

Case Study EU-TAPP

Use of a Grant Tracking Tool to support Service Delivery in South Sudan

June 2016

To support the local government in South Sudan in being able to deliver services to its citizens, the EU-TAPP team has developed a Grant Tracking Tool (GTT) which tracks the funds flowing from the national government, through the state ministries to the counties and finally to the beneficiary departments (i.e. health; education). The GTT supports the accountability of government through providing information on the discrepancies between budgeted and actual funds, stimulating a timely and full transfer of funds through the different levels of government to the final beneficiaries

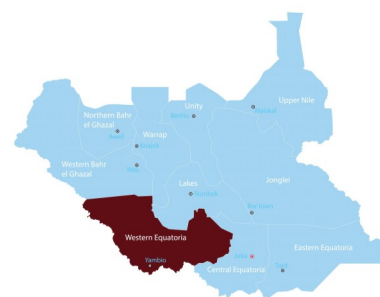
What was the situation?

The national Ministry of Finance and Economic Planning (MoFEP) makes various transfers to the counties on a monthly basis through the State Ministries of Finance (SMoF). The number of transfer types being made to counties as well as the amounts have been progressively increasing over the previous years. There are however, shortcomings at the state and county levels in applying the guidelines and mechanisms for the proper transfer and utilisation of the funds transferred by the national government. For this reason, the EU-TAPP is mandated to support the states and counties to manage and account for the transfers to the counties.

What challenges did we encounter that justified the development of the GTT?

The main challenge encountered was the lack of reliable and understandable information on the transfer of grants from the national government to the county level. No information was available concerning whether the funds were fully transferred from one level of government to the other; whether the funds were transferred at all; whether the funds were transferred on time; whether the amount of funds transferred adhered to the money that was budgeted to be transferred; and whether the money transferred was ultimately applied to the intended purposes. This information was not known at county level, state level or at the County Transfer Monitoring Committees (CTMCs) responsible for monitoring these transfers, making transparent financial reporting very difficult. The lack of information was an obstacle in the accountability of government financial systems.

EU-TAPP stands for the EU funded project: Technical Assistance for sub-national capacity building in payroll and PFM in South Sudan. The purpose of this project is to improve service delivery in South Sudan through strengthening Public Financial Management (PFM) and payroll management at state and county level. EU-TAPP implements the broader Local Services Support (LSS) agenda of the Government of South Sudan. Significant results were achieved, improving PFM and payroll management through workshops and On-the-Job training on county and state level. The work was performed by a core national team and state-based teams in 7 out of 10 states. Ecorys and VNG implemented this project between August 2014 and August 2016.



Western Equatoria State

This challenge was encountered by the EU-TAPP team when providing On-the-Job training with the county staff in Western Equatoria State (WES); and after further research the team concluded that the CTMC chairman also did not have an idea of how much of the operational grant had been transferred to each county. Similarly the State Minister for Local Government was dealing with the same challenge in order to follow up on the transfers. The reports produced by IFMIS were too complicated for him to understand. Consequently the GTT has been developed and successfully piloted in WES.

What solution did we propose?

The EU-TAPP team has developed a simple excel-based tool in which the relevant information can be easily captured: the Grant Tracking Tool (GTT). The GTT is a set of excel templates designed to capture records of transfers for all grants from national government to the local government on a monthly basis: Conditional salary grants; operation grants; block grants; county development grants; and Payam development grants. The transfers from national governments are compared to what has been received by the state government, the county government, and ultimately the beneficiary departments at county level, revealing any discrepancies. Furthermore, it captures records of annual budgets and compares the budget with the actual receipts to reveal any gaps between budgets and actuals. An example of a GTT in Western Equatoria State comparing funds received by the state to those received by the counties is shown below.

EXAMPLE TOTAL TRANSFER BY SMoF TO COUNTIES AGAINST BUDGET (SSP)					
	(A)	(B)	(C)	(D)	
SECTORS	BUDGET 2014/15	ACTUAL RECEIPT BY SMoF 2014/15	VARIANCE 2014/15 BUDGET	TRANSFERRED TO COUNTIES 2014/15	Balance Due B - D 2014/15
EDUCATION	4,560,000	4,560,000	-	3,600,000	- 960,000
HEALTH	5,400,000	5,400,000	-	4,800,000	- 600,000
WATER	1,452,000	1,452,000	-	1,440,000	- 12,000
General Administration			-		-
TOTAL	11,412,000	11,412,000	-	9,840,000	- 1,572,000

What was the result?

Western Equatoria State

After the GTT has been developed and piloted in WES, the following results have been identified:

- Previously, when grants were sent through the line ministries, not all the amounts were remitted to the line departments. In some cases less than half would be sent; but with the introduction of the GTT, the counties have started receiving full amounts;
- The transfers have become more punctual;
- The GTT has furthermore empowered the CTMC as the information for their work was readily available, enabling them to follow up on unremitted grants with the SMoF and line ministries;
- Grants are no longer transferred through line ministries, the SMoF started remitting directly to the counties after the GTT was introduced; and
- The grants for the counties that were withheld by the SMoF and the line ministries have been released when the information captured during the piloting stage was discussed by the Council of Ministers.

Due to the success of the pilot in WES, in the extension and bridging phase of EU-TAPP (6 months extension added after February 2016), the GTT has been rolled out to other states, showing that state compliance with the transfer to counties is mostly an issue on Block Grants and Operating grants, not conditional salaries.

Selected state compliance with the transfer of conditional transfers to the counties Jan –Feb 2016

County Department	Transfer Name	Yei River State	Aweil State	Loi State	Western Lakes State	Eastern Lakes State	Gok State	Gogrial State	Tonj State	Namonyang State	Inakong State	Jonglei State
Administration	Block Grant	✓	✗	✗	✗	✗	✗	✓	✓	✓	✓	✓
Education	Transfers conditional salaries	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Transfers Operating	✓	✗	✗	✗	✗	✗	✓	✓	✓	✓	✓
Health	Transfers conditional salaries	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Transfers Operating	✓	✗	✗	✗	✗	✗	✓	✓	✓	✓	✓
Water	Transfers conditional salaries	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Transfers Operating	✓	✗	✗	✗	✗	✗	✓	✓	✓	✓	✓

Key:

✓ Yes, the state transfers the money from the national government to the counties

✗ No, the state does not transfer the money

What are the lessons learned and the relevance of the

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Lesson 1: Creating transparency in funding flows can help funds reaching the lower level of government and the increase of services delivered to the people at the grass root level.

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Lesson 2: The GTT can help all levels of government and individuals to be more responsible, transparent and accountable, and provides an instant source of information for decision making by stakeholders, as well as easing the work of an oversight body such as the CTMC.

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Lesson 3: The GTT is not an end in itself, unless it is given political support it will fail. The national government should take action so that the stakeholders build confidence in the system and government itself by recovering unremitted funds and sending it to the intended beneficiaries.

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Lesson 4: Besides internal accountability, the GTT can also improve outward accountability and transparency, providing a source of information for civil society and media.

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Lesson 5: In the case of PFM in a fragile context, where the misuse of funds is an issue to be tackled and ICT equipment as well as skills are not available, using a simpler tool such as the GTT can provide accountability as a step towards the more sophisticated information systems such as IFMIS.



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