and expenditures of Plan Budget of the State Government and such information is provided for all the districts of the State.
- The State Government provides district-wise information on Tribal Sub Plan.
- **Gaps in Budget Transparency**

- Maharashtra’s State Five Year Plan document for the Eleventh Five Year Plan period is not available in public domain.
- The report of the latest State Finance Commission has not yet been published.
- The State Government departments bring out Performance Budgets, but they do not publish Annual Reports.
- The documents related to the State Budget do not provide information on Women’s Component Plan / Gender Budgeting.
- There is no separate statement being prepared for Scheduled Caste Sub Plan.
- 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 levels.
- The performance of the State Government in implementing the guidelines pertaining to devolution of funds to the RLBs and ULBs is not assessed at regular intervals.
- The budget documents do not provide information on the district-wise breakup of the Non-Plan allocations and expenditures from the State Budget.

#### Good Practices and Gaps in Budget Transparency in Maharashtra

An assessment of transparency in the Budget of Maharashtra has identified some good practices and also found a number of major gaps in terms of ensuring public access to budget information that need to be addressed by the State Government. These are:

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

- **All reports of the Controller & Auditor General of India relating to the State Government, i.e. audit as well as accounts related reports, are made public in a timely manner.**
- **District-specific Economic Survey**, which presents a socio-economic profile of the district, is available for all districts in Maharashtra.
- There is a separate document which provides information on the district-wise break-up of allocations and expenditures of Plan Budget of the State Government and such information is provided for all the districts of the State.
- The State Government provides district-wise information on Tribal Sub Plan.
- **Gaps in Budget Transparency**

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- The performance of the State Government in implementing the guidelines pertaining to devolution of funds to the RLBs and ULBs is not assessed at regular intervals.
- The budget documents do not provide information on the district-wise breakup of the Non-Plan allocations and expenditures from the State Budget.

#### Study conducted by:

- Samarthan, Maharashtra

#### In collaboration with:

- Budh Ratna Research Centre, Rajasthan
- Centre for Rural Studies and Development, Andhra Pradesh
- Centre for Youth and Social Development, Odisha
- Gram Sevitan Development Services, Uttar Pradesh
- Life Education and Development Support Trust, Jharkhand
- North East Network, Assam
- Padhy, Odisha
- Samruddhi Development Group, Madhya Pradesh

#### Supported by:

- Ford Foundation
- International Budget Partnership
- International Development Research Centre (Think Tank Initiative)
- Oxfam India

For details, please contact:
Samarthan: samarthanumber07@gmail.com
CBGIA: info@cbgia.org

### Transparency in State Budgets in India

#### Maharashtra

**Overall Score**

<table>
<thead>
<tr>
<th>State</th>
<th>Score (out of 100)</th>
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<tbody>
<tr>
<td>Maharashtra</td>
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#### Summary Scorecard on Budget Transparency in Selected States

<table>
<thead>
<tr>
<th>Transparence Parameters</th>
<th>States</th>
<th>Andhra Pradesh</th>
<th>Assam</th>
<th>Uttar Pradesh</th>
<th>Delhi</th>
<th>Gujarat</th>
<th>Haryana</th>
<th>Madhya Pradesh</th>
<th>Maharashtra</th>
<th>Odisha</th>
<th>Tamil Nadu</th>
<th>Tripura</th>
<th>West Bengal</th>
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<tr>
<td>Availability of Budget Documents</td>
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<td>Completeness of Information</td>
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<td>Facilitating Understanding and Interpretation of the Information</td>
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<td>Timeliness of the Information</td>
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<td>Scope for Legislative Scrutiny</td>
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<td>Provisions relating to Budgeting for Disadvantaged Sections</td>
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<tr>
<td>Practices relating to Fiscal Decentralisation</td>
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<tr>
<td>Overall Budget Transparency Score (%)</td>
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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 hold accountable 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 highlights the significance of the legislature, media and general public as key stakeholders and draws attention to budgetary strategies relating to disbursement sections of the population and budget practices pertaining to fiscal decentralisation.

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

(i) Availability of Budget Documents

<table>
<thead>
<tr>
<th>Availability of the Documents</th>
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<tbody>
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</table>

Positive:
- 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.

Negative:
- The State Government does not produce some of the documents like, Explanatory memorandum and Key to Budget Documents.
- It does not present any separate document or statement on Women's Component Plan or Gender Budgeting.
- It does not prepare any separate document outlining allocations for rural local bodies (RLBs) and urban local bodies (ULBs).
- It does not make public the memoranda submitted to Finance Commission and Planning Commission.

(ii) Completeness of the Information

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<tr>
<th>Completeness of the Information</th>
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<td>0</td>
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</table>

Positive:
- 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 state government documents indicate a discussion of the relevant policy goals or priorities of the State Government.

Negative:
- There is scope for making the budget documents more comprehensive as well as incorporating discussion of the relevant policy goals of the State Government.
- In this regard, the State Government should also bring out a Key to Budget Documents.

(iii) Facilitating Understanding and Interpretation of the Information

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<thead>
<tr>
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</table>

Positive:
- They outline information about the nature and composition of public debts with the relevant data.
- They present extensive information on the transfer of resources between public sector undertakings and the State Government.
- They provide a detailed account of the financial assets held by the State Government.
- The documents related to the budget share details of the future liabilities of the State Government.
- They provide useful information on the implementation of the previous year's budget proposals.

Negative:
- The budget documents do not share complete 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.
- The budget documents do not present a detailed account of the physical assets held by the State Government.
- They do not provide details of the contingent as well as debt-related 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.

(vi) Scope for Legislative Scrutiny

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<th>Scope for Legislative Scrutiny</th>
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<tr>
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Positive:
- The State Government obtains legislators' approval for the supplementary budget and Auditor General of India relating to the State Government, and these committees are functioning regularly.
- The executive allows the approval of the legislature before shifting funds between administrative units and functional heads during the course of the fiscal year.
- The State Government provides budget documents to the legislators for scrutiny less than a month before the beginning of the next fiscal year.
- The executive does not present to the legislature any document outlining the MoUs to be signed by the State Government.
- The executive does not present to the legislature any document with the details of the funds received by the State Government, which are routed outside the State Treasury and hence not reflected in the State Budget.
- The executive does not hold consultations with the legislature on the moratorium / demands to be submitted by the State to Finance Commission and Planning Commission.

(vii) Practices relating to Budgeting for Disadvantaged Sections

<table>
<thead>
<tr>
<th>Practices relating to Budgeting for Disadvantaged Sections</th>
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Positive:
- In the process of formulation of Annual Plans of the State, most of the relevant stakeholders are consulted in the preparation of Tribal Sub Plan. The State provides extensive information on Tribal Sub Plan separately in the Annual Plan document which includes details of strategies and specific programmes for development of STs.
- The budget documents provide comprehensive information on allocation for Tribal Sub Plan under various State Government departments. The State Government publishes information with regard to the state-wise matrix of departments and sub-departments are allocating funds under Tribal Sub Plan.
- The performance of the State in implementing Tribal Sub Plan is assessed regularly during the course of a Five Year Plan.

Negative:
- The documents related to the State Budget do not provide information on Women's Component Plan / Gender Budgeting.
- The State Plan documents do not provide much information on Scheduled Caste Sub Plan details of government strategies and specific programmes for development of SCs are not shared.
- The performance of the State in implementing Scheduled Caste Sub Plan is not assessed regularly during the course of a Five Year Plan.