

- The performance of the State in implementing Tribal Sub Plan is not assessed regularly during the course of a Five Year Plan.
- 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

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 Finance Commission holds wide-ranging consultations with relevant stakeholders such as representatives of rural local bodies (RLBs) and urban local bodies (ULBs), legislators, civil society groups and academicians in the process of formulation of their recommendations.

Negatives

- The State Government has not constituted the State Finance Commission at regular intervals over the last decade.
- 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 executive does not hold consultations with representatives of the RLBs and ULBs during the process of formulation of the State Budget.
- 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 allocations and expenditures from the State Budget.

Good Practices and Gaps in Budget Transparency in Rajasthan

The assessment of transparency in the Budget of Rajasthan has identified a number of good practices and also found some 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 budget documents provide complete information on government expenditures and receipts during the fiscal year 2009-10. The budget documents for 2009-10 provide complete information on government expenditures and receipts during the fiscal year 2008-09 and 2007-08.
- Some of the budget and other related documents include a discussion of the relevant policy goals or priorities of the State Government.
- In the process of formulation of Annual Plans of the State, most of the relevant stakeholders are consulted in the preparation of Scheduled Caste Sub Plan and Tribal Sub Plan.
- The State Government provides information on Scheduled Caste Sub Plan and Tribal Sub Plan separately in the Annual Plan document.

Gaps in Budget Transparency

- The budget documents do not provide a detailed classification of government expenditures and receipts breaking it down in terms of different administrative units.
- The documents related to the budget do not share 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 inform about the estimated amount of revenue foregone by the State Government for reasons such as tax exemptions.
- The budget documents do not provide details of the liabilities of the State Government.
- The State Treasury is not linked to the internet.
- The State Government does not present to the legislature any document outlining the MoUs signed by the State over the last one year.
- The documents related to the budget do not provide much information on Women's Component Plan / Gender Budgeting.
- The State Government does not explain clearly the basis on which various departments are reporting allocations under Scheduled Caste Sub Plan and Tribal Sub Plan.
- It does not prepare any separate document outlining allocations for rural local bodies (RLBs) and urban local bodies (ULBs).
- The budget documents do not provide information on the district-wise breakup of allocations and expenditures from the State Budget of Rajasthan.
- not provide information on the district-wise breakup of allocations and expenditures from the State Budget of Rajasthan.

Transparency in State Budgets in India Rajasthan

Overall Score



Summary Scorecard on Budget Transparency in Selected States

Transparency Parameters	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:

Budget Analysis Rajasthan Centre, Rajasthan



CBGA
Centre for Budget and Governance Accountability

In collaboration with:

- 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
- Sanket Development Group, Madhya Pradesh

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- Oxfam India

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Transparency in the State Budget of Rajasthan

(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.



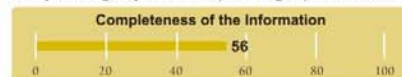
Positives

- The State Government brings out most of the relevant documents related to the State Budget.
- It does make an effort to ensure that all budget documents that are produced are available to the relevant stakeholders.

Negatives

- The State Government does not produce some of the documents, like, Budget Memorandum, and Key to Budget Documents.
- It does not prepare any separate document outlining allocations for rural local bodies (RLBs) and urban local bodies (ULBs).
- The State Government's mid-term appraisal of the Five Year Plan and in-year assessment reports on the budget are not available in the public domain.

(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. The budget documents for 2009-10 provide complete information on government expenditures and receipts during the fiscal year 2008-09 and 2007-08.
- The budget documents provide complete information about outstanding debt as at the beginning and the end of the fiscal year 2009-10 and provide detailed information about the nature and composition of public debt.
- The budget documents provide a detailed account of the

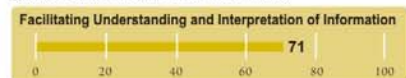
financial assets held by the State Government.

- The documents present extensive information on the transfer of resources between public sector undertakings and the State Government.

Negatives

- The budget documents do not provide a detailed classification of government expenditures and receipts breaking it down in terms of different administrative units.
- The budget documents do not share 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 documents do not provide details of the liabilities of the State Government.
- The documents do not provide details of expenditures relating to maintenance and repair of capital assets.
- The documents related to the budget do not inform about the estimated amount of revenue foregone by the 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.

(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

- 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.

Negatives

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

(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 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.

Negatives

- The budget circular (for the next State Budget) is not made available to relevant stakeholders in a timely manner.
- The budget calendar (for the next State Budget) is not made available to relevant stakeholders in a timely manner.
- The State Treasury is not linked to the internet.
- Month-wise information on the State Treasury's receipts and disbursements is not made available to the public.

(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

- All reports of the Comptroller & Auditor General of India relating to the State Government, i.e. audit as well as accounts related reports, have been made public consistently over the last three years.
- The State Government's mid-year assessment report on the budget provides extensive information about the fiscal situation of the State, which includes a discussion on the deviations in actual receipts and expenditures from the budget estimates for the same.

Negatives

- Except for the mid-year report, the State Government does not bring out any other assessment report (like in-year and year-end 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.
- It 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).
- The State Government does not provide relevant information on the outcomes of government interventions for all those administrative departments that are required to track such information.

(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

- 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.
- The executive seeks approval of the legislature before shifting funds between administrative units and functional heads during the course of the fiscal year.

Negatives

- The State Government provides budget documents to the legislators for scrutiny about fifteen days before the beginning of the next fiscal year.
- 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 present to the legislature any document outlining the MoUs signed by the State over the last one year.
- 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.
- 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.

(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

- The State Government provides information on Scheduled Caste Sub Plan and Tribal Sub Plan separately in the Annual Plan document.
- The budget documents provide information on allocations for Scheduled Caste Sub Plan and Tribal Sub Plan under all State Government departments.

Negatives

- The State Plan documents do not provide much information on Women's Component Plan / Gender Budgeting.
- The State Government does not explain clearly the basis on which various departments are reporting allocations under Scheduled Caste Sub Plan and Tribal Sub Plan.
- The performance of the State in implementing Scheduled Caste Sub Plan is not assessed regularly during the course of a Five Year Plan.