ENSURING THAT CLIMATE FINANCE REACHES THE POOR

LESSONS FROM PAISA PROJECT, ACCOUNTABILITY INITIATIVE, INDIA
OUTLINE

- IMPORTANCE & OPPORTUNITY OF TRACKING CLIMATE FUNDS AT THE LOCAL LEVEL
- OUR APPROACH
- TECHNIQUES & WHAT WE FOUND
- LESSONS & CONSIDERATIONS
WHY TRACK?: RELEVANCE TODAY

IMPORTANCE

- Increasing budget transparency and accountability in expenditures
- Can help reorienting plans and decision-making processes so they are decentralised/localised
- Can realign plans with budgets (moving away from tightly controlled line-item funding to greater flexibility at the local level in financing)
- Building capacity at the local level to plan

OPPORTUNITY

- CPEIR already undertaken in some countries – involves allocation, management and results of public expenditures.
- All CPEIRs have identified processes of decentralisation as key to ensuring that climate change expenditures respond to local specific contexts and reach the poor and vulnerable.
- Green Climate Fund – an opportunity for nationally relevant, targeted and prioritised climate expenditures.
WHAT IS PAISA ALL ABOUT?

An exercise in strengthening citizen capabilities and engaging citizens’ in tracking expenditure and participating in governance process (a people’s audit of ‘governance systems’)

PAISA strategy: 3 pronged approach

- Disseminate findings to promote evidence based public debate
- Build momentum for accountability reforms
- Track plans, expenditures & decision-making structures in development/social sectors
- Evaluate accountability experiments
- Build citizen engagement in planning & monitoring
- Partner with government to pilot reform models
Budget Transparency through Budget Briefs

- Understanding budgets and building evidence through data collection and analysis
- Annual macro analysis of finances (allocations and releases and expenditures), outputs and outcomes at the central and state level
- Look across sectors – Rural Development, Urban Development, Education
- Deeper dive across certain sub-sectors and programmes. For example: Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) for rural employment
- All data is publicly available government data which is collated into more accessible, user friendly terms.
WHAT WE FOUND: DESIGN RELATED INEFFICIENCIES

- Design Related Inefficiencies
  - Top down financing: (For example: only 1% of funds reach the school for school functioning; 80-90% of funds tied to HR and administration (teacher salaries etc)
  - Norm based, tied financing: Quantum and grant not always related to local needs and limited flexibility to spend according to needs
  - Limited incentive to plan at the local level and limited capacity to absorb demand.
- **PAISA Tracking Surveys**
  - Deeper dive in trying to understand the entire chain of money and decision making processes.
  - Focus so far has been on elementary education. Some work on livelihood, health and PRI finances.
  - Data is collected “bottom up” through surveys conducted by citizen volunteers.
  - Surveys are conducted annually and disseminated widely to government at all levels and citizens.
  - There are 2 kinds of surveys......
PAISA NATIONAL SURVEY

- Short, quick, specific
- Broad spread (14,591 schools in every state in India by 2012)
- Required shorter training module and low input from volunteers

For three main grants…
Gives evidence of what reaches the ground
PAISA DISTRICT STUDIES

What we wanted:
- A complete picture of the receipt, expenditure and delay of funds from the national, state and district level and local level

What we do
- Detailed Deep Dive Approach
- Narrow spread – a few districts (sub-national levels)
- Verify bank account information at the local level

How we do:
- Look at government documents at national, state and sub-national level
- Use citizen volunteers to conduct surveys:
  - Record the date and quantum of receipt and withdrawal of grants
  - Chart the entire process of civil works at the school level in two financial years.
- Look at governance indicators such as monitoring, attendance etc
EXAMPLE: TRACKING GRANTS

Can be used to track grants reaching local level committees or user groups or even cash transfers to individuals

<table>
<thead>
<tr>
<th>Name of grant</th>
<th>Did you receive money for this activity in financial year 2011-12</th>
<th>When did you receive the money? (first and last date of receipt)</th>
<th>Total Money Received (according to the bank documents)</th>
<th>When was this money withdrawn from the passbook</th>
<th>Total Money Removed (according to the bank documents)</th>
<th>7. Was this grant for this financial year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes O</td>
<td>First instalment</td>
<td>First instalment</td>
<td>Not applicable O</td>
<td>Not applicable O</td>
<td>Yes O</td>
</tr>
<tr>
<td></td>
<td>No O</td>
<td>Last instalment</td>
<td>Last instalment</td>
<td>Not applicable O</td>
<td>Not applicable O</td>
<td>No O</td>
</tr>
<tr>
<td></td>
<td>Don't know O</td>
<td>Not applicable O</td>
<td>Money not withdrawn O</td>
<td>Not applicable O</td>
<td>Don't know O</td>
<td>Don't know O</td>
</tr>
<tr>
<td>Note: If there are 3 separate tables with separate Bk. bank account, please take the information for 1-4.5% separately.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
WHAT WE FOUND: PROCESS RELATED INEFFICIENCIES

- Process Related inefficiencies
  - Not all schools get their grants
  - Entire quantum not received
  - Grants come late/ delays in receiving entitlements

73% schools receive all 3 grants in 2012-13

<table>
<thead>
<tr>
<th>Year</th>
<th>% schools receiving grant</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009-10</td>
<td>66</td>
</tr>
<tr>
<td>2010-11</td>
<td>71</td>
</tr>
<tr>
<td>2011-12</td>
<td>79</td>
</tr>
<tr>
<td>2012-13</td>
<td>73</td>
</tr>
</tbody>
</table>

Timing: Schools receive grants in October in 2009-10
## EXAMPLE: INFRASTRUCTURE GRANTS

<table>
<thead>
<tr>
<th></th>
<th>1. Type of activity</th>
<th>2. Did this activity start in the last two financial years</th>
<th>3. Did money for this activity arrive in the last two financial years</th>
<th>4. When did you receive the money? (first and last date of receipt)</th>
<th>5. Total Money Received (according to the passbook)</th>
<th>6. When was this money withdrawn from the passbook?</th>
<th>7. Total Money Removed (according to the passbook)</th>
<th>8. Which financial year was this grant for?</th>
<th>9. Source of money (Mark all that apply)</th>
<th>10. When did this activity start</th>
<th>11. When did this activity end</th>
<th>12. Did the school request for this infrastructure?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building a Boundary Wall</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>First instalment</td>
<td>Not applicable</td>
<td>First instalment</td>
<td>Not applicable</td>
<td>0</td>
<td>20</td>
<td>0</td>
<td>0</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>No</td>
<td>Don't know</td>
<td>Last instalment</td>
<td>Not applicable</td>
<td>Last instalment</td>
<td>Not applicable</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Don't know</td>
<td></td>
<td></td>
<td>Not applicable</td>
<td></td>
<td>Money not yet removed</td>
<td>Not applicable</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Don't know</td>
</tr>
</tbody>
</table>
WHAT WE FOUND: SLOW COMPLETION

Mis-match between demand for activity and fund receipt
“He got money for boundary wall but the biggest problem was lack of drinking water facilities”

Completion rates and utilisation is low resulting in large unspent money

Lack of information on use of money (money lies in the bank account for months till they get information)

Procedural delays – lack of land availability, lack of junior engineers to carry out construction, delays in technical sanction etc

Building classrooms in Purnea district, Bihar
GOVERNANCE: UNDERSTANDING INSTITUTIONAL ARRANGEMENTS

What we want:
- To assess the impact of school governance on school’s performance

What we do:
- Record dates of monitoring and interaction with officials
- Record communities involvement in school financing

<table>
<thead>
<tr>
<th></th>
<th>Ask the HM for the monitoring book and take the information from there. If there is no monitoring book, then ask the HM and fill this section</th>
<th>DD/MM/YY YY</th>
<th>Never visited the school</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>When did a district-level official last visit the school?</td>
<td><em><strong>/</strong></em>/___</td>
<td>O</td>
</tr>
<tr>
<td>2</td>
<td>When did a block-level official last visit the school?</td>
<td><em><strong>/</strong></em>/___</td>
<td>O</td>
</tr>
<tr>
<td>3</td>
<td>When did a cluster-level official last visit the school?</td>
<td><em><strong>/</strong></em>/___</td>
<td>O</td>
</tr>
<tr>
<td>4</td>
<td>How did you get this information? From the monitoring register O Others O Specify ___________________</td>
<td>Headmaster told you O</td>
<td></td>
</tr>
</tbody>
</table>
WHAT WE FOUND: WEAK GOVERNANCE STRUCTURES

- Weak monitoring and grievance Redressal
  - Too many over-lapping lines of responsibility. No single department can hold all officials to account
  - Capacity constraints: over-worked officials with limited incentives
  - Institutional constraints feed into weakening accountability

**Note:** Calculated from the month of the survey.
Objective: Using information collected to catalyse reform within the community

- Developing a tool kit to improve local decision making and planning
- Working with a set of School Management Committees to understand, plan and monitor schools.
LESSONS & CONSIDERATIONS: ADAPTING PAISA METHODOLOGY
LESSONS AND CONSIDERATIONS

- Pick a “lens” to understand the problem. Allocation question? (not getting enough); Efficiency question? (process related); Leakage question (capturing corruption); Outcome question? (outcome monitoring)

- “Peel the onion on public expenditures”: What is the total budget? Players/institutions involved, different sources of money, process of money flows etc

- Start small: Track something that is doable, meaningful, and actionable

- Different techniques work at different levels (household level: simple survey, local government: detailed surveys; sub-national level: interviews, document analysis)

- But engaging with the community and getting them to participate in data collection and feeding information back to the community is KEY.

- Finally find “advocacy and messaging triggers” – Budget analysis is disseminated during Budget Session. Local survey analysis feeds into annual national and sub-national planning cycles.
THANK YOU

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