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Centre for Budget and Governance Accountability

B-7 Extn./110 A (Ground Floor)
Safdarjung Enclave, New Delhi- 110029
Ph: +91-11-49 200 400 / 401 / 402
Fax: +91-11- 4050 4846
Email: info@cbgaindia.org
www.cbgaindia.org

ANNUAL REPORT **2012-13**

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Contents

Section	Page No.
PART A	
Foreword	4
Vision and Objectives of CBGA	6
Rationale for CBGA's Efforts	7
PART B	
Our Efforts in 2012-13	9
Publications	19
Capacity Building Workshops and Advocacy Events	22
Some Positive and Encouraging Developments	24
Gaps and Challenges	25
Way Ahead	26
PART C	
Board of Trustees	27
CBGA Team	28
Funders	29
PART D	
Information pertaining to Disclosure Norms	30
Treasurer's Report	31
Financial Summary for 2012-13	32

Part A

Foreword

During the year 2012-13, CBGA has tried hard to meet the expectations of its stakeholders, which have been on a steady rise. Under the able guidance of its Board of Trustees and Advisors, CBGA has carried out a number of interventions on a range of issues. There have been some positive and encouraging developments during the year, which deserve a brief mention here.

The network of civil society budget groups in the country, *People's Budget Initiative (PBI)*, for which CBGA serves as the Secretariat, undertook a few substantive initiatives for strengthening its efforts at the subnational level and deepening the understanding of civil society organisations on budgets and budgetary processes. Under the banner of PBI, a district level budget tracking study on six major development schemes was initiated in collaboration with eleven State-level civil society budget groups. CBGA took the lead in developing the research framework and methodology for the study. This study is helping us develop a set of tools for tracking fund flow and analysing fund utilization in some of the prominent development schemes, which can be replicated for budget tracking efforts by civil society groups across States focusing on the social sectors.

Over the last few years, CBGA has been working consistently on Gender Responsive Budgeting (GRB), emphasizing on the need for deepening of GRB efforts in the Union Government as well as States. In this domain of its work, CBGA has been collaborating with the Union Ministry of Women and Child Development, UN Women and some of the leading feminist economists in the country. These efforts have contributed towards some encouraging results in terms of the policy pronouncements in the 12th Five Year Plan (meant for 2012-13 to 2016-17); a number of policy measures for deepening of GRB have been announced in the 12th Plan document. Likewise, research and advocacy efforts by CBGA and a number of other civil society actors in the area of budgetary priorities for Muslims have contributed towards the Union Ministry of Minority Affairs making a strong case for more comprehensive and transparent financial reporting by all Union Ministries concerned in the *Prime Minister's New 15 Point Programme for Minorities*.

CBGA's efforts relating to taxation have generated a lot of relevant information for the larger civil society on the resource questions and the discourse on taxation in mainstream media too has started recognizing the lack of progressivity in the country's tax system. In the Speech for Union Budget 2013-14, the Union Finance Minister clearly acknowledged that India's tax-GDP ratio is low for a large developing country and that it would not garner enough resources for development spending; this long overdue acknowledgement by the Union Government of the need for stepping up the country's tax-GDP ratio is certainly a step in the right direction.

However, we have also recognised a number of challenges in different aspects of our work, over the last few years in general and in the year 2012-13 in particular. We have felt a strong need for generating concrete ideas for schemes or interventions for specific vulnerable sections, which could be financed under the policy strategies for disadvantaged groups like GRB, Scheduled Caste Sub Plan, and Tribal Sub Plan. In the sphere of our work on taxation, we need to generate relevant information on exemptions in the Central tax system and come up with specific policy recommendations on rationalising tax exemptions; we also need to generate relevant information on tax burden on the poor and develop concrete policy recommendations on indirect taxes and direct taxes in the country.

Capacity building of civil society actors across the country on government budgets needs to be pursued more vigorously in order to improve the quality of participation of these actors in the pre-budget consultations at the national and State levels. At the same time, we have to convince the Union Government to institutionalize pre-budget consultations with civil society budget groups and redesign the consultations in order to rope in all relevant Union Ministries into the same. CBGA will make a concerted effort to deepen its work and address these challenges in the coming years. We would also need to improve significantly our communication and outreach efforts with regard to policymakers, Members of Parliament and media.

The past year has also witnessed a number of initiatives by CBGA for strengthening its organisational development parameters, such as, the accreditation with Credibility Alliance (under desirable norms of transparency and accountability for the organisation) and inception of a Strategic Planning process that is meant to generate a Strategic Plan for CBGA for the next six years.

We would like to express our gratitude to those institutions that have supported CBGA financially, those who have guided us with valuable inputs for our work as well as all those organisations and individuals who are using our research outputs and findings in their work. We look forward to our continued partnership with all these important stakeholders in the coming years.

Subrat Das

Executive Director

Centre for Budget and Governance Accountability

Vision and Objectives of CBGA

Centre for Budget and Governance Accountability (CBGA) was set up in 2005 with the mandate to promote transparent, accountable and participatory governance, and a people-centred perspective in preparation and implementation of budgets in India and elsewhere.

Over the last decade, CBGA has evolved as a proactive, enabling and learning organisation, which promotes:

- Transparent and accountable governance;
- People's participation in the discourse and processes of governance; and
- Pro-people and rights-based policy environment, equity and social justice.

The mandate for CBGA has led us to adopt a number of strategies that shape the various interventions by the organisation; these are:

- Assessing the priorities underlying government budgets and their implications for underprivileged sections of the population;
- Demystifying the discourse on budgets and governance and facilitating public understanding of these issues;
- Encouraging people's participation in the discourse and processes relating to budgets and governance;
- Enhancing the capacity of social action groups for using budget work in their efforts pertaining to governance accountability;
- Advocating for a pro-poor and pro-marginalised perspective in budgetary policies;
- Advocating for transparent, accountable and pro-people governance; and
- Strengthening advocacy efforts by the larger civil society for transparent, accountable and pro-people governance.

Rationale for CBGA's Efforts

As is well recognised in the context of governance in India in general and in the sphere of government budgets in particular, the prevailing mechanisms of accountability of the government (for public policies and budgets) towards people's representatives in Parliament and State Legislatures have not been very effective. This has led many civil society actors to work towards strengthening the mechanisms of accountability of the government both towards people's representatives as well as towards people themselves, with the 'social accountability' efforts pertaining more to the latter. Given the necessity of greater transparency and scope for people's participation in the governance processes for enforcing social accountability, civil society efforts in this domain have focused extensively on transparency in government budgets and space for participation of people (especially representatives of disadvantaged sections of population) in the processes of setting up budgetary priorities. ***A part of CBGA's efforts falls in this crucial domain of governance accountability work by civil society organisations.***

However, we also believe that even a reasonably transparent, participatory and accountable system of governance might adopt an approach towards 'fiscal policy' that is not very responsive to the needs and rights of the underprivileged sections. One of the main reasons underlying this possibility is that economists following different schools of thought differ sharply on a number of fundamental questions in Public Finance that are unresolved.

Since the adoption of pro-market economic reforms in India in the early 1990s, the proponents of a proactive fiscal policy for the country (which, in the Indian context, would necessarily require a stepping up of the magnitude of government spending as compared to the overall size of the country's economy) have gradually been shrinking into a minority. The perspective on fiscal policy in India, which has been propagated the most in the last few years, is that ineffective use of budgetary resources in the development sectors is the biggest challenge in this domain and not the inadequacy of budgetary resources for these sectors.

It is true that in many sectors the available budgetary resources are not being utilized well and some amount of resources is also remaining unspent in the schemes. However, studies by CBGA have shown that the problem of under-utilization of budgetary resources has been found mainly in the programmes or schemes and not so much in the long-term, institutionalized public provisioning in the development sectors. Our studies have also shown that staff shortages in different functions (programme management, finance and accounts, and frontline service provision) are among the principal factors causing under-utilization of budgetary resources in the schemes, a problem which is rooted in the inadequacy of resources with the State Governments (and their unwillingness) for filling up the staff vacancies. Hence, inadequacy of budgetary resources for the development sectors is still a critical challenge before the country.

In the sphere of revenue mobilization, a major area of concern is India's low tax-GDP ratio, which is significantly lower than the average level of the same in BRICS and G20 countries. Additionally, almost two-third of the tax revenue in India (Centre and States combined) is raised from indirect taxes, which points to the lack of progressivity in the country's taxation system. The overall magnitude of public resources available to the government in India has been inadequate in comparison to several other countries, mainly owing to the low magnitude of tax revenue collected in the country.

The limited fiscal policy space available to the government (i.e. in terms of the relatively low magnitude of total government spending as a proportion of the GDP) and the limited priority given to the social sectors in the country's overall budgetary spending have resulted in low magnitude of public spending on the social sectors, which is significantly lower than those not only in the developed countries but also in many developing countries. For most development programmes or schemes, there is a need to enhance the unit costs, address the bottlenecks that cause delay in fund flow and fund utilization and most importantly address the systemic problems caused by shortage of staff.

We also recognise the need for development programmes and schemes to be a lot more responsive to the challenges confronting the vulnerable sections of population (viz. women, children, dalits, adivasis, religious minorities, and persons with disabilities, among others). Moreover, fiscal policy in the country has not yet promoted substantive decentralisation, from the Union to State Governments and from State to Local Governments; along with substantive fiscal decentralisation, the institutions and processes of planning and budgeting at the sub-national levels need to be strengthened. **A significant part of CBGA's efforts, therefore, falls in the domain of analysis of India's fiscal policy and related practices.**

Based on the concerns in the domain of governance accountability as well as those pertaining to fiscal policy in the country, as indicated above, CBGA has envisioned a number of progressive changes in policies and processes in the country; some of the specific changes being pursued include the following:

- Improvement in the capacity of relevant stakeholders to engage with budgets;
- Improvement in transparency and scope for participation in budget processes;
- Deepening of planning and budgetary strategies for vulnerable sections of population;
- Increase in budgetary resources for social sectors and policy measures for better utilisation of funds in these sectors, and
- Enhancing public understanding of tax issues and the engagement of key stakeholders with the discourse on taxation.

Part B

Our Efforts in 2012-13

With the aim of facilitating progressive changes in policies, budgets and governance processes in the country, CBGA focuses on – research on public policy and budgets, advocacy with important stakeholders, and enhancing the capacity of civil society actors in budget work. During 2012-13, CBGA carried out an array of interventions in these three broad areas. This section highlights some of the key interventions made by the organisation in its focus areas.

I. Facilitating civil society engagement with budget processes

CBGA serves as the secretariat of **People's Budget Initiative (PBI)**, a network of a large number of civil society organisations from across the country, which aims for promoting people's voice in the policy making processes that determine priorities in government budgets in India. During 2012-13, in addition to convening a two-day National Convention on Union Budget in Delhi, PBI undertook several new initiatives with the view to strengthen its efforts at the sub-national level. PBI organized five Regional Conventions (on Union Budget for 2013-14) in different places to make the discourse on the Budget more inclusive and to capture the concerns emanating at the grassroots level. These were held in Chennai (for Southern Region), Pune (for Western Region), Guwahati (for North Eastern Region), Ranchi (for Eastern Region) and Lucknow (for Northern and Central Region) in November 2012. Each Regional Convention was preceded by a two-day capacity building workshop, which helped the civil society participants build a strong understanding of budgets and articulate pertinent demands from the Union Budget. These efforts culminated in the National Convention in Delhi in December 2012. The entire process saw participation of over three hundred CSOs from across 25 States, and many social activists, academia and media representatives.



Participants of these Conventions discussed a number of concerns pertaining to social sectors as well as disadvantaged sections of population, and articulated their expectations from the forthcoming budget. These got further strengthened with the inputs and insights of the experts presiding over different sessions. Consequently, a *Charter of Demands (COD)* for Union Budget 2013-14 was prepared collectively. This *Charter of Demands* was subsequently

shared with a range of stakeholders and also publicized through a couple of media events in the run up to the Union Budget 2013-14.

CBGA sought time from the Union Finance Ministry in January 2013 for presenting the *Charter of Demands* on Union Budget 2013-14 (the document presenting the collective demands of the PBI from the forthcoming Union Budget). A twelve member delegation of the PBI met a team of senior most officials of the Finance Ministry on 14th January 2013 wherein the key expectations and demands of PBI from the Union Budget were presented and discussed. Following this, not only was the *Charter of Demands* taken up for consideration by the Finance Ministry itself, but specific demands pertaining to the Ministry of Minority Affairs, Ministry of Social Justice and Empowerment and Ministry of Women and Child Development were forwarded (by the Finance Ministry) to the respective Ministries.

II. Deepening of budget work through district-level budget tracking studies

The network of civil society budget groups in the country, *People's Budget Initiative (PBI)*, undertook a substantive initiative for deepening the understanding of civil society organisations on budgets and budgetary processes at the district and sub-district levels. Under the banner of PBI, a district-level budget tracking study on six major development schemes was initiated in collaboration with eleven State-level civil society budget groups. CBGA took the lead in developing the research framework and methodology for the study.

The ambitious study is underway in 8 States. The schemes being studied by different partner organizations are as indicated in the following:

- *National Rural Health Mission (NRHM)* by Sanket Development Group (SDG) in Mahasamand district in Chhattisgarh;
- *Sarva Shiksha Abhiyan (SSA)* by Life Education and Development Support Trust (LEADS) in Khunti district in Jharkhand, Odisha Budget and Accountability Centre (OBAC) in Sundargarh district in Odisha, Pathey in Sabarkantha district in Gujarat, and Open Learning System (OLS) in Puri district in Odisha;
- *National Rural Drinking Water Programme (NRDWP)* by National Centre for Advocacy Studies (NCAS) in Pune–Rural district in Maharashtra, and Centre for Rural Studies and Development (CRSD) in Anantpur district in Andhra Pradesh;
- *Total Sanitation Campaign (TSC) / Nirmal Bharat Abhiyan (NBA)* by North East Network (NEN) in Kamrup district in Assam, and CRSD in Anantpur district in Andhra Pradesh;
- *Rashtriya Krishi Vikas Yojana (RKVY)* by Grameen Development Services (GDS) in Hardoi district in Uttar Pradesh, Budget Analysis Rajasthan Centre (BARC) in Alwar and Jhunjhunu districts in Rajasthan, and SDG in Rajgarh district in Madhya Pradesh; and
- *Mahatma Gandhi National Rural Employment Guarantee Scheme (MNREGS)* by Social Watch – Tamil Nadu (SW-TN) in Tiruvellur district in Tamil Nadu.

These districts and schemes, being covered in the district-level budget tracking exercise of PBI, were selected by the State-level civil society organisations carrying out these studies based on their priorities.

This study is helping us develop a set of tools for tracking fund flow and analysing fund utilization in some of the prominent development schemes, which can be replicated for budget tracking efforts by civil society groups across States focusing on the development sectors.

III. Promoting budget transparency at the national level

Since 2006, the International Budget Partnership (IBP) has been collaborating with civil society organisations across many countries to carry out a comparative study on transparency in national budgets once every two years; CBGA has been carrying out the research for Union Budgets of India in each of these studies. This biennial study, called the Open Budget Survey (OBS), assesses some of the key parameters of budget transparency, like, availability of important budget documents in the public domain and effectiveness of the oversight institutions and mechanisms at the national level. To share the findings of OBS 2012 for the South Asian countries, a consultation on 'Transparency in National level Budgets in South Asia Region' was organized by CBGA in New Delhi in February 2012, which was attended by civil

society organisations, media representatives and senior government officials from Afghanistan, Bangladesh, Nepal, Sri Lanka, Pakistan and India. The two-day consultation witnessed the launch of country findings of OBS 2012 pertaining to six South Asian countries and presentations and discussion focusing on some of the major aspects of budget transparency highlighted in the study.



IV. Strengthening policy strategies for disadvantaged sections of population

Deepening the Gender Responsive Budgeting efforts in the Government

On several occasions, CBGA supported the Union Ministry of Women & Child Development (MWCD) in facilitating training workshops on Gender Budgeting for officials from the Union ministries as well as those belonging to the State Governments. In these programs, CBGA shared its analysis and recommendations on Gender Budgeting and urged the officials to deepen their efforts in this domain. CBGA staff facilitated important sessions in several such workshops organized over the year, some of these are:

- *the Consultation on Gender Budgeting co-organized by National Mission for Empowerment of Women, MWCD and CBGA in April 2012;*
- *the Workshop on Gender Budgeting organized by MWCD at Lal Bahadur Shastri National Academy of Administration, Mussoorie in June 2012, the participants were officials from the Gender Budget Cells of various Union Government ministries;*
- *the Workshop on Gender Budgeting organized by MWCD and Indian Institute of Public Administration in January 2013, for officers of the Gender Budget Cells of Union Government ministries.*

CBGA also took part and provided concrete suggestions in meetings convened by different ministries discussing the methodology adopted for implementing Gender Budgeting. On invitation of the Union Ministry of Drinking Water and Sanitation, in March 2013, CBGA staff participated in one such meeting discussing the gender responsiveness of the budgets of the ministry.

Collaboration with National Mission for Empowerment of Women (NMEW), an initiative of the Union Government, to carry out a thorough research of ten Union ministries to probe their assumptions underlying inclusion of schemes as gender-responsive was another significant chunk of work in this area. The findings and suggestions were subsequently discussed with nodal officials from the respective ministries. The research carried out by CBGA was published by NMEW.

Informing government policies towards development programmes for Muslims

A Discussion Paper titled "Policy Priorities for Development of Muslims in the 11th Plan: An Assessment" was published during the year. This Paper focuses on two major interventions by the Union Government for accelerating the development of religious minorities in the country, viz. the *Prime Minister's New 15 Point Programme for Minorities* and the *Multi Sectoral*

Development Programme; it assesses the design and implementation of these programmes from the perspective of Muslims who constitute a very large section of religious minorities in the country and have been lagging behind other sections of the population on most indicators of socio-economic development.

Hon'ble MP, Ms. Gundu Sudharani from Telugu Desam Party (TDP), raised a question in Parliament in May 2012, focusing on the government's development programmes for Minorities, referring to the research by CBGA. Further, CBGA provided substantive research inputs towards the preparation of a Memorandum, demanding more comprehensive minority development programmes in the 12th Plan, which was submitted to the Prime Minister by a large group of Parliamentarians in May 2012. All these efforts have contributed towards the Union Ministry of Minority Affairs making a strong case for more comprehensive and transparent financial reporting by all Union Ministries concerned in the *Prime Minister's New 15 Point Programme for Minorities*.

Persons with Disabilities

In June 2012, CBGA organized a Capacity Building Workshop on 'Understanding Budgets from the Perspective of Persons with Disabilities' in collaboration with CBM South Asia Regional Office, a Disabilities Rights Group. The workshop focused on the need for understanding and tracking Budgets, the budgetary processes and institutions, and the framework for tracking Budgets for the Disabled. The participants included members from partner organizations of CBM-SARO who work mainly on the rights of persons with disabilities.

Children

Pursuing its efforts towards deepening the understanding of challenges faced by children and policy measures required to address them, CBGA analysed the Union Government policies and budgets in this area, focusing on the appropriateness of policy design and adequacy of budgets. Based on this analysis, CBGA developed a note that was presented in a consultation, titled 'How Safe is India for Children?', organized by the India Alliance for Child Rights in May 2012.

V. Research and advocacy on public provisioning in social sectors

In 2012-13, CBGA worked on assessing the coverage and quality of public provisioning of drinking water and sanitation in the rural areas, which was done in collaboration with WaterAid and Samarthan- Centre for Development Support. In this area of work, the main focus was on assessing the major Central schemes for provisioning of drinking water and sanitation in the rural areas, with the help of field investigations in Sehore district in Madhya Pradesh. The study analyses the following issues in detail:

- (a) the adequacy of public spending on drinking water and sanitation in rural India;
- (b) the factors that constrain fund utilization in *National Rural Drinking Water Programme* and *Nirmal Bharat Abhiyan*;
- (c) how well do these programmes promote social inclusion; and
- (d) 'life cycle cost analysis' of public provisioning of drinking water in rural areas.

Based on our research on government financing of healthcare interventions in the country, we presented a paper on the National Rural Health Mission (NRHM) in a "National Consultation on

Engendering Health through NRHM" organized by the Centre for Development Studies, Thiruvananthapuram in July 2012.

VI. Research on issues relating to climate change

CBGA, with the support of Shakti Foundation, carried out a study on "evaluating the functioning of the National Clean Energy Fund (NCEF)", which underlined the fact that the operation of this Fund since 2010-11 had not fulfilled its objectives and it was implemented merely as an adjunct to the Union Budget for financing certain ad-hoc interventions of various Union ministries / departments.

CBGA's research on the subject has generated a significant amount of new and relevant information on the subject. A Policy Brief titled 'Framework and Performance of National Clean Energy Fund', which evaluates the functioning of NCEF under its present framework, was published by CBGA. This not only gained good media coverage, but was also received very well by practitioners in the field. A commentary article, based on the information provided in this Policy Brief, was also published by CBGA staff in the journal, *Economic and Political Weekly*. Hon'ble MP, Mr. Kalikesh Narayan Singh Deo from Biju Janata Dal (BJD), raised a question in Parliament on the functioning of the National Clean Energy Fund citing the research findings of CBGA on the issue.

Further, in this domain of its work, CBGA is close to completing two research outputs, viz. "Assessing Public Investments on Renewable Energy" and "Developing a methodology to assess expenditure priorities for Low Carbon Transport", with the support of Shakti Foundation.

CBGA also carried out a research study on 'Priorities in Budgets for Adaptation to Climate Change: Analysis from a Gender Lens' in collaboration with Alternatives Futures. This study is carrying out an in depth assessment of policy and budgetary priorities for adaptation-related government programmes in four States in India, with emphasis on gender-responsiveness of the same.

VII. Enhancing public understanding of taxes

As part of its ongoing efforts towards enhancing public understanding of taxes, CBGA stepped up its work in 2012 on deepening of knowledge and evidence pertaining to taxation issues both in the national and international domains. A number of Discussion Papers were prepared during the year, which focus on demystifying some of the important issues pertaining to taxation policies in India; these are:

- *Tax Exemptions in India: Issues and Challenges*
- *Property Taxes Across G-20 Countries: Can India Get It Right?*
- *Tax Dodging: An Overview*
- *Gender Implications of Tax Policies*
- *Direct Taxes Code: A Discussion Paper*

A special issue of CBGA's regular publication, Budget Track, was brought out in July 2012 looking at some of the key concerns relating to taxation in India. It has an interesting mix of contributions looking at some of the proposed policy reforms in India's tax system, like, Direct Taxes Code, Goods & Services Tax, and Financial Transaction Tax.

A number of CBGA staff participated, joined as panelists, or presented papers and discussed relevant tax related issues at different international fora as listed below:

- Conference on tax issues organized by International Tax Compact at Bonn, in November 2012;
- World Bank/IMF Annual Meeting in Tokyo on 'Role of WB/IMF in tax policies in developing countries focusing on Asia', in October 2012; and
- Discussion on 'Lost Revenue of the Global South', organized by Jubilee USA, in Washington DC, in October 2012.

Through its work on tax issues, CBGA is making a concerted effort to raise new and emerging questions pertaining to India's taxation policies, which are relevant not only for the overall fiscal policy space in the country but also for concerns relating to equity and social justice.

A Panel Discussion to examine the gender implications of taxation policies was organized in August 2012 (in New Delhi) bringing together academicians, civil society activists and bureaucrats. The purpose of this programme was to understand the gender implications of taxation policies in the Indian context, and, subsequently develop a roadmap for appropriate research and advocacy efforts towards making our tax policies gender responsive.

Responding to the Union Finance Ministry's announcement inviting comments to the report of the Parthasarathi Shome Committee on Retrospective Amendments on Indirect Transfers and to the report on General

Anti-Avoidance Rules (GAAR), CBGA submitted its response to these reports to Central Board of Direct Taxes (CBDT).

In its response, CBGA pointed out that it did not support the biased recommendations of the Reports, which sought to win favors with foreign investors at the cost of larger issues hurting the country (such as black money, illicit financial flows and tax havens).



VIII. Work on Centre-State fiscal relations and fiscal decentralization

CBGA brought out a Discussion Paper titled "Reflections on Budgets and Governance in India", authored by Dr. Vinod Vyasulu (eminent economist and Special Advisor to CBGA), which raises a number of issues about the fiscal architecture in India. It underlines some of the fundamental problems in the country's budgetary policies and processes that need attention of the policymakers. This publication aims to encourage the non-technical audience to engage more with the questions on policies and budgets that organisations like CBGA are working on.

A study examining the extent of decentralization, especially fiscal decentralization, to the Panchayati Raj Institutions (PRIs) in the country was initiated. As part of this, a research paper on the "Extent of Devolution of Functions and Finance to Local Governments: An Assessment of PRIs in Uttar Pradesh, Rajasthan and Kerala" was produced. The paper was presented by CBGA staff at an International Conference on 'Democratic Decentralization and People's Participation' organized by the Kerala Institute of Local Administration in December 2012.

In the context of the 14th Finance Commission, substantive research on Centre-State fiscal relations was taken up by CBGA; a response to the 'Terms of Reference' for the 14th Finance

Commission is being developed by CBGA. This would be submitted to the Secretary, 14th Finance Commission within the stipulated time. A consultation with experts in the field for sharing CBGA's take on this important subject is also on the agenda for the coming year.

IX. Analysing the Union Budget 2013-14

Every year, CBGA develops a comprehensive document called the "Response to Union Budget" within 24 hours of the Union Budget being tabled in Parliament of India. In this publication, CBGA analyses the latest budget proposals and numbers from the perspective of the poor and underprivileged sections of the population.



This year too, CBGA carried out a quick, but comprehensive scrutiny of the Union Budget 2013-14 within 24 hours of its presentation in Parliament. The research work not only assessed the priorities accorded in the Budget, to critical social sectors (health, education, water and sanitation) and economic sectors (agriculture, rural development, food security) but also analyzed the revenue side of the budget. The analysis presented in the report, "How Has the Dice Rolled:

Response to Union Budget 2013-14", covered allocations made for major programmes and schemes in the above mentioned sectors, highlighting comparisons over previous years' allocations, with a strong focus on the vulnerable sections of the population.

A Panel Discussion on the Union Budget 2013-14 was organized by CBGA on 1st March 2013 in New Delhi. The event witnessed a rich discussion among the panelists, which comprised eminent economists and policy analysts. The event witnessed a large audience, which included many members of civil society organizations, international and national development organisations, students and some media representatives.

Again, on March 8th, CBGA co-organized in Cochin, a Panel Discussion on Union Budget 2013-14, in partnership with the K. M. Centre for Budget Studies, Cochin University of Science and Technology (CUSAT). The panel had representation from the civil society, government, corporate sector and well-known academicians. Members from local colleges, university departments, media and general public attended the panel discussion.

X. Supporting advocacy efforts of Pension Parishad

CBGA's efforts in the area of taxation policies have contributed towards people's movements in the country incorporating taxation and resource mobilization issues in their campaigns and advocacy efforts. CBGA joined *Pension Parishad*, a national campaign initiated by social activists Aruna Roy and Baba Adhav, among others, seeking universal old age pension entitlements in the country, and provided substantive research inputs for the campaign. CBGA shared detailed suggestions on where and how to mobilize necessary resources from for meeting the level of public expenditure required for universal old age pension entitlements in the country.

XI. Supporting advocacy and outreach efforts of the Financial Transparency Coalition

Our association with the *Task Force on Financial Integrity and Economic Development*, renamed very recently as *Financial Transparency Coalition*, continued into its second year with CBGA serving as the Asia region outreach partner for the coalition. This global coalition led by think tanks and civil society organizations, such as, Global Financial Integrity, Tax Justice Network, Global Witness, Transparency International, Christian Aid, Latindadd and Tax Justice Network-Africa, works towards increasing transparency in the global financial system. CBGA, as a part of this coalition, is working on strengthening the network of organizations in Asia along with participating in the coalition's global advocacy efforts towards greater financial transparency.

Preparations to hold the first Regional Conference of the Coalition in Asia region, in partnership with CBGA, were underway in 2012-13. As New Delhi has been decided as the location for this Conference, CBGA is playing a lead role in organizing the same.

XII. Spreading budget awareness and strengthening capacities in budget work

To spread awareness on government budgets and related issues among the youth of the country, CBGA collaborated with *Employment News*, a well-known Union Government published weekly, which has a huge readership base in the country (exceeding four lakhs per week). Under this, a series called 'Know Your Budget' was brought out over a period of two months, in the issues of *Employment News* in January and February 2013. It published CBGA staff authored articles on relevant themes; the articles were:

- *Understanding the concepts of Union Budget*
- *Tax Concepts and Trends*
- *Role and Relevance of Planning Commission and Finance Commission*
- *Planning and Budgetary Strategies for Disadvantaged Communities.*

Soon after the announcement of Union Budget 2013-14, another CBGA staff authored piece titled 'Taxing the Superrich' was published in the *Employment News*.

CBGA has been working towards enhancing the capacity of civil society organizations across the country for strengthening their policy advocacy efforts with information on budgets. With this objective, a number of Capacity Building Workshops were organized in 2012-13 for different stakeholders to enhance their understanding on budgets. A range of CSOs got empowered to lead their advocacy efforts, after receiving training on budget related issues, in these programmes. Month-wise details of all these events are presented below.

April 2012

CBGA staff facilitated a session on budget tracking in the Capacity Building Workshop on 'Rights Based Approaches', organized by Welthungerhilfe in Bhopal; the participants were grassroots level CSOs from different States.

May 2012

CBGA staff facilitated a session on Budgets in a workshop organized by Tata Institute of Social Sciences (TISS) Mumbai for *Prime Minister's Rural Development Fellows*.

June 2012

In collaboration with CBM-SARO, a disabilities rights group, CBGA conducted a Capacity

Building Workshop on 'Understanding Budgets from the Perspective of Persons with Disabilities' in New Delhi. The participants of the workshop included members from the partner organizations of CBM-SARO working mainly on the rights of persons with disabilities.

August 2012

CBGA staff facilitated a session on Budgets in a workshop organized by Tata Institute of Social Sciences (TISS) Mumbai for *Prime Minister's Rural Development Fellows*.

September 2012

- A two-day capacity building workshop on 'Budget Analysis and Advocacy from the Lens of Minorities' was held for organizations working around issues related to minorities, particularly Muslims.
- Another capacity building workshop on 'Budget Analysis and Advocacy' for representatives of CSOs and PRIs was conducted at Bodhigram, Kerala. CBGA co-organized this workshop with the Institute of Sustainable Development and Governance (ISDG), Thiruvananthapuram.

November 2012

In order to deepen the understanding of budgets and budgetary processes of civil society organizations in different regions of the country, CBGA organized five capacity building workshops on 'Budget Analysis and Advocacy' at five different places. These two-day workshops were organized at Chennai, Ranchi, Guwahati, Lucknow and Pune. CSO representatives from the region concerned who participated in these workshops also participated subsequently in the Regional Conventions on the Union Budget. This strategy helped us in improving the quality of participation of CSOs in PBI's processes towards influencing the priorities of the Union Budget.

December 2012

CBGA staff facilitated a session on Budgets in a workshop organized by Centre for Enquiry into Health and Allied Themes (CEHAT), Mumbai for CSOs in Maharashtra.

February 2013

In collaboration with WaterAid, a workshop was conducted by CBGA for capacity building of civil society organizations in budget analysis in water and sanitation sector. This workshop helped build the participants' capacities on applying budget analysis as a tool to assess the financing for public provisioning of drinking water and sanitation.

During the year, CBGA hosted teams from various organizations who visited us for learning and exposure:

- Sustainable Development Policy Institute, Islamabad during 16 - 20 April 2012.
- Centre for Policy Dialogue, Dhaka during 11 - 14 September 2012.
- A delegation from Commonwealth Foundation on 26th July 2012.
- A staff of World Vision India for a week in May 2012, during which she was oriented on budget analysis from the perspective of child rights.

XIII. Enhancing the outreach of CBGA's work through media

Engagement with leading newspapers was sustained through the year. The year saw high media coverage of CBGA articles on a range of issues pertaining to budgets and governance.

There were a number of articles published in leading dailies like DNA, Hindu Business Line and Energy Next, based on CBGA's *policy brief on NCEF*; CBGA was duly acknowledged in these stories.

The '*Promises to Keep*' series, initiated out of CBGA's collaboration with the Times of India three years ago, advanced into its fourth year. In the run up to Budget 2013-14, four stories appeared in this series, as shown below. CBGA provided notes and research inputs for developing these stories:

- *Food bill to cost Rs 2.38 cr/year, 19 February 2013*
- *Budget no gender bender, 20 February 2013*
- *Centre's flagship plans tying up states, 21 February 2013*
- *SCs, STs don't get their share of the pie, 22 February 2013*

A pre-budget series was carried in *Down to Earth*, the magazine by Centre for Science and Environment, in February 2013. Four articles (listed below), written by CBGA staff, appearing under the '*Countdown to Budget 2013-14*' series highlighted some of the important issues pertaining to the Budget.

- *Plan Spending on Social Sectors and a Paradox in Budgetary Policies*
- *Provisioning for Universal Health Care or Moving Away from the Agenda*
- *Renewable Energy: Areas of Concern for Union Budget 2013-14*
- *Taxation and Inequality: Expectations from Union Budget 2013-14*

Dainik Jagran, an eminent Hindi daily approached CBGA in February 2013 to contribute two articles. The following articles were brought out in the pre-budget and post budget editions of the daily respectively:

- *Kaisa Ho Naye Bharat Ka Aam Budget?*
- *Thoda Hai, Jyada Ki Jarurat*

Many newspapers carried articles and commentaries on the Budget, quoting CBGA, in early March 2013. The Times of India, The Hindu, Economic Times and Mint are some of these dailies.

CBGA staff authored four articles for *Yojana*, a well-known magazine (published by the Union Government), in its Budget special edition in the month of March 2013. The four pieces were:

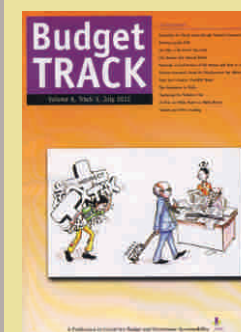
- *How is the Union Budget formulated?*
- *Examining the priorities for different sectors in the Union Budget*
- *Concepts of Union Budget*
- *Allocations over a five year period under some flagship schemes.*

XIV. Strengthening CBGA's organizational performance

The past year has also witnessed a number of initiatives by CBGA for strengthening its organisational development parameters, such as, the accreditation with Credibility Alliance (under desirable norms of transparency and accountability for the organisation) and inception of a Strategic Planning process that is meant to generate a Strategic Plan for CBGA for the next six years.

Publications

CBGA has published the following research outputs during 2012-13:

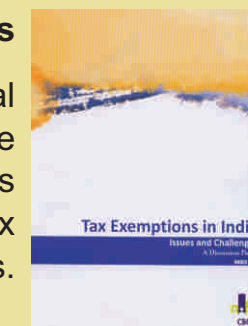


Budget Track (Volume 9, Track 1-2)

This Special Issue of Budget Track focuses on some of the key concerns relating to taxation in India, and, has articles on a range of important issues, including some of the proposed policy reforms in India's tax system, like, Direct Taxes Code, and Goods & Services Tax.

Tax Exemptions in India: Issues and Challenges

A Discussion Paper on the exemptions in the Central Government tax system and their implications in terms of the public revenue foregone; it unpacks the technical nuances involved in the debate around revenue foregone due to tax exemptions.



Tax Dodging: An Overview

A Discussion Paper, which provides an overview of some of the common tax evasion and tax avoidance practices and the loss of public revenue on account of these; it also highlights the measures required to tackle these problems.



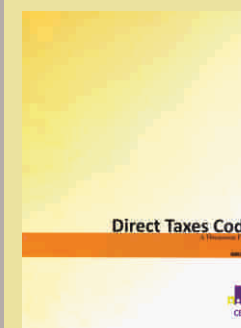
Gender Implications of Tax Policies

This Discussion Paper focuses on the gender implications of taxation policies in general and those in India in particular; it presents some pointers towards a more gender sensitive tax regime for the country.



Direct Taxes Code: A Discussion Paper

It examines the provisions in the Direct Taxes Code (DTC) Bill, 2010 from an equity and social justice perspective. It also highlights the kind of progressive changes that need to be made in some of the provisions in this important Bill.



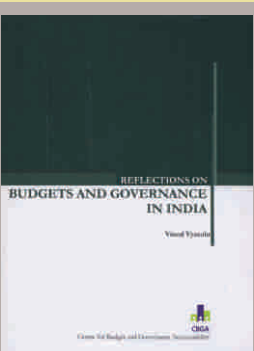


Property Taxes Across G-20 Countries: Can India Get It Right?

This Paper, brought out jointly by CBGA and Oxfam India, focuses on property related taxes in India, with a comparison of those in other G20 countries, and emphasizes on the need for policy changes in the country so as to improve the direct tax base and progressivity of India's tax structure.

Reflections on Budgets and Governance in India

This Discussion Paper, authored by Dr. Vinod Vyasulu (eminent economist and Special Advisor to CBGA), raises a number of issues about the fiscal architecture in India. It underlines some of the fundamental problems in the country's budgetary policies and processes that need attention of the policymakers.

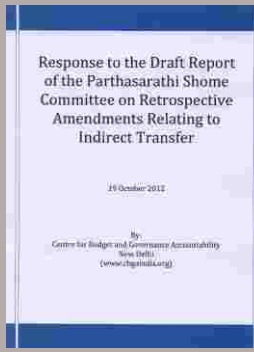
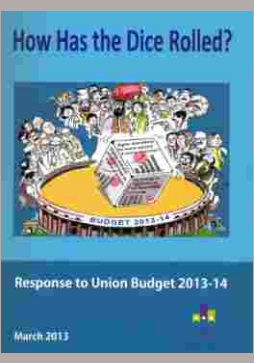


Framework and Performance of National Clean Energy Fund

A Policy Brief, which evaluates the present framework and functioning of the National Clean Energy Fund (NCEF) constituted by the Union Government and puts forward a number of recommendations for reforms with regard to this Fund.

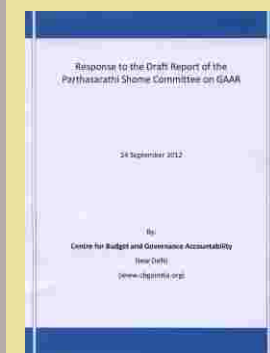
How Has the Dice Rolled? – Response to Union Budget 2013-14

Presenting a comprehensive analysis of the Union Budget 2013-14, this publication by CBGA scrutinizes not just the expenditure priorities of the government in critical social and economic sectors, but also focuses on its resource mobilization policies. It looks at all major schemes in different social sectors, highlighting the changes from previous years' allocations.



Response to the Draft Report of the Parthasarathi Shome Committee on Retrospective Amendments Relating to Indirect Transfer

CBGA's Response to the draft report of the Parthasarathi Shome Committee on retrospective amendments in the Income Tax Act relating indirect transfers of assets in India.

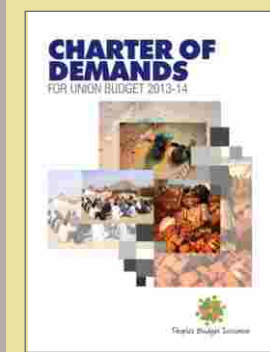
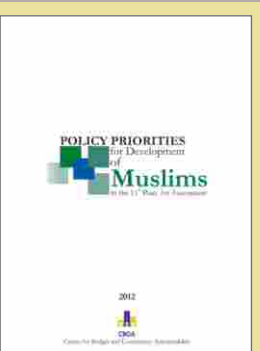


Response to the Draft Report of the Parthasarathi Shome Committee on GAAR

CBGA's Response to the Parthasarathi Shome Committee report on the introduction of General Anti-Avoidance Rules (GAAR) in India.

Policy Priorities for the Development of Muslims in the 11th Plan: An Assessment

A Discussion Paper focusing on the major interventions by the Union Government for accelerating the development of religious minorities; it assesses the design and implementation of these programmes from the perspective of Muslims who constitute a very large section of religious minorities in the country and have been lagging behind other sections of the population on most indicators of socio-economic development.



Charter of Demands for Union Budget 2013-14

This publication presents the expectations, suggestions and demands of the civil society network, People's Budget Initiative, from the Union Budget 2013-14; it focuses on social sectors, key economic sectors, vulnerable sections of the population and taxation.

All these publications can be downloaded for free at: http://www.cbgaindia.org/new_publications.php

Capacity Building Workshops and Advocacy Events

Capacity Building Workshops conducted in 2012-13

- Workshops on 'Budget Analysis and Advocacy' under People's Budget Initiative (PBI)
 - Capacity Building Workshop for select CSOs in the Western region, on November 28-29, 2012, in Pune (co-organised with NCAS, Pune).
 - Capacity Building Workshop for select CSOs in the North Eastern region, on November 19-20, 2012, in Guwahati (co-organised with NEN, Guwahati).
 - Capacity Building Workshop for select CSOs in the North & Central region, on November 19-20, 2012, in Lucknow (co-organised with GDS, Lucknow).
 - Capacity Building Workshop for select CSOs in the Eastern region, on November 15-16, 2012, in Ranchi (co-organised with LEADS Trust, Ranchi).
 - Capacity Building Workshop for select CSOs in the Southern region, on November 7-8, 2012, in Chennai (co-organised with Social Watch – Tamil Nadu, Chennai).
 - Capacity Building Workshop on Budgets (for representatives of Panchayats and CSOs in Kerala) by CBGA and ISDG in Bodhigram, Adoor, Kerala on September 18-19, 2012.
- Workshop on 'Budget Analysis and Advocacy from the Lens of Persons with Disabilities' (for activists working on the rights of persons with disabilities) on June 12-14, 2013, in New Delhi (co-organised with CBM SARO).
- Workshop on Public Provisioning in Rural Drinking Water and Sanitation (for CSOs working on drinking water and sanitation issues) on February 6-8, 2013, in New Delhi.
- Workshops on 'Budget Analysis and Advocacy from the lens of Minorities'
 - Capacity Building Workshop on 'Budget Analysis and Advocacy from the Lens of Minorities' (for Muslim activists and academics) on September 15-16, 2012, in New Delhi.
 - Capacity Building Workshop on 'Budget Analysis and Advocacy from the Lens of Minorities' (for Muslim women activists and academics) on February 22-23, 2013, in New Delhi.

PBI's Conventions on the Union Budget

- Regional Convention on Union Budget 2013-14 (Southern region), Chennai, November 9, 2012 (Host organization- Social Watch Tamil Nadu).
- Regional Convention on Union Budget 2013-14 (Eastern region), Ranchi, November 17, 2012 (Host Organization- Life Education and Development Support (LEADS) Trust).
- Regional Convention on Union Budget 2013-14 (North Eastern region), Guwahati, November 21, 2012 (Host organization- NEN, Guwahati).
- Regional Convention on Union Budget 2013-14 (Northern and Central region), Lucknow, November 21, 2012 (Host organization- Grameen Development Services, Lucknow).

- Regional Convention on Union Budget 2013-14 (Western region), Pune, November 30, 2012 (Host Organization- NCAS, Pune).
- A National Convention on Union Budget 2013-14 was organised in December 2013 in New Delhi to collectively prepare a set of priority demands from the Union Budget, based on the demands coming from the five Regional Conventions held earlier.

Media Events preceding the Union Budget

- A Press Briefing on the Union Budget (2013-14) emphasizing the need for reforms in government's budgetary policies was jointly organized with National Alliance of People's Movements (NAPM) in Bhopal on February 12, 2013. The event was widely covered by electronic and print media.
- Another Press Briefing on 'Budget 2013-14: Tax Policies and Concerns of Equity (Where are the Resources?)' was co-organized with Oxfam India on February 5, 2013, in New Delhi. Speakers answered questions from the press on Government's approach to tax matters in the country and the revamp needed for mobilizing greater public revenue.

Panel Discussions on the Union Budget

- After the presentation of the Union Budget 2013-14 in Parliament on 28th February 2013, CBGA organized a Panel Discussion on the Budget the next day (i.e. on 1st March 2013) in New Delhi. A panel of eminent experts shared their views on the extent to which the budget proposals met the needs and expectations of the people.
- Another Panel Discussion on Union Budget 2013-14 was co-organized in collaboration with the K. M. Mani Centre for Budget Studies, Cochin University of Science and Technology (CUSAT), in Cochin on March 8, 2013.

Consultations focusing on Transparency and Accountability in Budgets

- A Consultation on "Budget Transparency and Accountability" focusing on disadvantaged sections of population was organized in collaboration with Gulati Institute of Finance and Taxation (GIFT) and Institute for Sustainable Development and Governance (ISDG) in Thiruvananthapuram in September 2012.
- A Consultation on "Transparency in National-Level Budgets in South Asia Region" was held on February 14, 2013, in New Delhi. It was attended by civil society organizations, media representatives and senior government officials from Afghanistan, Bangladesh, Nepal, Sri Lanka, Pakistan and India.

Panel Discussion focusing on Taxation

- A Panel Discussion on "Understanding the Gender Implications of Taxation Policies" was organised in August 30, 2012 in New Delhi, which discussed the gender implications of the revenue generation policies of the government in India.

Consultation on Water Resources

- A National Consultation on the (Draft) National Policy on Water Resources was co-organised by SANSAD, Centre for World Solidarity and CBGA on 21-22 November 2012, in New Delhi.

Some Positive and Encouraging Developments

There have been a number of positive and encouraging developments relating to CBGA's efforts in different spheres, over the last one year, some of which are the following:

- Over the last few years, CBGA has been working consistently on Gender Responsive Budgeting (GRB), emphasizing on the need for deepening of GRB efforts in the Union Government as well as States. In this domain of its work, CBGA has been collaborating with the Union Ministry of Women and Child Development, UN Women and some of the leading feminist economists in the country. These efforts have contributed towards some encouraging results in terms of the policy pronouncements in the 12th Five Year Plan (meant for 2012-13 to 2016-17); a number of policy measures for deepening of GRB have been announced in the 12th Plan document. The 12th Plan document states that “The scope of the GB Statement must be expanded to cover all Union Ministries and Departments by making it mandatory for all to report under the same. The new methodology and format of the GBS will promote purposive gender planning. To ensure better analysis, a review of the format and the methodology of the Gender Budget Statement will be undertaken in the Twelfth Plan.” These have been some of the key recommendations by CBGA with regard to GRB.
- Likewise, research and advocacy efforts by CBGA and a number of other civil society actors in the area of budgetary priorities for Muslims have contributed towards the Union Ministry of Minority Affairs making a strong case for more comprehensive and transparent financial reporting by all Union Ministries concerned in the Prime Minister's New 15 Point Programme for Minorities.
- Our efforts relating to Taxation have generated a lot of relevant information for the larger civil society on the resource questions and the discourse on taxation in mainstream media too has started recognizing the lack of progressivity in the country's tax system. In the Speech for Union Budget 2013-14, the Union Finance Minister clearly acknowledged that India's tax-GDP ratio is low for a large developing country and that it would not garner enough resources for development spending; this long overdue acknowledgement by the Union Government of the need for stepping up the country's tax-GDP ratio is certainly a step in the right direction.
- As far as the budget processes in the country are concerned, the efforts carried out under the banner of PBI have encouraged a number of CSOs in different States to make strong efforts towards pre-budget consultations with the civil society before the respective State Budgets are finalized by their Finance Departments. Civil society budget groups (and members of PBI) in Odisha, Rajasthan, Gujarat, Madhya Pradesh and Kerala have started organising such pre-budget consultations with the civil society in their respective States. Of these, the pre-budget consultations in Odisha and Kerala have already been endorsed formally by the respective State Finance Departments. We hope that pre-budget consultations would be institutionalized by the State Finance Departments in a number of States over the next few years, and that the Union Finance Ministry too would institutionalize pre-budget consultations with civil society budget groups.
- Our advocacy and outreach efforts in the Asia region on financial transparency and tax justice, as part of the broader coalition led by the Task Force on Financial Integrity and Economic Development (now renamed as the Financial Transparency Coalition), have strengthened CBGA's links with progressive organisations across a number of Asian countries.

Gaps and Challenges

We have also recognised a number of gaps and challenges in different spheres of our work, over the last few years in general and in the year 2012-13 in particular; some of these are as indicated below.

Research

- We have witnessed a strong need for generating concrete ideas for schemes or interventions for specific vulnerable sections, which could be financed under the policy strategies for disadvantaged groups like GRB, Scheduled Caste Sub Plan, and Tribal Sub Plan.
- In the sphere of our work on taxation, we need to generate relevant information on exemptions in the Central tax system and come up with specific policy recommendations on rationalising tax exemptions; we also need to generate relevant information on tax burden on the poor and develop concrete policy recommendations on indirect taxes and direct taxes in the country.
- There is also a pressing need for developing appropriate methods for tracking budgets in specific sectors at the sub-district level and generating locally relevant budget information that would catch the attention of people.

Capacity Building

- CBGA needs to develop appropriate strategies for spreading budget awareness among a wide range of people across the country.
- Capacity building of civil society actors across the country on government budgets needs to be pursued more vigorously in order to improve the quality of participation of these actors in the pre-budget consultations at the national and State levels.

Advocacy

- At the same time, we have to convince the Union Government to institutionalize pre-budget consultations with civil society budget groups and redesign the consultations in order to rope in all relevant Union Ministries into the same.
- We would need to improve our communication and outreach efforts with regard to policymakers, Members of Parliament and media. We also have to improve the content and presentation in the CBGA website – with data visualizations / info graphics, and venture into social media (like, Twitter and Facebook).

Way Ahead

In the coming years, CBGA will make a concerted effort to deepen its work and address the gaps and challenges mentioned above. Some of the key focus areas in the organisation's work in 2013-14 would include the following:

- Research and advocacy on issues relating to Centre-State fiscal relations and fiscal decentralisation (in the context of the 14th Finance Commission) - highlighting the challenges relating to systemic weaknesses in government apparatus at the State and district level.
- Reorienting the methodology of Gender Responsive Budgeting in Union Government and States – by generating concrete ideas for schemes / interventions for women and girl children (which could be financed under Gender Responsive Budgeting) and advocacy with the policymakers.
- District-level budget tracking exercises focusing on a number of schemes – for developing appropriate methods for tracking budgets in specific sectors at the sub-district level.
- Assessing specific issues in India's domestic and international taxation policies (e.g. exemptions in the Central tax system and tax burden on the poor); and, strengthening the outreach efforts in the Asia region on financial transparency and tax justice, as part of the Financial Transparency Coalition.
- Strengthening communication and outreach efforts with regard to policymakers, Members of Parliament and media.

Part C Board of Trustees

Members of the Board of Trustees of CBGA as of March 2013

Amitabh Behar (Executive Director, National Foundation for India and Co-Chair of Global Call to Action Against Poverty)	Member, BoT
Anil K. Singh (Secretary General, South Asian Network for Social and Agricultural Development)	Treasurer, BoT
Jagadananda (State Information Commissioner, Odisha)	Member, BoT
Jayati Ghosh (Professor, Centre for Economic Studies and Planning, School of Social Sciences, JNU)	Member, BoT
John Samuel (Democratic Governance Adviser, UNDP)	Secretary, BoT
Manuel Alphonse (Founder, Social Watch Tamil Nadu)	Member, BoT
Praveen Jha (Professor, Centre for Economic Studies and Planning, School of Social sciences, JNU, New Delhi)	Member, BoT
Ritu Dewan (Professor, Centre for Women's Studies, Dept. of Economics, University of Mumbai)	Member, BoT
Shantha Sinha (Professor, Department of Political science, Hyderabad Central University)	President, BoT
Virginia Shrivastava (Coordinating Director, Budget Analysis Rajasthan Centre, Rajasthan)	Member, BoT
Yogesh Kumar (Director, Samarthan – Centre for Development Support, Bhopal)	Member, BoT

CBGA Team

Members of the CBGA Team as of March 2013

Bhuwan Chand Nailwal	Finance & Admin. Officer
Gyana Ranjan Panda	Senior Programme Officer
Happy Pant	Senior Programme Consultant
Harsh Singh Rawat	Office Assistant
Jawed Alam Khan	Senior Research Officer
Kanika Kaul	Programme Officer
Khwaja Mobeen Ur Rehman	Programme Officer
Manzoor Ali	Research Officer
Narendra Jena	Research Officer
Nilachala Acharya	Senior Research Officer
Pooja Rangaprasad	Programme Consultant
Prashant Prakash	Research Associate
Priyadarshini Mohanty	Programme Officer
Sankhanath Bandyopadhyay	Research Officer
Saumya Shrivastava	Research Associate
Sona Mitra	Research Consultant
Subrat Das	Executive Director
Sumita Gupta	Finance & Admin. Associate
T. K. Shaji	Finance & Admin. Officer
Tara Rawat	Finance & Admin. Assistant

Our Funders

In the financial year 2012-13, CBGA relied upon the support of the following institutions.

For core / institutional fund support, we are grateful to:

- Ford Foundation,
- International Budget Partnership – Partnership Initiative, and
- International Development Research Centre - Think Tank Initiative.

For fund support tied to research and advocacy efforts in specific areas, we are grateful to:

- Christian Aid,
- ClimateWorks Foundation (Shakti Foundation),
- Climate and Development Knowledge Network (through *Alternative Futures*)
- European Debt and Development Network,
- Oxfam India, and
- WaterAid.

Part D

Information Pertaining to Disclosure Norms

Salary Slab-wise Gender Composition of Staff (as of March 2013)

Slab of Gross Monthly Salary plus benefits paid to staff (in Rs.)	Male Staff	Female Staff	Total Staff
10,001 - 25,000	0	0	0
25,001 - 50,000	4	4	8
> 50,000	8	4	12
Grand Total	12	8	20

Gross Monthly Salary of the lowest paid employee = Rs. 27,203

Gross Monthly Salary of the highest paid employee = Rs. 95,745

(as of March 2013)

Payments made to the Members of the Board of Trustees of CBGA during the F.Y. 2012-13

S No.	NAME	NATURE OF EXPENSE	AMOUNT (INR)
1.	Prof. Praveen Jha	Consultancy payment for his role as Economic Adviser	2,74,428
2.	Dr. Anil K. Singh	Travel cost reimbursement	91,143

Treasurer's Report

With regard to the management of funds by Centre for Budget and Governance Accountability (CBGA) in the financial year 2012-13, I would like to bring to your attention the following points.

- CBGA received a total income of Rs. 3,47,69,265/- in 2012-13, with an increase of 15.6 % over the total income of Rs. 3,00,76,680/- in the previous financial year.
- CBGA's total expenditure during the year 2012-13 was Rs. 3,44,47,147/-, with an increase of 16 % over the total expenditure of Rs. 2,96,90,693/- in the previous financial year.
- During the financial year 2012-13, Rs. 2,84,564/- was received as Interest on Fixed Deposit, as compared to Rs. 3,22,811 received as interest on Fixed deposit in 2011-12.
- CBGA has a Reserve Fund of Rs. 22,84,775/- as on 31st March 2013.
- The net value of Fixed Assets of CBGA depreciated from Rs. 17,08,996/- as on 31st March 2012 to Rs. 16,60,180 as on 31st March 2013. A periodic physical verification of all fixed assets is being undertaken by the Finance and Administration unit of CBGA.
- The financial accounts were prepared according to the standard accounting practices and statutory requirements prevailing in India and as applicable for NGOs.
- All statutory requirements, like, filing of returns to FCRA division of the Union Ministry of Home Affairs, tax returns to the Income Tax Department, and Employees Provident Fund returns to EPFO, were fulfilled during 2012-13.
- In the year 2012-13, CBGA relied upon the financial support of a number of institutions for working towards its goals and objectives. During 2012-13, CBGA received core / institutional fund support from: *Ford Foundation, International Budget Partnership (IBP) - Partnership Initiative, and International Development Research Centre (IDRC) - Think Tank Initiative*. During this year, it received fund support tied to research and advocacy efforts in specific areas from: *Christian Aid, Climate Works Foundation (Shakti Foundation), Climate and Development Knowledge Network (through Alternative Futures), European Debt and Development Network, Oxfam India, and Water Aid*.

I wish to thank all donors and funding partners who have contributed financially towards achieving the goals and objectives of CBGA.

I also wish to thank the Executive Director and the Staff of the Finance and Administration Unit of CBGA for assisting me in discharging my responsibility as the Treasurer.

Anil K. Singh
Treasurer
Board of Trustees
Centre for Budget and Governance Accountability



S. Sahoo & Co.

Chartered Accountants

To
The Board of Trustees
CENTRE FOR BUDGET AND GOVERNANCE ACCOUNTABILITY (CBGA)
B-7 EXTN./110A(GROUND FLOOR),HARSUKH MARG,
SAFDARJUNG ENCLAVE, New Delhi

We have examined the attached Balance Sheet of "CENTRE FOR BUDGET AND GOVERNANCE ACCOUNTABILITY (CBGA)" (PAN: AAATC7931L) as at 31st March 2013 & the related Income & Expenditure Account on the said date.

These financial statements are the responsibility of the CENTRE FOR BUDGET AND GOVERNANCE ACCOUNTABILITY (CBGA)'s management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining the evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

On the basis of the information and explanation given to us, we are of the opinion that:

- The Balance Sheet gives a true and fair view of the state of affairs of CENTRE FOR BUDGET AND GOVERNANCE ACCOUNTABILITY (CBGA), as at 31st March, 2013;
- The Income & Expenditure Account gives a true and fair view of the results of operation of CENTRE FOR BUDGET AND GOVERNANCE ACCOUNTABILITY (CBGA) for the year ended on the date stated above.

For and on behalf of:
S.SAHOO & CO
Chartered Accountants

CA Subhjit Sahoo, FCA
Partner
MM NO: 057426
FRN:- 322952E

Place: New Delhi
Dated: 6th July, 2013

107, LAXMAN SINGH COMPLEX-I, MUNIRKA, NEW DELHI-110067, TEL.: 26191252, 41090039 MOB.: 98102 12917
B.O.: D/5, G.E. BLOCK, SECTOR-III, SALT LAKE, KOLKATA - 700 091
H.O.: 583-585, SAHEED NAGAR, BHUBANESWAR - 751 007, PH.: 0674-2340081, 0674-254 4464
Website: www.ssahoo.com, E-mail: s.sahoo.co@gmail.com, Blog: http://sahooshares.blogspot.in

CENTRE FOR BUDGET AND GOVERNANCE ACCOUNTABILITY
B-7 EXTN./110A(GROUND FLOOR),HARSUKH MARG,SAFDARJUNG ENCLAVE
NEW DELHI - 110029 (INDIA)



RECEIPTS & PAYMENT ACCOUNT FOR THE YEAR ENDED 31st MARCH 2013			
	SCHEDULE	F.Y. 2012-13	F.Y. 2011-12
RECEIPTS			
Opening Balance :			
Cash in Hand	[22]	1,34,954	1,19,778
Cash at Bank	[22]	31,64,487	38,72,835
Fixed Deposits	[23]	35,00,000	35,00,000
Grant In Aid	[24]	306,15,638	262,82,428
Bank Interest	[25]	10,72,014	4,47,625
Loan & Advance Received	[26]	3,65,586	27,78,913
Other Income		1,200	1,08,447
TOTAL Rs.		388,53,880	371,10,026
PAYMENT			
Project Related Expenses			
FOREIGN FUND			
Ford Foundation Project Expenses	[27]	76,20,851	80,95,936
IBP-Open Budget Initiative		578	576
IBP-Budget Transparency South Asia	[28]	11,02,284	-
IBP Partnership Initiative	[29]	61,16,207	45,53,161
Oxfam India	[30]	14,99,872	14,73,143
Christian Aid	[31]	43,98,852	24,57,229
Water Aid- Public Prov. For Water & Sanitation	[32]	15,49,716	11,26,465
Climate Works Foundation	[33]	6,23,230	5,73,111
Oxfam Novib -Creating South Asia Alliance for Budget Accountability		-	12,75,930
EURODAD	[34]	10,71,678	1,42,583
IDRC- Think Tank India	[35]	86,69,148	74,16,213
JAGORI		-	59,230
Project Expenses		-	14,216
Alternative Future	[36]	5,46,814	-
INDIAN FUND			
UNIFEM-Gender Budgeting		-	11,88,393
Administrative Expenses		10,000	75,986
Current Liabilities Paid	[37]	6,91,580	7,56,386
Loan and Advances Paid	[38]	10,25,102	10,70,027
Grant Refund to Jagori		-	32,000
Closing Balance			
Cash in Hand	[07]	74,710	1,34,954
Cash at Bank	[07]	38,53,259	31,64,487
Fixed Deposits	[23]	-	35,00,000
TOTAL Rs.		388,53,880	371,10,026

Significant Accounting Policies and Notes to Accounts [39]
The schedules referred to above form an integral part of the Receipts & Payment A/c.

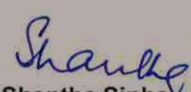
IN TERMS OF OUR REPORT OF EVEN DATE FORM FC-6 ATTACHED


For & on behalf :
S.SAHOO & CO.
Chartered Accountants


[CA Subhjit Sahoo, LLB, FCA]
Partner
MM No. 57426
Firm No. 322952E

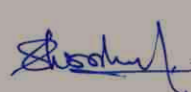
Place: New Delhi
Date: July 06, 2013

For:
CENTRE FOR BUDGET AND GOVERNANCE ACCOUNTABILITY


Shantha Sinha
President


Anil K. Singh
Treasurer


Subrat Das
Executive Director


Shaji T.K
Finance & Admin. Officer

CENTRE FOR BUDGET AND GOVERNANCE ACCOUNTABILITY
B-7 EXTN./110A(GROUND FLOOR),HARSUKH MARG,SAFDARJUNG ENCLAVE
NEW DELHI - 110029 (INDIA)

INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2013			
	SCHEDULE	F.Y. 2012-13	F.Y. 2011-12
I. INCOME			
Grant In Aid	[10]	344,28,611	295,90,587
Bank Interest	[11]	3,39,454	3,77,646
Other Income		1,200	1,08,447
TOTAL		347,69,265	300,76,680
II. EXPENDITURE			
Project Related Expenses			
FOREIGN FUND			
Ford Foundation Project Expenses	[12]	82,22,497	85,85,756
IBP-Open Budget Initiative		578	576
IBP-Budget Transparency South Asia	[13]	11,02,563	-
IBP Partnership Initiative	[14]	61,50,109	47,32,623
Oxfam India	[15]	15,00,000	15,00,000
Christian Aid	[16]	45,23,099	24,94,714
Water Aid- Public Prov. For Water & Sanitation	[17]	15,99,855	11,39,073
Climate Works Foundation	[18]	6,30,749	5,87,879
Oxfam Novib -Creating South Asia Alliance for Budget Accountability		-	12,75,930
EURODAD	[19]	11,28,917	1,48,041
IDRC- Think Tank India	[20]	90,18,768	78,77,136
JAGORI		-	59,230
Alternative Future	[21]	5,51,476	-
Project Expenses		-	14,213
INDIAN FUND			
UNIFEM-Gender Budgeting		-	11,89,631
Administrative Expenses		10,000	75,986
Depreciation	[03]	6,33,936	5,42,760
Less: Depreciation Transferred to Asset Fund		6,25,400	5,32,854
TOTAL		344,47,147	296,90,693
III. EXCESS OF INCOME OVER EXPENDITURE	[I - II]	3,22,118	3,85,987

Significant Accounting Policies and Notes to Accounts [39]

The schedules referred to above form an integral part of the Income & Expenditure A/c.

For & on behalf :
S.SAHOO & CO.
Chartered Accountants

[CA Subhjit Sahoo, FCA, LLb]
Partner
MM No. 57426
Firm No. 322952E

Place: New Delhi
Date: July 06, 2013

For:
CENTRE FOR BUDGET AND GOVERNANCE
ACCOUNTABILITY

Shantha Sinha
President

Anil K. Singh
Treasurer

Subrat Das
Executive Director

Shaji T.K
Finance & Admin. Officer

CENTRE FOR BUDGET AND GOVERNANCE ACCOUNTABILITY
B-7 EXTN./110A(GROUND FLOOR),HARSUKH MARG,SAFDARJUNG ENCLAVE
NEW DELHI - 110029 (INDIA)

BALANCE SHEET AS AT 31st MARCH 2013				
Particulars	SCHEDULE	F.Y. 2012-13	F.Y. 2011-12	
SOURCES OF FUND				
I. FUND BALANCES:				
a. General Fund	[01]	22,85,021	19,62,903	
b. Asset Fund	[02]	15,94,176	16,34,456	
c. Corpus Fund		25,000	25,000	
II. LOAN FUNDS:				
a. Secured Loans		-	-	
b. Unsecured Loans		-	-	
TOTAL	[I + II]	39,04,197	36,22,359	
APPLICATION OF FUND				
I. FIXED ASSETS				
Gross Block	[03]	35,37,094	29,51,974	
Less: Accumulated Depreciation		18,76,914	12,42,978	
Net Block		16,60,180	17,08,996	
II. INVESTMENT				
	[04]	-	40,56,442	
III. CURRENT ASSETS, LOANS & ADVANCES:				
a. Loans & Advances	[05]	17,37,041	12,22,012	
b. Grant Receivable	[06]	61,72,335	43,19,495	
c. Cash & Bank Balance	[07]	39,27,969	32,99,442	
A		118,37,345	88,40,949	
Less: CURRENT LIABILITIES & PROVISIONS:				
a. Current Liabilities	[08]	28,19,588	24,26,273	
b. Unspent Grant Balance	[09]	67,73,740	85,57,755	
B		95,93,328	109,84,028	
NET CURRENT ASSETS	[A - B]	22,44,017	(21,43,079)	
TOTAL	[I+II+III]	39,04,197	36,22,359	

Significant Accounting Policies and Notes to Accounts [39]

The schedules referred to above form an integral part of the Balance Sheet.

For & on behalf :
S.SAHOO & CO.
Chartered Accountants

[CA Subhjit Sahoo, FCA, LLb]
Partner
MM No. 57426
Firm No. 322952E

Place: New Delhi
Date: July 06, 2013

For:
CENTRE FOR BUDGET AND
GOVERNANCE

Shantha Sinha
President

Anil K. Singh
Treasurer

Subrat Das
Executive Director

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Finance & Admin. Officer

