

CASE STUDY: PUBLIC EXPENDITURE TRACKING SURVEY (PETS) APPLIED TO WATER SUPPLY DEVELOPMENT IN JIMMA RAREE WOREDA, OROMIA REGION

Introduction: Oromo Grassroots Development Initiative (HUNDEE) and GURMUU Development Association (GURMUU) have implemented a social accountability project from January 2013 to Dec 2015. Both organizations have selected Community Score Card (CSC), Participatory Planning and Budgeting (PPB) and Public Expenditure Tracking Survey (PETS) for the assessment of basic service delivery performance in five target Woredas of Oromia region. PETS is applied to Education, Health and Water Supply sectors in Wolmara, Dandi and Jimma Raree Woredas, respectively. CSC is applied to health, education, water supply and agricultural extension while PPB is applied to all five basic service sectors of the five target Woredas as the tool is a multi-sectorial and multi stakeholder exercise.

Data Collection and Analysis Method: Data was gathered using Focus Group Discussion (FGD) and key informant interviews (KII). During data analysis, the data gathered with FGD were triangulated with the data gathered through Key Informant Interview (KII) to check for inconsistencies and to substantiate what was gathered with the FGD at the local level. A one-day Consultative/Interface Meeting of service users and service providers was organized where the major findings were deliberated upon and reform agendas were formulated for improved water sector budget management.

Objective of PETS: The implementation of PETS to water supply service delivery of Jimma Raree Woreda is aimed to track the flow of water supply resources (both financial and material) from source to destination and to check whether the resources allocated reached their destination as planned.

Budget Flow and Utilization: The table below reveals the budget allocated and utilized by cost category in 2005 and 2006 E.C. by Jimma Raree water supply sector.

Budget Category	2006 (2013/14)	Utilized	%	2005(2012/14)	Utilized	%
Capital	350,000	250,000	71.43	250,000	250,000	100
Operational budget	60,000	60,000	100	122,500	122,500	100
Salary & benefits	514,647	514,647	100	776,683	776,683	100
Total	924,647	824,647	89.19	1,149,183*	1,149,183	100

*Note that the salary budget in 2005 is higher because irrigation was under the water sector in that year which was separated in 2016 from the sector)

The overall budget utilization for the sector in 2006 was 89.19% caused by capital budget underutilization. The capital budget of the year was utilized 71.43% with a Birr 100,000 variance. The reason for the underutilization was late budget release and lack of competent contractors. The remaining budget (Birr 100,000) was reallocated to the education sector for education level upgrading to high school by the decision of the Woreda budget standing committee.

Community Participation in the Planning and Budgeting Process: Regarding the involvement of key stakeholders in the planning and budgeting processes, it was learnt during the tracking that the process is fully dominated by the supply side. The community representatives have made it clear that they did not have any information about what amount

was allocated for their locality and what amount was spent as well as for what purpose it was spent for. The only thing they know is about their own contribution and the material in kind supplied by the government. In addition, the criteria to allocate certain amount of budget for a given locality are not well understood by citizens.

There is no community grievance handling mechanisms to entertain community views and possible complaints on water point development and its quality. There is no practice of special community monitoring teams to ensure community participation and involvement in the water development projects except the limited role played by Water committee.

Water Supply budget Allocation and Utilization Procedures to Localities: There is no pre-allocation of budget for individual Kebeles. The Kebele selection for water project implementation is mainly governed by the Woreda water supply priority issue that is access to equitable water services to all community members despite the required community contribution to match the activity.

Water supply sector makes allocation based on Kebele water problem and the readiness/willingness of the communities to make the required cost participation. The budget allocated for localities is disbursed with official request from Water Supply sector to WoFED. The budget could be released for procurement or to pay for professional fees of contractors. The disbursement of the cash contributed by the communities is managed by Kebele Water Committee with technical support of Water Sector office.

Due to lack of proper documentation, it was not possible to check whether the community contribution is properly and efficiently utilized, that is made interims of cash, labor, and material as the context of each locality demands. It was not possible to get financial utilization report for the community contribution and government allocated budget at specific locality level. This makes it difficult to make any conclusion on the effectiveness and efficiency of the budget utilization.

The government service standard for spring development includes water point, washing basin, cattle trough, shower house, and toilet facilities. To install all these, the cost of one on spot spring development is estimated to be between Birr 27,000 to 29,000 to be covered fully from WASH program fund of the government. However, in most on spot spring development only water point is installed that is ascribed to shortage of budget. Even, greater proportion of the costs of on spot spring developments is covered with communities' contributions. On the other hand, the communities do not know their entitlements to water point with allied facilities and the budget allocated by WASH program for a spring development,

Budget Control and Auditing – budget utilization is regularly controlled by WoFED through regular monitoring and evaluation to sectors. WoFED makes document review and physical observation at facility levels as a routine control mechanism. Formal auditing of Water Supply budget is not done regularly due to capacity problem.

Adherence to Budgetary Frameworks: both the water sector officials and local level service providers and water committees explained that they have no idea about budgetary guidelines and frameworks so that they do not know if they are adhering to it or not. WoFED stated that

they train officials on the budgetary issues, but due to high official turnover, the knowledge was not cascaded to the lower levels.

Procurement Procedures: The Water sector follows tender process for procurements made by the government allocated budgets, while the budget contributed by the community and managed by Water Committee does not follow strict procurement procedures. The major procurement process followed include announcement of bids, analysis of the offers and selection of the winner by project committee, and approval of the recommendation by the head of Water Supply sector, and submission to WoFED for payment. The procurement process is transparent since they follow formal procurement procedures with full documentation. The community members and the service providers confirmed that the qualities of services and goods procured are poor. It was noted during the interface meeting that in some cases procured goods are found damaged before they are put to intended service. In most cases, selection of winners is based on prices without regard to competence and quality, so that construction activities are poor, and goods procured are below specifications and unsatisfactory.

Budget Release and Utilization –Budget release is very untimely. The major reason for delay of budget release is delay to approve the budget by the Woreda Council. Moreover, budgets are not utilized as planned and timely due to lack of competent contractors and ineffective monitoring of development activities at localities by the water sector and Woreda project committee. Lack of commitment, lack of capability, and incidence of high turnover are among the factors for poor budget utilization.

Budget Performance Assessment - In view of the standard specifications and design of on spot spring development, the quality of the developed on spot springs is below standard. The construction of the springs also lack allied service like cattle trough, toilet, washing basin, and shower services. Thus, the budget utilizations does not fulfill WASH standard so that its objectives are not achieved. What has been implemented was mainly possible due to community contributions. The budget objectives are said not to be achieved because the developed on spot springs were not accordingly to WASH standard.

Service Sustainability: Lack of effective protection measures for developed springs, untimely repair and maintenance service, and absence of project completion inaugural and handover processes are considered as factors that seriously affect service sustainability in the target localities and the Woreda. On the other hand, the existence of water committee that is responsible to manage the spring is taken as a sustainability factor given it functions effectively.

Recommended Budget Flow and Use Processes: The FGD members and the Key informants as well as the participants of the consultative meeting discussed the strengths and gaps of water supply development and recommended the following improvements measures with regards to budget flow and utilization:

Strong areas are summarized as follows:

- Availability of complete data on water resources of the Woreda and the localities,
- The sector is making strong efforts to increase potable water coverage in all localities as much as the budget allows,
- The sector makes focus on springs with better potential,

- Although limited, the sectors is willing to enhance community participation in the water development projects,
- The sector has assigned focal technicians to monitor the implementation progress of each spring development in target localities,

Performance gaps or issues that demand additional effort for better water supply budget utilization:

- Poor budget utilization in 2006 E.C. (variance of Birr 100,000) amidst vast community demands,
- Limited capacity to create awareness among the target communities on its water development plans and poor community mobilization,
- Lack of clarity on criteria of government and community contributed budgets,
- Lack of disclosure of revenues and expenses of developed springs (no report on collection and spending, especially community contributions)
- Ineffective monitoring by Woreda project committee to ensure quality and efficiency of project accomplishments,
- Springs developed lack quality, and are not in accordance with specifications;
- Projects are not completed timely,
- Lack of effective protection measured for springs developed
- Springs work ineffectively due to delay of repair and maintenance service from the Woreda,
- Low initiative of the community to save money for repairs and maintenance activities,
- Absence of project completion inaugural and formal handover processes.

Reform Agendas:

- Ensure timely budget allocation and release of water project budgets,
- Provision of explanation to the communities and water committee members on water project designs and specifications,
- Strengthen project monitoring by Woreda Project Committee,
- Enhance community participation in planning, budgeting and implementation of water supply projects in addition to financial and non-financial contributions,
- Promotion of tree plantation around the developed springs in collaboration with natural resource development office to protect developed springs from floods and siltation,
- Improve budget transparency making proper explanations to the communities on development plans, budget allocations and service deliver performance;
- Disclose budget standards and guidelines to the target communities,
- Strengthening project contract management and implementation monitoring to ensure quality per government service standard and project specifications so that user satisfaction and benefits are maximized, and,
- Ensuring timely auditing of budget utilized to facilitate proper measures on budget management and utilization gaps.

Lessons Learnt: One important lesson learnt from the application of PETS to water supply sector expenditure tracking is that the process enhances community empowerment, service providers' accountability and knowledge of planning and budgeting processes at Woreda and local levels. The other important lesson is that the PETS process could improve quality of service delivery through efficient and effective budget utilization at facilities level with real community engagement. It was also learnt that the service providers are collaborative to apply

PETS to their spending. The process also enhances beneficiary ownership of the water facilities so that they started fencing the water spring areas, contributing additional money for future maintenance, and taking measures to protect the springs from floods and siltation as well as clearing eucalyptus trees from the environs of the water point.

Challenges: The major challenges faced during the PETS exercise were communities' lack of awareness on the budget allocation and utilization processes; lack of complete and full documentation on spring development projects for community contributions, and lack of experiences on the part of the implementing partners. Due to lack of proper documentation of expenditures at local levels, leakage or misuse of budget could not be clearly identified. The citizens do not know their entailments to WASH budget and as such they just accepted what is provided from the Woreda Water Supply sector and matched their contribution being keen to get relatively safe potable water. Budget transparency and community participation is poor. Budget allocation criteria are not well articulated and spending of the budget is not reported to the beneficiary communities. The Water Management Committees are established by the service providers and their relation with the beneficiary community is very loose.

Concluding Remark: The PETS exercise has revealed strengths and gaps in water supply service delivery. Among others, lack of transparency, weak monitoring, and poor quality of developed springs, limited community mobilization and poor maintenance services are mentioned as the way forward for further improvement in water supply service delivery. The consultative/interface meeting served as a mutual forum for reform measures to improve the water supply budget management in the future. The PETS tool application in Jimma Rarea Woreda has enlightened all stakeholders for the proper utilization of the available meager resources. From the PETS application to water supply, other sectors have also drawn important lessons for improved development budget management.