

Monitoring the finance needed for sustainable service delivery

Keynote paper for Topic 1 of “Monitoring Sustainable Service Delivery Symposium”, 9 to 11 April 2013, Addis Ababa, Ethiopia

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1. Introduction

The WASH sector has come a long way since 2010; as WASH professionals, we are starting to have a common and shared financial language. So what is preventing us as a sector to have better financial data? And when we get it, what is holding us back from sharing it? At the symposium, the many presenters will aim to go beyond these constraints, provide their visions and share specific methodologies that can monitor finance.

The purpose of this Background Paper is to introduce Topic 1 of IRC's International Water and Sanitation Centre Symposium 2013 on Monitoring Sustainable WASH Service Delivery: "Monitoring the finance needed for sustainable service delivery". The paper sets the context for the discussions under Topic 1 and summarises some of the key issues, which will be discussed in the four sessions dedicated to the topic:

1. What has been the progress during the past years three years on monitoring finance for WASH?
2. What are some of the latest methodologies to monitor finance for water, sanitation and hygiene?
3. How is finance related to global and national level monitoring?

The objectives of Topic 1 are: to present and discuss the latest technical proposals that monitor and track financial flows in the WASH sector at international and national levels, and to provide a platform for discussion on the difficult area of measuring the cost effectiveness of hygiene interventions. Furthermore, it is expected that the incentives for financial monitoring are demonstrated and how information can be used in practice to improve service delivery.

2. Tracking finance in the context of the post-2015 agenda

The vision for water, sanitation and hygiene (WASH) in the post-2015 Millennium Development Goals (MDG) agenda is to reach everyone by 2030, even those difficult to reach. One of the priorities set in the technical proposal of the JMP (2012) is that WASH should be equitable and sustainable. This means that success should be measured not only in terms of increasing the number of people with access (as stipulated currently in the MDG framework) but also reducing inequalities—between the rich and the poor, urban and rural dwellers, slums and formal urban settlers, disadvantaged groups and the general population. Achieving a basic level of service is also not enough. We must progressively increase the level of service and ensure sustainability over the long term; this time actually measuring it with specific indicators representative of what is understood by "services" and "sustainability".

Key challenges for tracking finance

One of the first reactions drawn from governments and donor agencies to the ambitious targets for 2030 is that it will be expensive to reach them, and the sector will need a large injection of funds. In some countries financial requirements might exceed the available funds, but in many cases the funds available are not being used effectively. It is not known which countries fall in each of the categories because tracking finance is not being done systematically. At present, the three main challenges globally for monitoring finance can be summarised as follows:

1. Monitoring finance in the WASH sector is very limited, there is little knowledge on how much is allocated and even less on how much is spent (from all sources: public, private, transfers, tariffs, taxes), and as a result on how much more is needed (WHO, 2012).
2. From the work being done in different countries, it is known that if the finance available remains constant, there can be considerable savings and value for money gains by investing more in

recurrent maintenance and post construction support to ensure sustainability rather than investing solely in infrastructure (Burr and Fonseca, 2012).

3. There are very limited datasets that allow us at present to track patterns of increasing discrimination and inequality (WHO/UNICEF, 2012) in finance allocation to WASH. Setting targets specifically for reducing inequalities in access to water, sanitation and hygiene services will enable countries to strike a balance between investing in sustainable and better services, while at the same time investing in reaching those who have so far been left out.

Since the IRC symposium on costs, finance and accountability in 2010 (Pezon et al, 2010) the WASH sector has come a long way in offering a more coherent discourse when talking about finance. There is also a more realistic idea of how much it costs per person per year to provide basic water and sanitation services (as opposed to infrastructure) (WASHCost, 2012). The need for national and global finance monitoring is widely recognised, and more countries and donors are reporting on financing flows in the UN Water Global Annual Assessment on Sanitation and Drinking Water Report (WHO, 2012). The focus on sustainability (and the recurrent expenditure that comes with it) has been increasing over the last years, in part motivated by increasing data availability on water system failures (Improve International, 2012), internal evaluation reports (European Court of Auditors, 2012; DGIS, 2012) and slippage data in sanitation programmes, which is significantly impeding progress (WHO, 2012).

However, a recent review on policies, strategies and guidelines of 11 development partner organisations highlighted how little attention is being placed on planning for life-cycle costs and asset management, specifically on recurrent costs and who is responsible for preventive and larger (unexpected) maintenance (Triple-S, 2012). This is consistent with the failure rates being reported and the evaluation reports mentioned above. National tracking systems do not provide enough level of detail of financial information on how much, from where, and to whom it is allocated (WHO, 2012). As identified in the IRC symposium of 2010, many strong, financing messages in use are still unsubstantiated: communities and households are by default expected to cover the necessary recurrent costs to ensure sustainability with little knowledge from those who design and implement programmes on the real recurrent costs, and if these are affordable in the first place.

There are promising initiatives, which will be presented and discussed in the symposium:

- The UN-Water GLAAS TrackFin Initiative, which defines and tests a globally accepted methodology to track WASH finance (Trémolet and Rama, 2012)
- The financial sustainability and affordability indicators being proposed for the post-2015 process (JMP, 2012)

However, one of the more tenuous assumptions in the WASH sector at the moment is that once there are methodologies available to track finance, organisations and governments will actually share their data.

Since 2008, WASHCost¹ found that some of the methodologies to track finance are now being used to inform national budgets (e.g., in Uganda, Ghana and Mozambique) but the PLAN International Global Expenditure Review from 2009 (Robinson, 2009) remains the only global document published to date with clear financial data on WASH implementation programmes. Fonseca et al (2011) compiled and analysed the use of 12 online and offline cost-based decision support tools for water and sanitation between 2000 and 2010. Most of these have been developed at international level, but their use has been limited. There is a real difficulty in populating financing tools with the required life-cycle costs data; most tools actually assume that the data is available. In practice, very few of them were actually fed with reliable costs and financial data.

A key discussion point for the symposium is that none of these indicators and methodologies will be used if there are no incentives, regulation or support at country level to report the data required. Based on WASHCost's experience in Ghana and Mozambique, once the financial data is available, data is fit and fed into national- and district-level processes for planning and budgeting; the higher the incentives to keep collecting and using financial data. The main challenge is to collect this type of data for the first time and set in place a process that ensures it happens again.

Why does it matter to track finance?

As a sector, without measuring, we cannot plan. Without planning, we cannot act. As Einstein once said, we cannot keep “doing the same thing over and over again and expect different results”.

To reach the sector's level of ambition—universal coverage by 2030—it is essential to track finance, and make sure that for services to last, we will need different approaches, especially financing approaches. Better tracking of finance can improve value for money, can provide costs and financing benchmarks for countries with different levels of development, can assist to better utilise existing funds, and can enable the sector to begin paying attention to the problematic and not negligible (in size) recurrent annual costs.

From a human rights perspective to water and sanitation, the main reason why monitoring finance matters is that as a sector, we need to be able to target and shift financial resources to those who need them—basic, safe access to water supply, sanitation and hygiene—the most. There is a minimum threshold of water and latrine availability, of quality standards for water and sanitation, and of reliable services below which is simply no longer acceptable and limits the rate of progress.

By tracking finance, it is expected that both policy and implementation decisions are supported, towards a faster rate of progress to a basic level of access, and ultimately a more sustainable and equitable WASH sector.

¹ WASHCost was a five-year action research programme led by IRC International Water and Sanitation Centre, running from 2008 to 2012 with partner organisations in Burkina Faso, Ghana, Andhra Pradesh (India) and Mozambique. The WASHCost team collected and analysed cost and service level information for water, sanitation and hygiene in rural and peri-urban areas, applying the life-cycle costs approach. The life-cycle costs approach examines the complex relationships between expenditure, service delivery, poverty, effectiveness and sustainability <www.washcost.info> .

3. Tracking taxes, transfers and tariffs

To monitor finance, knowing where the money for sector-related activities come from is important. This section summarises the known main financing sources in the WASH sector, also referred to as the three T's: taxes, transfers and tariffs (OECD, 2009). For the latest publications on this matter, refer to Trémolet and Rama, 2012; Hervé-Bazin, 2012 and the Akvopedia WASH Financial Portal².

The main financing sources to recover the costs of water, sanitation and hygiene service delivery are usually a combination of taxes levied by national or regional governments, transfers made by development partners, and tariffs (or own contributions) paid by users.

Taxes

Taxes refer to funds originating from domestic taxes that are channelled to the sector via transfers from all levels of government; including national, regional and local (GLAAS, 2012). Such funds would typically be provided as subsidies for capital investment or operations. "Hidden" forms of subsidies may include tax rebates, soft loans (i.e., loans at a subsidised interest rate) or subsidised services (e.g., subsidised electricity). Most lower-income countries do not collect enough taxes at decentralised levels of governance to finance infrastructure construction (e.g., capital expenditure) (IRC and WSUP, 2012). Most taxes in lower income countries are collected at national level and distributed to the different regions according to an allocation formula; and in general allocations for water and sanitation are very limited (WHO, 2010).

Transfers

Transfers refer to funds from development banks, international donors and charitable foundations (including NGOs, decentralised cooperation or local civil society organisations) that typically come from other countries (GLAAS, 2012). These funds can be contributed in the form of grants, concessionary loans (i.e., loans that include a grant element in the form of a subsidised interest rate or a grace period) or guarantees. Transfer mechanisms include for instance, Overseas Development Assistance (technical support and budget support) and direct transfers (known as remittances).

In many developing countries, transfers remain a major source of financing for sanitation and drinking-water, mostly for capital expenditure (WHO and UN-Water, 2012). Over US\$ 8.9 billion in official development assistance (ODA) was directed to sanitation and drinking-water in 2009 (WHO and UN-Water, 2012). Estimates of remittances (transfers from a foreign individual to her or his home country) to developing countries exceeded largely international aid at US\$ 325 billion, based on 2010 World Bank figures, but it was not possible to track how much is allocated to WASH. More recently there has been some interest in carbon credits as a transfer mechanism for the sector (Water Institute, 2012; IRC, 2009).

Tariffs

Tariffs are funds contributed by users of water, sanitation and hygiene services for obtaining the service (GLAAS, 2012). Users generally make payments to service providers for receiving access to the service, and for using the service. When the service is self-provided (e.g., when a household builds and operates its own household latrine), the equity invested by the household (in the form of cash, material or time) also falls under tariffs. In cases where households try to improve the service they receive in terms of

² Available at <http://www.akvo.org/wiki/index.php/Finance_Portal>

water quality (filters and other products) and water quantity (storage tanks, rainwater harvesting facilities) is also considered under household contributions.

Tariffs may cover operating costs but are rarely enough to cover all other costs (OECD, 2009). For example one third of the 66 countries in the GLAAS country survey (2012, p. 36) indicated that collected revenue with tariffs covers less than 80% of operating costs for urban utilities. In many countries, water tariffs have not been adjusted for years and do not cover production and distribution costs (Ginneken et al, 2011).

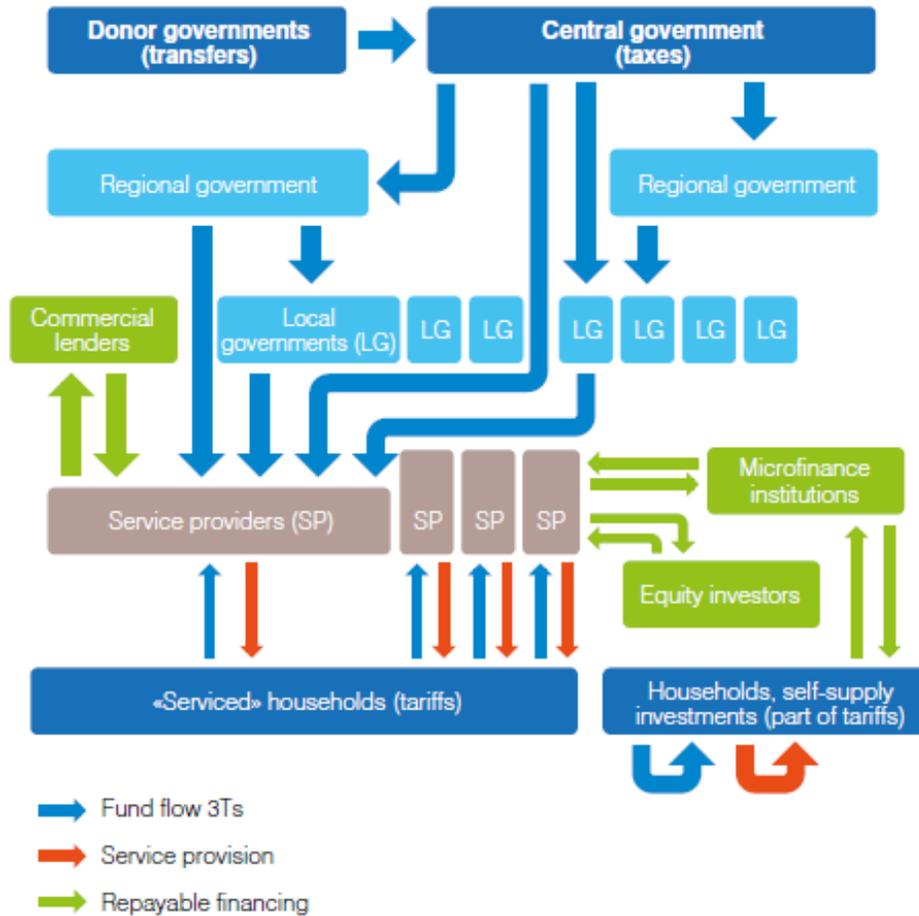
The main constraint in tracking financial expenditure via tariffs is that own contributions from households in developing countries—which are much higher than assumed—are not captured (Burr and Fonseca, 2012; Trémolet, Kolsky & Perez, 2010).

Financing streams

The way in which the main financing streams (e.g., taxes, transfers and tariffs) typically circulate in the water and sanitation sector is depicted in figure 1. The main actors involved are the water, sanitation and hygiene service providers, households and domestic governments and development partners.

The dark blue boxes show the financing sources and the light blue boxes show the financing channels for public funding (note that the central government or its agencies may play the role of both financing source and financing channel at the same time) (WHO, 2012). However transfers from donors other than governments, such as charitable foundations (including NGOs, decentralised cooperation or local civil society organisations or individuals) to individuals, households, service providers and different levels of governments are missing from the figure.

Figure 1 Financing flows in water and sanitation sector at national level



Source: Trémolet et al, 2010³.

4. What to track? Towards a common cost terminology in the sector

Cost components

To capture and monitor the costs of a water, sanitation or hygiene service, it is important to be aware of the different elements associated with delivering a service. WASHCost has been promoting the use of a life-cycle costs and a common terminology within the sector; which is essential in facilitating a like with like comparison. For instance “maintenance”, “O&M” and capital maintenance are cost aggregations with different components within them. Similar to global accounting systems, a common standard is needed in the sector.

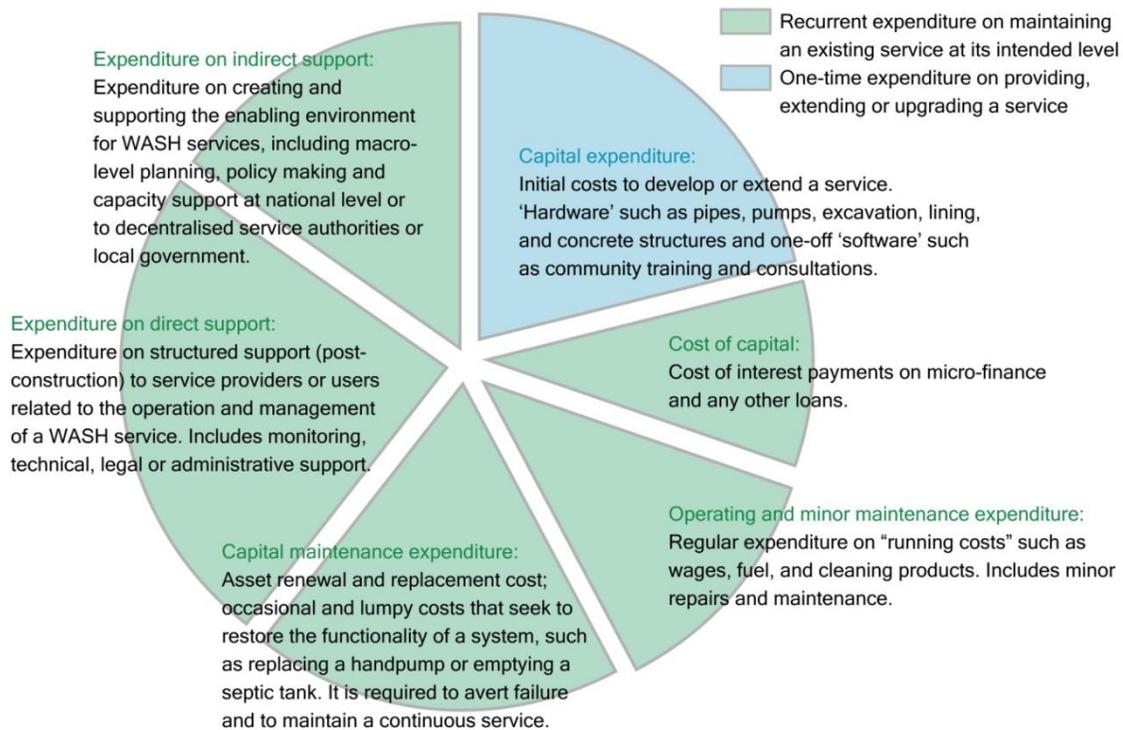
Life-cycle costs are the costs of ensuring adequate WASH services to a specific population, in a determined geographical area—not just for a few years but indefinitely. The term “life-cycle costs” should be understood as the costs of providing and sustaining a service, rather than a “cradle-to-grave”

³ For a detailed analysis on the opportunities and challenges of tracking each of these sources, see Tremolet, et al., 2010.

costs of individual components on which it relies. Life-cycle costs encompass operation, maintenance, management and the financial costs incurred during the different stages of service delivery, both hardware and software. The life-cycle costs approach uses an adaptation of the regulatory accounting approach to aggregating costs and separating investment costs (e.g., capital expenditure) from recurrent costs (Fonseca et al., 2011).

Capital expenditure refers to the costs of providing a service where there was none before; or of substantially increasing the scale or level of services. Recurrent expenditure refers to the maintenance expenditure associated with sustaining an existing service at its intended level. These costs are summarised in figure 2.

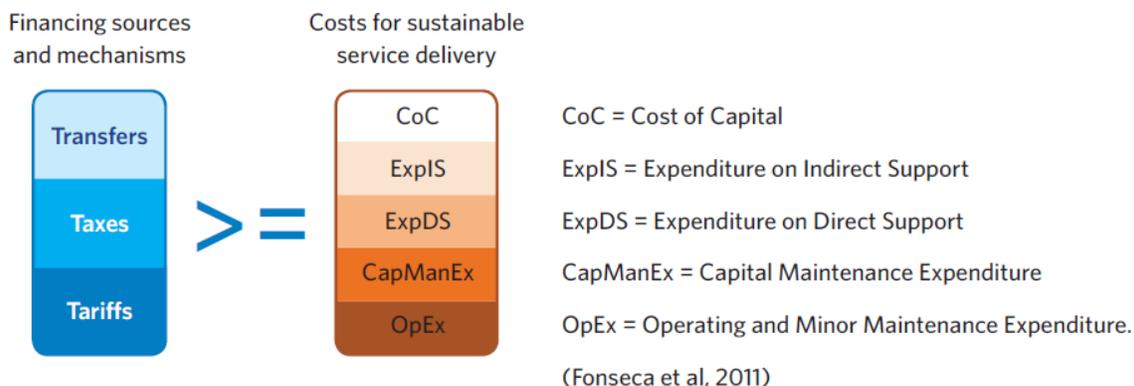
Figure 2 Life-cycle costs components



Source: Fonseca, C. et al., 2010.

The funding to be allocated to the different cost categories can come from one of the 3Ts: tariffs (including household own expenditures), taxes and transfers. For services to be sustainable, figure 3 illustrates how a combination of financing sources is required on an annual basis, which is equal or higher than the annual recurrent costs. Note that the figure is not meant to represent the relative magnitude of recurrent costs.

Figure 3 Financing sources and recurrent costs for sustainable service delivery per year



Source: Norman et al., 2012.

How different financing sources are allocated to different costs

For the IRC symposium in 2010 Pezon et al (2010, p. 7) developed a generalisation of how the costs of water and sanitation service delivery were then being (re)covered by the main sources of financing (see table 1). The illustration in table 1 remains valid to date. Tariffs are mostly used to cover operations and minor maintenance expenditure and the cost of capital. Transfers are mostly focused on capital expenditure and indirect support. Taxes are used to cover direct support. Capital maintenance and direct support costs are underfunded, as they are both expected to be covered by tariffs and taxes respectively; but in reality this is not happening, and the premature failure of infrastructure happens all too often.

Further disaggregation can be done for water, sanitation and hygiene respectively. Some of the papers at the symposium (see Annex A) will demonstrate how this is being done.

Table 1 Generalisation of existing financing sources to (re)cover costs of water, sanitation and hygiene service delivery

	Capital expenditure (CapEx)		Operations and minor maintenance expenditure (OpEx)	Capital maintenance expenditure (CapManEx)	Expenditure on direct support (ExpDS)	Expenditure on indirect support (ExpIDS)		Cost of capital (CoC)
Tariffs								
Transfers								
Taxes								
Construction of new system				Not applicable				
Existing system	Not applicable							
Upgrade of existing system				Not applicable				

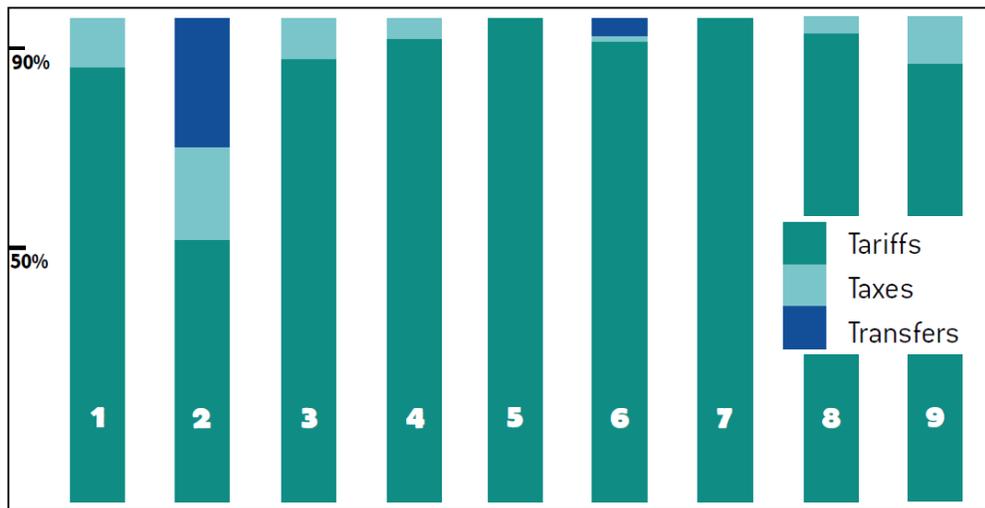
Source: Pezon et.al, 2010.

In 2012, the Ecologic Institute undertook an analysis of financing streams in the water sector in eight European countries. Figure 4 shows the percentage of the tariffs, taxes and transfers in the overall budget (DANVA et.al, 2012). The similarities are striking with the WASH sector in developing countries:

- Only a small percentage of taxes support WASH services.
- Most of the costs are recovered from tariffs. In developing countries these include own contributions from households.
- Transfers still play a role, even within Europe.

The main difference is that the Ecologic Institute was able to conduct the analysis, and had access to data from one source per country to present this information.

Figure 4 Financing sources to water sector in eight European countries in percentage (%)



(1) Berliner Wasserbetriebe (BWB, DE): 3,4 M inhab. (2010). Taxes are not to be exhaustive.

(2) Metropolitan area of Barcelona. (ES, 2009)

(3) Brest Métropole Océane (FR): 210,000 inhab. (2010)

(4) Vitens (NL): Provinces of Friesland, Overijssel, Flevoland, Gelderland and Utrecht; a number of municipalities of Noord-Holland and Drenthe. (2010)

(5) Bristol Water (UK): 1 million customers. (2010)

(6) Wodociagi Warszawskie (PL), City of Warsaw. (2009)

(7) Vand Center Syd, City of Odense (DK): 155,000 customers. (2010)

(8) Publiacqua, Tuscan region (IT): 1,277,000 inhab. (2010)

(9) Public water and waste water services (FR), FP2E. (2008)

The only aspect missing from this analysis is that unless the level of services that are being provided is known, it is almost impossible to say anything meaningful when comparing expenditure. The life-cycle costs approach can be used to monitor levels of service received by users and the costs required to deliver these services. Costs are compared and assessed in relation to the level of service received by

users. Services are ranked in a 'ladder', from no service to high or improved service, based on different criteria. Each step up the service delivery ladder requires a different combination of infrastructure, management systems and human resources.

5. For further discussion during the symposium

For achieving sustainable services, financial sustainability is critical. If tracking financial flows in the water sector is notoriously complex, for sanitation and hygiene services the challenge is higher owing to the more fragmented nature of the funding flows, and the higher contribution received from households and individuals. This can also pose opportunities. Tracking financial flows for water properly requires a national commitment, but tracking funding to sanitation and hygiene can be much more localised and smaller scale. Most funds can be tracked by implementing agencies (this also reflects the limited national level funds/ transfers at the moment to the sanitation and hygiene sub-sectors) before and after their interventions. ***Some of these experiences will be discussed in session 3 of the symposium finance topic.***

An important disclaimer for the monitoring finance sessions discussions is that there is little value in tracking finance without linking it to the services being delivered. The choice of technology for water and sanitation is not synonymous with the services delivered to the population. It is not possible to make planning and budgeting decisions without analysing contextual data on the intended quality, quantity, reliability and accessibility of the services to be provided.

The WASHCost benchmarks for a basic level of service are available, the sample methodology ensured diversity, but the base data came from four countries only (Burkina, Mozambique, Ghana and India - Andhra Pradesh). The cost ranges for both capital expenditure and recurrent expenditure are wide, especially for sanitation. More cost data is necessary to increase (regional) accuracy. However, as discussed, incentives are required for to accelerate the process of tracking finance. This can only happen if: i) someone (or many) asks for data at country level; and ii) the data fits and feeds into national level processes, bringing benefits to the sector. Globally-driven initiatives alone will not deliver the change required in this area. ***Session 4 of the finance topic will enlighten us on the nature of some of these incentives linked to monitoring finance.***

It is expected, in the coming years, that:

- there will be a push from the human rights framework and the post-2015 financial indicators to monitor finance;
- more countries will start using the life-cycle costs approach at national level (e.g., Uganda, Sierra Leone, Honduras and Bangladesh in 2013);
- more countries will join the TrackFin Initiative (Morocco, Brazil and Ghana planned for 2013), and will report on finance flows in GLAAS; and
- and more donors will require value for money evaluations for their WASH programmes (DFID, DGIS, EU).

As a result, by 2015, significant improvements in the use of costs, and finance tracking initiatives—to inform the change required to reach everyone by 2030 now and forever—will be achieved. ***These will be discussed in sessions 1 and 2 of the symposium finance topic. See Annex A for the planned papers and speakers.***

6. What's next? What's missing?

In consultation with colleagues developing this session for the symposium, and based on IRC's work on WASH finance in the last 12 years, there still remain some obvious gaps which will require further action-research efforts:

1. Based on WASHCost, there is now an idea of cost ranges required for a basic level of service, but not for higher levels of service. From simple calculations done within WASHCost, it is known that moving higher up the service ladder takes an exponential effort. Meaning, before improvements are seen across several indicators of service, the financial requirements become extraordinary, requiring developments in the countries' economy well beyond the water sector. A related issue is that a basic level of service might not yield many economic and social benefits as illustrated by some of the work done on multiple use services. How 'basic' does a basic level need to be to support developments beyond improved health?
2. Once financing gaps are identified, the next hurdle is how and who is responsible for financing these costs? Experiments with new mechanisms and players are needed to identify how the required (recurrent) expenditure can be financed. Different options exist ranging from insurances to international ring-fenced funds (Fonseca et al, 2013). Also, the iteration between costs and financing for recurrent annual costs is likely to require new approaches to planning and budgeting within working communities, districts and regional finance, ensuring that the service models and technologies are actually affordable to all those involved in providing the services.
3. Many organisations working at international level target large implementers and national governments to offer financing initiatives. There is a need to support the many small-scale implementers, wealthy individuals and small and medium-sized charities with: i) more accessible tools; and ii) a simplified analysis of cost data. For instance the WASHCost Calculator is a new application that allows a quick financial sustainability check. At the Symposium, participants will receive the opportunity to test the beta version of the WASHCost Calculator (follow the signs that say "Do the math, make it last!"⁴), and provide critical feedback to make sure that the tool is useful and fulfils a need.
4. Related with the point above the next question emerges: What level of detail (granularity) are we, as a sector, aiming at? What is the minimum information on finance that both global and national institutions actually need to track? Is it the indicators being proposed at international level for financial sustainability plus the indicator on affordability?
5. The largest limitation of all the cost tools reviewed by WASHCost (Fonseca et al, 2011) is that none of them include well-developed components, on either the services delivered or planned for. None include desired outcomes linked to cost inputs, neither do they take into account actual lifespans of the different components of technology for calculating annual costs (as opposed to 'ideal lifespans'), nor the number of real users per system in making cost comparisons. What will be "good enough"?

⁴ For more information on the WASHCost Calculator, contact Vera van der Grift at WASHCostCalculator@irc.nl

6. Finally, many of the papers submitted to the finance topic discuss rural and small town water and sanitation. A draft literature review by Verhoeven et al. (2013) concludes that little research and testing have been done on appropriate service delivery models, their life-cycle costs and financing arrangements of sustainable sanitation service delivery for the urban poor. It is unclear how sanitation service delivery can be arranged (e.g., service delivery models), what sustainable sanitation service delivery for the urban poor costs, and how this can be financed.

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Annex A: Summary Programme for Topic 1

Monitoring the finance needed for sustainable service delivery

Session 1

Why monitoring finance matters: global perspectives and indicators

Tuesday 9 April

14:00 -15:30

The session that opens the finance theme will discuss the importance of financial monitoring at national and international levels. Particular attention will be given to the global monitoring environment in light of post-2015 discussions and technical proposals developed so far. The proposed indicators for measuring financial sustainability – focusing on affordability and targeting the poorest - will be presented and discussed in a panel session.

1. Catarina Fonseca’s keynote will reflect on what has changed during the last three years since finance was discussed at the last IRC symposium in 2010: Why monitoring finance matters? What progress has been reached in terms of methods and practices to track financial flows? What are the main outstanding issues?
2. Guy Hutton’s key note will present the indicators being proposed at global level to measure financial sustainability and affordability. Why are these indicators relevant at global level? What is the link with national monitoring frameworks?

Session 2

Monitoring finance flows at global and national level: approaches and methodologies

Tuesday 9 April

16:00 -17:30

This session showcases different approaches that are being tested and used at global and national levels to monitor and use financial data. A critical underlying question is how financial monitoring can lead to improved planning and budgeting and subsequently can impact policy priorities?

1. Sophie Trémolet and Marie Alix Prat from Trémolet Consulting will describe the overall vision and methodology for the UN-Water GLAAS TrackFin initiative, which aims to define and test a globally accepted methodology to track finance to WASH at national level, so as to improve our understanding of current expenditure in the WASH sector. This initiative proposes to support countries to develop national WASH-Accounts, similar to the National Health Accounts that are developed in the health sector.
2. Lucrezia Biteete from Fontes Foundation and René van Lieshout from IRC Uganda will show the results of applying an information scan that looked at cost data used for financial planning and budgeting in Uganda. The scan mapped the expenditure flows of the entire rural water and sanitation sector in Uganda, including all the main actors involved in channelling funds.

Session 3**Financial monitoring to assess cost effectiveness of sanitation and hygiene interventions****Wednesday 10 April****11:00 -12:30**

This session will reflect on new methodologies being tested to measure the cost effectiveness of hygiene interventions and the role they can play in improving the targeting of future investments and the sustainability of interventions.

1. Alana Potter, IRC-International Water and Sanitation Centre will present the methodology developed and tested over the last two years by the WASHCost project, using the lifecycle cost approach and a service level approach developed specifically for hygiene interventions. Her presentation will include findings from applying the methodology in Mozambique, a study done in collaboration with the Water Research Centre from the University of North Carolina.
2. Juste Nansi, IRC Burkina Faso, will present the summary of results from applying the methodology in Burkina Faso based on a paper by Amélie Dubé and Mélanie Carrasco.
3. Dr. Kwabena Nyarko, from Kwame Nkrumah University will focus on the results from using and adapting the hygiene cost-effectiveness methodology to the Ghana context.

Session 4**Improving sustainable service delivery by linking monitoring with decision making at national level****Thursday 11 April****11:00 -12:30**

This session will examine how financial monitoring by service providers and NGO's can guide decision making. What incentives are required for monitoring financial flows? What impact does this work have, ultimately on consumers and the services they receive?

1. Dr. Richard Franceys from Cranfield University will introduce the topic through a reflection of how the financial monitoring indicators used by UK service providers can inform regulation and operational decision making.
2. Julia Zita, WSP Mozambique and Arjen Naafs, WaterAid will show what happened when national and district monitoring started tracking and monitoring capital expenditure from all the contracts in the country.
3. Dr. Kwabena Nyarko from Kwame Nkrumah University in Ghana, will demonstrate different ways that regional governments and NGOs can easily track and utilise the costs of annual recurrent expenditures for planning and budgeting.