



Photo: Katrin Rosenberg

PUBLIC AUDIT PRACTICE – SHIFTING THE FOCUS OF ACCOUNTABILITY TOWARDS THE PEOPLE

Helvetas Nepal's experience of ensuring downward accountability

SUMMARY

Trust in NGOs cannot be taken for granted only because they work “not-for-profit”. Therefore, Helvetas ought to be accountable not only to its donors, but also to the beneficiaries. Helvetas Nepal introduced the public audit method in its infrastructure projects to ensure that “power holders” are accountable to the people. Before implementing the project, during the construction phase, and after completing the project, the users of the scheme gather and all relevant information is presented to them and discussed. This raises the awareness on the importance of accountability and people are empowered to demand it.

INTRODUCTION

This issue sheet provides an overview of the Public Audit Practice (PAP), as it is carried out within all Helvetas Nepal community infrastructure projects (irrigation, water and sanitation, trail bridges). The practice was introduced during the peak of the Nepali conflict around 2002, in order to be transparent to all conflict parties and therefore being able to continue rural development activities even in conflict zones. All stakeholders highly appreciated the tool and it is now a requirement for a project to be implemented.

The Users' Committee (UC) – a management committee comprising of proportionate representation by caste, including a 40% representation of women – receives the funds and is mainly responsible for the coordination of the project implementation. Support is provided by local partners of Helvetas and Helvetas Nepal itself. Therefore, it is essentially the UC who is accountable to all users of the scheme.

WHY DOWNWARD ACCOUNTABILITY?

The problem of corruption is particularly severe in Nepal and affects both governmental and non-governmental development agencies. Mechanisms for ensuring downward accountability and awareness among the people on their "Right to Information" are missing. Helvetas Nepal and its partners aim to ensure downward accountability in their own projects. Especially since the PAP is in place, funds are hardly ever misused. In case of small incidences, social pressure led to reimbursement. Through PAP Helvetas enhances its own credibility. But the actual goal is to sensitise the beneficiaries and build democratic practices from the bottom. People are empowered to demand accountability.



UC Member answering questions of the people during a Public Audit

WHO IS INVOLVED?

Basically, everybody who is interested is welcome to join the event. However, the key stakeholders, listed below, are specifically invited, either personally or through letters.

- Users
- Political party representatives
- Local elites
- Representatives from local government
- Local partner organisation
- Representative from Helvetas Nepal

HOW IS THE PUBLIC AUDIT PRACTICE

CARRIED OUT?

PAP consists of three events (Public Hearing, Review, Audit) contributing to enhance participation of poor and excluded communities in planning, implementation and monitoring of the intervention. The events are carried out by the UC and supported by the local partners of Helvetas Nepal.



Public Hearing

A Public Hearing is conducted in the preparation phase, before actual implementation starts. The event provides a space for the people to deliberate their concerns and if necessary modify the project implementation slightly. Organisational policies, costs and material provided, labour contribution, social processes, as well as the responsibilities of different stakeholders are discussed. An implementation and construction work plan is elaborated jointly. Finally, an agreement is signed by everyone to express commitment and ownership.

Public Review

This second event is carried out at least once during implementation phase to monitor the progress. Have all stakeholders committed to their tasks? Has the material been delivered as promised? Have the trainings been conducted? Have people deposited into the operation and maintenance fund as agreed? The project progress is presented to the stakeholders and opened up for discussions. The public review is a self-monitoring tool for quality control and adherence to the implementation plan.

Public Audit

After a project is completed, the users jointly commission and audit the project performance. A "final audit report" is presented to the public, comprising all cash and in-kind transactions. Clarifications on issues raised and decisions in case of embezzlement are also made during the public audit event. It is the last opportunity for people to complain about missing payments or material, or other issues. After everything is decided to be correct, a future outlook on how to best make use of the scheme concludes the event.

WHAT DOES THE PUBLIC AUDIT PRACTICE

AIM TO ACHIEVE?

Transparency

All project relevant information is transparently shared. Discussions are held and inquiries are replied to by different power holders (UC, local partners, Helvetas). A billboard is erected that displays a summary. The people very much appreciate this increased transparency.

Participation

The various steps of the process are designed specifically to give farmers an opportunity to express their views and concerns in relation to the projects for which they are organised. Furthermore, there is a minimum attendance required: at least 60% of the users have to be present; otherwise the event is cancelled. Thus, it is important to fix the date carefully and avoid busy farming times.

Feedback

Users and other stakeholders are highly encouraged to raise their concerns and share their experiences. Some local partners have developed innovative ideas such as “suggestion boxes”, where people can place their concerns anonymously. Comments and concerns are taken into account and, if technically and financially possible, project implementation is adjusted to people's wishes.



The accountant explaining the costs on the billboard

Social inclusion

Social inclusion and equity elements are embedded in the project design (e.g. women and Dalit members in the UC). The PAP has contributed largely to the consolidation of these requirements. PAP provides a platform for discussions and deliberations and the marginalised are empowered to claim their “rights” within the project. Openly discussing prevailing inequitable practices and discriminations fosters cohesion and trust among the users.

Empowerment

The PAP raises awareness among the people on their right to information and on the duty of the power holders to be accountable to them. People are empowered to claim transparency and accountability from other donors/ INGOs as well as from the government.

PAP AND PEACE BUILDING

The PAP has an impact on a conflict setting, by de-escalating tensions through transparency. Inclusiveness is enhanced if not only formal actors, but also less visible key actors are invited. The following changes can be expected:

- The perceptions and attitudes among the stakeholder change and improve.
- Institutionalising PAP has a huge impact on relationships between the administration, groups and individuals. Increased trust due to transparency, communication and collaboration can be observed.
- Concerns and experiences of the marginalised are formally included in the policy process
- If practised over a longer term, the practice of transparency and accountability will not only change institutionally but also be embedded in the culture.

CHALLENGES

Capacity at local level to organise such events is often limited and there is a risk of provocative queries to malign an individual or the organisation. Therefore, good facilitation is crucial and needs to encourage everyone to share honest and critical reflections. Ideally, meaningful participation of all participants, including the marginalised, is achieved.

Although government representatives from district and local level are invited, their active participation is still a challenge. In the Nepali context with no elected local governments in place yet, participation of political parties' representatives is equally important. Local political leaders do attend the events and are interested in ensuring transparency.

There is always the possibility that the essence of the public audit practice is not captured and that it becomes a mere formality. Therefore, Helvetas and its local partners have an important role in communicating time and again the importance of accountability in order to achieve sustainable change.

Empowerment and meaningful participation of the marginalised groups is always a challenge and a long-term process. Nevertheless, the quota system is an important mechanism, as long as it is combined with effective and transformational empowerment processes.

CONCLUSIONS

The PAP has proved to be the right methodology to ensure downward accountability and to sensitise the people on their “Right to Information”. Also the government has recognised the importance of downward accountability and made it legally compulsory to conduct such an event once a year. The practice has reduced tensions and mistrust in the communities and has contributed to a higher awareness on the right to information and the importance of accountability.

Accountability makes a difference to both the organisation and its stakeholders. It increases the credibility and legitimacy of development organisations, strengthens governance structures, and leads to learning and innovation. Furthermore it ensures that the needs of the stakeholders are taken into account and that their awareness of accountability increases.



ALINe Award

Helvetas Nepal has been rewarded an ALINe Farmer Voice Award 2010 for its public audit practice. The Award recognises an extraordinary range of projects that are improving performance by promoting farmer voice in the design, implementation, and monitoring of projects.

ALINe is an initiative of Keystone and IDS that promotes people-centred performance in agricultural development, provides technical assistance, conducts research, and promotes innovations.

For further information on the ALINe awards please refer to <http://www.aline.org.uk/awards>

Dhan Bahadur Hirojak, chairperson of the UC of a Water and Sanitation project in Gogonpani VDC, in Nepal, first had some doubts about the PAP. But after conducting all three events, he is convinced of the added value.

“Public audits are very important to ensure transparency. Through these events, the public is aware of the costs of the project. Furthermore, PAP prevents any misuse of the funds, as people can control the fund flows. So it strengthens the relationship and trust between the UC and the users.”

CONTACT AND FURTHER INFORMATION

For further information on accountability please refer to the following documents:

- Helvetas Policy Guidelines on Downward Accountability (https://assets.helvetas.ch/downloads/1__downward_accountability_red_final_engl_a3_landscape.pdf)
- Governance and Peace Working Area Strategy 2010-2014 (Revision June 2013)
- Issue Sheet on Helvetas' experiences in working on social and public accountability

All Helvetas documents are available on request. Please contact the “Governance and Peace” desk under gop@helvetas.org