

Status of transparency in State Budget in Rajasthan¹

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In the year 2011, The Budget Analysis Rajasthan Center (BARC), in Collaboration with the CBGA, New Delhi, conducted a study on transparency in state budget in Rajasthan, Similar efforts were taken up in other states as well by other budget study groups. In this study, it was found that the state of budget transparency was quite dismal in the Rajasthan state putting among one of the low performing states where the study was conducted.

Since then there has been some noteworthy changes in the state in this regard. For example, since the year 2011-12, the government has started providing information on the devolution of amount to the Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs) in somewhat detailed manner. Gender Budget Statements (GBS) also started coming since 2012-13. Two minor heads of Tribal Sub-Plan (TSP) and Scheduled Caste Sub-Plan (SCSP) have since been opened under increased number of Major Budget Heads. Besides this the government has started providing two more documents titled “Budget Related Analytical Statement, Volume I and II” since the budget 2014-15 (it comes now in one volume). Through this document, the government has started providing information regarding allocation of budget for each administrative department and the expenditure incurred against it. This document also provides information on major allocations and expenditure made under major development schemes separately which was earlier not available at on place (as the budget is presented in Rajasthan major head wise).

Here we present an overview of what is available and what is not available at each level of budget process² at the state and district levels:

A. Budget Making Process

1. Pre-budget consultation with the people
The government has started this process in the state for which it deserves appreciation.
2. There is also a practice of holding pre-budget consultation with NGOs in the state in which the Chief Minister hears the suggestions offered by the participants. But the pre-budget consultation is held quite late, only a couple of weeks before the state budget is presented in the Vidhan Sabha. So there is a need to hold the pre-budget consultation well in advance say in the month of November/December when the budget making process is going on in the government so that the government has sufficient time to evaluate the suggestions received during the course of consultations and may include them in the budget and also make appropriate budget allocations for the same.

B. Availability of State Budget Documents at State Level

What we have:

- Details of various types of income
- Major Head wise (in detail) and department wise expenditure
- Major Scheme wise expenditure (not very clear)

¹ This paper was written as background note for the conference on “Transparency in State Budget”, organized jointly by BARC and Institute of Development Studies, Jaipur, on February 6, 2017.

² Budget process can be seen as involving steps of budget making and presenting in the legislature, execution of the budget, accounting and auditing s

- **Grants to PRIs and ULBs (total and district wise total)**
- **Allocations to TSP and SC-SP (have to be calculated)**
- **Gender Budget Statement (not very useful)**

What we don't have

- **No information on revenue forgone**
- **District wise break up of expenditure by departments/District wise break up of expenditure under various heads**
- **Detailed Statement on TSP and SC-SP**
- **Grants to each PRIs and ULBs (when the GO for transfer is given for transfer under various heads its put on the website)**

Suggestions for Improvement

1. Improving the Gender Budget Statements

The Rajasthan government started providing Gender Budget Statement (GBS) with the budget 2013. Currently, the GBS is provided on the basis of details prepared by the budget finalization Committee (BFC) in which programme heads are given A, B, C or D category in accordance with the plan and non-plan items. Separate information is provided on plan and non-plan components of an expenditure item³. However, the GBS in its current form hardly serves any purpose. It can be improved by simply providing department-wise information or by putting all the data collected by BFCs of each department together. This will improve the utility of GBS as the departments would be able to see the gender budget performances of their department in totality. By using such information, concerned department will be able to assess the extent of women participation in their department's schemes, especially with regard to the special schemes meant for women. NGOs, women rights organizations and academic and researchers will be able to monitor the implementation of gender budget.

2. Allocation to TSP and SC-SP as per the norms and providing a document on the same

The allocation of the budget for the Tribal Sub-plan (TSP) and Scheduled Caste Sub-Plan (SC SP) is done in accordance with the population ratio of the two communities. The allocations are reported under the specific Minor Heads (798 and 789). The allocation and expenditure under the two Sub-Plans, however, continue to be lower than the norms as could be seen from the allocation made under the two Minor heads. **Now there as the plan and non-plan distinction is done away with, there is need to clearly define the basis of these allocations.**

It is also difficult to add up the total allocations to TSP and SC-SP from the detailed demanded for grants. Currently a table is provided by the plan department but it does not match with the total of the allocations under the two Minor Heads (798 and 789). **Therefore there is a need to provide a separate document showing the allocation as per the two Minor Heads (798 and 789) for TSP and SC-SP by various departments.**

C. Availability of State Budget Document at District Level

³ Which should be now be discontinued as the plan and no-plan distinction are going to be discontinued now.

What we have:

- **Nothing for state budget at district level**
- **All PRIs make their budget and share also if someone asks for it**
- **All ULBs also make their budget and share also if someone asks for it**
- **A consolidated District Development Plan is made and approved by DPC and generally made available by the ZP office**

Getting the budget and plans, including DDP, from local bodies may be very easy and sometimes extremely difficult

What we don't have:

- **From state budget: District wise break up of state budget**
- **PRIs and ULBs: Budget and plans of PRIs and ULBs and DDP are made available**

Some ULBs have their website but their budgets are not uploaded or partially uploaded or not uploaded in time on their websites and PRIs don't have their websites

Suggestion for Improvement

1. Providing district-wise information on state budget information

There is an urgent need to provide district-wise state budget for all the line departments. This will make people (in the respective district) aware of the amount being allocated to each line department in their district. This will also empower citizens to monitor implementation of the programmes in an effective manner.

2. Providing information on devolution for the PRIs and ULBs from state budget

As mentioned above, the state government is providing information on devolution of budget to the Panchayati Raj Institution (PRs) and Urban Local-self-governing Bodies (ULBs) but currently, it is available only for each Zila Parishad and each Municipal Corporation. And for all the Panchayat Samities and all the Gram Panchayats in a district, this is available in a combined or consolidated form. Same is true for all the ULBs except Municipal Corporations. Therefore, Gram Panchayats, Panchayat Samities and Municipal bodies do not have advance information on budget to be devolved to each one of them. Providing this information in advance will empower the PRIs and ULBs, enhance their confidence and commitment and would allow them to make realistic plans.

3. Budget and Plan Documents of PRIs and ULBs

The PRIs and ULBs are Constitutional units of governance at local levels. These bodies are making their plans and budgets. These plans are also consolidated to make a District Development Plan of the District. These plans are available but one has to ask for them and sometimes it could be difficult to get them

D. At the level of execution/implementation

- No information on status of budget announcements

- No real time data on expenditure (neither monthly nor quarterly)
- No real time data on implementation (MIS)
Though there are a few exceptions

Suggestions for improvement

1. Providing information on implementation of budget announcements-

The budget speech read by the Chief Minister (who is also the Finance Minister of the state) in the Vidhan Sabha is the most closely watched and followed budget document. The announcements made in the budget speech are the main budget promises which government as well as the media, both highlight and the people observe those announcements with a keen interest. But after the euphoria of the budget is over in one or maximum two weeks, no one talks about the announcements made by the government in the budget speech or about implementation of the announcements.

The Chief Minister office (CMO), however, does track the development on such budget announcements through the Chief Minister Information Systems (CMIS) website (cmis.rajasthan.gov.in). This website however is not open for the public. Therefore making this website accessible for the public will be an important step towards budget transparency which the government can easily initiate.

2. Providing expenditure data on treasury website

Treasury websites in many states let the visitors check the data on expenditure made under each head up to the last month. The state government may start providing this on rajkosh.raj.nic.in.

3. Opening MIS of Departments/Schemes for the Public

Management Information System MIS of the MGNREGA could be considered as the best MIS providing all the required information on daily basis. Many departments have MGNREGA like MIS for the schemes of those departments. For example – the MIS run by the Public health and Family welfare Department of the Rajasthan Government tracks the status of benefit provided to pregnant women and for child development. This website can be opened partially for the public in order to provide data like number of women and children (male and female) beneficiaries at every health care centre. Likewise, the MIS of other schemes should also be made accessible to public and should be created where such MIS don't exist.

E. Outcome / Performance Budget

Outcome/performance budget is a document which presents the outcome of the budget expenditure in terms of the achievements made by making any expenditure. The Government of Rajasthan provided outcome budget for all the departments for the years 2005-06 and 2006-07 which are available on the Finance Department's website. After that it seems none of the departments have produced their outcome budget or performance budget. It's at least not available on the websites of the government departments.

F. Auditing

Audit of the government accounts are done by the CAG office (for union government) and AG office (for the state government). Local Fund Audit Department (LFAD) audits the accounts of local government (PRIs and ULBs). AG office also audits the accounts of the local governments. The audit reports of the state and union governments are put before the parliament (for union government) and legislative assembly (for state government and local bodies) and are available. There is usually time lag of two years in availability of the audit reports of the state and union government. The audit reports of the local governments are placed in legislative assembly with lot of delay.

Social audit: Social Audit is an important tool of ensuring transparency and accountability. It's a mandatory provision under MGNREGA Act and also under Rajasthan Panchayati Raj Act. In Rajasthan the social has been used as an effective tool for transparency and accountability by many organizations. But now the process has suffered a setback and a directorate has been set up by the government which does not seem to be very effective so far. Now, however, the CAG has provided rules to run for the setting up of independent directorate and conducting the social audit for MGNREGA works. Rajasthan government is now in process of restructuring the directorate of social audit in accordance with the CAG rules.