

ANNUAL REPORT

2009-10



CBGA

Centre for Budget and Governance Accountability

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CBGA's mandate.....

- *Analyse government budgets from the perspective of social sectors and disadvantaged sections*
- *Facilitate networking of individuals and institutions already doing budget analysis and advocacy from pro-poor perspective*
- *Constructively engage with relevant government networks and institutions as well as political representatives*
- *Demystify and simplify the actual budget as well as the entire budget formulation and analysis*
- *Build partnerships at the South Asia level to promote effective use of budget and budgetary information*

Foreword

The year 2009-10 has been crucial for CBGA in a number of ways. In terms of the human resource base of the organisation, it was a year that witnessed significant enhancement of the skills and understanding of CBGA staff in various areas of work. This process was facilitated partly by the organisation, but what was more encouraging was that several of the team members took sustained initiatives in this regard. In terms of financial resources available to the organisation, the year 2009-10 has been heartening for us. Apart from getting institutional fund support from the Ford Foundation and the International Budget Partnership, CBGA has been able to diversify its sources of support including both international and national agencies. It has also made sustained efforts towards improving the systems and processes within the organisation throughout the year.

In terms of the programme strategies of the organisation, CBGA moved towards estimating resource requirements for a set of prioritised demands in its National Convention on Union Budget 2010-11. This strategy brought encouraging results in the sphere of advocacy with important stakeholders like the media and parliamentarians. CBGA's analysis pertaining to the demands from Union Budget 2010-11 was picked up by many people including the mainstream print media. *The Times of India* carried a series on this for seven consecutive days in the run-up to the Union Budget. Further, CBGA's advocacy with parliamentarians too has moved ahead; in the last Budget Session of Parliament, several Members of Parliament (MPs) used our analysis relating to social sectors and marginalized sections in their deliberations.

Our advocacy with the executive moved many steps forward with the *People's Mid Term Appraisal* (PMTA) of the Eleventh Five Year Plan, which was jointly organised by CBGA, Wada Na Todo Abhiyan (WNTA) and National Social Watch Coalition (NSWC). The idea of participation of the civil society and its role in mid-term evaluation of the Five Year Plan has resonated well with the Planning Commission.

Also, several of our ambitious initiatives took off well in 2009-10. A collaborative study on Transparency in State Budgets in India, which involves nine other CSOs focusing on budget work in different parts of the country, has started on a very positive note. CBGA's capacity building efforts in the South Asia region too have taken off well, with several CSOs from Bangladesh, Pakistan and Afghanistan coming forward to join our initiative for creating a South Asian Alliance for Budget Accountability.

It would be crucial for the organisation to further consolidate its efforts in the strategic areas in the years to come, which are also going to offer significant opportunities for influencing the budgetary policies and processes in the country.

- Executive Director, CBGA

Influencing Policies and Processes

Responding to Union Budget 2009-10

The year 2009-10 witnessed many major developments; the most important being the election of the new government at the Centre and subsequent release of Union Budget 2009-10. In an attempt to respond to the first Union Budget of UPA-II, CBGA organised a Panel Discussion on 7th July 2009. The Panel Discussion was part of the series, 'Budgets: As If People Matter' organised by CBGA every year immediately after the budget is released. CBGA prepared a quick and comprehensive response to the Union Budget covering the implications of the budget proposals on different social sectors and the disadvantaged sections. The response was published as, 'Is the New Government Committed or Complacent?'

The discussion offered a unique platform to discuss and debate on the budget and larger policy proposals of the Union government and their assessment from the perspective of social sectors and marginalised sections of the population, which often get subsumed in the mainstream policy debates.

The panellists included Amitabh Kundu (Professor, JNU), Mihir Shah (Member, Planning Commission) and Yogendra Yadav (Senior Fellow, CSDS). The audience included not only civil society representatives from various national and international organizations but also government officials, academics and the media.

Engaging with Parliamentarians and the Media...

One of the important means to influence the budget is engagement with parliamentarians and coverage of issues in the media at the time of release of the budget. CBGA centred its efforts on these two dimensions.

Several meetings were held with MPs during the Budget Session. In the Budget Session held in the month of July, the Demands for Grants that were discussed included those of the Ministry of Human Resource and Development (MHRD), Ministry of Agriculture, Ministry of Women and Child Development (MWCD), Ministry of Home Affairs, and Ministry of Power. CBGA focused its efforts on reaching MPs from various political parties and highlighting the major issues emerging from Union Budget 2009-10. CBGA's response on Education, Agriculture, and Women and Children were cited in the relevant interventions during the general debates in Lok Sabha. Therefore, out of the five Demands for Grants, CBGA managed to inform the policy makers of critical concerns on all the crucial social sectors covered in the Budget Session.

CBGA strengthened its efforts in the area of media advocacy around the Union Budget 2009-10. Most mainstream dailies including *The Times of*

India, Hindustan Times, The Hindu, Business Standard, Deccan Herald, Mint and *The Telegraph* covered CBGA's analysis of the Union Budget. In addition to major newspapers, widely read periodicals such as *Outlook* and *Frontline* carried opinion pieces and detailed analysis of the Election Manifesto of the Congress vis-à-vis Union Budget 2009-10 respectively. CBGA also connected with the masses through a radio talk show, '*Haq Hamara, Wada Tumhara*' which was aired on AIR Rainbow (FM 102.6). Not only print, but the electronic media also saw a lot of merit in CBGA's work in general and particularly in the analysis of Union Budget 2009-10. *UTVi* held live discussions on a budget series titled 'People's Budget' and *News X* held pre-budget discussions as well as invited CBGA on the day of the budget release to share our analysis.

Union Budget 2010-11: Influencing the Budget Making Process...

The Union government started the process of formulating Union Budget 2010-11 in August-September of the previous financial year. With the objective of influencing the budget making process in India by making it more pro-poor and participatory, the *People's Budget Initiative* (PBI) organised its fourth National Convention on Union Budget 2010-11 on 12th November 2009. This platform brings together civil society voices from across the country to discuss and arrive at a common set of prioritised policy and budgetary demands for different sectors. These prioritised demands are condensed as specific demands from the Union Budget and presented as the *People's Charter of Demands*.

The Strategy

Till last year, the *People's Charter of Demands* focused on the policy priorities of the Union government underlying its budgetary provisions in some of the critical social and economic sectors. However, it was felt that such demands need to be substantiated with some analysis of the resources required for it. Moving a step ahead, an attempt was made in 2009 to estimate the fund requirements for some of the demands. These demands were linked to the ruling Congress' promises in the 2009 Lok Sabha election and those underlined in the 11th Five Year Plan. The promises primarily covered the economic and social sectors and also poor and disadvantaged sections. The demands also included brief commentaries on the policy efforts by the Union government in the areas of climate change and social security.

In addition to specific demands related to social sectors and disadvantaged sections, the *People's Charter of Demands* also contained suggestions on deepening of some of the critical Union government's strategies – the Scheduled Caste Sub Plan, the Tribal Sub Plan, Gender Budgeting and the process of Outcome Budgeting.

Taking Forward the *People's Charter of Demands*...

The next important step was to take the *People's Charter of Demands* to important stakeholders – the Executive, the Legislature and the Media. A series of advocacy initiatives were undertaken to draw the attention of these different stakeholders to critical concerns on the budget vis-à-vis social sectors and marginalised sections.

A delegation comprising members of *People's Budget Initiative* met Rahul Gandhi, General Secretary, All India Congress Committee, and submitted the *People's Charter of Demands*.

A memorandum was formally submitted to the Union Ministry of Finance based on the *People's Charter of Demands* for Union Budget 2010-11. This memorandum contained suggestions for improvement in critical sections of the Union Budget.

Meetings were held with the officials of the Department of School Education and Literacy, Ministry of Social Justice and Empowerment, Ministry of Women and Child Development and Ministry of Tribal Affairs to share specific expectations and suggestions presented in the *People's Charter of Demands*.

The *People's Charter of Demands* was circulated widely among MPs.

The Demands were also shared with the media. Leading English daily, *The Times of India* brought out a “**Promises to Keep**” series from 18th to 24th February 2010 carrying articles based on the analyses carried out by CBGA for the *People's Charter of Demands*. The issues covered were education, food security, rural housing and funding for women, children, minorities, dalits and adivasis.

Responding to the Union Budget 2010-11

The UPA-II presented its second budget on 26th February 2010. CBGA prepared a quick analysis of Union Budget 2010 within hours of the Budget Speech of the Finance Minister from the lens of crucial sectors and marginalised sections. The analysis was released at a Panel Discussion on 27th February held in Delhi as part of the series, ‘As If People Matter’. The panellists included Manish Tewari (Congress), Nalin Kohli (Bharatiya Janata Party), Nilotpall Basu (Communist Party of India-Marxist), Kalikesh Singh Deo (Biju Janata Dal) and Jayati Ghosh (Professor, JNU). The discussion was moderated by senior journalist Paranjoy Guha Thakurta. Around 200 people comprising noted social activists, academicis, students and the media participated in the discussion.

Coverage by the Media

Leading magazines such as *Frontline* carried an opinion piece 'Less for the Poor' by Praveen Jha, which extensively quoted CBGA's analysis. Further, *Outlook Business* magazine carried a piece on implementation of the different flagship schemes compiled by CBGA. In addition, several mainstream dailies such as *The Hindu*, *The Economic Times* and *Deccan Herald* carried CBGA's analysis, looking at the budget from the lens of social sectors and disadvantaged sections.

NDTV Profit in its talk show 'The Unstoppable Indians' interviewed Yamini Mishra, Director, CBGA among others to highlight the implications of the budget on disadvantaged sections of society. The show was telecast on prime time. *News X*, in its regular exercise of Shadow Budget telecast a 30-minute show in the run-up to the budget where it interviewed Yamini Mishra and highlighted CBGA's key expectations from Union Budget 2010-11.

CBGA Analysis in Parliamentary Budget Discussion

The *Response to the Union Budget 2010* was widely disseminated among MPs across parties. Meetings were held with several Lok Sabha MPs. For the first time, CBGA held a formal sharing of our analysis with BJD MPs. Informal sharing was also done with a group of MPs from the BJP.

Two MPs, P. Karunakaran (CPI-M) and Bhartuhari Mahtab (BJD) quoted the texts of *Response to the Union Budget* verbatim during the General Discussion on the Union Budget

Influencing the Planning Process

Five Year Plans play an important role in India's model of economic development. They provide the overall direction and basic framework for policies, programmes and schemes for the Ministries and Departments and also form the basis for the Annual Plans. The 11th Five Year Plan marked a major shift in the development strategy of the Indian State, by foregrounding the need for "faster and more inclusive growth". The Mid Term Appraisal of the 11th Plan is currently under way. The Appraisal presents an important opportunity to assess the functioning of the Plan and for a mid-course correction.

Till now, most of the mid-term appraisals have remained confined to bureaucratic chambers to the total and complete neglect of those who are central to democratic functioning, that is the citizens. Since the people are central to governance, it is imperative that they play a role in the crucial exercise of evaluating the objectives and targets set in the Five Year Plan. Recognising the need to bring the people into this process, several organisations got together to organise a People's Mid Term Appraisal (PMTA) to assess from the people's perspective how the 11th Five Year Plan has

worked. Centre for Budget and Governance Accountability along with Wada Na Todo Abhiyan and National Social Watch Coalition anchored the process.

The Strategy

A three-fold strategy was employed to conduct the process.

- Building a larger coalition to democratise the discourse on development planning in the country;
- Building a strong evidence base to critically assess the functioning of the Plan and thereby suggest future directions; and
- Taking people's voices regarding the Plan to the relevant policy makers.

Seeking to build synergy between research and praxis, papers were commissioned to development policy analysts who adhere to a pro-people perspective and strive to articulate the people's concerns and expectations in the discourse on policies and planning in the country. The key objective of this exercise was to assess from the people's perspective, the larger policy framework and the programmes/schemes in the 11th Five Year Plan. The thematic areas included Education, Nutrition, Health, Water Supply and Sanitation, Agriculture, Governance, Rural Development, Urban Poverty and Employment. In addition to focusing on each of the selected thematic areas from the lens of social exclusion, a separate section on Social Exclusion was also incorporated, with papers on dalits, adivasis, women, minorities, children and the differently-abled.

The second important part of the process was to build a larger coalition and engage the people in the assessment of the Five Year Plan. For this, ten State Consultations were held in Andhra Pradesh, Kerala, Maharashtra, Madhya Pradesh, Chhattisgarh, Jharkhand, Uttar Pradesh, Rajasthan, Assam and Orissa. Five Regional Consultations were also held in Patna, Chennai, Ahmedabad, Shimla and Shillong for the east, south, west, north and north-east zones respectively. Focus Group Discussions (FGDs) were also held in 100 villages (across 20 districts in 10 states) to elicit the people's opinion on the status of delivery of basic services such as health, education, drinking water and sanitation and implementation of government programmes and schemes. Some interesting case stories were also collected that bring to fore some critical concerns.

More than 3150 organisations and individuals participated directly in the process.

During the entire process, a series of meetings were held with Members of Planning Commission to share the key concerns in the relevant thematic areas. State and Regional Consultation Reports were also sent to them.

The Outcome...

The process culminated in a two-day National Consultation held on 4th and 5th February 2010 in New Delhi. Various Planning Commission Members including Abhijit Sen, Arun Maira, Mihir Shah and Syeda Hameed chaired

sessions at the Consultation. Montek Singh Ahluwalia, Deputy Chairman, Planning Commission, addressed the closing session of the Consultation.

Two reports were published as part of the process. The first one, titled '*How Inclusive is the Eleventh Five Year Plan: A Sectoral Review*', is a compilation of papers which analyses certain important thematic areas in the Plans. The second report, titled '*How Inclusive is the Eleventh Five Year Plan: Voices of the People*', consolidates the key issues and recommendations that emerged during the course of State and Regional Consultations. A poster was also prepared by CBGA capturing the outlays proposed for the various programmes and schemes in the beginning of the 11th Plan period (2007) vis-à-vis the funds allocated till 2009.

Frontline magazine carried a substantive article on the process of the *People's Mid Term Appraisal* of the Eleventh Five Year Plan and highlighted the major issues in the working of the Plan with respect to social sectors and the marginalised sections.

Research on Critical Issues

Effective advocacy can and is possible only if it is based on credible research. Over the years, CBGA has not only expanded its coverage of social and economic sectors and disadvantaged sections of the population but also made concerted efforts to deepen its work in these areas. Many important studies such as those aimed at understanding the functioning of different flagship schemes of the government and fund devolution to panchayats were completed in the year 2009-10. Following is a brief account of the major research studies completed last year and also some of the important ongoing studies.

I. Local Budgeting and Planning - a Study with Reference to Rajasthan and Kerala

Despite the passage of the 73rd and 74th Constitutional amendments in 1992 spelling out the central role of panchayats in local planning, budgeting and administration, there has been a growing concern on the slow pace of progress with regard to rural decentralisation.

A study titled "*Local Planning and Budgeting: A Study on the Panchayati Raj Institutions in the States of Rajasthan and Kerala*" was undertaken with support from the Planning Commission of India. The broad objective of the study was to examine the extent of fiscal devolution in all three tiers of the administration and the constraints in local planning and budgeting in two districts in each of the states. The study was conducted in Jaipur and Jalore districts of Rajasthan and Ernakulum and Mallapurum districts of Kerala. Along with collecting data on panchayat finances, focus group discussions were conducted to gather perceptions of elected and non-elected functionaries on issues relating to functioning of panchayats.

Major Findings:

A comparison of the status of fiscal devolution in the two states revealed that the PRIs in Rajasthan needed radical institutional reforms whereas in Kerala the need was procedural reforms to empower the local self-government institutions. Some salient findings of the study are:

- Despite a long history of panchayats in Rajasthan, the decentralisation process is still at a very nascent stage in contrast to Kerala where Panchayati Raj Institutions (PRIs) enjoy maximum autonomy but with complementarities in their development initiatives.
- Panchayats in Rajasthan do not have uniform reporting formats for budgets/financial statements while Kerala has set formats which lend to it greater transparency and accountability. However, there are shortfalls in PRIs' audit performance even in the latter.
- Rajasthan follows an integrated planning model whereby the lower tiers articulate demands from the gram sabha which are consolidated at the district level into the five year plans. In Kerala, multi-level planning has been adopted in which each tier is required to formulate annual plans with active participation of local citizens. This is not integrated into a district plan.
- Major source of revenue for PRIs in Rajasthan is the direct transfer of funds from the Centrally Sponsored Schemes and the state plan schemes where there is little autonomy in implementation. However, Kerala's gram panchayats have sizeable own source of revenue (OSR) for provisioning of locally felt needs.
- Financial audits were found up-to-date in Rajasthan while there were huge backlogs in Kerala.

The study concludes with certain policy suggestions.

Follow-up

The findings of the study were presented to the Planning Commission and the report was modified based on the inputs received by the officials of the Commission. The study report is available on the Planning Commission's website.

II. Adaptation to Climate Change in India: A Study of Union Budgets

India being one of the most populous countries in the world with a vast majority of the population living with low human development attainments, the magnitude of vulnerability to climatic shock is immense. The National Action Plan on Climate Change (NAPCC) 2008 enumerates several policy measures the government intends to take for adaptation to climate change. NAPCC claims that the Central government spending on adaptation exceeds 2.6 percent of GDP as of 2006-07. However, it does not provide details of programmes/schemes considered for adaptation measures. Given this backdrop, a study titled '*Adaptation to Climate Change in India: A Study of Union Budgets*' was conducted with the support of Oxfam India to review the framework of adaptation to climate change in India and estimate the public resources devoted to this key area.

Major Findings:

Budgetary Resources:

- According to the study, the Union government's expenditure on programmes and schemes directly addressing adaptation in India accounts for 1.7 percent of GDP for 2006-07.
- For the four years examined, the expenditure shows an increase from 1.7 percent of GDP in 2006-07 to 2.7 percent of GDP in 2009-10. However, this rise can be mainly attributed to an increase in expenditure on some specific programmes such as the National Rural Employment Guarantee Act and schemes relating to watershed development.
- Moreover, out of the two broad categories – expenditure towards enhancing human capabilities and expenditure towards conservation and management of natural resources, a large portion of Union government expenditure is towards the former while only 0.5 percent of GDP in 2009-10 is meant for improvement in ecosystem services.

The Framework:

- The policy framework on adaptation put forth by NAPCC has many gaps. The policy statements on adaptation and the national missions have been silent on how poverty alleviation can be integrated into the overall adaptation framework and linked with other relevant sectors.
- Sectors that are crucial to any adaptation intervention such as food security, rural and urban housing for the poor, and health and education infrastructure have received inadequate attention in the policy response on adaptation. These critical sectors need to be integrated into the country's adaptation policy framework.
- Region-specific vulnerabilities across the country call for region-wise stylised intervention requirements, which can hardly be met under the prevailing system of centrally sponsored programmes/schemes that entail rigid guidelines and uniform unit costs.

Follow-up

A paper based on the study was selected for the International Development Research Centre (IDRC)'s India Social Science Research Award 2009. The IDRC India Social Science Research Award is about celebrating best research practices in social sciences in India commemorating 25 years of IDRC's regional office presence in the country. The award is a recognition of young talent in India and celebrates research that has demonstrated impact on policy and practice, or has enhanced public understanding of behavioural and social science principles.

A media release was held in collaboration with Oxfam India to release the findings of the report. Prominent civil society activist Shekhar Singh released the report and gave his comments.

III. Safe Motherhood, Public Provisions and Health Financing in India

One of the grave challenges facing Indian society today is to ensure safe motherhood. This is evident from the fact that India is the largest contributor to the global burden of maternal deaths. Improving maternal health is one of the eight Millennium Development Goals and it signifies two things – one, it is a matter of serious concern, and two, at least there is recognition of the problem at the level of policy makers, both internationally and nationally. However, despite all the rhetoric about curbing maternal deaths, achieving the target of reducing maternal deaths in India to one-third by 2015 (WHO 2005) seems unlikely.

CBGA with the support of International Budget Partnership (IBP) conducted a study titled '*Safe Motherhood, Public Provisions and Health Financing in India*' to examine the linkages between maternal health policies, government allocations in different interventions on maternal health, implementation of those programmes and issues of access and effectiveness. It was conducted in one district each in two states – Uttar Pradesh and Chhattisgarh. The study also looks into aspects of public spending at different tiers of government. Finally, it assesses the ground realities in terms of implementation and identifies key constraints in achieving safe motherhood.

Major Findings

The study points to an increase in institutional delivery in both the states since the introduction of *Janani Suraksha Yojana* (JSY). However, the institutions lack basic facilities and human resources, and are unable to cope with the increase in deliveries.

The main incentive for reaching the institution is not safe delivery but the cash benefit under JSY. In the process of over-emphasising institutional delivery, the focus on Ante-Natal Care (ANC) has diminished over the years. This is linked to the increased workload of the service providers.

Overall, the health institutions have not been strengthened but put to a tougher task under the National Rural Health Mission (NRHM). While the current mechanism talks about system strengthening, it has overlooked one of the most significant issues – creation of skilled human resources. Stopping permanent recruitment, closing down training institutions, bypassing the bottom-up planning approach have contributed to creating a weak system.

Further, there is no accountability towards the people; the issues of decentralisation and social auditing are grossly neglected. The audit process is highly diluted, the records are not properly maintained and there is rampant corruption in the system.

Financing Maternal Health

- As far as budgets are concerned, since introduction of NRHM, there has been a sudden increase in allocation of funds in the study states. However, the per capita public spending on maternal health in Uttar Pradesh was Rs. 1,439, and for Chhattisgarh, it was Rs. 1,182 in 2007-08. Out-of-pocket expenditure was found to be a major constraint in accessing health institutions during delivery, as found in the study.
- An important finding of the study is the magnitude of underutilisation of funds in NRHM. Since 2005-06, both Chhattisgarh and Uttar Pradesh have received funds higher than what was allocated but spending fell short from what was allocated, creating huge unspent balances.
- Besides underutilised funds, there was poor quality fund utilisation. Spending was primarily on Family Planning and JSY while that on crucial components such as training of staff and upgrading facilities was low.
- A disproportionate pattern of fund utilisation across the four quarters was also observed. Spending in the two study states was seen to occur only towards the last quarter, consequently leading to funds being spent in a hasty manner.
- Procedural bottlenecks in fund flows were another identified impediment. Delays in transfer of funds from the Centre to the states led to unspent balances at the year end, leading to shrinkage in the size of subsequent budgets for the scheme.

Follow-up

After the completion of the study, a discussion on the Draft Report was held on the 24th March 2009 in New Delhi. Public health policy activists, consultants and researchers were invited for their critical inputs and

suggestions. An advocacy action plan has been drawn up to take forward the research work in this area.

IV. International Open Budget Study 2010

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 and enhance their understanding of policy decisions that have profound implications on their lives. IBP has been conducting a study over the years to assess the availability of accurate, timely and comprehensive information during each stage of the budget cycle. CBGA has been part of this study conducted in 2006 and 2008. It was expanded to cover around 100 countries of the world in 2009.

The study makes use of an Open Budget Index that evaluates the quantity of information provided to the citizens in the key budget documents. Focusing on the Union Budget, some of the interesting aspects covered by the study include among others 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.

CBGA has sought information on the various aspects, which would now be consolidated by IBP. The final report will be released in October 2010.

V. Study on NREGS in Haryana (in partnership with CFDA and others)

CBGA has contributed to a '*Study of Successful Pockets of NREGS in India*' that is being coordinated by Centre for Development Alternatives (CFDA), Ahmedabad, in partnership with the Ministry of Rural Development. The study aims to examine the performance of the National Rural Employment Guarantee Scheme (NREGS) in five selected districts across five states in the country to understand the need for improvement in the performance of the scheme. CBGA is conducting an in-depth assessment of one district, i.e., Mahendragarh in Haryana. The draft report on the district will soon be submitted to CFDA. Further advocacy would be planned that will build on the work done.

VI. 'Six Questions' Campaign

The 'Six Question' Campaign, a new initiative of International Budget Partnership (IBP) is structured around filing access to information requests for six selected questions. It is a comparative study to assess the ease of availability of comparable financial information across different countries. Different organisations in approximately 85 countries are conducting the same requesting exercises. The aim of this monitoring is to test whether certain information relating to the environment, development aid and maternal health is made available to members of the public on request.

Another objective is to get two sorts of results from the comparative requesting exercise. First, to obtain comparative information in each of the thematic areas that will be useful

to groups focusing on those issues and which will allow us to conduct a substantive comparative analysis of the information received. Second, to obtain useful information on the way requests for information are dealt with in different countries. This would be useful also in light of the fact that while some of the countries have access to information laws (also known as right to information or freedom of information laws), there are others that do not. Responses have been sought on the themes concerned and sent to IBP.

VII. Policy Briefs on Flagship Schemes and Executive Summaries Based on the District Study work

As a follow-up to the collaboration with UNICEF on assessing the bottlenecks that constrain fund utilisation in selected schemes in the social sector, CBGA is preparing policy briefs on selected schemes and specific themes related to issues of fund utilisation. These outputs are being based on the research accomplished over the last three years as well as a review of recently available secondary evidence on the same.

CBGA is also preparing executive summaries (with data fact sheets) based on each of the eight units of analysis carried out in the last three years, viz., Rajasthan, Uttar Pradesh, Madhya Pradesh, Bihar, Orissa, Chhattisgarh, Rajnandgaon and Lalitpur. Each of these Fact Sheets will incorporate the latest available data on state budgets and flagship schemes. Focused advocacy based on the dissemination of the outputs is planned with key stakeholders, i.e., parliamentarians, bureaucrats, civil society activists and the media, in the coming year.

VIII. Study on Transparency in State Budgets in India

Seeking transparency in budgetary processes and making the government accountable at different levels of governance is critical, and civil society efforts in this regard have been widely acknowledged. In this direction, CBGA, in collaboration with 11 state budget groups in India, has initiated a study on promoting transparency in the budgets of 12 states. The main objective of the study is to assess the degree of transparency in budgets at the sub-national level in India and to enhance the level of understanding on budgets, budgetary policies and issues among different stakeholders.

During the month of November 2009, CBGA organised a consultation with the representatives of its state partners and shared the methodology of the study. Subsequently, in March 2010, another round of consultation was held to share the draft questionnaire for the study among the researchers from the state budget groups. The questionnaire and the methodology of the study have by and large been finalised and the researchers will soon commence filling in the responses to the questionnaire.

An attempt has been made in this study to capture the degree of transparency in budgets across eight broad parameters. It has been planned that the output of the study will be a fact sheet for different states having a composite value of overall budget transparency with a ranking of the eight identified parameters of budget transparency. It is hoped that this study on transparency in state budgets will facilitate promoting transparency in

budgets within and across the states in India. The report will be released by November 2010.

IX. Essay Competition on Governance Issues for Higher Secondary School Children

As part of its initiative to democratise the discourse on budgets, IBP collaborated with CBGA to engage young minds in thinking about how transparent and accountable public budgeting affects them and the nation.

The proposed topic of the essay competition was: “How does corruption and mismanagement of government funds affect my future?” The competition was held in 5 schools spread across Delhi, with a mix of private and government schools in north, west, south and central regions. After the results announced by IBP, the next stage would be to engage with the media on issues related to transparency using the results of the essay competition as a springboard. In addition, getting the winning student to attend a session of Parliament and speak to students in other schools is also proposed.

X. Study on Assessing Gender Responsiveness of ICDS in Rajasthan

A research study in collaboration with UNICEF and the Department of Women and Child Development (DWCD), Rajasthan, along with Budget Analysis Rajasthan Centre (BARC), Jaipur is being undertaken to assess the gender responsiveness of ICDS in two districts of the state. It is aimed that the conceptual framework, operational guidelines, objectives and long-term vision of ICDS would be examined from a gender perspective. The study entails conducting a beneficiary needs assessment in Rajasthan (in Bara and Jodhpur districts) in the context of ICDS and assess whether the resource allocation for the scheme is adequate in the context of attaining the programme objectives.

The study would also assess the extent of fund utilisation in ICDS and analyse the reasons for sub-optimal utilisation (if any). Review of literature and developing tools for data collection is under way. A study report will be submitted to DWCD Rajasthan by November 2010 and future collaborations with the state government and the state budget groups to advocate for ensuring gender responsiveness of the similar schemes are being planned.

XI. Enhancing Public Understanding on Taxes in India

As part of the organisational mandate to work on issues of resource mobilisation, research on enhancing public understanding on taxes in India has been initiated with the support of Christian Aid. Two primers and two research papers will be brought out in the first phase of the partnership, i.e., by October 2010. The proposed outputs include: Primer on Tax and Non Tax Revenues, Primer on Goods and Services Tax, Research Paper on an International Comparison of Tax Regimes and another Research Paper on Tax Exemptions in the Central Government Tax System in India.

Enhancing capacities of CSOs on Budget Analysis and Advocacy

In order to encourage citizens' participation in the discourse and processes relating to budgets and governance in the country and enhance the capacity of social action groups for using budget work in their efforts pertaining to governance accountability, CBGA conducts workshops for various civil society organisations.

Orientation Workshops are held to develop the participants' curiosity about government budget and civil society budget work, and address their fear of the technicalities involved with budgets.

Thematic Capacity Building Workshops on budget analysis and advocacy are held with civil society organisations from different parts of the country, particularly those who would have already participated in its Orientation Workshops. These thematic workshops try to help the participants comprehend the technicalities and methodologies involved in assessing budgets from a certain perspective. The workshops play a critical role in spreading budget work in the country, since they try to enhance the capacity of the participants to actually carry out budget analysis and advocacy.

Following is a brief account of the capacity building workshops held last year and also the support provided to civil society organisations on different issues.

Capacity Building Workshop on Budgeting for Children held in Dehradun

A Capacity Building Workshop on *Budgeting for Children* was organised by a team from CBGA, in collaboration with Plan International, in Dehradun from 20th to 22nd ~~July~~ June 2009. The participants of this workshop were from NGOs working on child rights in Uttarakhand, with a majority of them from Sri Bhuvneswari Mahila Ashram (SBMA), and Plan International, New Delhi. The workshop tried to acquaint the participants about: the need for understanding and tracking government budgets; the overall processes of budgeting by the Union Government and the states; assessment of budgets from the perspective of children; the gaps which exist in budgeting for children; and how such information can be used for policy advocacy. The workshop successfully motivated the participants to start incorporating budget analysis and advocacy in their work on child rights in Uttarakhand.

Training on Budget Analysis and Advocacy with NCAS

CBGA was invited by the National Centre for Advocacy Studies (NCAS), Pune, to conduct a three-day training programme on budget analysis and advocacy in Pune from 22nd to 24th June 2009. Twenty-two participants representing different civil society groups from Maharashtra participated in the training. The objective of the three-day training on Budget Analysis and Advocacy was to help the participants understand key concepts and terminologies used in budget analysis and linkages between social and economic rights and budget work. The participants suggested conducting refresher

courses once every six months. They also requested CBGA to organise in-depth training courses on important sectors and themes.

Series of Workshops on Public Provisioning for Education in India organised by National Coalition for Education (NCE) in collaboration with CBGA

National Coalition for Education (NCE) organised a series of capacity building workshops focusing on *Public Provisioning for Education in India* in collaboration with CBGA. The participants included members and partners of NCE including representatives from teachers' unions. The three workshops were conducted in New Delhi (November 19-20, 2009), Gandhinagar, Gujarat (December 17-18, 2009) and Bhubaneswar, Orissa (December 27-28, 2009). It was a good opportunity for CBGA to engage with the teachers' unions and discuss key concerns with regard to financing, planning and implementation of specific government initiatives in the field of education.

Series of Lectures on Understanding Budgets for the EDUSAT Network of CEC

CBGA was invited to give a series of seven lectures on *Understanding Budgets* for the Consortium for Educational Communication (CEC), which is a nodal agency to coordinate the activities of 17 Educational Multimedia Research Centres (EMMRC) set up by the University Grants Commission (UGC) in various parts of the country. These lectures were delivered at CEC, New Delhi and telecast live through CEC's EDUSAT Network between 17th and 19th March and subsequently from 22nd to 26th March 2009.

Orientation Workshop for the Staff of Centre for Equity Studies

Centre for Equity Studies (CEC) requested CBGA for a training workshop on budget analysis with special focus on budgeting for the marginalised sections. The training was conducted on 12th March 2010 at the CBGA office.

Workshop for Delegates from HakiElimu, Tanzania

A three-member team from HakiElimu, an organisation based in Tanzania, visited CBGA in the last week of January 2010 to gain insights into the budget and advocacy work in India with special focus on education and child budgeting. In different interactive sessions, CBGA shared its work on diverse issues like strengthening governance accountability through budget work, role and relevance of civil society budget work, budgeting for education in India, problems in implementation of schemes in education and other social sectors, budget analysis and advocacy for children, and gender budgeting. People from HakiElimu also shared their experiences on budget work and media advocacy in the central East African country. During the course of their visit, the team also visited two other organisations, viz., Digantar and BARC, Jaipur.

Apart from holding workshops and building capacities of CSOs, CBGA also gives support to them to strengthen their advocacy.

Series of Workshops on Gender Budgeting and PWDV Act with Women Power Connect, Action India and Oxfam India

CBGA had filed applications under the Right to Information Act to gather information on how the states were budgeting for implementation of the Protection of Women from Domestic Violence Act (PWDVA). In an attempt to share the responses of the states and also to advocate for better allocations for proper implementation of PWDVA, it conducted a series of workshops in different states in India along with Oxfam India, Action India and Women Power Connect.

Workshops have been conducted in Andhra Pradesh, Karnataka, Orissa and Uttarakhand. As a result of the workshops, many alliances active in the states have met with the relevant officials and submitted a memorandum with suggestions for making provisions for implementation of the Act in their respective states.

A Paper on Financial Commitments in ICPD

CBGA contributed a policy brief on '*Financial Commitments in ICPD*' which was published in '*Gains and Gaps-ICPD+15: A Civil Society Review in India*' by the Centre for Health and Social Justice (CHSJ). CHSJ hosts the secretariat for a civil society review process of the implementation of the Program of Action (PoA) for ICPD (International Conference on Population and Development) +15 in India. It aims to take stock of gains and gaps as well as emerging issues in the policy and programmes related to population, reproductive, sexual health and rights issues.

Building Partnerships on Budget Transparency and Accountability

In addition to regular orientation and thematic workshops, CBGA has initiated a Partnership Programme on Budget Transparency and Accountability.

CBGA's experience of capacity building (on budget analysis and advocacy) of CSOs, networks of CSOs and campaigns has shown that many such civil society initiatives at the grassroots level are keen to incorporate budget work as a tool in their work on governance. While they can and do acquire the skills and expertise required to do budget work through the capacity building workshops conducted by CBGA, lack of financial resources prevents many of them from actually initiating budget work. In this context, CBGA forms a partnership with some of these CSOs/networks/campaigns so that they can easily start doing budget work at the grassroots level. With regard to this programme, CBGA has started working in Jharkhand and Uttar Pradesh.

CBGA's work at South Asia level

Apart from the shared history, shared borders and shared levels of deprivation, one issue that cuts across most South Asian countries is weak and unresponsive governance. There exists no direct and timely mechanism which can perform the necessary task of making the government accountable to the poor and marginalised sections of the population for

budget policies and their implementation. In this context, 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 people's elected representatives but also to make the government accountable to the people themselves.

It is with this objective that CBGA has in the past couple of years been working with CSOs in other South Asian countries such as Pakistan, Bangladesh and Afghanistan. With the support of Oxfam Novib, CBGA organised a few capacity building workshops on social monitoring tools in general, and budget analysis and advocacy in particular, for CSOs working on governance related issues in Pakistan, Bangladesh and Afghanistan. These efforts have been received well and several CSOs from the region have articulated the need for creating a *South Asian Alliance for Budget Accountability*.

CBGA has 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.

Past experience, combined with conviction that budget analysis and advocacy work can be used effectively to strengthen governance accountability in the South Asia region, have led CBGA to initiate a one-and-a-half-year programme: "*Creating a South Asian Alliance for Budget Accountability*" supported by Oxfam Novib.

The strategy

CBGA is in the process of creating a South Asia alliance of CSOs in the region which are engaging with budget analysis and advocacy for strengthening governance accountability. This proposed alliance would focus on: enhancing the capacity of select CSOs in the region on issues such as budget analysis and advocacy in their country-specific contexts, cross-learning and sharing of experiences among them, and initiating South Asia level collaborative research and advocacy efforts around government budgets. The strategies being proposed here would cover three countries in South Asia, viz., Afghanistan, Bangladesh and Pakistan.

Following extensive communication with CSOs in Afghanistan, Bangladesh and Pakistan, CBGA is now holding orientation workshops in these countries. The first workshop was held in Bangladesh from 23rd to 25th March, 2010. The other two workshops for Pakistan and Afghanistan have also been planned and preparations are underway.

Each of the partner CSOs from the selected countries that are found to be keen to engage with this collaboration will identify two interns/trainees to take part in an Advanced Training and Internship programme during the period August 2010 to May 2011. A four-day workshop would be conducted (in any one of the South Asian countries) for

imparting advanced training to the interns/trainees from the selected CSOs and for initiating their internship work.

Communications

Budget Track

CBGA brings out Budget Track thrice a year, which presents current policy issues in an understandable manner. Last year, two issues of Budget Track were published.

A special issue of Budget Track on the impact of global financial crisis on India was brought out in April 2009. Subsequently, the design of the Budget Track was revamped and the first issue of seventh volume was brought out in October 2009.

Communiqué

With the objective of sharing information with people on the work being done by CBGA, an e-newsletter has been initiated since 2008. CBGA has been regularly sharing its work through this communiqué.

Primers & Manuals

CBGA regularly brings out primers and manuals on various issues with the objective of demystifying the information and reaching out to the people. The draft Hindi version of the primer, *Let's Talk About Budget* has been completed. The draft of the primer on Audits is also complete and will be published soon.

Audit Alert

As a CSO engaged in budget analysis and advocacy for improving governance accountability, CBGA is trying to spread awareness on the last phase of the budget cycle, that is, audits. In this phase, the Comptroller and Auditor General (CAG) of India examines public expenditure and revenue and ascertains whether the executive and subordinate authorities comply with the laws that are passed by the legislature (pertaining to budgets).

While the CAG reports do require replies to be filed by the audited entities, quite often the typical last line of audit paragraphs reads: "The reply has not been received till date". The relevant committees of the legislature – Public Accounts Committee and Committee on Public Undertakings, comprising elected representatives – take up these audit findings for discussion and follow-up action, but a huge backlog has aggregated over the years.

Given this backdrop, CBGA initiated the Audit Alert series to present some of the important audit reports in a concise and reader-friendly version so that the significant audit findings are brought under public scrutiny. Till now, four audit alerts on issues covering National Rural Health Mission, National Rural Employment Guarantee Act, Mid-Day Meal Scheme and Accelerated Rural Water Supply Programme have been shared since September 2009.

Our supporters ...

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:

Ford Foundation

International Budget Partnership

Oxfam India

Oxfam NOVIB

Planning Commission, Government of India

UNICEF

UNDP

Christian Aid

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 st , MARCH, 2010			
	SCHEDULE	2009-10	2008-09
SOURCES OF FUNDS			
I.FUND BALANCES:			
a.General Fund	[01]	1,080,353.01	676,739.00
b.Corporus Fund		25,000.00	25,000.00
c.Asset Fund	[02]	485,919.00	385,552.00
		<u>1,591,272.01</u>	<u>1,087,291.00</u>
II.LOAN FUNDS:			
a.Secured Loans		-	-
b.Unsecured Loans		-	-
TOTAL Rs.	[I + II]	<u><u>1,591,272.01</u></u>	<u><u>1,087,291.00</u></u>
APPLICATION OF FUNDS			
I.FIXED ASSETS			
Gross Block	[03]	1,009,787.00	739,337.00
Less: Accumulated Depreciation		427,606.00	258,904.00
Net Block		<u>582,181.00</u>	<u>480,433.00</u>
II. Investment	[04]	6,453,708.00	3,509,019.00
III.CURRENT ASSETS, LOANS & ADVANCES:			
a.Loans & Advances	[05]	826,201.76	715,250.00
b.Grant Receivable	[06]	1,191,723.80	1,757,346.00
c.Cash & Bank Balance	[07]	1,169,683.46	3,464,813.00
	A	<u>3,187,609.02</u>	<u>5,937,409.00</u>
Less:CURRENT LIABILITIES & PROVISIONS:			
a.Sundry Creditors	[08]	702,818.60	925,124.00
b.Unspent Grant Balance	[09]	7,929,407.41	7,914,446.00
	B	<u>8,632,226.01</u>	<u>8,839,570.00</u>
NET CURRENT ASSETS	[A - B]	<u><u>(5,444,616.99)</u></u>	<u><u>(2,902,161.00)</u></u>
TOTAL Rs.	[I+II+III]	<u><u>1,591,272.01</u></u>	<u><u>1,087,291.00</u></u>

Significant Accounting Policies and
Notes to Accounts

[50]

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



[Subjit Sahoo, FCA]

Partner

MM No. 57426

Firm No. 322952E

Place : New Delhi

Date : August 23, 2010

For:

**CENTRE FOR BUDGET AND GOVERNANCE
ACCOUNTABILITY**

Subrat Das

Subrat Das
Executive Director

Shantha Sinha

Shantha Sinha
President

Ranjeet Singh

Ranjeet Singh
Sr. Officer [Finance & Admin]

Anil Singh

Anil Singh
Treasurer

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 st , MARCH, 2010			
	SCHEDULE	2009-10	2008-09
I. INCOME			
Grant In Aid	[10]	17,293,441.29	16,143,954.00
Other Income	[11]	235,956.00	821,527.00
Interest Received	[12]	214,874.00	84,405.00
		17,744,271.29	17,049,886.00
II. EXPENDITURE			
FCRA Expenses			
Ford Foundation Project Expenses	[13]	3,589,352.00	6,732,691.00
IBP- Open Budget Initiative	[14]	163,724.00	238,885.00
IBP-OBI Media Release	[15]	80.00	392,616.00
IBP Partnership Initiative	[16]	3,249,608.00	1,578,284.00
IBP- Subnational Level State Budget in India	[17]	440,304.00	-
IBP- Essay Competition	[18]	5,557.00	-
CBPP- IBP (6Q Campaign)	[19]	24,180.00	-
Oxfam India	[20]	252,276.00	283,424.00
Oxfam Novib - CSO Capacity Building	[21]	2,517,598.00	2,647,568.00
Christian Aid	[22]	183,840.00	-
WaterAid- Capacity Building Workshop	[23]	146,192.00	-
WaterAid Women's Consultation	[24]	-	300,000.00
IDRC Women's Consultation	[25]	-	572,619.00
Oxfam Novib -Creating South Asia Alliance for Budget Accountability	[26]	1,175,926.00	-
Loss In Foreign Currency Fluctuation		10,196.00	-
Grant Receivable Written Off		-	31,169.00
Non-FCRA Expenses			
UNICEF- Budget & Governance	[27]	713,751.40	-
UNIFEM	[28]	277,980.50	151,845.00
UNDP- People's Mid Term Assessment	[29]	4,275,496.59	-
CFDA- NREGA	[30]	176,532.40	-
UNDP- NREGA	[31]	14,737.00	185,263.00
UNICEF Research Studies Expenses	[32]	86,306.40	1,841,545.00
Planning Commission	[33]	-	497,808.00
Maternal Mortality	[34]	-	21,406.00
SDTT- Women's Consultants	[35]	-	500,000.00
Eleventh Five Year Plan	[36]	-	200,000.00
Administrative Expenses			
Depreciation	[04]	22,301.74	425,733.00
Less: Depreciation Transferred to Asset Fund	[02]	168,702.00	155,049.00
		153,983.00	141,812.00
		14,719.00	13,237.00
		17,340,658.03	16,614,093.00
III. EXCESS OF INCOME OVER EXPENDITURE	[I - II]	403,613.26	435,793.00
Significant Accounting Policies and Notes to Accounts	[50]		

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

IN TERMS OF OUR REPORT OF EVEN DATE

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



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

Place : New Delhi
Date : August 23, 2010

For:
CENTRE FOR BUDGET AND GOVERNANCE
ACCOUNTABILITY

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President

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Treasurer