• 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 levels. It also examines whether the budget documents provide information on the district-wise breakup of allocations and expenditures from the State Budget.

Practices relating to Fiscal Decentralisation

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), legislatures, civil society groups and academicians in the process of formulation of their recommendations.
• The State Government has developed 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 levels.
• 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

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 creating 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 expenditure and receipts during the fiscal year 2009-10. The budget documents for 2009-10 provide complete information on government expenditure and receipts for 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 expenditure and receipts breaking it down in terms of different administrative units.
• The details 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 draft or amendment 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 local rural 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.

Summary Scorecard on Budget Transparency in Selected States

<table>
<thead>
<tr>
<th>State</th>
<th>Andhra Pradesh</th>
<th>Assam</th>
<th>Chhattisgarh</th>
<th>Gujarat</th>
<th>Madhya Pradesh</th>
<th>Rajasthan</th>
<th>Odisha</th>
<th>Uttar Pradesh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Score (%)</td>
<td>50.1</td>
<td>48.3</td>
<td>61.7</td>
<td>59.1</td>
<td>60.2</td>
<td>44.0</td>
<td>52.6</td>
<td>43.5</td>
</tr>
<tr>
<td>Average Score (%)</td>
<td>50.1</td>
<td>48.3</td>
<td>61.7</td>
<td>59.1</td>
<td>60.2</td>
<td>44.0</td>
<td>52.6</td>
<td>43.5</td>
</tr>
</tbody>
</table>

Notion of Budget Transparency

Transparency in budgets can be interpreted as public access to information on budgetary decisions. The extent and quality of such access (or information) shapes public understanding of government decisions pertaining to budgets, determines the scope for public participation in budgetary processes and forms the foundation on which the government can be held 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 (exemplified 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 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.
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 related documents with respect to the fiscal year.

Availability of the Documents

**Positives**
- The State Government brings out the most of the relevant documents related to the budget.
- It does not 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 Document.
- It does not prepare any 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 assesses whether the information given in the budget and other related documents provides 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, grants from the Union Budget to the State that are outside the State Budget budget allocations as well as actual 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 assessment of loan proposals (LoPs) approved and signed by the State Government with the Union Government or any other agency on matters pertaining to public finance.

Completeness of the Information

**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 2009-10 and 2008-09.
- The budget documents for 2009-10 provide complete information about outstanding debt as of the beginning and the end of the fiscal year 2009-10 and contain detailed information about the nature and size of debt.
- The budget documents provide a detailed account of the financial assets held by 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 budget and thus are not reflected in the state budget.
- The budget documents do not provide comprehensive information on the implementation of the previous year's budget proposals.

(iii) Facilitating Understanding and Interpretation of the Information is the third parameter of budget transparency, which examines whether the budget documents help the ordinary citizens to understand the financial situation of the State and its implications for the future.

Facilitating Understanding and Interpretation of Information

**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 no scope for making the budget documents more comprehensible with an accompanying 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 assesses 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 consulted and made available on the internet to enable easy access by the public.

Timeliness of the Information

**Positives**
- The executive adheres to the budget calendar in formulation of the State Budget.
- The State Government obtains legislative 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.

Audit and Performance Assessment

**Positives**
- All reports of the Comptroller & Auditor General of India relating to the State Government, i.e., audit as well as accounts 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 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., CAG's observations on the State Budget).

(vi) Scope for Legislative Scrutiny is the sixth parameter of budget transparency, which includes the possibilities for the State Legislature to access the budget and hold the government accountable.

Scope for Legislative Scrutiny

**Positives**
- The State Government provides information on the government'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 Castes Sub Plan is assessed regularly during the course of a Five Year Plan.

**Negatives**
- There are no Departmental Standing Committees in the State legislature to look into the details of the budgetary provisions for various departments.
- The State Government does not respond 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, 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 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 Caste Sub Plan or SCSP, and Scheduled Tribes (Tribal Sub Plan or TSP).