

Webinar Report

Decentralised Public Financing for WASH: Current Situation and Needs During and Beyond the Pandemic

Background

This document is based on the discussions in a multi-stakeholder Webinar on 'Decentralised Public Financing for WASH: Current Situation and Needs During and Beyond the Pandemic' that was held on 21st August 2020 from 3 pm to 5 pm¹. Centre for Budget and Governance Accountability (CBGA), IRC, and WaterAid (WAI) India were jointly engaged in an initiative to track and analyse public spending for WASH at the local level. Under this initiative, they worked with CSOs for improving their technical capacities and enhancing their involvement in tracking decentralised budgets as well as improving their utilisation. The purpose of the Webinar was to share the experiences and learnings from this initiative².

The following Panellists contributed to the discussion:

Ashok Kumar Ghosh (Chairman, State Pollution Control Board, Bihar)

Bishakha Bhanja (Feminist Activist, Odisha)

Ritu Jaiswal (*Mukhiya*, GP Singhwahini, Sitamarhi, Bihar)

Sanjeeb Kumar Patjoshi (Joint Secretary, Min. of Panchayati Raj, GoI)

Yogesh Kumar (Executive Director, Samarthan, Madhya Pradesh)

The webinar was attended by more than 100 participants that included heads and staffs of local bodies, representatives of civil society organisations working at local, national, and international level, think tanks and government agencies.

Key Objectives of the Webinar

- Facilitate a discussion among key actors on the current status of decentralised public financing for WASH services focusing on the role of the State governments and *Panchayati Raj* Institutions (PRIs);
- Highlight the policy and procedural bottlenecks that hinder the better implementation of decentralised financing reforms;
- Discuss the potential of improved financing in the present context of COVID-19;
- Identify policy and implementation measures for improving decentralised public financing for WASH in the context of the Fifteenth Finance Commission (FC).

¹<https://www.cbgaindia.org/event/decentralised-public-financing-wash-current-situation-needs-beyond-pandemic/>

²The Webinar proceedings have been recorded. Kindly contact info@cbgaindia.org for the link.

Opening Session and Key messages from the Panel discussion

In his opening remarks, Subrat Das (CBGA) highlighted the objectives of the Webinar while laying out the Agenda and introducing the moderator Raman VR from WaterAid India (WAI). The Webinar started with a presentation by the researchers Trisha Agarwala and Jawed Alam Khan (CBGA) on 'Decentralised Public Financing for WASH: Findings of a Collaborative Project'³. The presentation brought out the key points while summing up the two-year project with both IRC and WAI. Raman VR (WAI) moderated the Panel Discussion and introduced the Panellists.

Perspectives from the Union government

Dr. Sanjeeb Kumar Patjoshi (Joint Secretary, Ministry of *Panchayati Raj*, GoI), brought out the perspective of the government on decentralised public finance for WASH. He emphasized that a lot of progress had been made on the fund flows, transparency, and accountability of Central Finance Commission funds, wherein the utilization as per previous assessments had been found to be positive. States in Southern India had shown revenue generation and many number of *Gram Panchayats* (GPs) had been linked to the Public Finance Management System. Further, he said that public assets that were created through Central Finance Commission (CFC) had been geotagged and online audit initiated. The Interim Report of the 15th FC also stated that 50 percent of the funds were meant for WATSAN, thus showing the priority given to WASH. Quoting examples from his work, he mentioned that in many places the drought situation was mitigated by the diversion of funds towards water security measures. He also highlighted the urgent requirement to focus on hygiene and menstrual hygiene management (MHM) in GPs that are located in tribal dominated areas

Perspectives from the Local government (GPs)

Ritu Jaiswal (*Mukhiya*, GP Singhwahini, Sitamarhi, Bihar) pointed out the key role played by the *Mukhiyas* in their response to COVID-19 pandemic. During this period, they used the 20 percent funds from the Finance Commission to provide masks and soap to each household. For this purpose, the *Jeevika* Self Help Groups were engaged in making and distributing the masks thereby creating income options at the time of lockdown for women. Citing examples of how GPs managed the response well during COVID, she said that technical assistance created at the block level should similarly be created at the GP level. Since, GPs have the best understanding of their particular contexts and top down technical assistance was not found to be helpful, hence technical staff should work at the GP level. She further emphasized on how power without funds is a challenge for GPs. Highlighting the importance of sustainability in the entire WATSAN sector, she raised a crucial question on septic tanks not being emptied once they are filled and who was supposed to take responsibility to fund it.

³<https://www.cbgaindia.org/wp-content/uploads/2020/08/Consolidated-Policy-and-Practice-Learnings-2.pdf>

Perspectives from the State government

- Dr. Ashok Kumar Ghosh (Chairman, State Pollution Control Board, Bihar) while pointing out to the major problem of water quality in Bihar, said that the Public Health Engineering Department was mainly involved in building structures and does not involve the community in decision making process nor does it hand over the assets once they were completed. This created lack of ownership in the community towards the assets. Discussing the issue of low-quality WASH services provided to the community, he mentioned the lack of focus and foresight while planning for water service delivery. Usually, if the focus is on making water accessible then, quality is ignored, thus wasting resources in the process.
- On the topic of sanitation, Dr. Ghosh expressed his disappointment on the lack of foresight in schemes wherein to fulfil the targets for toilet construction, low quality toilets are built which in turn pollute the groundwater. Most of the population in Bihar depends on hand pumps for their water supply which are on shallow aquifer level, hence creating a new public health challenge. He suggested that to ensure maintenance of WATSAN facilities, communities should be involved from the beginning and fund flows need to be timely to ensure proper utilisation. He further said that the lack of coordination and communication have led to duplication of investments and gaps in implementation. He recommended that technical capacities of the GPs should be strengthened so that they can make appropriate decisions and GPs should be given more power through increased funding so that they become accountable.

Perspectives from Technical experts

Bishakha Bhanja (Feminist Activist and former Regional Manager, WAI, Odisha) while speaking on the utilization of the FC funds said that the 2016-17 Study by WaterAid India and CYSD on utilization of FC funds holds true even today since there is low utilization even now. Despite funds being adequate, the GPs have been unable to spend it. Timeliness in fund flow still remained a challenge apart from weak capacities of GPs. Further, even though trainings were being conducted; however, retention capacities of staff had not been assessed. Challenges of slippages in fully covered and partially covered habitations existed, although data showed these points as being functional. Ms. Bhanja suggested that State Institute of Rural Development (SIRD)⁴ and National Institute of Rural Development and *Panchayati Raj* (NIRD&PR)⁵ should reinforce the *Gram Panchayat* Development Plan (GPDP) processes and long terms plans could be prepared with due attention specifically given to training of frontline functionaries.

⁴The SIRD focuses on the qualitative development in the ongoing rural development schemes and sensitizes the elected representatives of PRIs to be proactive through capacity building activities through which the delivery system can be made effective.

⁵The NIRD&PR is an autonomous organisation under the Ministry of Rural Development. It builds capacities of rural development functionaries, elected representatives of PRIs, bankers, NGOs and other stakeholders through inter-related activities of training, research and consultancy.

Perspectives from CSOs

Yogesh Kumar (Executive Director, Samarthan, Madhya Pradesh), the final panellist of the Webinar brought out the importance of GPs in the entire governance structure. He said that there needed to be clarity on what is to be expected from GPs; whether they should be functioning as local governments or as an implementing agency? This question needed to be answered and for this purpose GPs should be trusted. Regarding unspent funds from the 14th FC grants, usually the States decided the priorities and hence, even “untied funds” became tied. This was without any understanding of the ground level needs thereby creating a mismatch of people’s demands and the State’s priorities. Ground level capacities should be assessed. Further, Dr. Kumar also pointed out to the fact that the 15th FC which provided funds to the 3 tiers of PRI system, the role and responsibilities between these were still not very clear. Further, line departments in many instances have been unable to see the interconnectedness and linkages between schemes and he suggested for a joint planning process where performance targets for departments could be collectively reported at the district level.

Q&A session with the Panellists and Closing Remarks

Raman VR moderated the questions and answer session with the panellists and the participants. Ruchika Shiva (IRC) in her closing remarks summed up the keys points and thanked the Panellists and the participants for their reflections and inputs. The key points from the Panel discussion and Q&A session are given below:

- **Larger role for government line departments**
Government line departments can play a larger role in delivering basic services to the community. There is a requirement for line departments to provide technical capacities at the Block and GP level and work in a collaborative manner.
- **WATSAN sector should be seen holistically**
The entire water and sanitation sector should be seen in an integrated manner rather than in silos. Safe sanitation and safe water services in terms of accessibility and quality are intricately linked.
- **Improved WASH services in schools, *anganwadi* centres and health centres**
WASH services in social sector institutions such as schools, *anganwadi* centres and health centres should be prioritized by the line departments with the GP as the key agency in planning.
- **Transfer of the 3Fs to GPs**
Although the process of decentralization had aided GPs role in implementation as evident in their ability to provide an effective response to the COVID-19 pandemic, however, tied funding proved to be an obstacle. Transferring power without funds to GPs is meaningless. Taking into consideration that GPs utilization of the 14th FC funds have improved progressively (50-60

percent) as evident in the findings of the study by IRC-CBGA-WAI⁶, there should be more flexibility given to GPs towards spending untied funds. It was suggested that if there are multi-village schemes, the Block administration should be able to plan for it.

- **Use of LCCA for better transparency in WASH funding**

Issues of transparency on the details for WASH spending should be addressed so that one is able to discern the amount spent for maintenance and capital costs. It was recommended that the Life Cycle Cost Approach⁷ (LCCA) could be used to enable better planning and to make the services sustainable in the long run.

- **Greater technical support for GPs**

A critical point raised was that GPs were increasingly getting overburdened since they had to look into all aspects of village life starting from implementing basic service provision to disaster management. In light of the current COVID-19 crisis, GPs have been at the frontline and hence there is a pressing requirement for more support by line departments at all levels of governance as well as from CSOs.

- **Increased support towards female leaders in local governments**

It was revealed that female *Sarpanchs/Mukhiyas* were overburdened and were unable to meet the practical demands of the work especially in the initial period of the pandemic. There is a need for them to be involved in a larger capacity in their role as *Sarpanchs/Mukhiyas* and assistance should be given whenever it is required.

- **Greater push towards generating Own Source Revenue in GPs**

Since government funding is limited and time bound in addition to the dependency of the community vis-a vis government, efforts should be made to push for revenue generation in the GPs such as increased own source revenue (OSR).

Establishment of a separate cadre of sanitation workers for GPs

- Given that rural areas do not have sanitation workers like in urban areas, attempts should be made to develop a cadre of salaried sanitation workers in villages so that cleanliness and hygiene is maintained in rural areas.

⁶<https://www.cbgaindia.org/wp-content/uploads/2020/08/Tracking-Budgets-for-Rural-WASH-Odisha.pdf>

⁷ The LCCA seeks to raise awareness of the importance of life-cycle costs in achieving adequate, equitable and sustainable WASH services, to make reliable cost information readily available and to mainstream the use of LCC in WASH governance processes at every level.