

## **“Follow the money!”**

### **Accountable governance of water services at the local level through Public Expenditure Tracking Systems (PETS)**

#### **Norwegian Church Aid**

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A short film on the project (7:48 min) is available at:  
<http://www.youtube.com/watch?v=4c6JRmgKRLs>

##### **Description of the practice:**

**Name of the practice:** *Follow the money! Accountable governance of water services at the local level with the Public Expenditure Tracking System (PETS)*

##### **Aim of the practice:**

The aim of Public Expenditure Tracking Systems (PETS) is to ensure that the delivery of public services is maximized and that the corrupt use of public budget resources is eradicated. PETS are implemented in the water sector as well as other public services sectors such as education and health.

##### **Target group(s):**

Rights-holders at the grassroots level  
Relevant public bodies (local and municipal level)

##### **Partners involved:**

- The role of **Norwegian Church Aid (NCA)** has been to introduce the resource partner to our faith based core partners and to encourage them to include PETS in the district activity plans.
- The programme is financed by **NORAD and the Norwegian Embassy in Tanzania**.
- Faith-based core partners: **Christian Council of Tanzania (CCT), Tanzania Episcopal Conference (TEC – Catholic Church), BAKWATA (National Muslim Council)**.
- Resource partners: **Hakikazi Catalyst** (for PETS trainings); for the VICOBA programme: World Conference on Regional & Peace (WCRP)
- The tracking exercise is implemented by **local PETS committees**

The **resource partner Hakikazi Catalyst** is the lead trainer at national and district level. The **faith based core partners** of NCA implement the initiative at the district level and make sure that animators are trained and able to facilitate capacity building at the village level. Religious

organizations are strategic partners for scaling up PETS activities since they have a wide coverage at the local level and their religious leaders are often very influential people. Faith-based partners can also provide a certain degree of protection for PETS groups especially if they are unlawfully arrested or harassed by local government officials and police.

**Local PETS committee** members are often recruited from **VICOBA (Village Community Banks) groups**. The VICOBA village savings and loans scheme is an integral part of the NCA community development program of which PETS is another key element. VICOBA is facilitated by the same three major religious partners (CCT, TEC, BAKWATA), with the World Conference on Regional & Peace (WCRP) - Tanzania as an additional resource partner. The main advantage of connecting PETS and VICOBA is that VICOBA members are already literate on financial and accounting issues, and already have good skills in understanding budgets and accounts.

The practice, which is also implemented by other civil society organizations in Tanzania, is supported by the **national government** and a [National Guideline](#) has been passed to facilitate the work of PETS in Tanzania.

**Duration of practice:**

Since 2007 and ongoing.

**Financing (short/medium/long term):**

The PETS training is not very cost intensive. The expenses for training and facilitating the groups are covered by HAKIKAZI (the partner lead on training) and TEC/CCT/BAKWATA (for village level trainings and ongoing facilitation). The funds come from NCA, with NORAD/Norwegian Embassy Tanzania as backdonor. Basic training for PETS committee members takes about two weeks.

**Brief outline of the practice:**

A Public Expenditure Tracking Systems (**PETS**) tracks whether funds allocated for vital public services, such as water and sanitation, education, and health, are actually spent as planned and on behalf of the intended beneficiaries. PET is a tool for Civil Society Organizations creating transparency and accountability by enabling local communities to monitor public resources and challenge their misuse. Essentially, it is the process of tracking public resources from the source to the point of service.

The system is designed to empower right-holders at the grassroots level to demand rights-based services from relevant public bodies. For this purpose, people participating in PETS committees are trained to read and analyze public budgets and accounts, and to monitor how financial plans are implemented. If realities on site differ from the plan (budget) and the reported expenditure (accounts), the committees have been trained on how to file complaints and secure interventions against corruption by higher level government officials.

PETS is not restricted to water service delivery but can also be applied to other public services, e.g. education or health services, according to the priorities determined by each community. In Tanzania, the practice is supported by the national government and a Guideline has been passed to facilitate the work of PETS.

## **CRITERIA 1-5:**

### **Normative criteria (1-5)**

1. **Availability**
2. **Accessibility**
3. **Affordability**
4. **Quality/safety**
5. **Acceptability**

Public Expenditure Tracking Systems (PETS) empower rights holders to hold accountable those responsible at the local and municipal level for the correct use of public finance in water service delivery and the delivery of other essential services. PETS as such does not make a prior assumption of the criteria or the aspects that the community-based PETS committee will address. It is the citizens and members of a local PETS committee who analyze the situation and compare the budget with the actual services and expenditures, thus identifying challenges and issues for follow-up by themselves.

In practice, PETS committees that chose to address water service delivery usually focus on a range of issues, including availability, accessibility and affordability, as well as quality and acceptability. In many cases the misuse of resources in public water services affects several or even all of these aspects and they are therefore addressed by the PETS committees.

For example, in the case of Ilula, a town in Tanzania, which is documented in the video available at <http://www.youtube.com/watch?v=4c6JRmgKRLs>, the problem was that public money had been “hijacked”: The money was used as intended (for water supply), but the facility was misappropriated by the local water officer and presented as a private facility from which he sold water to the community employing “cycling water boys”. In this particular case, accessibility and affordability of water were mainly affected. PETS revealed that the facility had been financed by public money. When this was exposed publically, the local government dismissed the local water officer and made the water available free of charge to the community. For more details on the Ilula case, please see below.

Although the main focus of PETS is to monitor whether and how planned public spending on vital services is implemented, getting communities involved in decision-making is also an objective of PETS. The Ilula case shows how PETS can also empower communities to raise questions on the priorities and the plan itself: the local authorities have realized that citizens have questions and are demanding accountability not only in implementation but also in priority setting.

### **An Example: Hijacked water services in Kilolo, Ilula:**

At the beginning of the programme, the water situation in Kilolo was very difficult. The community only had access to public water once a week for a few hours (→ availability). The most reliable water supply was provided by private business: a retired colonel sold water to water boys who used bicycles to transport and sell water in Ilula. Community members felt that the prices were much too high (see video documentation) (→ affordability). Some women paid with sexual services because they were desperate to get water from the water vendors.

Applying PETS in the water sector the local PETS committee found out that the local government water officer was the same retired colonel who was selling the water as his private business. The expenditure tracking found that money had come from the district to develop the water systems, and that the colonel had hijacked the public water sources and sold the water for private gain. The committee wrote a report and shared it with the village assembly and the district commissioner.

*Good Practice Contribution to the Independent Expert on the issue of human rights obligations related to access to safe drinking water and sanitation.  
Submitted by the Ecumenical Water Network (EWN) and the ACT Alliance on behalf of Norwegian Church Aid, Tanzania*

The committee asked the village government to call a meeting and they used the opportunity to ask the water officer a number of simple but pertinent questions: *Who owns this water? Why doesn't the community get water? What is the problem?*

The village chairman initially sided with the water officer (the retired colonel) which created tension and conflict. The retired colonel refused to provide answers and instead replied "When did you ever see a rat chasing a cat?" Following the meeting the retired colonel fabricated a case against the PETS activists and some of the key PETS activists were imprisoned and charged with damaging public property. Others suffered as their shops were closed down.

The PETS committee continued its work and shared its report with the Member of Parliament representing this constituency. They also contacted the District Commissioners office and asked for concrete follow-up. As a result, the legal case that had been fabricated against the PETS activists was dropped in the end, the water officer was replaced, and the water was released to the community. Furthermore, the village assembly has become much more attentive to the issues raised by the people of Ilula.

1. How does the practice meet the criterion of availability?

*Answer: Please refer to combined answer for criteria 1-5 above.*

2. How does the practice meet the criterion of accessibility?

*Answer: Please refer to combined answer for criteria 1-5 above.*

3. How does the practice meet the criterion of affordability?

*Answer: Please refer to combined answer for criteria 1-5 above.*

4. How does the practice meet the criterion of quality/safety?

*Answer: Please refer to combined answer for criteria 1-5 above.*

5. How does the practice meet the criterion of acceptability?

*Answer: Please refer to combined answer for criteria 1-5 above.*

## **6. How does the practice ensure non-discrimination?**

### **Explanatory note: Non-discrimination**

Non-discrimination is central to human rights. Discrimination on prohibited grounds including race, colour, sex, age, language, religion, political or other opinion, national or social origin, property, birth, physical or mental disability, health status or any other civil, political, social or other status must be avoided, both in law and in practice.

In order to address existing discrimination, positive targeted measures may have to be adopted. In this regard, human rights require a focus on the most marginalized and vulnerable to exclusion and discrimination. Individuals and groups that have been identified as potentially vulnerable or marginalized include: women, children, inhabitants of (remote) rural and deprived urban areas as well as other people living in poverty, refugees and IDPs, minority groups, indigenous groups, nomadic and traveller communities, elderly people, persons living with disabilities, persons living with HIV/AIDS or affected by other health conditions, people living in water scarce-regions and sanitation workers amongst others.

### **Answer:**

The basic idea behind PETS is to promote non-discrimination and transparency in public service delivery (please see basic description).

PETS also ensures non-discrimination by making sure that the PETS committees are elected through a democratic process in the local community and that the impact of PETS is felt by all citizens in the form of improved service delivery and increased participation in decision-making.

In Tanzania, the local PETS committees that implement the tracking exercise are often recruited from the VICOBA groups (Village Community Banks). To be able to join a VICOBA group you need to be able to save. The project has demonstrated that even financially very poor citizens are able to join VICOBA groups and save small amounts every week.

There is a strong focus of non-discrimination in the VICOBA philosophy. The groups are called Interfaith Vicoba as they are open not only to people of one faith, but for all. For example, in those areas facilitated by the National Muslim Council (BAKWATA), Christians are welcome to be part of VICOBA groups. The same is the case with Muslims in the areas facilitated by the Christian Council of Tanzania (CCT) and the Tanzania Episcopal Conference (TEC). Women often constitute the majority of participants in VICOBA groups, and hence have been very visible and active in the PETS activities.

VICOBA groups are formed by the people themselves. They are facilitated by one of the core partners while training is provided by the resource partner World Conference on Regional & Peace (WCRP). Each group can have up to 30 members. When all groups are full, people are free to start a new group. Hence, there are few barriers to entry.

## **7. How does the practice ensure active, free and meaningful participation?**

### **Explanatory note: Participation**

Processes related to planning, design, construction, maintenance and monitoring of sanitation and water services should be participatory. This requires a genuine opportunity to freely express demands and concerns and influence decisions. Also, it is crucial to include representatives of all concerned individuals, groups and communities in participatory processes.

To allow for participation in that sense, transparency and access to information is essential. To reach people and actually provide accessible information, multiple channels of information have to be used. Moreover, capacity development and training may be required – because only when existing legislation and policies are understood, can they be utilised, challenged or transformed.

### **Answer:**

In the villages, the process of forming a PETS village committee starts with a village assembly during which the village members choose and endorse a sector/issue/project in the village on which to conduct PETS. Then members of the village PETS committee are elected by the villagers.

If the tracking exercise identifies any discrepancies between the planned budget and actual expenditures, the PETS committee requests explanations and justifications from the relevant local leader. A short report is compiled and presented to the village assembly for feedback. The relevant local government staff members are asked to provide explanations to the village assembly. The report is then forwarded to the local ward and district council and also shared with other key stakeholders, as well as the media and other relevant decision makers in the area.

## 8. How does the practice ensure accountability?

### **Explanatory note: Accountability**

The realization of human rights requires responsive and accountable institutions, a clear designation of responsibilities and coordination between different entities involved. As for the participation of rights-holders, capacity development and training is essential for institutions. Furthermore, while the State has the primary obligation to guarantee human rights, the numerous other actors in the water and sanitation sector also should have accountability mechanisms. In addition to participation and access to information mentioned above, communities should be able to participate in monitoring and evaluation as part of ensuring accountability.

In cases of violations – be it by States or non-State actors –, States have to provide accessible and effective judicial or other appropriate remedies at both national and international levels. Victims of violations should be entitled to adequate reparation, including restitution, compensation, satisfaction and/or guarantees of non-repetition.

Human rights also serve as a valuable advocacy tool in using more informal accountability mechanisms, be it lobbying, advocacy, public campaigns and political mobilization, also by using the press and other media.

### **Answer:**

Ensuring accountability is at the heart of PETS. PETS empower rights holders to hold accountable those responsible at the local and municipal level. By training citizens to identify misuse of public expenditure, PETS enable ordinary citizens to determine and ensure value for money by comparing public resources used with the public services offered.

To achieve this, the PETS committees are **trained** on understanding PETS, its importance, how to access relevant documentation from the local government institutions, on how to understand *budget and accounting documents* and on *how to monitor actual expenditure (i.e. not only what is reported, but what has actually been spent and utilized in the public utility)*. They are also trained on *Rights, Roles and Responsibilities of local government officials* as well as citizens themselves. Information on various *laws, policies and regulations* is also addressed.

The PETS process involves **requesting from the local authorities the relevant documents**, financial reports, receipts/invoices related to the selected sector. The information collected is compared with the concrete evidence from site visits (physical verification) to assess whether the public resources have been well spent and whether they got value for money.

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Access to important financial information is often denied on the first request, but granted later when the local government officials realize that PETS is supported from the highest political level. The **national guidelines** of the Prime Minister's Office – Regional Administration and Local Government (PMO-RALG) require all local government officials to provide access to information to those who need it. As such they are very important tools for the PETS committees.

Some key documents when conducting PETS:

- Key policy documents, plans and legislation
- Annual Accounts and information on local revenues.
- Treasury and other government notifications.
- Routine budget and expenditure statements.
- Routine approval implementation statements.
- Financial regulations and government circulars
- National budgets and treasury disbursement reports
- Approved District, Ward and Village plans and budgets
- Financial statements, narrative reports and audit reports.
- Minutes and memos
- Drawings and specifications.
- Audit reports.

Some key questions to ask during PETS:

- Did the local government body spend its budget allocation and did they provide adequate explanations for all over and under expenditure?
- Did the local government body follow proper payment procedures and implement proper financial controls over its spending of public funds in all instances?
- Did the local government body use the available resources for their intended purpose?
- What are the implications of the local government body's spending for the progressive realization of the human rights and needs of those that it serves?
- Are local governments officials accounts for their responsibilities as approved by the government, public or citizens (policies, laws, guidelines, procedures, ethics, etc)?

## 9. What is the impact of the practice?

### **Explanatory note: Impact**

Good practices – e.g. laws, policies, programmes, campaigns and/or subsidies - should demonstrate a positive and tangible impact. It is therefore relevant to examine the degree to which practices result in better enjoyment of human rights, empowerment of rights-holders and accountability of duty bearers. This criterion aims at capturing the impact of practices and the progress achieved in the fulfilment of human rights obligations related to sanitation and water.

### **Answer:**

1. **Empowerment of rights-holders** to demand rights-based services from local government bodies. This creates constructive accountability mechanisms in the communities.

Empowerment of rights-holders is also related to:

**Movement building** among VICOBA groups helps to create solidarity among rights-holders and a feeling of empowerment and strength in unity.

**Gender equality:** Women are very active in tracking public expenditure and have received a higher status in the local community after securing better service delivery.

**Financial literacy** in the population of rights-holders: The VICOBA groups are already familiar with a) plans and budgets, b) accounts and reports and c) accountability mechanisms. However, PETS provides a further increase of popular knowledge of financial literacy and public budgets.

**Risk reduction:** High degree of group solidarity and community support, including support from local and district based religious leaders, reduces the risk of negative reactions from unaccountable government leaders.

2. **Accountability** is built at the local level and people at the grassroots are able to hold their elected or appointed leaders to account when public resources are misused.

3. **Better service delivery** from local government as a result of empowerment and accountability: PETS enables ordinary citizens to determine and ensure value for money by comparing public resources used, with the public services offered. Project staff have seen several cases of significant improvement in service delivery of water and education.
4. **Improved Government Practices:** Community awareness of the role of citizens in enforcing responsible government resource allocation has created more space for the democratic development process, whereby people's individual voices and choices have greater influence on their lives and meaningful citizen's participation level has increased.

"Before PETS we did not have access to public water in our village. Now after PETS we have free access to water and the local government water officer is accountable to us!" Rehema Mbwanji, Ilula

## 10. Is the practice sustainable?

### **Explanatory note: Sustainability**

The human rights obligations related to water and sanitation have to be met in a sustainable manner. This means good practices have to be economically, environmentally and socially sustainable. The achieved impact must be continuous and long-lasting. For instance, accessibility has to be ensured on a continuous basis by adequate maintenance of facilities. Likewise, financing has to be sustainable. In particular, when third parties such as NGOs or development agencies provide funding for initial investments, ongoing financing needs for operation and maintenance have to be met for instance by communities or local governments. Furthermore, it is important to take into account the impact of interventions on the enjoyment of other human rights. Moreover, water quality and availability have to be ensured in a sustainable manner by avoiding water contamination and over-abstraction of water resources. Adaptability may be key to ensure that policies, legislation and implementation withstand the impacts of climate change and changing water availability.

### **Answer:**

Social sustainability: The PETS approach is simple and effective, using a simplified tool known as PIMA CARD. The training enables rights-holders lastingly to create an accountability mechanism towards local duty-bearers. By establishing successful "precedents" in the communities, like in Ilula where the discovery and public discussion of the misuse of public resources for water services led to the responsible officer being replaced, it reduces the incentives for corruption and increases the incentives for citizens to engage in monitoring. People are self-motivated when they see that service delivery improves as a result of PETS. This provides strong sustainability and degree of self-motivation of the groups.

However, it should be noted that the level of understanding related to public budget and accounts are still low and needs to be improved through "refresher" training on PETS. There is a need for continued facilitation and training of other groups. So far, religious leaders have not received much training in PETS, and project staff believe that this group can play an important role once they are better informed about the system of PETS.

Financially: The PETS training is not very cost intensive.

Environmentally: The practice itself (mainly training, meetings of PETS Committee, meetings and communication with local authorities) has hardly any environmental impact.



## **Final remarks, challenges, lessons learnt**

### **Lessons learnt:**

- People are motivated when they see that service delivery improves as a result of PETS. This provides strong sustainability and a degree of self-motivation of the groups.
- Information provided through PETS can assist different stakeholder in knowing whether there were leakages of public resources, how much and who to hold responsible.
- Women are key players in the tracking activities and are taking an important role in demanding rights-based service delivery.
- VICOBA groups form a very relevant recruitment base for PETS activities based on high levels of economic literacy, high group solidarity, sustainable livelihood situation at household level and high degree of support from local community and leaders.
- Thorough training of participants on PETS at village level is essential to achieve sustainability and efficiency in PETS activities. The level of understanding related to public budget and accounts are still low and needs to be improved through “refresher” training on PETS.
- Religious leaders are not yet properly engaged in PETS and need more sensitization and training.
- The PETS Guidelines passed by central government on public expenditure tracking is very helpful and serves as an important tool for PETS groups all over the country.

### **Challenges:**

- ***Limited access to information and strong resistance from local leaders:*** Access to information is a serious challenge in Tanzania. The government guidelines on PETS are not yet well known and need to be better disseminated and understood by local leaders.
- ***Lack of facilitation of the PETS process:*** More facilitation is needed of communities, PETS committee members, local leaders and religious leaders. Many of those involved in PETS today are not yet fully capacitated to do the tracking properly. The level of understanding should be improved through “refresher” training.
- ***Limited protection from harassment:*** Some PETS groups have been arrested and harassed by local government officials and police. There is a need for support mechanisms for PETS implementers in order to avoid harassment. VICOBA groups provide a high degree of social support and hence their members have a considerable amount of self-confidence and solidarity. Religious leaders have formed inter-religious committees at district level, and these groups are ready to provide protection, support and encouragement to the PETS committees, when needs arise.
- ***Limited support from religious leaders and institutions:*** Within the NCA setup it is possible to get support from the religious leaders committee at the village or district level. This will require more sensitization and training of religious leaders on PETS.
- ***Limited monitoring capacity:*** NCA is working through core partners in 42 districts and it is a real challenge to be able to monitor effectively in all districts.
- ***Limited training capacity:*** Hakikazi is doing high quality training, but the demand for facilitation is higher than can be provided by the current capacity. It is well recognized that in addition to training the activists, there is a need to train local government officials.

**Potential for Replication:**

- This method is also used by other organizations inside and outside Tanzania.
- The PETS system in NCA Tanzania is implemented in close collaboration to the VICOBA groups. **VICOBA groups** form a significant recruitment base for PETS activities based on high levels of economic literacy, high group solidarity, sustainable livelihood situation at household level and high degree of support from local community and leaders. In others contexts where VICOBA does not exist, PETS can be trained with people from other types of community groups, but a general **literacy on economics** is a big advantage.
- It is also a big advantage if the PETS activists are part of a **movement that can give them protection and support**. Depending on the context, such protection may be rendered, for example by religious leaders and organizations or by linking with other social movements.
- PETS can be used even where the governments are more authoritarian and the space for civil society is more limited. However, it will require that the **central government is willing** to allow some space for partners to monitor service delivery and compare actual deliveries with allocated resources at local level. This is often possible, even if the central government is less democratic.
- PETS has also been used successfully in other areas outside the water sector (e.g. education)

**FINAL REMARKS:**

It is very important to have the support from central government as a primary duty-bearer in order for PETS Committees to communicate the required information. If this practice is to be replicated in other countries it would be important that the national government passes a law or provides guidelines to ensure access to information.

In the Tanzanian case, the [PETS Guidelines](#) passed by central government on public expenditure tracking is very helpful and serves as an important tool for PETS groups all over the country. However, the government guidelines on PETS are not yet well known and need to be better disseminated and understood by local leaders.