

Annual Report 2008-09

# ANNUAL REPORT 2008-09

Centre for Budget and Governance Accountability



## Contents

SECTION 1: OVERVIEW .....	1
SECTION 2: OUR EFFORTS IN 2008-09 .....	3
2.1 Budget Cycle Advocacy .....	3
2.2 Research.....	7
2.3 Training & Capacity Building .....	15
2.4 Research Support to Other Organisations .....	19
2.5 Communications, Publications & Engaging the Media .....	21
SECTION 3: CONSTRAINTS & CHALLENGES .....	24
BALANCE SHEET 2008-09 .....	26
INCOME & EXPENDITURE ACCOUNT 2008-09 .....	27

## SECTION 1: OVERVIEW

The political processes and the trajectory of socio-economic development in India over the last one and a half decades have given rise to both hopes and concerns among various stakeholders across the country. The conventional development issues relating to economic growth, international trade, industry, agriculture, poverty, unemployment and regional disparity etc. have been intensely debated among policy analysts and other stakeholders. At the same time, over the last decade, the discourse on public expenditure has gradually been accorded a lot more importance in the policy debates in the country than in the past. One of the main reasons for the growing importance of issues relating to government budgets pertains to the strategies adopted by mass movements, civil society organisations and international development agencies in the country. Many of these stakeholders have laid a lot of emphasis on two areas, viz. *right to information* and *assessment of budgets*. While *right to information* has been adopted widely as the key instrument for improving transparency in governance; *assessment of budgets* has been recognized as the key instrument for demystifying the priorities underlying public policies and budget allocations, the effectiveness of implementation of development schemes and the impact of government interventions on disadvantaged sections of population. The work initiated by civil society organisations on assessment of budgets holds enormous potential for increasing accountability in governance and transforming public provisioning in important sectors from following a 'welfarist' approach to being driven by the 'entitlements' approach.

Centre for Budget and Governance Accountability (CBGA) has been involved in research, capacity building and advocacy on budgets and public policies in India with the objective of influencing the policy priorities of the Union and State Governments in favour of the poor and disadvantaged sections of the country's population. In the year 2008-09, CBGA strove for consolidating its ongoing efforts in research and infusing greater stimulus into its efforts in capacity building and advocacy.

In research, CBGA focused on deepening of its work by incorporating the assessment of constraints in actual implementation of development schemes at the district level and the study of planning and budgeting at the local level by Panchayati Raj Institutions. At the same time, CBGA also paid a lot of attention to the analysis of budget from the perspective of disadvantaged sections of population, like women, children, Dalits, Adivasis and religious minorities. A study on the responsiveness of the Union Budget to the challenges of climate change, initiated in 2008-09, has added one more important area to CBGA's research on budgets and policies. Towards the end of 2008-09, CBGA made a comprehensive assessment of the six Union Budgets of the United Progressive Alliance (UPA) Government, demystifying the expenditure priorities and resource mobilisation efforts of the UPA. This work not only enables a well-informed evaluation of UPA Government's performance vis-à-vis its National Common Minimum Programme (NCMP) promises, it also holds a lot of advocacy potential for the coming years since the Indian National Congress has been voted back to power at the Centre. Moreover, the organisation also took an initiative for bringing together eminent economists, policy analysts and civil society representatives from across the country for

articulating and popularizing the rationale for adoption of progressive fiscal policies by the Central and State Governments in India.

In its efforts towards spreading awareness on budgets and building the capacity of civil society organisations for budget analysis and advocacy, CBGA started the process of conducting theme-based capacity building workshops along with its basic orientation workshops on budgets. As a part of this process, CBGA conducted capacity building workshops on Dalit Budgeting, Gender Budgeting, Budgets and Decentralisation, and Budgets and Social Accountability Tools in 2008-09. Following the appreciable response to these initiatives, CBGA is now planning to significantly step up its efforts in spreading awareness on budgets and building the capacity of civil society organisations across the country.

CBGA's experience with policy advocacy in 2008-09 has been particularly encouraging. Noteworthy progress has been made in our advocacy with the policymakers over the last year—with the Ministry of Women and Child Development (of the Government of India) coming forward to jointly organise a national consultation on *Strengthening Women's Voices in Budgets and Policies* for identifying women's key demands from budgets; the National Commission for Protection of Child Rights (NCPCR) taking CBGA's help to organise a national consultation on abolition of child labour; and the Planning Commission of India endorsing the initiative of CBGA and its partner organisations (Wada Na Todo Abhiyan and National Social Watch Coalition) to create a platform where civil society activists could directly share their insights and concerns with the Planning Commission. With the support of UNICEF, CBGA has also made a number of attempts towards influencing the perspective of the country's bureaucrats on budgets and public policies by accessing the Lal Bahadur Shastri National Academy of Administration (LBSNAA), Mussoorie. The efforts made by the organisation for using the print media and electronic media for policy advocacy and spreading awareness on budgets has witnessed much greater success in 2008-09 than in the past. However, the most important of CBGA's advocacy strategies has been its efforts towards supporting the advocacy campaigns of various civil society organisations which are promoting the rights of disadvantaged sections of the population, like women, children, Dalits and Adivasis. The research support provided by CBGA to a number of civil society organisations has been useful in strengthening their advocacy efforts by helping them ask the government well-informed questions on budgets and public policies.

In the coming years, the organisation needs to address a number of constraints and challenges in order to be able to create a lasting impact in the sphere of budgets and public policies in the country. CBGA is committed to the process of learning through its work and invigorating its efforts in all areas, which it believes would help the organisation fulfill its mandate for influencing the policy priorities of the Union and State Governments in favour of the poor and disadvantaged sections of the country's population.

## SECTION 2: OUR EFFORTS IN 2008-09

Over the last decade, a number of civil society organisations in India have started engaging with assessment of budgets in various ways, but primarily with the objective of doing policy advocacy for improving the development outcomes of the disadvantaged sections of the population. CBGA's main focus has been on assessing the implications of budgets and public policies for the poor and disadvantaged sections of the population and creating public awareness on the same. We believe that raising such pertinent concerns about budgets in the public domain contributes towards increasing governance accountability in the country. The year 2008-09 has been eventful and promising for the organisation in each of its three major areas of work viz. research, capacity building and advocacy. The following sections present major aspects of CBGA's work in 2008-09.

### 2.1 *Budget Cycle Advocacy*

In its effort to initiate a pro-people and rights based policy environment, CBGA undertakes various interventions across the budget cycle. These interventions are an attempt to influence the budget making process in India and make it more people centric. Some important interventions in this direction that were undertaken last year include:

#### *CBGA's Vision*

*Use research and advocacy to initiate a pro-people and rights based policy environment, equity and distributive justice.*

#### **People's Budget Initiative Organises National Convention to Influence Budgets**

A collective of civil society voices came together on a common platform and formed the People's Budget Initiative (PBI) in the year 2007-08. One of the major attempts of this collective has been to influence the budget making process by advocating through a People's Charter of Demands. CBGA serves as the secretariat of the Initiative.

PBI organized its third National Convention on the Union Budget (2009-10) on 17 and 18 September, 2008. The Convention had participants from across 17 states, representing national and international civil society organizations and the academia. The PBI prepared a People's Charter of Demands for the Union Budget 2009-10 based on the two day deliberations on crucial issues concerning agriculture, education, health and the often subsumed sections of dalits, adviasis, minorities, women and children.

The charter was sent to diverse civil society organizations as well as members of the People's Budget Initiative so as to enable them to take it forward at their own levels. In addition, CBGA tried to pursue the demands with the joint secretaries of all the relevant ministries and departments and Members of Parliament.

#### **Assessment of the UPA Government's Expenditure Priorities**

2009-10 differed from the last years since the UPA government was completing its five year term. Therefore, what was to be presented by the outgoing government was an Interim Budget. Keeping in the view the general elections that were roughly two months from the

Interim Budget presentation, it was pertinent to make an assessment of the expenditure priorities and resource mobilization efforts of the UPA government in its five year tenure. CBGA conducted the assessment and the analysis was published in the report, 'How did the UPA spend our money?' The analysis and was shared at a Panel Discussion, 'Budgets: As If People Matter' held on 17 February in New Delhi. The discussion also saw active participation from over 300 people from diverse fields – students, academicians, national and international organizations. The assessment was taken to policy makers such as Members of Parliament, Members of various Parliamentary Standing Committees, select bureaucrats and so on so forth.

### **New Initiatives on Some of the Critical Concerns:**

In addition to some of the regular interventions undertaken every year in an attempt to influence the budget making process, the year saw new and innovative strategies complementing the old ones. Following is a brief on those interventions:

#### ***Strengthening Women's Voices in Budgets and Policies***

Last year we strengthened our budget advocacy work by organizing a Women's Convention, '*Strengthening Women's Voices in Budgets and Policies*' to create space for women's key concerns and priorities in various sectors. CBGA, members of the Peoples' Budget Initiative and the Ministry of Women and Child Development (GoI) jointly organised it on 12 and 13 November, 2008 in New Delhi. Important stakeholders such as policy makers including representatives from all key Ministries, academicians, women's rights activists and civil society representatives from as many as 20 states took part in this process.

The Consultation tried to locate the centrality of women in the economic sectors, the changing employment scenario and the social sectors. In addition, several critical issues such as the impact of the SHG movement, concerns of the most marginalized women, important schemes addressing women's civil and political rights and ensuring budget outlays to outcomes were also deliberated upon during the Consultation.

The discussion drew perspectives, knowledge and experience of eminent academicians, women's rights activists and representatives from the Central Government. Members of Parliament representing different political outfits expressed their views in the last session. Based on the deliberations in this Consultation, a Women's Charter of Demands was prepared which listed concrete demands for women in different sectors.

Five priority demands were formulated from the Women's Charter giving details of the rationale behind each particular demand, the processes involved in operationalising the demand and the budgetary requirements for translating the demands into action. These demands were then submitted to the Joint Secretary, MWCD for further action.

An important outcome of this whole process was that the Ministry MWCD committed to institutionalize the process of holding such a dialogue every year so that this does not remain a one-off event.

### ***A Dialogue on Cotemporary Fiscal Policy in India***

The neo-liberal reforms and consequent policy framework adopted by the Indian Government has led to the gradual withdrawal of government interventions from crucial and strategic sectors of the economy. The ramifications of such reforms have not been apparent at the surface given the buoyant economic growth witnessed in the recent years which has excluded a large section of our population, leading to even larger gaps in income and standards of living. The onslaught of the current financial crisis and the economic slowdown has merely underlined the futility of the existing policy framework in providing long term development solution to India and countries alike.

In the present socio-economic and political scenario and more so with the deliberations of 13th Finance Commission and the Commission on Centre-State Relations currently in progress, a strongly felt need was to adopt a perspective needs on the expected outcome of such processes. Therefore, in an attempt to open up a meaningful dialogue on contemporary fiscal policy in India and its relevance in engendering inclusive growth, CBGA organized a National Conference on 'Towards Progressive Policy' on 8 and 9 December, 2008 in New Delhi.

Academicians, policy makers, representatives of national and international civil society organisations and the media, all got together to discuss the minutiae of the issues relating to fiscal policy and its macro-economic and social context.

Some noted economists namely Prof. Thomas Isaac, Prof. Prabhat Patnaik, Prof. Amiya Bagchi, Prof. Utsa Patnaik, Prof. Abhijit Sen, Prof. Pronab Sen, Prof. Jayati Ghosh, Prof. Shubhashis Gangopadhyay among many others joined us to share their views on the matter.

With the hope that such deliberations would provide an intellectual foundation for the new government in formulating an enabling policy environment for the poor and the marginalized sections of the society, the outcome of the Conference will play a crucial role for engaging with other stakeholders in the public policy domain like the Thirteenth Finance Commission, the Punchi Commission on Centre-State Relations and the Planning Commission.

CBGA is in the process of producing an edited volume on Fiscal Policy with SAGE publications.

### **Attempt towards a Sustained Engagement of the Civil Society with the Planning Commission of India on the Eleventh Five Year Plan**

One of the unique features of the Eleventh Five Year Plan was the attempt to include people in this process. Wide ranging consultations were organised by the Planning Commission and extensive inputs sought from a cross section of actors, including those working for rights of dalits, women and many others, working on specific thematic issues. However, our role should not stop with giving our inputs in the formulation stage of the plan. It is important to explore and strengthen the institutional mechanisms for participation of civil society across the different

stages of the Plan—including its formulation, implementation and evaluation. It was with this objective that a Consultation on the 'Role of Civil Society in the Eleventh Five Year Plan' was jointly organized by the CBGA, National Social Watch Coalition (NSWC) and Wada Na Todo Abhiyan with the support and endorsement of the Planning Commission of India on 15 and 16 December 2008 in Delhi. The consultation brought together more than 250 civil society representatives from nineteen states to interact with representatives of the Planning Commission, as well as other National Commissions and Ministries for the identification of possible avenues for sustained collaboration on key themes of the national development agenda. Dr. Montek Singh Ahluwalia, Deputy Chairperson of the Planning Commission, personally engaged with this process and delivered the inaugural address which was followed by thematic sessions emphasizing the role civil society can play in the planning process. Several other representatives from the Planning Commission actively supported this initiative including Dr. Syeda Hameed, Member, Planning Commission, Prof. V.L. Chopra, Member, Planning Commission and Dr. Lalit Kumar, Principal Adviser, Voluntary Action Cell represented the Planning Commission at the Consultation. An easy to read guide on "Eleventh Five Year Plan: What We Need to Monitor?" was published and disseminated and has been well received.



***Attempt towards a Sustained Engagement of the Civil Society with the Planning Commission of India on the Eleventh Five Year Plan***

One of the unique features of the Eleventh Five Year Plan was the attempt to include people in this process. Wide ranging consultations were organised by the Planning Commission and extensive inputs sought from a diverse cross section of actors, including those working for rights of dalits, women and many others, working on specific thematic issues. However, our role should not stop with giving our inputs in the formulation stage of the plan. It is important to explore and strengthen the institutional mechanisms for participation of civil society across the different stages of the Plan—including its formulation, implementation and evaluation. It was with this objective that a Consultation on the 'Role of Civil Society in the Eleventh Five Year Plan' was jointly organized by the CBGA, National Social Watch Coalition (NSWC) and Wada Na Todo Abhiyan with the support and endorsement of the Planning Commission of India on 15<sup>th</sup> and 16<sup>th</sup> of December in Delhi. The consultation brought together more than 250 civil society representatives from nineteen states to interact with representative of the Planning Commission, as well as other National Commissions and Ministries for the identification of possible avenues for sustained collaboration on key themes of the national development agenda. Dr. Montek Singh Ahluwalia, Deputy Chairperson of the Planning Commission, personally engaged with this process and delivered the inaugural address which was followed by thematic sessions emphasizing on the role the civil society can play in the planning process. Several other representatives from the Planning Commission actively supported this initiative including Dr. Syeda Hameed, Member, Planning Commission, Prof. V.L. Chopra, Member, Planning Commission and Dr. Lalit Kumar, Principal Adviser, Voluntary Action Cell represented the Planning Commission at the Consultation. An easy to read guide on "Eleventh Five Year Plan: What we need to monitor?" was published and disseminated and has been very well received.

## **2.2 Research**

CBGA has been carrying out in depth research on budgets and public policies since last six years for assessing the priorities underlying budget allocations, the effectiveness of implementation of development schemes and the impact of government interventions on disadvantaged sections of our population. The coverage of its research has gradually expanded from important social sectors and economic sectors (like Education, Health, Water & Sanitation, Rural Development, Agriculture etc.) to include new areas like Gender Budgeting, Child Budgeting, Dalit and Adivasi Budgeting, Centre-State Fiscal Relations, Fiscal Decentralisation and Responsiveness of Government Budgets to Climate Change. Moreover, the depth of CBGA's research on budgets

has also increased from the assessment of Union Budgets to include the analysis of public spending by State Governments and constraints in implementation of development schemes at the district level.

### **Major Studies Completed in 2008-09:**

#### **I. Analysis of State Budgets through the Lens of Children**

Children continue to be among the most disadvantaged sections of India's population, a fact borne out by several indicators of development of children in the country. Since early 2006, CBGA has been involved in research, capacity building and advocacy on issues relating to public investments for children. In these three years, both the coverage of issues and the depth of analysis have increased gradually.

In this context, a study focusing on public resources for children provided through the Union and State Budgets in India over the last one and a half decades has been carried out by CBGA with the support of UNICEF India. In the first phase, the study examined the Union Budgets and the Budgets of three States, viz. Rajasthan, Uttar Pradesh and Madhya Pradesh, over a time period of 1993-94 to 2006-07. The findings of the study were disseminated through a consultative meeting on '*Budgeting for Children*', which was organized by the Ministry of Women and Child Development, Government of India in New Delhi on 12<sup>th</sup> February, 2008.

In the first phase of the study, it came out that analytical methodologies and tools need to be developed and used in the process of planning and budgeting by the government in order to address the deficits faced by the weaker sections of the population such as the children. It was also felt necessary to extend this study to some of the poorer states. In light of this, in the second phase CBGA with UNICEF extended the study to include Bihar, Chhattisgarh and Orissa in 2007-08. CBGA carried out this study in collaboration with three State level organizations viz., Asian Development Research Institution (ADRI) in Bihar, Samarthan Centre for Development Support in Chhattisgarh and Open Learning Systems (OLS) in Orissa.

This study attempted - (a) to assess the magnitude and composition of social sector spending from the State Budget during 1998-99 to 2007-08, (b) to capture the total magnitude of State Budget outlays earmarked for children during 2004-05 to 2007-08, (c) to assess the sectoral composition of the total quantum of State Budget outlays earmarked for children during 2004-05 to 2007-08, (d) to assess the magnitude and composition of Union Budget outlays for child-specific Centrally Sponsored Schemes, which were transferred directly to Autonomous Societies (bypassing the State Budget) during 2004-05 to 2006-07, (e) to assess the dependence of the State on Centrally Sponsored Schemes for undertaking targeted interventions for children, (f) to compare the Budget Estimates (BE) of State Budget outlays earmarked for children with the Actual Expenditure figures and highlight under-utilization of funds (if any), and lastly (g) to assess the major constraints in utilization of funds (if any) in relevant social sector schemes in the State based on secondary evidence.

**Key Findings:**

- Although expenditure on social services increased notably in the recent years in all three states; it never stood at any adequate level considering the acute development deficits.
- Magnitude of total child budget within the state budget is almost stagnant or declining over the years.
- As far as the different components of the child budget are concerned, the highest priority is given to child education (around 90% of total child budget) followed by child development and child health. With less than 1% allocation, child protection gets the least priority.
- Centrally sponsored schemes have become the single largest source of financing government interventions for children.
- A significant proportion of funds remain unutilized in major child specific programmes.

A workshop was organised with UNICEF on 2-3 February 2009 in Delhi to share the findings of the study and to collectively deliberate on the key advocacy messages that emerged from the studies and the way forward in terms of dissemination of the outputs and advocacy potential. A draft report was shared with UNICEF and will be finalized by end of May, 2009.

**II. Constraints in Effective Utilization of Funds in the Social Sector: Evidence from Selected Districts**

The study of government budgets has evolved as a useful analytical tool for assessing the priorities accorded to different sectors in public expenditure by the Union and State Governments in India. With regard to the social sectors (like education, health, water supply and sanitation etc.), while the analysis of budgets can reveal the priorities accorded to these sectors in public expenditure in the country, the assessment of budgetary processes can generate significant insights about the factors that constrain effective utilization of funds in the social sector programmes. The latter assumes a lot of importance with respect to the backward States in India, as many of these States have shown relatively low fund absorption capacity, especially in the centrally sponsored schemes, in the recent years, and also the quality of their public expenditure especially in the social sectors has not been very satisfactory.

In this context, we need to pay attention not only to the outlays provided in the budgets for any particular sector but also the final expenditures in that sector, the outputs/ services delivered with that public expenditure and the development outcomes in that sector. Such an approach requires us to examine the intermediate steps, i.e. to find out the possible bottlenecks in the institutions and processes relating to implementation of government programmes, the quality of outputs/ public services delivered through such programmes, and the usage of such outputs/ public services by the intended beneficiary communities. A major research study by CBGA, titled *Constraints in Effective Utilization of Funds in the Social Sector*, was rooted in this approach and focused on the process of translating budget outlays for development programmes into better

outputs/ services delivered, i.e. the effectiveness of utilization of budget outlays or funds. This UNICEF India-supported study covered two districts viz. Rajnandgaon (in Chhattisgarh) and Lalitpur (in Uttar Pradesh). The study was completed in January 2009.

### **Key Findings**

- Systemic weaknesses leading to low fund absorption capacity at the district level, which in turn are constraining the fund absorption capacity of the whole State;
- Deficiencies in planning in the districts are a major bottleneck;
- Delay in flow of funds owing to factors such as involvement of multiple agencies and reporting requirements;
- Decision-making in schemes is centralized at the level of state govt. and inadequate delegation of financial power;
- Weak monitoring and supervision due to shortage of staff or insufficient funds for non-wage components; and
- Problems arising due to rigidity and lack of clarity in guidelines.

A workshop was organised with UNICEF on 2-3 February 2009 in Delhi to share the findings of the study and to collectively deliberate on the key advocacy messages that emerged from the studies and the way forward in terms of dissemination of the outputs and advocacy potential. A draft report was shared with UNICEF and will be finalized by end of May, 2009.

### **III. Open Budget Index Study**

Public access to Budget information is critical to ensuring that governments are accountable to its citizens. Equally important is the timely access to such information so as to enable citizens' participation in and their understanding of policy decisions having profound implications on their lives. Therefore, in order to assess the availability of accurate, timely and comprehensive information during each stage of the Budget cycle, CBGA along with the International Budget Project, Washington, undertook one study in 2006 and another in 2007.

The study essentially makes use of an Open Budget Index which evaluates the quantity of information provided to the citizens in the key Budget documents. It builds on the study conducted in 2006 in being much more streamlined; focusing fully on the Union Budget and the information sought has centred more on issues of budget transparency and participation. Some of the interesting aspects it covers include – India's score on transparency of its budget documents and processes; the openness of our budget books to citizens; the seven key budget documents that all countries must share with their citizens; and the role of legislators in ensuring budget openness among many others. The study covers 85 countries.

**Key Findings:**

- India provides its citizens with only some information on the central government's budget and financial activities.
- India's score of 60 on the OBI 2008 places it 18th of the 85 countries and among the 27 countries that provide some, albeit incomplete, information to the public on the national budget.
- India publishes detailed in-year reports, but its mid-year review lacks important details.
- It also can be somewhat difficult to assess budget performance in India once the budget year is over.

**Some Positives**

- Since India has enacted the Right to Information Act, codifying the right to access government information, the public is generally able to gather the highly detailed information needed to evaluate the government's progress on specific activities or programs.
- India also makes its audit report public and provides information on whether the audit recommendations have been implemented.
- Thirdly, India is one of only 17 countries in the study that publishes a Citizens Budget, which presents budget information to the public in an easily understandable format.

The study was completed in 2008 and the report covering analysis of all 85 countries was released in February, 2009. In order to reach out and share the findings with a larger audience, CBGA held a South Asia Media Release of the Open Budget Index 2008 on 4 February 2009 in New Delhi. Eminent panelists including, V.N. Kaul, Former Comptroller and Auditor General of India; S.R. Attygalle: Director General, Fiscal Policy, Ministry of Finance, Sri Lanka; Shirajun Nur Chowdhury, Senior Assistant Secretary, Finance Division, Ministry of Finance, Bangladesh; Dr. Rajesh Tandon, President, Society for Participatory Research in Asia and Bishnu Mohapatra, Programme Officer, Ford Foundation gave their comments on the findings of the study. Representatives of various national and international civil society organizations and academicians also attended the Media Release.

**IV. Safe Motherhood, Public Provisions and Health Financing in India**

Reduction of maternal deaths is one of the central concerns and is also one of the Millennium Development Goals. Most of these deaths take place among women in developing countries and more importantly within the poor and underprivileged sections. Most of these deaths could be

avoided if three conditions are available - proper nutrition for pregnant mothers, basic health infrastructure with minimum emergency obstetric care and connectivity in rural areas.

Unfortunately, most recent policies have focused on the issue of maternal mortality as an isolated issue related to infrastructure and not as a resultant of the broader socio-economic contradictions. Given this context, CBGA seeks to initiate an effort to track the government commitment in addressing the safe motherhood issue through its policy prescriptions and budgetary commitments at different levels of governance. The current initiative includes analysis of Budget and fund flow processes at different levels of governance as a critical element in the advocacy efforts of civil society organizations in India; analysis of field based findings to understand the needs of women and linking those observations with the policies.

Based on the data collected from Lalitpur district (UP) and Rajnandgaon (Chhattisgarh), preliminary findings were shared with experts working in the area of maternal health. CBGA is currently in the process of incorporating the feedback received at the meeting and preparing the draft report.

#### **Some Preliminary Findings:**

- The National Rural Health Mission (NRHM) is biased against poorer states like UP and Chhattisgarh.
- Under-utilization of funds is due to systemic deficiencies. Spending is skewed towards the last two quarters. Multiple installments of funds also caused delays in utilization.
- Rajnandgaon district in Chhattisgarh, had better fund utilisation compared to Lalitpur district in Uttar Pradesh
- Family Planning and Janani Suraksha Yojana (JSY) had high fund utilization.
- Lack of absorptive capacity is due to chronic lack of investment.
- JSY has increased institutional deliveries but the institutions are ill-equipped.
- There is massive shortage of skilled human resources.
- Planning, monitoring and decentralisation have been neglected.
- The audit process is poor and there is need to conduct Social Audit

#### **Major Studies Nearing Completion:**

##### **I. Local Budgeting and Planning - a Study with reference to Rajasthan and Kerala**

A study titled "Local Planning and Budgeting: A Study on the Panchayati Raj Institutions in the States of Rajasthan and Kerala" was completed with support from the Planning Commission of India. The broad objective of the study was to develop an understanding on decentralized planning process and budgeting process of the rural local bodies in the two states mentioned above. The findings of the study would inform the policy debates on fiscal federalism, resource

transfer, bottlenecks in programme implementation, decentralized planning and social accountability.

The major findings of the study include: a) although Rajasthan boasts of historical precedence, concomitant devolution of funds, functions and functionaries has been achieved to the maximum extent in Kerala; b) Local bodies in Kerala have full administrative control over their functionaries which are non-existent in Rajasthan; c) More than thirty percent of State plan budget is transferred to local bodies with very broad guidelines and separate heads on maintenance and general purpose grants for local bodies at each tier; d) Major source of funds for rural local bodies in Rajasthan are direct transfer from Central Government in the form of Centrally Sponsored Schemes or State Plan Schemes with restrictive guidelines and little autonomy in implementation; e) Gram Panchayats in Kerala were found to have significant own source revenue, which they could use for provisioning of locally felt needs while in Rajasthan only Block Panchayats have significant own source revenue which is used for establishment costs f) Local fund audit of rural local bodies in Rajasthan was found to be up-to-date, while surprisingly Kerala had huge backlogs in conducting financial audits; g) In Kerala, each local body at all tiers, autonomously prepares its own plan and budget to be presented to its citizens in Gram Sabhas while in Rajasthan, demands are articulated in Gram Sabhas which after vetting at the block and district level are consolidated into a District Plan. Summarily, Kerala has witnessed better decentralization and there is scope for adaptation of best practices of Kerala in other States.

## **II. Public Provisioning for Adaptation to Climate Change in India**

The study, being carried out in collaboration with Oxfam India, aims to analyze and verify the government claims on its spending on adaptation measures in India. It also seeks to assess the policy framework for adaptation to climate change in India and suggest alternatives. The study has identified government schemes and programmes which although are developmental in nature but to an extent, also address adaptation needs in India. The bulk of the allocation is for poverty alleviation which the government acknowledges is the greatest impediment to effective adaptation. However, the study has found that government spends much less on adaptation than what it claims. There is also no additional provision for adaptation needs or change in guidelines to accommodate changed circumstances due to climatic factors. Overall it is still the developmental framework in India, which caters to its adaptation needs and adaptation as a separate policy focus is hardly distinguishable.

## **III. Review of the Fiscal Architecture in India: With Reference to Selected States**

This study is focusing on the important aspects of Centre-State fiscal relations in India in the present era. The issue of growing centralisation of the federal fiscal architecture in our country has attained a lot of importance over the last few years. Since the imposition of fiscal conservatism upon State Governments through the recommendations of the Twelfth Finance Commission (2005-06 to 2009-10), many civil society organisations across the country have shown a keen interest in comprehending the nuances of Centre-State fiscal relations and how these dynamics are affecting the Budgets of State Governments. However, there has been a dearth of popular literature

on this subject which could help civil society organisations comprehend these important issues. Hence, CBGA is going to bring out a report which would explain many of the important concerns relating to Centre-State fiscal relations in a comprehensible manner. However, this report would also present the findings of CBGA's research on fiscal federalism from the perspective of the poor and disadvantaged people. The draft report of the study is being written up, which would be completed by end of June 2009.

**Future Areas of Work:**

In the coming years, CBGA is going to focus on the following areas in its research and documentation work:

- Improving the comprehensibility of CBGA's regular publications on Union Budget (i.e. *Response to Union Budget* and *Background Note for National Convention on Union Budget*) by making these more reader-friendly and less dependent on technical jargon;
- Bringing out CBGA's reports, primers, manuals, policy briefs and other outputs in Hindi;
- Publishing *Policy Briefs*, which would be short and reader-friendly, based on CBGA's major research studies;
- Developing benchmarks for assessing the adequacy of public expenditure on social sectors in India;
- Deepening of Gender Budgeting, Child Budgeting, Dalit Budgeting and Adivasi Budgeting in the Central Government;
- Adoption of Gender Budgeting, Child Budgeting, Dalit Budgeting and Adivasi Budgeting by different States;
- Identifying the major constraints in effective utilization of budget outlays in the social sector;
- Extent of fiscal decentralisation in various sectors across different States and its impact on implementation of development schemes;
- Inclusion of socially deprived sections of the population in the major development schemes;
- Responsiveness of government budgets to the challenges of climate change;
- Possible implications of introducing vouchers and coupons in the social sectors; and
- Transparency in Budgets and Budgetary Processes across different States in India.



### **2.3 Training & Capacity Building**

Capacity Building has been CBGA's forte in its attempt to promote transparent, accountable and participatory governance. CBGA's capacity building programmes have benefited many civil society groups, researchers and advocacy professionals across South Asia in strengthening their advocacy efforts. During 2008-09, CBGA has gained credence as a leading technical assistance provider in the areas of budget analysis, budget monitoring and budget advocacy. CBGA's capacity building initiative has been evolving as a highly dynamic and need-based process towards strengthening various civil society efforts in the region. The following account of our capacity building activities this year substantiate the growing significance of CBGA's contribution in enabling and empowering people to participate in the democratic processes.

#### ***CBGA's Vision***

*Build capacity of people to empower them to participate in the democratic process.*

#### **1. Workshop on 'Budget Analysis and Advocacy' with GDS**

CBGA in partnership with Grameen Development Services (GDS) – a non government organization working for the development of the poor and the disadvantaged sections of the rural community – organised a three-day regional capacity building programme on budget analysis and advocacy from 17 to 19 July 2008 in Sahbhagi Shikshan Kendra, Lucknow. A total of 18 social activists, researchers and NGO professionals from different parts of Uttar Pradesh participated in the programme. The participants felt that the programme was very enriching and wanted a regular follow up so as to further their knowledge on budget and governance issues. The programme concluded with the initiation of Uttar Pradesh Civil Society Budget Advocacy Process aimed at influencing the state government's budget from a pro-poor and marginalised perspective.

#### **2. Workshop on 'Budget Analysis and Advocacy' with Vikas Samvad**

CBGA in partnership with Vikas Samvad – a rights based advocacy organisation working with wider social movements on various development issues, organised a three day regional capacity building programme on budget analysis and advocacy from 22 to 24 July 2008 in Seva Sadan, Bhopal. A group of 52 vibrant social activists, social policy researchers and NGO professionals from all parts of Madhya Pradesh actively participated in the programme. Mr. Sachin Jain, Director of Vikas Samvad observed that 'it was unexpected that more than 45 participants would come for this kind of training since budget is known to be a technical subject.'

#### **3. Technical Support to Tamil Nadu State Government on 'Gender Budgeting'**

CBGA was invited to give the special address on Gender Budgeting on 20 August, 2008 to propel the state government of Tamil Nadu in formulating the Gender Budget Statement for the first time. Secretaries from several departments attended the meeting, in addition to the Chief Secretary and members of the State Women's Commission and State Planning Board as well as some Civil Society Organisations, like Social Watch Tamil Nadu. Interesting discussions followed the presentations in which Secretaries of different departments discussed the issue, shared their concerns and drew up a plan of action to move ahead. It was agreed that Gender Budgeting has

to be made mandatory for all departments as no department is gender neutral. This workshop would be followed by the creation of a small committee of Secretaries of all departments to pursue gender budgeting. Social Watch Tamil Nadu played a catalytic role in pushing forward this initiative.

#### **4. Workshop on 'Dalit Budgeting and Advocacy' with NCDHR**

Since its inception, CBGA has developed strong partnerships with social action groups and networks/coalitions working on social exclusion and caste based discrimination. At the national level, CBGA partners with the National Campaign on Dalit Human Rights (NCDHR) amongst other similar networks on a number of research and advocacy initiatives. CBGA has been providing research and advocacy support to NCDHR and its partners to set up dalit budgeting units in eight different states. Towards strengthening the state processes, CBGA and NCDHR jointly organised two capacity building programmes on dalit budgeting and advocacy for the newly recruited budget analysts and dalit rights activists in Udaipur and Varanasi. The training programmes were organised in Udaipur from 25 to 29 August 2008 and the second one from 2 to 6 September 2008 in Varanasi. A total of 20 dalit activists and budget analysts from Rajasthan and Gujarat benefited from the programme. The participants felt that the need for such training is immense in today's changing socio-economic context. Sixteen dalit rights activists and budget analysts from Uttar Pradesh, Bihar, Orissa and Madhya Pradesh actively participated in the programme. The participants felt that the training was very useful and helped them un-learn many common myths about budgets and public policies. The participants requested CBGA and NCDHR to organise similar trainings in different parts of the states to reach out to more grassroots activists.

#### **5. Workshop on 'Budget Analysis and Expenditure Tracking' with TISS**

CBGA conducted three day training on Budget Analysis and Expenditure Tracking from 22 to 24 September 2008 at TISS Rural Campus, Tuljapur as part of a six month training programme for District Advisors designed by TISS and funded by UNICEF. The 44 participants selected by UNICEF would work in selected districts of the seven least developed states in the country namely Uttar Pradesh, Bihar, Jharkhand, Chattisgarh, Orissa, Rajasthan and Madhya Pradesh. District Advisors will be working on planning and budgeting, systems strengthening, knowledge building and monitoring and evaluation. The objectives of the three day training on Budget Analysis and Expenditure Tracking are to help participants understand key concepts and terminologies used in budget analysis and linkages between social and economic rights and budget work.

#### **6. Workshop on 'Budget Analysis and Advocacy' with Water Aid**

CBGA conducted a five day intensive training on Budget Advocacy for Water Aid Bangladesh (WAB) Staff, WAB partners and other NGO representatives from 13 to 17 October 2008 in Dhaka, Bangladesh. The main objective of the training was to sufficiently orient the participants about Bangladesh Budget Cycle with the aim to have a skilled budget advocacy group in Bangladesh to exert influence on the national government to have a pro-poor national budget. A total of 23 participants representing national and international organisations benefited from the training. As a follow up to this training, a national level network has been formed in Bangladesh to undertake budgetary policy advocacy.

#### **7. Workshop on 'Budget Analysis and Monitoring' with NDF**

CBGA was invited by the National Dalit Forum (NDF) to facilitate a national level training on Budget Analysis and Monitoring for its partners. A total of 55 activists from 10 states actively participated in the training organised from 31 October to 2 November 2008 in Hyderabad. The purpose of the training programme was to capacitate the activists to work on various budgetary allocations made and spent by both the central and the state governments. The training programme largely focused on understanding budgets, budget cycle, Scheduled Caste Sub-Plan, programme implementation, monitoring and budget advocacy.

#### **8. Technical Support for UNICEF–LBSNAA Workshop on ‘Mainstreaming Social Sectors’**

UNICEF India and Lal Bahadur Shastri National Academy of Administration (LBSNAA) organized a workshop on Mainstreaming Social Sectors in Mussoorie, from 10 to 13 November 2008. The participants in this workshop included senior government officials from more than 14 States. CBGA conducted a session in this workshop, focusing on issues relating to public investments in children and constraints in implementation of social sector schemes. The research findings and policy recommendations shared by CBGA were received very well by the government officials present in the workshop.

#### **9. Support to the Gender Budgeting Initiative of Government of Kerala**

In order to facilitate the process of gender budgeting in Kerala, a State Training Workshop on Gender Budgeting was organised by the Ministry of Women and Child Development, Government of India with the State Planning Board of Kerala and the Kerala State Social Welfare Board on the 5 and 6 December in Trivandrum. CBGA was invited to give inputs into the process. The Finance Minister of the state inaugurated the workshop. The workshop was very well attended with more than 50 officials from across all departments. CBGA's inputs concentrated on looking closely at the experience of Gender Budgeting at the Union Government level and insights from these for the Kerala's efforts of putting together a Gender Budgeting Statement. Inputs from CBGA were well received and the feedback was positive.

#### **10. Series of Trainings on ‘Budget Analysis and Advocacy’ with NCAS**

CBGA was invited by NCAS to facilitate sessions on Budget Analysis and Advocacy in their capacity building workshops on ‘People Centred Advocacy’. NCAS has been organising a series of capacity building workshops on People Centred Advocacy for Oxfam Novib partners in India, Bangladesh and Afghanistan. These trainings have been designed to orient the participants on accountability tools and on people centred advocacy. CBGA facilitated sessions on Budget Analysis and Advocacy in three such capacity building workshops held in Nagpur (for India participants), Kolkata (for Bangladesh participants) and in New Delhi (for Afghanistan participants) on 9 September, 10 November and 18 December 2008 respectively.

#### **11. South Asia Regional Workshop on ‘Social Monitoring Tools’**

A South Asia regional workshop on ‘Civil Society Monitoring Tools’ was organized jointly by CBGA and Oxfam Novib from 26 to 28 January, 2009 in Bangkok. The objective of the workshop was to facilitate the learning and use of social monitoring tools by a larger section of civil society with the hope that these could sharpen their efforts in demanding accountability. A total of 32

participants representing various civil society groups from India, Afghanistan, Bangladesh and Pakistan actively participated in the workshop. The participants were both users and potential users of certain social monitoring tools.

Issues discussed in the workshop include mapping the governance failures in South Asia, the challenges confronting the civil society actors in the region, various social monitoring tools employed by civil society organisations to promote transparency and accountability, budget analysis and parliamentary advocacy. Specific tools discussed were procurement monitoring by G-Watch, Philippines, Public Expenditure Tracking Survey by Unnayan Shamunnay, Bangladesh and Budget Monitoring by CBGA, India.

As a follow up to the workshop, CBGA along with Oxfam Novib is preparing a process design for capacity building on social monitoring tools in South Asia. CBGA is also in the process of preparing a handbook on social monitoring tools.

### **12. Trainings with the National Campaign on Dalit Human Rights (NCDHR)**

CBGA held training with the members of Dalit Economic Right Activist of NCDHR. The training programme was held on 8 and 9 February, 2009 at Bahadurgarh (Haryana). The Resource Persons from CBGA took sessions on Gender Budgeting, especially from a dalit lens, Local Budgeting and Planning by PRIs and District Level Expenditure Tracking of Social Sector Schemes. Both the sessions were well received by the participants.

### **13. 'Gender Budgeting' Workshop in Kerala**

A three-day workshop on Gender Budgeting, facilitated by CBGA, was organised by SAKHI (an NGO working on women's rights in Kerala) from 9-11 February 2009 in Cochin, Kerala. The workshop aimed at developing an understanding of Budget Analysis from a gender perspective, understanding the relevance of budget work in taking forward gender mainstreaming efforts at the national, state and local government levels and developing capacity to use the data generated by budget work in the advocacy efforts by the civil society organizations. Participants were a mix of civil society activists, state government and Planning department functionaries and educationists.

### **14. Series of Lectures on 'Understanding Budgets' for the EDUSAT Network of CEC**

CBGA was invited to give a series of five lectures on Understanding Budgets for the Consortium for Educational Communication (CEC), which is a nodal agency to coordinate the activities of seventeen Educational Multimedia Research Centres (EMMRC) set up by the University Grants Commission (UGC) in various parts of the country. These lectures were delivered at the CEC, New Delhi and telecast live through CEC's EDUSAT Network on 23 to 27 February 2009.

### **15. Lecture on 'Budgeting for Children' in the Foundation Course for IAS Probationers at LBSNAA**

CBGA was invited to deliver a lecture on 'Budgeting for Children' to the Trainee Officers of Indian Administrative Service (IAS) 2008 batch. This lecture was delivered at the Lal Bahadur

Shastri National Academy of Administration (LBSNAA), Mussoorie on the 16<sup>th</sup> of March 2009. The lecture was received well by the Trainee Officers who showed interest in comprehending the key concerns emerging from CBGA's analysis of government budgets.

### **16. Workshop on 'Budgets and Fiscal Decentralisation' with Samarthan- Centre for Development Support**

In collaboration with Samarthan- Centre for Development Support, CBGA conducted a two-day capacity building workshop on 'Budgets and Fiscal Decentralisation' in Bhopal on 19 and 20 March 2009. This workshop tried to help the participants comprehend the need for understanding and tracking Budgets and the framework for tracking Budgets at the district level. It focused on Planning and Budgeting by the PRIs. The workshop also covered Planning, Budgeting and Implementation of Sarva Shiksha Abhiyan (SSA) and National Rural Health Mission (NRHM). About twenty five civil society activists, coming from various districts in Madhya Pradesh and Chhattisgarh, participated in this workshop.

In total, 16 capacity building workshops were organised in the year 2008-09.

Number of Orientation Workshops (Budget work as a tool for governance accountability): 8

Number of Theme-based Workshops (For eg. Dalit Budgeting, Gender Budgeting etc.): 8

In the process of training and capacity building, links with various organizations and campaigns are established.

### **CBGA Primers for Spreading Budget Awareness**

In the past, CBGA has brought out a number of primers on government budgets and civil society budget work in India. In 2008-09, CBGA has initiated work on three more primers, each one of which could prove very useful in spreading budget and economic awareness in the country. These new primers, which CBGA would be publishing soon, are the following:

- Primer on Audits
- Primer on Economic Indicators
- Primer on Tax and Non-tax Revenues of the Central Government

### **2.4 Research Support to Other Organisations**

CBGA consistently provides support by way of research inputs to diverse groups/organizations/campaigns. The interaction with various people in the process exposes CBGA to many new domains and strengthens its advocacy efforts at the various levels of governance.

**Research Support to *National Social Watch Coalition* for the Social Watch Report 2008**

CBGA provided research and editorial support to the National Social Watch Coalition (NSWC) for the *Social Watch Report 2008*. CBGA contributed a section on Budgets for the Policy Watch chapter in the said report.

**Research Support to *Ekta Parishad* in the Campaign for Land and Livelihood Rights**

CBGA provided research and editorial support to Ekta Parishad for a report titled 'An Agenda to Reform Agrarian Relations for Equity and Efficiency in Contemporary India'. This report was an outcome of the deliberations of the Committee on 'State Agrarian Relations and the Unfinished Task in Land Reforms'. This Committee was formed subsequently to the mobilization (Janadesh) for land rights in October 2007, when close to 30,000 people walked from Gwalior to Delhi for land and livelihood rights.

**National Convention on 'Right to Education and Abolition of Child Labour' organized by the NCPCR**

The National Commission for Protection of Child Rights (NCPCR) organised a national convention on Right to Education and Abolition of Child Labour on 11 and 12 December 2008 in New Delhi. One of the thematic sessions in this National Convention focused on "Investments in Education and Abolition of Child Labour", which was convened jointly by CBGA and India Alliance for Child Rights (IACR). Drawing together important stakeholders such as academicians, government officials and child rights activists, this Session discussed pertinent concerns and priorities of public investment in education and abolition of child labour, and pinpointed changes that children deserve and India needs. The two-hour interaction, scheduled on the morning of 12 December 2008, yielded a list of prioritised recommendations pertaining to policies, institutional measures, outcome indicators and budgets. These would be taken up for advocacy by the NCPCR.

**Research Support to *National Social Watch Coalition* for their Advocacy on Centre-State Relations with the Punchi Commission**

In August-September 2008, CBGA provided research inputs to the National Social Watch Coalition (NSWC) for a detailed questionnaire on Centre-State Relations, which was sent to NSWC by the Punchi Commission in order to collect feedback of selected civil society organisations on various aspects of Centre-State Relations in India.

In addition to the above, several conferences or workshops were held with the objective of sharing the experiences of budget work in India and discussing opportunities for expanding the impact of the work. Some include the learning event held by the Oxfam International and a Conference organised by IBP, NCAS and CBGA. Further, various presentations were made at different occasions on a range of issues such as the role of Parliament and budget accountability in Afghanistan, gender budgeting and violence against women, financing for health, budget for social sectors and fund utilization at the LBSNAA and microfinance among others.

## 2.5 *Communications, Publications & Engaging the Media*

### **CBGA's Media Coverage**

CBGA continued making efforts for a larger media presence in order to reach to a wider audience.

A Press Briefing was organized to share the findings of The Open Budget Index Study on 4 February, 2009. The findings were widely covered by all mainstream dailies including The Times of India, The Hindustan Times, The Hindu, The Financial Express, Business Standard, including others. In addition, the findings of the study were also reported by CBB/IBN for short slots as well as for a longer duration of 30 minutes.

CBGA is engaged with various studies by way of which it is attempting to influence the present policy discourse. It is important that the recommendations on the basis of the findings on various critical issues reach people. A significant step forward in the last years has been the positive response received by some of the mainstream dailies. A whole range of issues caught interest of the media (print), including implementation of schemes and assessment of the expenditure priorities of the UPA Government, especially in the light of upcoming general elections. It was also encouraging to receive requests from the media to respond on various social and economic issues.

The Press Briefing organised to share the findings of the Open Budget Index study got widely covered.

The Print media has been quite responsive in the last year. They have shown interest in the issues we work on and have also come up with their requests.

### **Radio Talks**

A radio talk was organised by Oxfam India whereby CBGA shared its views on civil society budget work with Ms. Kiran Bedi. The talk was aired on Radio Meow. Another radio talk, organised by One World South Asia, focused on 'Budgets for Health and Education' in which CBGA shared its perspective.

### **Regular Publications**

As every year, CBGA published its regular outputs which include:

**I. Budget Track:** CBGA comes out with a quarterly newsletter, called the '*Budget Track*' that analyses the budget and policy priorities of the government in short articles. The aim is to present current policy and economic issues in an understandable manner. The first few pages comprise of regular columns on Budget and Policy Tracking of the Union Government that brief

the developments taken place in the realm of Budget and Public Policy during the last quarter of a specific financial year. This is followed by other issues affecting the lives of the masses.

In the year 2008-09, CBGA completed its sixth volume of Budget Track. Taking cognizance of the global meltdown, it brought out a special edition on Global Recession combining two tracks of the sixth volume.

**II. Response to the Union Budget:** The *Response to the Union Budget* is one of the CBGA's essential annual publications. In the wake of general elections this year, CBGA team prepared a comprehensive assessment of the expenditure priorities of the UPA Government in various critical sectors in the publication, *How did the UPA spend our money?*

**III. Background Note for National Convention:** A background note underscoring some key concerns in each of the critical areas was prepared for the National Convention held for the Union Budget 2009-10.

**IV. People's Charter of Demands:** A People's Charter was drawn up by the People's Budget Initiative for the Union Budget 2009-10 which consolidated the key concerns across different issues in addition to making some concrete suggestions.

#### **Some New Initiatives:**

##### ***Women's Charter of Demands***

On the basis of the deliberations on the various themes at the National Consultation on Strengthening Women's Voices in Budgets and Policies, a Women's Charter of Demands was drawn and 3000 copies of the Charter were printed. The Charter articulates a prioritized set of demands by women from the government.

##### ***Communiqué***

CBGA was facing a consistent challenge of sharing its dimensions of work with various stakeholders. One of the effective ways was therefore to introduce a communiqué which will inform the people at large of the various activities being carried out by CBGA. CBGA sees this medium as an opportunity to share its work and also get inputs to strengthen its efforts.

CBGA initiated the process of disseminating a regular bimonthly communiqué in August 2008. Since then, three communiqués have been sent – October, December (2008) and April (2009).

The response on the communiqué has been very encouraging. Many people appreciated the effort and would like it be a consistent process.



***A Short Documentary Film***

Audio visual medium is an effective way to communicate a message. A significant outcome of the National Consultation on Strengthening Women's Voices in Budgets and Policies was a short film. The film tries to capture the issues raised by various experts and women's rights activists who were present at the Consultation. It provides a wide range of perspectives on women's concerns across various sectors and calls for a coordinated effort by the civil society organizations and the government towards addressing women's concerns. CBGA plans to use the film in our training workshops on budget literacy as a medium to communicate the importance of building women's perspective at all stages of the development process.

### SECTION 3: CONSTRAINTS & CHALLENGES

CBGA faces a number of constraints and challenges, which it needs to address in the coming years in order to be able to create a lasting impact through its work. While some of these challenges pertain to the internal reality of the organisation, several of them are rooted in the external reality in which CBGA is working. The following is a brief overview of such constraints and challenges:

- CBGA has completed a number of major research studies over the last year, which have generated very useful evidence for making numerous progressive demands from budgets and policies in our country. However, these study reports are yet to be put in the public domain. The organisation needs to reduce the time-lag between completion of its research studies and dissemination of their findings so as to be able to influence policy advocacy processes more effectively.
- Although CBGA has made a lot of progress over the last few years in improving the comprehensibility of its research outputs, some of its publications are still dependent heavily on technical jargon and technical modes of presentation. These are factors which might discourage many people from using CBGA's publications extensively for their advocacy work. Hence, the organisation needs to work harder for making its publications more reader-friendly and comprehensible.
- CBGA has not been able to publish many of its outputs in Hindi, although a large proportion of civil society activists working in some of the most deprived regions of the country would find the Hindi publications a lot more helpful than those in English. Hence, the organisation needs to pay adequate attention to bringing out all its important publications in Hindi as well as English.
- CBGA's capacity building efforts have been demand-driven to a large extent; a factor which has both merits and demerits. Also, the organisation has not been able to invest enough time and resources for spreading budget awareness and building capacity of civil society organisations across the country. Hence, CBGA needs to plan and adopt a long-term strategy for its capacity building work, taking up the responsibility for leading the process of spreading budget awareness in the country.
- CBGA also needs to bring out budget primers and manuals in Hindi, which would boost its capacity building efforts significantly.
- The efforts made by CBGA with regard to advocacy with Parliamentarians have not met with any visible success over the last couple of years. Hence, it needs to work a lot harder on reaching out to the Parliamentarians on issues relating to budgets and public policies.
- In the context of the reluctance shown by many policymakers to engage with civil society organisations in matters of budgets, CBGA needs to work harder towards strengthening the

network of civil society organisations working on budgets. It needs to revive the *People's Budget Initiative* and take it forward to a number of States.

- As regards advocacy on budgets, the demands made by civil society organisations are often expected (by the policymakers amongst others) to be supported by some estimates of the budget allocations required. Although estimating the required magnitude of budget allocations for fulfilling any of the needs of the disadvantaged sections of population is a complex task in the context of our country, CBGA needs to carry out such tasks quickly so that its budget advocacy with policymakers becomes more effective.
- One of the most difficult challenges for the organisation has been the prevalence of a strong pro-market perspective amongst many of the policymakers, academicians and media representatives. Given the ideological bias of these people, a tendency has been observed on their part to be skeptical of the pro-poor perspective adhered to by CBGA. In this context, CBGA needs to strive for generating strong evidence which would back the progressive policy demands made by the civil society.
- The vision driving CBGA's work is fairly long term; the impact which could be generated through its work in the long term would have a bearing on a large section of the country's population and it could also be a lasting impact. But, every civil society organisation comes under pressure to show the impact of their work within a few years and so does CBGA. Such pressures and expectations are pushing the organisation towards taking up some strategic activities, in which we can expect the impact to be visible quickly. However, there is a need for the organisation to strike a balance between the work which it does based on its long term vision and the work which it takes up for quicker impact through more strategic activities.

## BALANCE SHEET 2008-09

## CENTRE FOR BUDGET AND GOVERNANCE ACCOUNTABILITY

A - 11, SECOND FLOOR, NITI BAGH, KHEL GAON MARG  
NEW DELHI - 110049 (INDIA)

AMOUNT INR

BALANCE SHEET AS AT 31 <sup>st</sup> , MARCH, 2009			
	SCHEDULE	2008-09	2007-08
<b>SOURCES OF FUNDS</b>			
<b>I. FUND BALANCES:</b>			
a. General Fund	[01]	678,739.00	240,946.00
b. Corpus Fund		25,000.00	25,000.00
c. Asset Fund	[02]	385,552.00	188,329.00
		<u>1,087,291.00</u>	<u>454,275.00</u>
<b>II. LOAN FUNDS:</b>			
a. Secured Loans			
b. Unsecured Loans	[03]	-	18,115.00
<b>TOTAL Rs.</b>	<b>[I + II]</b>	<u>1,087,291.00</u>	<u>472,390.00</u>
<b>APPLICATION OF FUNDS</b>			
<b>I. FIXED ASSETS</b>			
Gross Block	[04]	739,337.00	309,567.00
Less: Accumulated Depreciation		258,904.00	103,855.00
Net Block		<u>480,433.00</u>	<u>205,712.00</u>
ii. Investment	[05]	3,500,000.00	-
<b>III. CURRENT ASSETS, LOANS &amp; ADVANCES:</b>			
a. Loans & Advances	[06]	724,269.00	870,813.00
b. Grant Receivable	[07]	1,757,346.00	154,805.00
c. Cash & Bank Balance	[08]	3,464,813.00	4,410,379.00
	<b>A</b>	<u>5,946,428.00</u>	<u>5,435,997.00</u>
<b>Less: CURRENT LIABILITIES &amp; PROVISIONS:</b>			
a. Expenses Payable	[09]	925,124.00	255,516.00
b. Unspent Grant Balance	[10]	7,914,446.00	4,913,603.00
	<b>B</b>	<u>8,839,570.00</u>	<u>5,169,119.00</u>
<b>NET CURRENT ASSETS</b>	<b>[A - B]</b>	<u>(2,893,142.00)</u>	<u>266,878.00</u>
<b>TOTAL Rs.</b>	<b>[II+III]</b>	<u>1,087,291.00</u>	<u>472,390.00</u>

Significant Accounting Policies and  
Notes to AccountsThe schedules referred to above form an  
integral part of the Balance Sheet.

33

IN TERMS OF OUR REPORT ON EVEN DATE

For & on behalf of:  
**S. SAHOO & CO.**  
Chartered Accountants[CA Subhjit Sahoo, FCA]  
Partner  
MM No. 57426For:  
CENTRE FOR BUDGET AND GOVERNANCE  
ACCOUNTABILITYYamini Mishra  
Executive DirectorRajest Singh  
Sr. Officer (Finance & Admin)Shantha Sinha  
PresidentAnil Singh  
TreasurerPlace: New Delhi  
Date: September 16, 2009

## INCOME &amp; EXPENDITURE ACCOUNT 2008-09

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

		AMOUNT INR	
INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 <sup>st</sup> , MARCH, 2009			
	SCHEDULE	2008-09	2007-08
<b>I. INCOME</b>			
Grant in Aid	[11]	16,143,954.00	5,948,820.00
Other Income	[12]	821,527.00	1,781,194.00
<b>Interest Income</b>			
Bank Interest		75,386.00	36,321.00
Interest on FD		9,019.00	-
		<b>17,049,886.00</b>	<b>7,765,335.00</b>
<b>II. EXPENDITURE</b>			
CEF Project Expenses		-	401.00
Ford Foundation Project Expenses	[13]	6,732,691.00	2,817,954.00
Panchayat Budget Analysis	[14]	-	205,916.00
UNDP-NREGA Expenses	[15]	185,263.00	373,634.00
UNICEF Research Studies Expenses	[16]	1,841,545.00	2,325,723.00
National Convention Expenses	[17]	-	592,325.00
Planning Commission	[18]	497,808.00	225,192.00
Maternal Mortality	[19]	21,406.00	296,778.00
SDTT- Women's Consultation	[20]	500,000.00	-
PC: Eleventh Five Year Plan	[21]	200,000.00	-
UNIFEM	[22]	151,845.00	-
IBP- Open Budget Initiative	[23]	238,885.00	-
IBP-OBI Media Release	[24]	392,616.00	-
IBP Partnership Initiative	[25]	1,578,284.00	-
Oxfam Novib	[26]	2,647,568.00	-
Oxfam India	[27]	283,424.00	-
WaterAid Women's Consultation	[28]	300,000.00	-
IDRC Women's Consultation	[29]	572,619.00	-
Administrative Expenses	[30]	425,733.00	791,387.00
Grant Receivable Written Off		31,168.00	-
Depreciation	[04]	155,049.00	63,402.00
Less: Depreciation Transferred to Asset Fund	[02]	141,812.00	58,150.00
		13,237.00	5,252.00
		<b>16,614,093.00</b>	<b>7,634,562.00</b>
<b>III. EXCESS OF INCOME OVER EXPENDITURE</b>	<b>[I - II]</b>	<b>435,793.00</b>	<b>131,773.00</b>

Significant Accounting Policies and  
Notes to Accounts


The schedules referred to above form an integral part of the Income & Expenditure Account

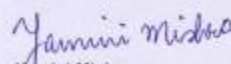
33

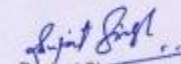
IN TERMS OF OUR REPORT OF EVEN DATE

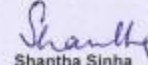
on behalf of:  
**S. SAHOO & CO.**  
Chartered Accountants

For:  
**CENTRE FOR BUDGET AND GOVERNANCE  
ACCOUNTABILITY**

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

  
Yamini Mishra  
Executive Director

  
Ranjeet Singh  
Sr. Officer [Finance & Admin]

  
Shantha Sinha  
President

  
Anil Singh  
Treasurer

Place: New Delhi  
Date: September 16, 2009