

ANNUAL REPORT 2010-11



CBGA

Centre for Budget and Governance Accountability

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CBGA's Vision and Objectives

CBGA is a proactive, enabling and learning organisation, which promotes –

- transparent and accountable governance;
- people's participation in the discourse and processes of governance; and
- a pro-people and rights based policy environment, equity and social justice.

The vision of CBGA has translated into key objectives that shape up 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.

Foreword

2010-11 has been a highly demanding as well as a very rewarding year for us. Among the major challenges that confronted the organisation was the change in leadership and the consequent phase of transition in CBGA. The team went through this phase with perseverance and focus, with continuous and strong support from the Governing Board.

One of the other key challenges for the organisation was to carry out a number of ambitious research and advocacy programmes, in collaboration with other NGOs and civil society budget groups. Building an environment of trust and mutual respect is a pre-requisite for any substantive collaborative effort; and CBGA did invest adequately in building such an environment in all its collaborative projects in 2010-11.

Another challenge before the organisation came along with CBGA's selection as one of the nine policy research organisations in India, which are being supported by the International Development Research Centre (IDRC) under their Think Tank Initiative. The Initiative envisages a four-year roadmap for the grantee organisations to be supported for improving their quality of research, strengthening organisational performance and improving their policy advocacy and outreach. Being a part of the Think Tank Initiative has increased the expectations of many stakeholders from the organisation, in response to which CBGA has made some conscious and sustained efforts for bringing about systemic improvements in its work, though there is still a long way to go.

Our experience with most of our collaborative projects, and in particular in the ambitious study on "Transparency in State Budgets in India" that covered ten States, has been very encouraging. A few changes introduced in the Union Budget 2011-12 documents, quite possibly because of our advocacy with the Union Ministry of Finance in 2010, have led to some improvement in transparency in the Union Budget. Likewise, the meeting of a delegation of the People's Budget Initiative (of which CBGA is the Secretariat) with the Union Finance Minister in the run up to the Union Budget 2011-12 has raised our hopes of being able to create enough space for civil society to participate in the budget formulation process of the Union Government in the years to come.

In 2010-11, we have been able to initiate and sustain our work on taxation, which includes both in depth research and spreading awareness about tax related issues among civil society organisations across the country. Our efforts towards enhancing the capacity of selected civil society organisations in budget work in the neighbouring South Asian countries (viz. Afghanistan, Bangladesh, Nepal and Pakistan) have been very productive and we have also been able to form strong ties with many of these organisations. One of the most rewarding developments has been the alliance of all State Budget Groups and CBGA, which was facilitated significantly by our collaborative study on "Transparency in State Budgets in India" and has been strengthened further with the collaborative efforts by all these organisations to influence the Twelfth Five Year Plan of the country.

However, it would be crucial for CBGA to make sustained efforts towards bringing about systemic improvements in its work, and further consolidate its efforts in the strategic areas of work in the years to come.

- Executive Director, CBGA

Focus Areas in 2010-11

In line with the vision and objectives of the organisation, a significant amount of work has been undertaken by CBGA in the year 2010-11. This section highlights some of the key interventions made by the organisation in its focus areas.

1. Union Budget: Issues of Transparency, Accountability and Participation

Promoting Transparency

People's Budget Initiative: A number of civil society organisations had come together in 2006 to form a coalition - the People's Budget Initiative (PBI) - to facilitate involvement of civil society in the budget process of the Union Government; CBGA serves as the Secretariat of PBI. As a result of some of the efforts made by PBI in 2010, a couple of significant changes were incorporated by the Union Ministry of Finance in the Union Budget for 2011-12 that have improved transparency in the Union Budget. These changes include:

- (a) Inclusion of figures for Actual Expenditure in all schemes across all Union ministries/departments in the Expenditure Budget Vol. II document for the first time (earlier this important Union Budget document used to give only Budget Estimates and Revised Estimates of expenditure on schemes); and
- (b) Introduction of separate Statements in Expenditure Budget Vol. I of Union Budget showing budgetary provisions for the benefit of Scheduled Castes and those for the benefit of Scheduled Tribes separately (since 2005-06, there used to be only one combined Statement on budgetary provisions for the benefit of Scheduled Castes and Scheduled Tribes, which did not segregate the funds earmarked for Scheduled Castes and those earmarked for Scheduled Tribes).

Open Budget Survey 2010: Since 2006, CBGA has been part of a global initiative, called the Open Budget Survey, coordinated by the International Budget Partnership (IBP) once every two years. In each of the three rounds of this global survey of budget openness, CBGA has conducted the research for the Union Budget of India. Apart from making a comparison of public accessibility to government budget information in different countries, this survey also assesses the scope provided for public participation in the budget process, legislative oversight of the budget and effectiveness of the monitoring by the supreme audit institution of the country. Open Budget Survey 2010 covered close to 100 countries; the findings of this survey for India were released by CBGA in a Panel Discussion on "Transparency in the Union Budget of India" on 26 October 2010. The findings of the study were covered in The Statesman, Tehelka and Governance Now. The findings of Open Budget Survey 2010 and the recommendations for the Union Government of India were also shared with a number of Parliamentarians (especially those associated with the Parliamentary Standing Committee on Finance), the office of the Comptroller & Auditor General of India, and the Union Ministry of Finance.

Seeking Accountability

Review of MDGs: In the run up to the mid-term review of the performance of different countries vis-à-vis their achievement of the Millennium Development Goals (MDGs), CBGA conducted research on Union Budgets and prepared a paper on “How Responsive is the Union Budget to the MDGs?” This analysis was carried by the Times of India.

Response to Union Budget 2011-12: Every year, CBGA analyses the Union Budget from the perspective of the poor and the marginalised sections, and prepares a Response document within 24 hours of the presentation of the budget in Parliament. The analysis that highlights the implications of the budget on critical sectors and disadvantaged sections of population is also shared at a Panel Discussion organised by CBGA the day after the Union Budget is presented.

On March 1, 2011, CBGA organized the Panel Discussion, “UPA’s Promises and Priorities: Is there a Mismatch?”. CBGA’s analysis of the Union Budget 2011-12 was carried by several mainstream dailies (both prior to as well as after the budget). In the run up to the budget, CBGA contributed two columns in Mint – “The Imbalance in Gender Budgeting” on February 22, 2011 and “Revamp Social Spending Priorities” on February 23, 2011. Also, in the run up to the budget, Times of India carried a series of three articles (“Promises to Keep” series) based on CBGA’s research. On March 1, three newspaper articles were contributed by the staff of CBGA, highlighting the key issues relating to the Union Budget 2011-12. These included, “Evading Challenges in Social Sectors and Food Security” and “Overall Gender Budget Poor” in Mint and “Marginalising the Marginalised” in Business Standard.

CBGA’s Response to Union Budget 2011-12 was also shared widely among the Members of Parliament and civil society organisations.

Facilitating Participation

As stated earlier, CBGA has been serving as the Secretariat of People’s Budget Initiative (PBI), which is a coalition of civil society organisations from across the country to facilitate involvement of civil society in the budget process of the Union Government every year. One of the core strategies adopted by the collective is to hold a national level convention every year at a time when all line ministries in the Union Government are involved in the formulation of their budgets for the next fiscal year. Through this national level convention, a large number of CSOs, from across the country, collectively articulate a set of prioritised demands from the forthcoming Union Budget in the form of a *People’s Charter of Demands*.

The People's Budget Initiative organised the National Convention on Union Budget 2011-12 in New Delhi on November 19 and 20, 2010. Representatives of more than a hundred CSOs from eighteen States, members of some of the associations and

federations of frontline service providers in the Government social sector schemes, leaders of Panchayati Raj Institutions and a number of academicians participated in this two-day Convention. The participants discussed several concerns and expectations pertaining mainly to disadvantaged sections of population and social sectors in the context of the forthcoming Union Budget and drafted a set of recommendations and demands for the Union Budget 2011-12.

A series of advocacy efforts were initiated following the National Convention. In addition to meeting with relevant officials of the various line ministries, appointments were sought with Members of Parliament.

Over the years, People's Budget Initiative has gained credibility in the policy circles. Several Members of Parliament have endorsed the idea of this coalition. In early 2010, as many as seven MPs had written Letters to the Union Finance Minister for taking into consideration the Charter of Demands for Union Budget 2010-11 prepared by the PBI; in 2011, two MPs agreed to join a delegation representing the PBI for a pre-Union Budget meeting with the Union Finance Minister.

Also, for the first time, a delegation of the People's Budget Initiative could meet the Union Finance Minister on 12 February, 2011, and share key concerns and expectations of PBI from the Union Budget 2011-12.

2. Social Sectors

CBGA focuses on social sectors – such as, Education, Health and Water & Sanitation, in its work on Union Budget. In its analysis of the Union Budget 2011-12, CBGA highlighted issues pertaining to budgets for education, health, water and sanitation. Further, in its quarterly newsletter, Budget Track, it brought out a special issue on Right to Education that covered main policy debates with respect to the legislation.

CBGA also conducted a study with JAGORI, a Delhi-based NGO to identify the key stakeholders in water and sanitation sector and track water & sanitation schemes that are exclusively aimed at providing these facilities in two resettlement colonies (*Bhalswa* and *Bawana*) and the corresponding budget outlays for 2009-10. The study also attempted to calculate the time spent in water collection and provisioning and therefore the 'opportunity cost' associated with collection of water. A report, "Gender Responsive Budget Analysis in WATSAN" based on the analysis was prepared.

3. Economic Sectors

In addition to the critical social sectors, CBGA also assesses some of the key issues relating to rural development, agriculture and food security. CBGA has become a part of the Revitalising Rainfed Agriculture (RRA) Network that has been initiated in 2009. The RRA Network, which comprises a number of civil society organisations and academicians working on various aspects of agriculture, aims to craft a set of

relevant policies for rainfed agriculture in the country. CBGA is carrying out research on issues relating to public investments in agriculture in order to support the overall research and policy formulation work of the RRA Network. In 2010-11, CBGA has brought out draft versions of Working Papers on “India’s Public Investment in Agriculture since 1990” and on “India’s Public Investment in Agricultural Research and Education”.

CBGA brought out a special issue of Budget Track on Right to Food. It also supported Oxfam India’s recently-launched campaign on Food Justice by providing evidence on budgets for the proposed legislation on Right to Food.

Issues relating to budget for economic sectors – Agriculture, Food Security and Rural Development were highlighted in the Response to the Union Budget 2011-12.

4. Budgeting for the Disadvantaged Sections

CBGA examines the government policy and budgetary commitments and interventions from the lens of the most disadvantaged sections of the society. Over the years, it has deepened its work on budgeting for the disadvantaged sections and provided critical support to the government and civil society organisations.

Budgeting for Religious Minorities: With an aim to scrutinise the government’s response to the recommendations submitted by the Sachar Committee (to improve the conditions of Muslims in the country), CBGA contributed to a study undertaken by the Centre for Equity Studies in three Muslim dominated districts – Darbhanga in Bihar, 24 Parganas in West Bengal and Mewat in Haryana. A report, “Promises to Keep” was prepared and submitted to the Planning Commission. Based on the main findings of the study, the study team made a presentation in the Planning Commission.

Gender Budgeting: CBGA has analysed the Gender Budgeting Statement brought out by the Union Government since 2005-06. In April 2010, it participated in a meeting held by the Union Ministry of Women and Child Development on the Gender Budgeting efforts of the Union Government. In this meeting, CBGA had made a number of critical suggestions for deepening the Gender Budgeting efforts in the Union Government, focusing on the process of preparation of the Gender Budget Statement (of the Union Government) as well as the content of this Statement. The official minutes of this meeting have included those suggestions among the key recommendations being made to the Union Government. Acting upon the request of the Union Ministry of Women and Child Development, CBGA provided inputs to the states of Himachal Pradesh, Jammu & Kashmir, Karnataka and Tamil Nadu in initiating and strengthening gender budgeting at the state and district level.

CBGA also undertook a study commissioned by the Department of Women and Child Development, Rajasthan to assess the gender responsiveness of the Integrated Child Development Services – a flagship scheme of the Union government. The study

report, "Gender Responsive Budgeting: A study of ICDS in two districts of Rajasthan" has been submitted to the Department of Women and Child Development, Rajasthan.

Furthermore, CBGA contributed a paper, "MDGs & Gender Budgeting: Where does India stand?" to a joint publication of Centre for Legislative Research and Advocacy and Oxfam India to highlight the main concerns pertaining to budget for women specific concerns in the run upto the mid review of countries vis-à-vis their achievement of MDGs.

In order to further deepen its work on gender budgeting, CBGA is at present conducting a study with the support of UN Women to assess the methodology of gender budgeting adopted by the Union Government and States. The study is being conducted in four states, viz. Bihar, Madhya Pradesh, Karnataka and Kerala. The study inputs will lead to a refined methodology of gender budgeting at the Union and State levels.

Budget for Implementation of Protection of Women from Domestic Violence Act (PWDVA): PWDVA was passed in 2005; however, the central government has not allocated any budget for its implementation even after five years of its enactment. Given this backdrop, CBGA prepared a Working Paper highlighting the current budgetary practices adopted by the states and related issues. A chapter on "Budgeting for PWDVA" was also contributed to the Fourth Monitoring and Evaluation Report on Implementation of PWDVA prepared by the Lawyers Collective Women's Rights Initiative. An article based on the analysis was authored by the CBGA researcher in the August 19, 2011 issue of Economic and Political Weekly.

Child Budgeting: CBGA contributed a chapter on "Child Budgeting" to the Annual Report 2010-11 of the Union Ministry of Women and Child Development. In addition, it also contributed "India's Fiscal Policy Space for Investing in Children" in Institute of Human Development-UNICEF Working Paper Series, "Children of India: Rights and Opportunities".

Budgeting for Scheduled Castes and Scheduled Tribes: The continued exclusion of SCs and STs can also be traced to the inherent flaws in specific government interventions, which attempt addressing specific disadvantages faced by these sections of population. In this context, CBGA alongwith National Campaign on Dalit Human Rights with the support from UNDP carried out an in-depth assessment of the priority accorded to SCs and STs in the Union Budget and Budgets of selected States in India. A detailed study report was prepared on "Implementation of Scheduled Caste Sub Plan and Tribal Sub Plan: A Study of Union Budget and State Budgets in India". During the course of the study, capacity building workshops were held in Bihar, Madhya Pradesh, Orissa, Rajasthan and Uttar Pradesh. Close to 150 civil society organisations, who are working to protect the rights of SCs and STs, participated in these workshops so that they can replicate the methodology for such

an assessment of budgets in their respective states. The study report will be released in August 2011 whereby findings will be shared with the policy makers. Subsequently, the findings will be disseminated in the respective states.

5. Tax & Non Tax Resources

Over the last decade, budget analysis has proved to be a very useful strategy for civil society actors in India, especially in their efforts pertaining to seeking governance accountability. However, most of these initiatives have been restricted to the expenditure side of the budget. In order to devote focused attention on the revenue side of the budget that has been hitherto unexplored, CBGA has initiated a long term research aimed at “Enhancing Public Understanding on Taxes in India” with the support from Christian Aid. The main objective of this project is to demystify the discussions relating to taxes in India and enhance public understanding of these issues.

In the first phase of the project, CBGA brought out two primers – “Primer on Taxes” and “Primer on Goods and Services Tax” and a “Working Paper on International Comparison of Tax Regimes”. CBGA, in collaboration with Christian Aid and the Tax Justice Network, held a National Consultation on “Understanding the Politics of Taxation in India” on 21 - 22 October 2010 in New Delhi. This Consultation brought together eminent economists and civil society leaders to discuss some of the pertinent issues relating to taxation in India. As a follow-up to this, a capacity building workshop was conducted by CBGA, Confederation of Voluntary Associations and Christian Aid in Hyderabad on 11-12 May, 2010, which had the presence of not only civil society organisations of most southern states but also active participation by state government officials and local media. A resource person from the Tax Justice Network facilitated some of the discussions.

In the second phase of CBGA’s engagement in this area of work, four research papers - Assessment of the proposed Direct Tax Code, Taxation in India from the perspective of Gender, Tax Evasion by Private Corporate Sector, and Responsiveness of India’s Tax Regime to Sustainable Development Issues will be brought out. Further, a Panel Discussion will be held on issues relating to taxation in the country.

Apart from this, in an attempt to democratize the discussion on resource mobilization issues and also to bring in more civil society voices into it, CBGA is partnering with networks like Wada Na Todo Abhiyan and VANI to develop a cohesive civil society network to engage with new global formations like the G 20. In this regard, CBGA would be the knowledge partner to ensure that the basic information and issues being discussed in such a formation are easily understandable by civil society activists in the country.

6. Government Audits

CBGA initiated the Audit Alert series to present some of the important audit reports of the government in a concise and reader-friendly version so that the significant audit findings are brought under public scrutiny. Till now, five audit alerts on issues covering National Rural Health Mission, National Rural Employment Guarantee Act, Mid-Day Meal Scheme, Accelerated Rural Water Supply Programme and Non-Lapsable Central Pool of Resources (NLCPR) scheme have been brought out since September 2009.

CBGA has also prepared a Primer on Audits that will facilitate easy understanding of the working of the government audit mechanism in India. Dr. B.P. Mathur, former Deputy Comptroller and Auditor General of India and Mr. Amitabh Mukhopadhyay from the Office of C&AG of India have reviewed the primer and given their feedback.

7. Promoting Budget Work in India

A significant effort taken in the year 2010 to promote budget work in India was a joint study on transparency in state budgets in India with state level CSOs. The study covered ten states, viz. Andhra Pradesh, Assam, Chhattisgarh, Gujarat, Jharkhand, Madhya Pradesh, Maharashtra, Orissa, Rajasthan and Uttar Pradesh. This was a collective effort of CBGA and nine CSOs including, Budget Analysis Rajasthan Centre, Centre for Rural Studies and Development, Centre for Youth and Social Development, Grameen Development Services, Life Education and Development Support Trust, North East Network, Pathey, Samarthan and Sanket Development Group.

The study has led to several significant outcomes. It was a first step towards understanding the issues pertaining to budget transparency at the subnational level in the country. It has developed baseline information at the state level in select states. Moreover, some of the collaborating state partners, especially the state level CSOs that have recently initiated budget work, acknowledged the support they got in enhancing their capacities. The study has also led to consolidation of civil society budget work in Jharkhand. CBGA facilitated a series of capacity building workshops (starting with an orientation workshop that was followed by thematic workshops on education and gender budgeting) for the organisation (LEADS Trust) in 2010.

10 State Factsheets were prepared alongwith a Summary Factsheet highlighting the scores for each parameter, the overall budget transparency score of each state and the gaps and good practices relating to budget transparency. A brief report was also prepared outlining the methodology adopted in the study. The findings of the study were released at a Panel Discussion "Transparency in State Budgets in India" held on 23 February 2011 in New Delhi. Subsequently, findings were shared in meetings held in all respective states.

The study got extensive coverage in national as well as regional dailies. The Times of India and the Business Standard carried the overall picture while several regional dailies covered the state-specific findings. The Comptroller and Auditor General of India formally procured a copy of the study report from CBGA and senior officials of the C&AG of India have acknowledged the study findings and its recommendations. Further, state governments of Andhra Pradesh, Chhattisgarh, Gujarat and Madhya Pradesh shared positive feedback on the study with the respective state budget groups and CBGA.

8. Promoting Budget Work in South Asia

In 2010, CBGA extended its boundaries of work to cover some countries in South Asia. The issue of weak and unresponsive governance cuts across the borders of India and South Asian countries. There has been a growing recognition of the important role that CSOs can play not only to strengthen the system of accountability of the government towards peoples' elected representatives but also to make the government accountable to the people themselves. It is with this objective that CBGA initiated a one-and-a-half-year programme titled, "Creating a *South Asian Alliance for Budget Accountability*" (SAABA) supported by Oxfam Novib.

In the first stage of this work, interested CSOs were identified in Afghanistan, Bangladesh and Pakistan. Three Orientation Workshops were organised for these CSOs from the three countries in the months of March and July 2010. In each of these workshops, resource persons from each of these countries (mainly civil society leaders who have worked on governance) were invited to speak on various issues pertaining to government budgets in their countries and the potential of civil society budget work as an accountability tool.

A Handbook on Budget Analysis and Advocacy was developed. It is a generic document dealing with the concepts, methods, and terms employed while doing budget work. Besides, country specific Information Kits were also prepared on budgetary institutions and processes of the selected countries. CBGA has also developed a 'Manual on Social Accountability: Concepts and Tools' that documents a range of social accountability tools that have increasingly come to be used by CSOs across the world to seek accountability from the government.

The next stage focused on advanced training in budget work for the staff members from the selected CSOs. Recognizing this important need and the value of *learning by doing*, CBGA carried out an internship phase for selected partner CSOs from the three countries from November 2010 to March 2011. The organizations either individually or in collaboration with other partner CSOs (under SAABA) worked towards developing budget literacy material in the form of a primer or manual on issues that they thought are relevant in their particular country context. Some of the others undertook advocacy initiatives on issues of their choice and relevance. A Review Workshop was held from 4-6 April 2011 where all CSOs decided to take the alliance forward. CBGA will continue to sustain and promote budget work in South Asia in the coming years.

Some Achievements

On the whole, in the year 2010-11, CBGA was able to move considerably forward in its effort to democratize the discourse on government policies and budgets and make such discussions more pro-poor and pro-marginalised.

- CBGA's research in 2010-11 has covered a range of critical issues pertaining to social sectors and disadvantaged sections of population; its evidence base has been deepened to cover information from Union Budgets, State Budgets, Budgets of Panchayati Raj Institutions and quality of implementation of development programmes at the sub-district level.
- Budget and policy analysis done by CBGA has been covered consistently by the print media at the national level all through the year. There has also been an improvement in the quality of coverage of budget-related issues in the country in the past two years.
- The credibility of research done by CBGA has helped in gaining acceptance by key stakeholders at the national level (the executive and the media) for the information generated through civil society budget work in the country. For instance, the Planning Commission and the Union Ministry of Women and Child Development have been much more receptive to civil society inputs and suggestions than before.
- CBGA's efforts have influenced the perspective of a wide cross-section of organisations on issues pertaining to government budgets. An increasing number of development organisations, at least at the national level, are now using budget analysis to strengthen their work on human rights and social justice.
- In at least three States (viz. Jharkhand, Andhra Pradesh and Uttar Pradesh), new or existing CSOs are now making systematic and sustained efforts for doing budget analysis and advocacy due to the continued support of CBGA. Some of the rights based CSOs (like NCDHR) have been leading budget campaigns effectively, with the support of CBGA.
- Awareness has been spread on tax issues by bringing together CSOs, activists and academicians to unravel tax-related concerns. Also, the new Primers on tax issues are expected to play an important role in this regard.
- More than 100 CSOs from 18 States have been involved in People's Budget Initiative (PBI). PBI has been endorsed by a number of Members of Parliament. Moreover, a delegation of PBI met the Union Finance Minister on 12 February 2011 to present the Charter of Demands for Union Budget 2011-12.

- Two significant changes have been made in the Union Budget documents for 2011-12:
 - (a) Inclusion of figures for Actual Expenditure in all schemes across all Union ministries/departments in the Expenditure Budget Vol. II document for the first time (earlier this important Union Budget document used to give only Budget Estimates and Revised Estimates of expenditure on schemes); and
 - (b) Introduction of separate Statements in Expenditure Budget Vol. I of Union Budget showing budgetary provisions for the benefit of Scheduled Castes and those for the benefit of Scheduled Tribes separately (since 2005-06, there used to be only one combined Statement on budgetary provisions for the benefit of Scheduled Castes and Scheduled Tribes, which did not segregate the funds earmarked for Scheduled Castes and those earmarked for Scheduled Tribes).
- We have made a lot of progress in forging a strong collaboration with the Union Ministry of Women and Child Development and UN Women to deepen the Gender Budgeting exercise in the Union Government as also towards developing a roadmap for Gender Budgeting in States.

Challenges

It is also important to identify the challenges that the organisation continues to face. Some of the key challenges before us in 2010-11 were the following:

- There has been a time-lag between completion of our research studies and dissemination of their findings.
- Most of the outputs published are in English, which limits their reach. A large number of MPs and a significant proportion of civil society activists working in some of the most deprived regions of the country would find the publications in Hindi a lot more helpful than those in English.
- We have not been able to invest enough time and resources for spreading budget awareness and building capacity of civil society organisations across the country.
- People's Budget Initiative, a coalition of many CSOs from across the country, has the potential for leading a widespread and sustained campaign on budgets focusing on issues of transparency, participation and accountability. CBGA, as the secretariat of the *People's Budget Initiative*, has not yet been able to deepen the reach and effectiveness of this coalition.

Way Ahead

CBGA will continue to work towards making substantive and lasting improvements in planning and budgetary policies as well as processes in the country from the perspective of the poor and disadvantaged sections of population. It will strive to achieve the following outcomes:

A. Improvement in the capacity of relevant stakeholders to engage with budgets and ask more critical questions on budgets.

The indicators to assess the above-mentioned outcome would be:

- More civil society groups doing policy advocacy with budget analysis as the principal tool
- Deepening of the budget related issues/concerns highlighted by civil society groups
- More critical questions raised in the Parliament and the State Legislative Assemblies pertaining to budgets
- Greater attention paid by the print and electronic media to budget related issues throughout the year
- Budget related concerns being highlighted in the demands/memoranda of the collectives of workers/staff in government programmes.

B. Improvements in transparency, scope for participation and accountability in budget processes.

The indicators to assess the above-mentioned outcome would be:

- Inclusion of additional relevant information in the budget documents of the Union and State Governments
- Increased efforts by the executive for making relevant budget documents available to the public.
- The executive holding consultations with civil society groups in the formulation of the Five Year Plan
- Institutionalising pre-budget consultations with civil society stakeholders in the formulation of the budget
- Civil society representatives being invited to formal policy making spaces of Union and State Governments
- More information on design and implementation of budgetary policies being shared with legislators.

C. Increase in budget allocations for Social Sectors, and policy measures for better utilization of allocations for these sectors.

The indicators to assess the above-mentioned outcome would be:

- The Union and State Governments carrying out realistic assessment and subsequent modification of prevalent unit costs (i.e. cost incurred for various inputs, including salaries) in social sector schemes;

- Increases in staff recruitment by States to address human resource shortage in the social sector;
- Policy decisions by State Governments to expedite and streamline flow of funds and sending sanction orders in development schemes and improve delegation of financial powers within the system;
- Policy decisions by the Union and State Governments to improve the strength and capacity of staff in development schemes entrusted with the responsibility for decentralized planning; and
- Changes in the design of Union Government's development schemes towards giving more flexibility to States in utilization of budgets.

D. Deepening of planning and budgetary strategies for disadvantaged sections of population, and measures for better implementation of these strategies.

The indicators to assess the above-mentioned outcome would be:

- Inclusion of additional relevant information in plan and budget documents of the Union and State Governments related to allocations earmarked for development of Scheduled Castes, Scheduled Tribes, minorities, children and women;
- Union and State Governments presenting information pertaining to the basis on which ministries are reporting allocations earmarked for the development of Scheduled Castes (under SCSP), Scheduled Tribes (under TSP), minorities, children and women (under Gender Budgeting);
- Policy decisions by the executive for making development schemes more gender-responsive through reviews and subsequent modifications of the schemes' objectives, operational guidelines and unit costs;
- Policy decisions by the executive for making the so-called 'indivisible' sectors more responsive to women, Scheduled Castes and Scheduled Tribes through introduction of new interventions for them.

Our Funders

CBGA would not have been able to carry out its activities and move in the direction of its set mandate without the support and cooperation of many institutions, which include:

Christian Aid

Ford Foundation

International Budget Partnership

International Development Research Centre (the Think Tank Initiative)

Oxfam India

Oxfam NOVIB

UNICEF

UNDP

UN Women

Annexure

List of Activities and Outputs completed in 2010-11

Research on the Union Budget

- Response to Union Budget 2011-12 (post-budget analysis)
- Charter of Demands from Union Budget 2011-12 (basis for pre-budget advocacy)

Major Studies

- Transparency in State Budgets in India (in collaboration with nine other State Budget Groups)
- Implementation of Scheduled Caste Sub Plan and Tribal Sub Plan: A Study of Union Budget and State Budgets in India (in collaboration with NCDHR)
- Promises to Keep - A Study on the Implementation of Sachar Committee Recommendations (in collaboration with Centre for Equity Studies)
- Gender Responsive Budgeting: A study of ICDS in two districts of Rajasthan (in collaboration with Budget Analysis Rajasthan Centre)
- Gender Responsive Budget Analysis in Water and Sanitation (in collaboration with Jagori)

Working Papers

- India's Fiscal Policy Space for Investing in Children
- An International Comparison of Tax Regimes
- Budgeting for Protection of Women from Domestic Violence Act
- MDGs & Gender Budgeting: Where does India stand?
- How Responsive is the Union Budget to the MDGs?

Primers/Manuals/Handbooks

- Primer on Tax and Non-Tax Revenue
- Primer on Goods and Services Tax
- Primer on Audits (in print)
- Manual on Social Accountability Tools
- Handbook on Budget Analysis (a resource manual for promoting budget work in South Asia)
- Country-specific Information Toolkits on Budget (on Afghanistan, Bangladesh, Pakistan, and Nepal)
- Handbook on Implementation of Scheduled Caste Sub Plan and Tribal Sub Plan in Union and State Budgets

Workshops on Budget Analysis

- Series of Workshops on *Gender Budgeting* in collaboration with Ministry of Women and Child Development, Government of India

- Series of Workshops on SCSP and TSP Monitoring (in collaboration with NCDHR and State Budget Groups)
- Workshop on taxes (in collaboration with Christian Aid and COVA)
- EDUSAT Series of Lectures in 2010 and 2011

Advocacy in the Pre-Budget Phase

- Meeting with Finance Minister (February 12, 2011) – Central role of PBI
- Letter of endorsement from MPs
- Specific expectations and suggestions shared with the officials of select Union Ministries
- Advocacy through the print media at the national level

Post-Budget Advocacy

- Panel Discussions following the Union Budget 2010-11 and 2011-12
- Stronger efforts for Media Advocacy and Parliamentary Advocacy

Parliamentary Advocacy

- Wide dissemination of *Response to Union Budget* among MPs across parties
- Meetings with several Lok Sabha MPs
- In 2011, two MPs agreed to become a part of the delegation representing PBI to meet the Finance Minister

Budget Track

- BT 7 (2) & (3): Focusing on Budgets for Right to Education
- BT 8 (1): Focusing on Budgets for Right to Food

CENTRE FOR BUDGET AND GOVERNANCE ACCOUNTABILITY
A - 11, SECOND FLOOR, NITI BAGH, KHEL GAON MARG
NEW DELHI - 110049 (INDIA)

BALANCE SHEET AS AT 31 st MARCH, 2011		AMOUNT INR	
SOURCES OF FUNDS	SCHEDULE	F.Y. 2010-11	F.Y. 2009-10
I. FUND BALANCES:			
a. General Fund	[01]	1,576,916.00	1,080,353.00
b. Corpus Fund		25,000.00	25,000.00
c. Asset Fund	[02]	748,181.00	485,919.00
TOTAL Rs.	[I]	2,350,097.00	1,591,272.00
APPLICATION OF FUNDS			
I. FIXED ASSETS			
Gross Block	[03]	1,533,766.00	1,009,787.00
Less: Accumulated Depreciation		701,139.00	427,606.00
Net Block		832,627.00	582,181.00
II. Investment	[04]	4,013,799.00	6,453,708.00
III. CURRENT ASSETS, LOANS & ADVANCES:			
a. Loans & Advances	[05]	2,096,523.00	826,202.00
b. Grant Receivable	[06]	1,083,239.00	1,191,725.00
c. Cash & Bank Balance	[07]	3,992,613.00	1,169,683.00
	A	7,172,375.00	3,187,610.00
Less: CURRENT LIABILITIES & PROVISIONS:			
a. Sundry Creditors	[08]	1,119,668.00	702,819.00
b. Unspent Grant Balance	[09]	8,549,036.00	7,929,408.00
	B	9,668,704.00	8,632,227.00
NET CURRENT ASSETS	[A - B]	(2,496,329.00)	(5,444,617.00)
TOTAL Rs.	[I+II+III]	2,350,097.00	1,591,272.00

Significant Accounting Policies and Notes to Accounts [66]

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

IN TERMS OF OUR REPORT ON EVEN DATE

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



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

For:
CENTRE FOR BUDGET AND GOVERNANCE ACCOUNTABILITY

Subrat Das
Subrat Das
Executive Director

Ranjeet Singh
Ranjeet Singh
Senior Officer [Finance & Admin.]

Shantha Sinha
Shantha Sinha
President

Anil Singh
Anil Singh
Treasurer

Place: New Delhi
Date: August 23, 2011

CENTRE FOR BUDGET AND GOVERNANCE ACCOUNTABILITY
A - 11, SECOND FLOOR, NITI BAGH, KHEL GAON MARG
NEW DELHI - 110049 (INDIA)

INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31/03/2011		AMOUNT INR	
	SCHEDULE	F.Y. 2010-11	F.Y. 2009-10
I. INCOME			
Grant In Aid	[10]	24,402,262.00	17,293,440.00
Other Income	[11]	632,212.00	235,956.00
Interest Received	[12]	609,981.00	214,874.00
TOTAL		25,644,455.00	17,744,270.00
II. EXPENDITURE			
FOREIGN			
Ford Foundation	[13]	5,115,301.00	3,589,352.00
IBP - Open Budget Initiative	[14]	64,788.00	163,724.00
IBP - OBI Media Release	[15]	-	80.00
IBP - Partnership Initiative	[16]	3,086,851.00	3,249,607.00
IBP - Sub-national Level State Budget in India	[17]	22,051.00	440,304.00
IBP - Essay Competition	[18]	168,908.00	5,557.00
IBP - 6 Question Campaign	[19]	67,415.00	24,180.00
Oxfam Novib - CSO Capacity Building on Participative Monitoring and Budget Tracking	[20]	191,973.00	2,517,598.00
Oxfam India - NC on Union Budget and SBT Study	[21]	1,377,500.00	252,276.00
Oxfam Novib - Creating South Asia Alliance for Budget Accountability	[22]	6,412,990.00	1,175,926.00
Christian Aid	[23]	898,281.00	183,840.00
WaterAid - Capacity Building Workshop	[24]	-	146,192.00
IDRC - Think Tank India	[25]	4,544,304.00	-
JAGORI - Women's Access to Water and Sanitation	[26]	320,770.00	-
Tax Justice Network	[27]	153,142.00	-
NATIONAL			
UNICEF - Budget and Governance Strengthening Child-Oriented Spending	[28]	1,022,811.00	713,751.40
UNIFEM - Gender Budgeting	[29]	563,270.00	277,981.00
UNDP - People's Mid Term Assessment	[30]	280,208.00	4,275,497.00
CFDA - NREGA	[31]	23,468.00	178,532.00
UNDP - NREGA	[32]	-	14,737.00
UNICEF Research Studies Expenses	[33]	-	86,306.00
UNICEF and DWE Rajasthan - Gender Responsive Budgeting	[34]	194,480.00	-
Administrative Expenses	[35]	618,206.00	22,302.00
Loss In Foreign Currency Fluctuation		10,289.00	10,196.00
Depreciation	[03]	274,823.00	168,702.00
Less: Depreciation Transferred to Asset Fund		263,007.00	153,983.00
TOTAL		25,146,822.00	17,340,657.40
III. EXCESS OF INCOME OVER EXPENDITURE	[I - II]	497,633.00	403,613.00

Significant Accounting Policies and Notes to Accounts [66]

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

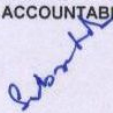
IN TERMS OF OUR REPORT ON EVEN DATE

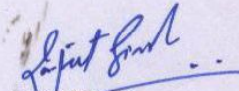
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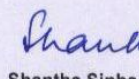


[CA Subhjit Sahoo, FCA]
Partner
MM No. 57426
Firm No. 322952E

For:
CENTRE FOR BUDGET AND GOVERNANCE
ACCOUNTABILITY


Subrat Das
Executive Director


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Place: New Delhi
Date: August 23, 2011