

pratibimba

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“Our work is challenging, but our mission is simple.”

Message from the PRAN Team

The PRAN team was extremely encouraged by the comments and feedback we received on the first and second issues of “PRATIBIMBA”. It is, therefore, with much enthusiasm, that we bring to you this third issue. As the stories in the newsletter will explain, some very exciting events and activities have taken place in the last few months. These include the approval of Additional Financing of \$ 925,000 for PRAN extension from the State and Peace Building Fund (SPBF) until December 2013. More importantly, a grant of \$1.5m for a project called “Strengthening Civil Society Organizations use of Social Accountability to improve Public Financial Management (PFM)” from the Multi Donor Trust Fund has been approved to work on the demand side of good governance in Nepal. PRAN will be working very closely with Government’s Public

Expenditure and Financial Accountability (PEFA) Secretariat on this. A brief report on the results of public hearing managed through the regional Social network in Pokhara and Biratnagar is also presented together with a brief introduction and update on the Citizen Action for Results, Transparency and Accountability (CARTA) project. Finally, the actual field results of the Social Accountability Schools and Grant Making are arriving and some case studies are included here.

We strongly believe that you will find the third issue of “PRATIBIMBA” as useful and interesting as the first and second one. Your comments and suggestions, as always, are most welcome.

Extension of PRAN and Additional Financing for it



The Program for Accountability in Nepal (PRAN) is a three year and 3 million US dollar project financed by the State and Peace Building Trust Fund (SPBTF) of the World Bank. The project was signed in September 2009. As a part of peace building process in Nepal, PRAN was designed to build the capacity of civil society and government actors to improve governance by promoting social accountability (SA) tools.

“While PRAN got off to a late start (due to difficulty in contracting PRAN’s four CSO partners), the project is now progressing very well with progress across all five components. To illustrate PRAN’s impact, the task team described how beneficiaries in one of PRAN’s target villages utilized social accountability training, mentoring, and the PRAN network to successfully push for improved public financial management (See case studies in Kanda VDC of Bajhang and Iekha Nath Municipality in Kaski). The team emphasized that PRAN is producing unique results in Nepal, which has suffered from lack of good governance, participation, inclusion and transparency during its protracted peace process.

Based on PRAN’s progress and a January/February 2012 Mid-Term review (including an external evaluation), the team requests an extension and supplemental resources to implement additional and expanded activities over a further 14 months, with a view to increasing PRAN’s impact and sustainability. The extension and expansion will also leverage a recently approved US\$1.5 million grant from an MDTF on PFM.

The proposed additional financing and extension covers main two key areas:

A key purpose of PRAN’s grant-making is to provide pilot grants to recipients of PRAN’s SA training so that they can put into practice lessons they have learned. Since the training component was initially delayed, grant-making is currently scheduled to close (fully disbursed) before participants in the last round of training (on SA in Public Service Delivery-PSD) are able to design their proposals. An additional US \$ 625,000 is therefore requested to enable a new (4th) round of grant-making, with a particular emphasis on supporting Social Accountability in Public Service Delivery (PSD). This (unscheduled) round of grants would also serve to deepen the Bank’s support for SA at an important time since: (a) the Prime Minister’s Office has recently launched a new GAC strategy that offers significant new opportunities for SA; (b) the latest indications are that SA in Nepal is starting to yield results; and (c) the recent dissolution of the CA has left important gaps in governance and oversight of public services which could, without civil society engagement, prove damaging to vulnerable groups.

PRAN has made important contributions to SA beyond what was envisaged in terms of: (a) helping GoN improve services and local governance (e.g. initiating community score cards at health posts); (b) guiding donors on opportunities for using SA to strengthen governance, especially in PFM; and (c) advising the NCO on incorporating SA into Bank-financed operations through a JSDF grant. A further US \$ 300,000 is thus requested so that these activities can be continued and expanded to reach a broader set of stakeholders, promote constructive engagement



with government, deepen PRAN’s impact on SA practices across the Bank portfolio, and continue the coordination of PRAN.

Finally, the extension and additional financing will also leverage a recently approved US \$ 1.5 million grant from an MDTF on PFM. To date, the MDTF has only supported governance “supply-side” activities—now it wishes to support SA work in this sector by contributing US \$ 1.5 million to PRAN, utilizing its established partnerships and systems. This will help PRAN realize important economies of scale as well as increase its impact and sustainability. For example, while core PRAN coordination costs would be charged to the SPF, the MDTF could cover a part of the supervision budget that cannot be financed by the SPF and finance new specialist skills needed for its focus on PFM and communications. There would also be cross subsidization in terms of training costs and grant management costs as there are economies of scale in grant management when the overall grant envelope increases.

The Country Management Unit (CMU) in Nepal acknowledged PRAN as a key component of Nepal’s current Interim Strategy Note. The CMU is optimistic that PRAN will further scale up the SA instruments across the broader Bank portfolio. Committee members of State and Peace Building are satisfied with the results of the project to date and the approaches PRAN has adopted so far to achieve it. Members also highlighted the importance of balancing between demand- and supply-side approaches to governance in Nepal due to country’s transition period and lack of elected bodies both at the national and local level. Further, the Committee members called for the CMU and sector to provide adequate supervision/implementation support to PRAN for the extended grant period. More importantly, SPBF secretariat is enthusiastic to learn from PRAN experience with Operational bottlenecks which might be a learning opportunity for future projects.

Strengthening Civil Society Organizations' (CSOs') Use of Social Accountability to Improve Public Financial Management (PFM)

Program for Accountability in Nepal (PRAN) has been working to date in the three major themes of Municipal Good Governance, Public Service Delivery and Public Financial Management. The Multi Donor Trust Fund (MDTF) in Nepal has granted PRAN \$1.5m for a project called "Strengthening Civil Society Organisations use of Social Accountability to improve Public Financial Management (PFM)". The grant is expected to scale up the work in PFM. The implementation period of this project will be from August 2012 to June 2014 and is only for work on PFM. The MDTF has been previously working on the "Supply side" with the GoN and now wants, through PRAN, to work on the "Demand side" with CSOs. It was attracted by the way that PRAN works with 4 partner organisations.

The Program Development Objective of this project is "to strengthen the transparency, efficiency, and inclusiveness of three specific areas of public financial management (PFM) in Nepal through fostering the use of different social accountability approaches by Nepali CSOs".

The three components of the project are as follows:

Social Accountability in budget preparation, dissemination, and analysis at the National level

This will focus on expanding transparency, awareness, and participation around national budgeting and financial reporting

in Nepal. Four competitive grants of about \$50,000 each are expected to be awarded to cover activities such as:

- Capacity building and technical assistance for Members of Parliament on understanding the budget process, including financial reporting
- Gender and pro-poor independent budget analysis
- Budget demystification and outreach through the media; and
- Revenue monitoring and analysis by independent think tanks.

Social Accountability in budget preparation, dissemination, and analysis at the local level (district, municipal and village)

This will focus on the local budget planning and preparation process in the 10 target districts of the project. About 10 small grants (of approximately \$15,000) will be awarded under this component. The competitive grants will cover activities such as:

- Supporting participatory planning and budgeting at the district and village development committee (VDC) and municipality level
- Capacity building support to VDC/municipality members and district officials on budget planning and analysis
- Preparation and dissemination of simplified district budget plans
- Community radio/media programs around district and local budget issues



Luiza Nora, new PRAN and CARTA TTL.

Social Accountability in monitoring of procurement, budget execution, and service performance at the Local level

This component will focus on procurement monitoring, tracking of local expenditures, and assessments of the quality of sub-projects and service delivery at the local level in the 10 target districts of the project. About 20 small grants (of approximately \$15,000) will be awarded under this component. The competitive grants will cover activities such as:

- Procurement monitoring and disclosure/dissemination of bid results and awards for local procurements
- Participatory expenditure tracking of local funds
- Social audits of local service delivery or infrastructure sub-project investments
- Community scorecards on performance (governance and service provision) of VDCs/municipalities and district administrations

An important element of the project is to develop a robust Impact Evaluation Strategy. The project wants to quantify the CSOs, the tools, and the delivery methodologies and compare the results with a geographically and demographically similar control group where such work was not implemented to see the real impact of the project later in scientific way.



Some Initial Results of Public Hearings by SAP Nepal

Of the four partner organizations for PRAN, the National Centre for Social Accountability (NCSA) managed by SAP Nepal, is the one whose purpose is knowledge sharing and networking throughout the country. To achieve this NCSA has five Regional Resource Centers in five regions of the country (a separate one at central level in Kathmandu) which have supported the creation and support of networks. One of

the activities of the centers was to organize Public Hearings for an agreed common problem in the areas where the networks function. Such Public Hearings are public events where the beneficiaries, usually organized through CSOs, talk to government officials about issues which have become important to local residents and find out together the problems and prospects for the betterment of the whole society.

The National Centre for Social Accountability (NCSA) has organized Public Hearings on the three themes of PRAN - Municipal Good Governance (MGG), Public Service Delivery (PSD) and Public Finance Management (PFM). All five SA Regional Resource Centers (RRC's) have conducted these Public Hearings at their respective regions successfully. Two examples follow:

Eastern Development Region (EDR) –

Social Accountability (SA) Regional Resource Centre: Biratnagar

The regional network members on Social Accountability in their series of meetings in Biratnagar identified the poor maintenance of roads and management of sewage in Biratnagar municipality as a burning issue that needed to be addressed by the local authorities. Therefore, they collectively decided to have a public hearing on the issue. The eastern regional SA network organized the public hearing and confronted the local

authorities with information about the poor state of roads and sanitation. The audience was composed of all communities affected by the poor maintenance of roads and sanitation in the municipality - including the network members.

The Government officials accepted the poor state of the roads as their responsibility and agreed to do something about it.

They said that a contract had not yet been implemented for this work. As a result of the Public Hearing, Biratnagar municipality has currently completed the task of road and sewage management in Ward no: 1, 3, 5, 7 and 15. The road and sewage construction contract that had not been executed is now being started on the initiation of the Chairperson. The staff members of EDR also went on a random observation to Ward no 1, 3, 4, 7 and 15 to collect information and evidence from local people concerning the quality of the service. The locals expressed satisfaction regarding the road and sewage works being constructed after so many years. They did not have to complain any further, but were happy that finally they have access to roads and proper sewage facilities.



Western Development Region (WDR) –

Social Accountability (SA) Regional Resource Centre: Pokhara



The people in Pokhara were very dissatisfied with the way that traffic was being managed in the town by the Police. Because of the lack of supervision by the police the roads were dangerous for pedestrians. 24 CSOs Network members of Regional network held the Public Hearing in front of 220 (105 female and 115 male) audience, and spoke to Chief

District Officer, Police Officers and regional Traffic police including government dept about the situation. The Govt body accepted responsibility, and, as a result of the Public hearing in Pokhara, has made major changes. One of these was that the long route public vehicles were no longer allowed to stop for passengers once they are on the road. Traffic

police were seen to be inspecting vehicles near the road of the Pokhara buspark, and regular police inspection has been implemented in Pokhara to strengthen security. Another issue that concerned the citizens was the situation of the public schools and this was also raised in the Public hearing. As a the High Schools have banned the use of mobile phones, motorbikes and short skirts





PRAN is also responsible for implementing CARTA in Nepal – please see a description of this by Bhuvan Bhatnagar, Former TTL of PRAN in World Bank Headquarters, Washington DC

A Different Approach to Third Party Monitoring

An innovation in citizen monitoring of World Bank-financed projects at the grassroots level is being field tested in the South Asia Region. Last summer, the Concerned Citizens of Abra for Good Governance in the Philippines were monitoring road construction on a 4.5 km highway in their district. The volunteer monitors were in a heated argument with the contractor's workers at the plant. While the workers insisted there were 36 bags of cement, the volunteers only counted 26 citing a number of irregularities on the site. The Concerned Citizens group documented what they observed for the Department of Public Works and Highways, which sent a team to investigate. They found numerous quality issues including weak concrete mixture and longitudinal cracks in the roadbed. As a consequence, the contractor was forced to rebuild the road at his own expense and the engineer resigned due to the shame.

In many countries, citizen groups are taking action to increase public sector

transparency and accountability, and improve the results of development projects and public services.

The World Bank's Bangladesh and Nepal country teams are drawing on this experience to launch a new program to enhance the development effectiveness and results of Bank-financed projects through greater citizen engagement in project monitoring. Kicking off earlier this month on February 9th, the Program entitled—Citizen Action for Results, Transparency and Accountability (CARTA)—was designed based on consultations with local civil society groups and the agreement of the governments in the two countries to participate in the Program.

In CARTA, the funds are channeled to CSOs through an international non-profit organization, the Partnership for Transparency Fund (PTF). Using a \$1.9 million grant from the Japanese Social Development Fund, the PTF and its local partners, the Monusher Jonno Foundation in Bangladesh and Helvetas in Nepal, will select and advise CSOs monitoring implementation progress and results in Bank projects.

“This is an innovative approach to preserve independence of third party monitoring of Bank projects,” noted Bhuvan Bhatnagar, Task Team Leader for the Program, “It is an experiment with many challenges and unknowns, but if it succeeds, it can potentially contribute to a new

Bank instrument for results and good governance.”

Selection and Funding Mechanism

In the CARTA Program, the Bank country offices and Task Team Leaders will identify up to 25 ongoing Bank projects that would be suitable for CSO monitoring, and a dozen projects have already been identified in Bangladesh and Nepal for this purpose. TTLs will seek the agreement of government implementing agencies to participate in the program, pointing out the potential benefits of improved results, greater transparency, and increased public confidence.

Working together in the spirit of “constructive engagement,” Bank staff, implementing agency representatives and PTF/local partner staff will agree on the activities to be monitored. The local partners will issue a call for Concept Notes, inviting CSOs to indicate how they would carry out the monitoring. The two organizations with the best Concept Notes will be invited to prepare full proposals. The winner will be chosen by the PTF and its local partner, who will enter into an agreement with the CSO and supervise its work. Each subproject will typically last 12-18 months to test and validate the approaches taken and cost between \$25,000 and \$150,000. The entire program will last three years as the subproject grants are awarded in tranches.

Capacity Building and Knowledge Sharing

Besides the sub projects—which account for about 75 percent of the program's budget—the CARTA Program will also include capacity building and knowledge sharing activities. Capacity strengthening will be carried out through on-the-job learning-by-doing, and by connecting CSOs with ongoing



capacity building programs like the PRAN in Nepal and the ANSA in Bangladesh. CSOs will also be provided with access to experienced PTF Project Advisors, who are all volunteers, for regular coaching and mentoring. Created in 2000, the PTF (www.ptfund.org) has funded more

than 200 projects in good governance in 45 countries by providing grants and capacity support to CSOs.

According to Ellen Goldstein, the Country Director for Bangladesh and Nepal, "effective third party monitoring will help improve

the results of our operations by encouraging for example, appropriate real-time actions when irregularities are detected or when approaches prove unsuccessful. Moreover, it will get us closer to citizens who are the ultimate judges of our development impact

CARTA Progress to date



The Citizen Actions for Results, Transparency and Accountability (CARTA) program is moving forward. The Partnership for Transparency Fund (PTF) is working with HELVETAS Swiss Intercooperation Nepal (HELVETAS Nepal) in Nepal to carry out the project during 2011-2014.

So far, nine World Bank financed projects have been identified for possible support under the CARTA program. These include:

- the Rural Access Improvement and Decentralization Project (RAIDP),
- Poverty Alleviation Fund/2 (PAF-II),
- Enhanced Vocational Training and Education (EVENT) Project,
- School Sector Reform Project (SSRP),
- Emergency Peace Support Project (EPSP),
- Emerging Towns Project (ETP),
- Social Safety Nets Project (SSNP),
- Community Action for Nutrition Project and
- Health SWAP.

In response to the Requests for Concept Notes issued for RAIDP, PAF-II and EVENT, 17, 25 and 8 CSOs, respectively, submitted Concept Notes. These Concept Notes went through a rigorous evaluation process. Two shortlisted CSOs in the case of RAIDP sub-project and three CSOs in the case of PAF-II sub-project were invited to submit full proposals for further evaluation. Final selection of a CSO for RAIDP sub-project has been completed, and a tripartite agreement among the CSO, PTF and HELVETAS Nepal is to be signed very soon.

For PAF-II sub-project, three shortlisted CSOs are to submit full proposals within a month, whereas the Concept Notes for the EVENT sub-project are being evaluated. Likewise, discussions are being held with the Department of Education for the SSRP sub-project, with the Ministry of Peace and Reconstruction for the EPSP sub-project and with the Department of Urban Development and Building Construction for ETP sub-project. The Terms of Reference for the EPSP sub-project has recently been updated, following the restructuring and extension of the project until June 2014, and a Request for Concept Notes will be issued soon.



Case Studies of CECI Sub-Grantees at July 2012

One part of PRAN's work is the making of grants to CSOs which have been trained in the use of social accountability tools by Pro-Public. CECI has, to date, provided 30 grants (10 large and 20 small grants) to CSOs on a competitive basis through an independent Grant Making Committee. These grants focus on Public Service Delivery (10), Public Financial Management (14) and Municipal Good Governance (6) covering 30 districts in Nepal. Some of the grantees are doing an excellent job. The role of mentors was found very encouraging as expressed by the grantees. Some of the selected case studies are presented below.

Misuse of VDC Budget

Sahara Nepal's work in Kanda VDC in Bajhang District.

As with most VDCs in Nepal, Kanda VDC had a budget which allowed it to provide services to senior citizens and women through a number of government approved schemes. Unfortunately for the people of Kanda VDC had never explained to them their entitlement to this budget, nor indeed had they ever delivered to them the required funds covered by this budget.

Sahara Nepal, a CSO operating with a grant from CECI as part of PRAN, found this

information out by doing an independent budget analysis and a public expenditure tracking survey. They had learnt these social accountability tools from Pro-Public also part of the PRAN program. Once they had carried out this work they found that Kanda VDC had allocated Rs 72,000 to senior citizens and Rs. 192,000 to women's empowerment, but that money had never been delivered.



Sahara Nepal then held a number of focus group discussions in Kanda to help the local people to understand the ways that local government budgeting worked emphasizing transparency and accountability of the VDC. People were very surprised and very interested to know what their entitlements were and what had actually happened to them.

The CSO, after some difficulty, also set up a focus group discussion with Kanda VDC. It required some good people management skills, but finally the meeting got the agreement of the VDC that this was the case, that it was irresponsible behavior and five days after the meeting the VDC refunded the amounts in question.

The community people of Kanda were very happy – particularly the women, Dalit, Janjatis, senior citizens and other disadvantaged groups. They were happier still when the VDC committed not to behave like this in the future.

Sahara Nepal made sure that the story was carried on the Saipal community FM radio,

and were very pleased that the District Administration Office sent a letter to the government offices concerning entitlements. Finally, allocated Rs 72,000 for senior citizens and Rs. 192,000 to women's empowerment were provided to them.

Reducing Suspicions between the local government and local community

CCC work in Lekhnath Municipality, Kaski

This is a case study or a 'success story' derived from the report submitted by Community Communication Centre (CCC), Kaski on their project under the 'Small' Sub-grant provided by CECI.



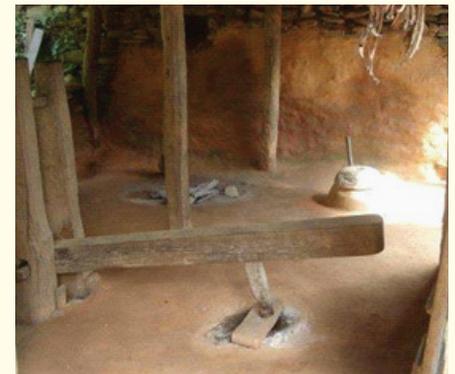
Lekhnath Municipality had planned to release the budget to build the "dhiki" (Traditional Paddy Husker) in all 15 wards in the fiscal year 2068/69. However, it failed to call the interested local communities for agreement on time and when it finally called for the same the local farmers did not respond with much enthusiasm. The notice came at the time when the farmers were heavily involved in their agricultural fields. Yet in some wards the women's groups

showed interest in the initiative because they had realized the direct benefit to them in terms of saving labor and did go ahead by signing agreement with municipality. But, the problem of serious irregularities came forth when the Community Communication Center (CCC), which had proposed the project on the use of a Social Accountability tool of Public Expenditure Tracking System (PETS) to look into the affairs of Lekhnath Municipality, especially in respect of women centric programs like building "dhikis" in all 15 wards of the municipality.

Findings:

In course of action taken by CCC under PETS it was found that:

- The total budget allocated for the program was NRs 1.5 million for 15 wards making it equal distribution of 10,000 for each ward but only NRs 7,200 was released per ward to all 15 wards,
- In 10 out of 15 wards there were fake bills and documents submitted to the municipality by unscrupulous elements in local communities,
- The "dhiki" program meant for saving labor for women were not known to Women Groups since they were never really directly contacted by responsible authorities within the Municipality.



Sample of "dhiki"

Achieved Results:

1. PETS used by CCC, Kaski revealed the irregularity happening with "dhiki" program,
2. Municipality realized its mistake of not informing the local communities about the program on time and also not involving the beneficiary community, especially the Women's Groups in planning and budgeting exercise of the program,
3. Municipality from now onwards will not release money before it has the evidence of the completion of project,
4. Women's Groups had also pledged to take interest in budget allocated to programs benefiting, or aimed at, women.

Activities Planned for July- September 2012

- Finalization of PFM MDTF agreements with partners and start of initial work
- Submission of proposal for extension and further funding to SPBF, its acceptance by SPBF, and the start of work.
- Share major findings of Community Score Card Pilot Training with Government (MOHP), and Pro Public and persuade MOHP to mainstream CSC into its work in the future.
- More focus on mentoring/coaching of the 30 CSOs (both batches)
- Intensify joint field visits in September 2012 since all current grants activities will be closed by 3rd week of September.
- Finalize Baseline Study
- PRAN partners regular monthly meetings
- Next issue of Newsletter of PRAN "PRATIBIMBA" with many case studies
- Program of TOT for NASC master trainers in social accountability
- Workshop on Social Accountability in Nepal organized by CUTs International 18-20 September 2012 (PRAN will sponsor six participants including one from government).



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