**SUMMARY:**

**Introduction**
Environmentally sound basic urban infrastructure and services have a crucial role to play in sustainable human settlements. Chapter IV(B) of the Habitat Agenda recognizes adequate basic infrastructure – water supply, sanitation, and waste management facilities, as well as sustainable energy, transport, and communication systems – as a fundamental element in the achievement of “adequate shelter for all”. World leaders meeting at the United Nations Millennium Summit in September 2000 further committed themselves to attaining the water target of the Millennium Development Goals, which aims to reduce by half the proportion of people without sustainable access to safe drinking water by 2015. In 2002, the World Summit on Sustainable Development in Johannesburg added another target: to halve by 2015 the proportion of people who do not have access to basic sanitation. Meeting the internationally agreed targets on water and sanitation is particularly important because of the impact they will have on the quality of life of the poor and their downstream effects on other Millennium Development Goal targets.

**Focus Area 4 Situation**
Despite efforts being made by many governments, access to environmentally sound basic urban infrastructure and services such as safe drinking water, basic sanitation, drainage, waste disposal services, transport, and energy remains a distant reality for most urban residents, especially the poor residing in urban and peri-urban settlements of the developing world. Lack of clearly defined urban development policies and legislation, low current investments in services for all and pro-poor financing mechanisms, weak institutional capacity, inadequate data and poor information flows, and the high cost of energy for water delivery are some of the obstacles faced by governments in their drive to more equitably expand access to basic urban infrastructure and services.

**Goal and Strategic Result**
The goal of Focus Area 4 is to make sustainable urbanization in targeted countries a fundamental principle driving development policy-making and implementation at the
national and local levels, with a focus on reaching vulnerable groups. The strategic result is expanded access to environmentally sound basic urban infrastructure and services with a special focus on the unserved and underserved populations.

Key Indicators
The strategic result will be measured using two indicators:

i) Number of people in target communities with access to environmentally sound basic urban infrastructure services.

ii) Percentage of institutional stakeholders reporting a positive perception of UN-HABITAT’s contribution to expanded access by the poor to basic urban infrastructure and services in selected communities.

Expected Accomplishments

i) Increased number of countries with an enabling policy and institutional framework in place that expands access to environmentally sound urban infrastructure and services.

ii) Increased institutional efficiency and effectiveness in the provision of basic urban infrastructure and services.

iii) Enhanced consumer demand for environmentally sustainable basic urban infrastructure and services.

SECTION 1: Focus Area 4 Situation

Environmentally sound basic urban infrastructure and services are central to promoting sustainable human settlements, a key goal of the Habitat Agenda. Yet, 13 years after the adoption of the Habitat Agenda, the expansion in global population, urbanization, changes in climate, and the recent global economic downturn have combined to limit access to safe drinking water, basic sanitation, drainage, waste disposal services, urban mobility, and energy for most urban residents, especially the poor residing in urban and peri-urban settlements. It is estimated that more than a billion people in the developing world lack safe drinking water. Nearly three billion people live without access to adequate sanitation. For the urban poor, lack of access to safe water and basic sanitation causes widespread ill health, which further limits their productive capabilities. Often the urban poor have to buy their water from private vendors and pay far more per litre than their richer neighbours. Similar deficits exist in terms of access to urban transport and energy services.

Many urban water systems are poorly maintained, and it is not unusual for half the water to be lost in distribution (systemic losses). At the same time, municipal revenue collection is often poor, further restricting operation, maintenance, and investment funds for expansion.
Experience has demonstrated that investments in basic urban infrastructure and services, unless properly directed, do not necessarily lead to better services for the urban poor. Few local governments have a clearly defined urban development policy, let alone a policy for basic infrastructure and service provision and maintenance in urban informal settlements. In most cases, the thriving informal markets for water, energy, and mobility services are neither regulated nor supported, and the poor end up paying more for transport, energy, and water, often of dubious quality. Additionally, local governments frequently lack the capacity to play their role in protecting water from pollution by local commercial and industrial establishments.

Formal water delivery in urban settings depends on the national power supply, and rationing or frequent blackouts disrupt supply. Since numerous towns rely on diesel pumps for water delivery, the recent rapid rise of oil prices has increased the price of water, making this basic commodity less accessible to the urban poor. In some cases, water pumping stations have been closed due to the lack of resources to cover operational costs. The cost of fuel also affects the transport of water from the source to the end user. It is evident that the type of energy and the way it is used affect both the final consumer cost and the availability of water to the end user. Therefore, improving the provision of water and sanitation services is closely linked to expanding urban energy and transport options.

In addition, global warming and related climate change impacts are likely to profoundly affect water and sanitation service provision and health in human settlements. There will be greater risks from water-related diseases (due to water pollution), reduced water flows in some areas, and localized flooding, in addition to major disruptions in the provision of sanitation services. Urgent action is therefore required to initiate structured adaptation to climate change at the local level and build climate-related capacity in the water and sanitation sector to mitigate the serious health consequences of climate change that will inevitably be felt at the community level. Climate change adaption and mitigation efforts are also central to future initiatives in urban transport and energy under Focus Area 4.

SECTION 2: Key Results and Lessons Learned from Previous Programmes 2006–2007

2.1. The Water and Sanitation Programme of UN-HABITAT

The Water and Sanitation Programme of UN-HABITAT was reorganized following the establishment of the Water and Sanitation Trust Fund in 2003. This was in pursuit of the call in the United Nations Millennium Declaration “to reduce by half, between now and 2015, the proportion of people who lack sustainable access to adequate sources of affordable and safe water” and the Plan of Implementation adopted at the World
Summit on Sustainable Development, which added a new target that aims to reduce by half the proportion of people who do not have access to basic sanitation by 2015.

The UN-HABITAT Water and Sanitation Trust Fund provides a fast-track mechanism for cities and small towns and enables them to reach out to the poor. The objective of the fund is to create an enabling environment to stimulate follow-up investments in water and sanitation.

The fund supports four interlinked sets of activities:

i) Regional water and sanitation programmes in Africa, Asia, Latin America, and the Caribbean, facilitating pro-poor, gender-sensitive investments in partnership with the three regional development banks and the World Bank.

ii) Replicable model-setting initiatives in Africa and Asia, through the Lake Victoria Region Water and Sanitation Initiative, which focuses on secondary towns, and a similar initiative in the Mekong region.

iii) Developing pro-poor and gender-sensitive governance frameworks, a global assessment of the state of water and sanitation in cities, water operator partnerships, and advocacy, public awareness, and education.

iv) Monitoring progress towards the achievement of Millennium Development Goal and World Summit on Sustainable Development targets related to water and sanitation.

2.1.1. Mid-Term Review of Water and Sanitation Trust Fund Operations

A mid-term review of the Water and Sanitation Trust Fund in 2007 concluded that the trust fund’s work is to be directed towards the water and sanitation goals by focusing on vulnerable and neglected populations in small urban centres and poverty pockets in large cities, through a policy of consolidation rather than expansion. Country programmes show promise, and community development models are innovative, work well, and complement conventional multilateral development bank efforts. Approaches that combine infrastructure rehabilitation and development with capacity building can ensure good operation and maintenance and create a sustainable revenue base for service providers. Water delivery is good where there are strong local partners. There is a need to further develop pro-poor governance systems and the poverty targeting of activities. Water demand management is working well and is viewed by utilities, banks, and some private entities to be of considerable value. The review found that partnerships with the African and Asian development banks are among the programme’s core strengths.

The review recommended that the programme developed under the Water and Sanitation Trust Fund should revolve around the flagship activity of pro-poor governance and community-driven development, with two further focal activities supporting this approach:
• Water conservation and demand management as key management instruments.
• Community-driven sanitation, together with systems for small- to medium-scale sewage treatment facilities that can be located close to residential areas.

2.1.2. The UN-HABITAT Trust Fund Strategic Plan (2008–2012)

The UN-HABITAT Trust Fund Strategic Plan presents the overall strategic framework for the development and implementation of trust fund-supported activities. It outlines four strategic focus areas during the 2008–2012 period:

• Delivering sustainable services for the poor
• Ensuring synergy between the artificial and natural environments
• Monitoring the Millennium Development Goals and beyond
• Integrating infrastructure and housing

2.1.2.1. Delivering sustainable services for the poor

The Water and Sanitation Trust Fund will continue to strengthen its core programme area of developing hardware and software models to improve pro-poor access to water and sanitation in human settlements. This will include:

i) Promoting efficiency and consistency through pro-poor governance
ii) Facilitating community-led sanitation
iii) Capacity building for urban water utilities
iv) Linking service provision to income generation

2.1.2.2. Promoting sustainability of interventions

The Water and Sanitation Trust Fund strives to make impacts on the sustainability of individual pilot initiatives. This includes facilities such as improved toilets and water points, the capacity to build and manage them, and institutional arrangements to ensure they are well run. Communities participate in the identification of needs, the design, construction, and management of new services, and the monitoring of results. A second sustainability consideration is the extent to which pro-poor processes take root on a lasting basis, independent of UN-HABITAT funding. Longer-term sustainability will rely on the progressive withdrawal of external support.

Building the capacity of utilities (and other service providers) to improve cost recovery is a key element of sustainability. Many activities developed to strengthen utilities, including work on water operator partnerships, will focus on both operation and
maintenance expenses and, where possible, on the amortized cost for capital investment. Regarding environmental sustainability, all activities undertaken undergo environmental impact assessments in line with national regulatory bodies; if these are unavailable, acceptable standards will be developed by UN-HABITAT.

Strong partnerships are the key to ensuring that gender concerns and those of other vulnerable groups are strengthened across the programme. The importance of working with global partners has also indicated that there is a need to move from theory to practice. Other actors have the capacity to do this better than UN-HABITAT. For this reason, the focus in the forthcoming period will be on building capacity among international and national non-governmental organizations, such as the Gender Water Alliance and their national-level cooperating organizations.

2.1.2.3. Ensuring Synergy between the Built and Natural Environment

Sustainable water and sanitation service provision cannot be achieved without integrating broader environmental issues such as energy consumption, transportation, and the impacts of climate change into urban planning and management. Indeed, environmental hazards are responsible for the most common causes of ill health and mortality among the urban poor. Environment-related infections and parasitic diseases thrive where there is a lack of clean drinking water and adequate sanitation and drainage, and where air quality is poor. The situation is exacerbated by undernourishment and inadequate public health services such as waste collection. Indeed, the lack of access to clean drinking water coupled with inadequate sanitation and waste collection present the most serious environment-related health risks. In the developing world, up to 80 percent of all environment-related diseases are attributable to a lack of clean, safe drinking water. Diarrhoea is the greatest water-borne disease burden in developing countries and has been described as “the silent killer in urban slums”.

These problems highlight how disregarding environmental issues has a damaging effect on urban settlements. In response, the Water and Sanitation Trust Fund programme will support strategic environmental assessments to ensure that the environmental impacts of its interventions are identified, assessed, and mitigated. The programme will also support other interventions with environmental benefits (such as solid waste management) to reduce the spread of disease and to promote income generation through recycling and reuse activities, aided by innovative and energy efficient non-motorized transport technologies. It will support the improvement of water quality by developing strategies for pollution control; the promotion of rainwater harvesting to complement intermittent municipal supplies; local catchment management in cities; the promotion of environmentally friendly technologies such as eco-sanitation; the facilitation of citizens’ participation in urban decision making; and other income-
generating activities such as water vending and the provision of toilet facilities and biogas.

More attention will also be given to the development of approaches to integrate climate change impacts, including adaptation, mitigation, and disaster management in the framework of strategic planning options and approaches for water utility operations. This will be assessed and developed within an integrated water resources management framework that takes account of long-term sustainability in water resources management and infrastructure development, including locally sustainable community forestry practices to ensure more energy efficient use of biomass. Close attention will be paid to energy consumption patterns and efficiencies from the supply and demand sides of water utilities and water consumers. This will include working with energy providers to ensure that power supplies for water utilities are available and the service provided is more energy efficient.

Attention will also be paid to the exploration of biogas options. In addition, a central component of ecological sanitation is the recirculation of nutrients from wastewater treatment. Opportunities to link this with livelihood creation, such as improved opportunities for urban agriculture, will also be explored. There are also many opportunities for carbon trading, particularly regarding the capture of greenhouse gases in relation to solid waste management and excreta collection and disposal. Renewable energy technologies, such as solar, wind, and hydropower, are a growing source of supplemental energy for water utilities, and their applicability in a variety of service delivery settings will be explored. Energy demand management in urban infrastructure and service delivery will also be promoted through energy audits and the retrofitting of poorly performing equipment.

2.1.2.4. Monitoring the Millennium Development Goals and Beyond

Data collection and monitoring is essential in tracking progress towards water and sanitation targets, but it also has other important functions: it helps policymakers and decision makers improve their performance and achieve results; it allows communities to be better informed and empowers them to demand better services; it provides essential baseline data for advocacy; and it helps to identify weaknesses that are hindering progress in the water sector. Despite the importance of adequate and accessible data and its positive contribution to accountability among policymakers, providers, and citizens, monitoring is still rarely used to its full potential. A lack of reliable, affordable, and accessible monitoring practices continues to limit their potential utility in bringing safe and affordable water and sanitation to the most underserved. In recent years, the Water and Sanitation Trust Fund has been honing its capacity in this area – for example, through its ongoing involvement in the Millennium Development Goal Joint Monitoring Protocol, and more recently through the development of its Lake Victoria monitoring methodology. This methodology allows the
collection of relatively low-cost, geo-referenced, ground-level data disaggregated by gender and socioeconomic group and supported by information on health, the environment, and socioeconomic status.

The fund plans to develop monitoring tools that can be used to benefit the poor. Notably, its new collaboration with Google aims to combine a powerful data collection methodology (such as that developed and tested in the Lake Victoria Region Water and Sanitation Initiative) with utility benchmarking and citizen-based participatory monitoring techniques to support and empower communities. The initiative will test the use of the Internet in democratizing the monitoring process – both by allowing a more balanced collection of information and by making it more transparent.

2.1.2.5. Integrating Infrastructure and Housing

Integrated infrastructure provision can be an effective entry point for slum upgrading and comprehensive urban planning and development. Provision of infrastructure constitutes as much as 40 percent of the cost of upgrading a slum or establishing a new settlement. New approaches, which combine affordable and durable housing and infrastructure, are still beyond the reach of many urban poor people. There is a great similarity between the types of novel financial mechanisms needed for housing provision and those needed for infrastructure provision. Using infrastructure as an entry point for slum upgrading could yield huge potential, reduce unit costs, and lead to real improvements for slum dwellers.

UN-HABITAT’s Global Slum Upgrading Facility mobilizes domestic capital for urban upgrading activities by facilitating links among local actors and helping to prepare local investment proposals, with the intent of leveraging further domestic and international capital for slum upgrading. Its key clients are municipal authorities, civil society and non-governmental organizations, and central government departments, as well as the local private sector, including retail banks, property developers, housing finance institutions, service providers, microfinance institutions, and utility companies.

Designed to work with governments, people living in slums, and local financial institutions to mobilize investments for slum upgrading, the facility’s objective is to develop, test, and apply new and innovative means of financing pro-poor urban development, with a strong emphasis on the mobilization of domestic capital. The slum-upgrading facility is expected to lead the way in housing finance issues, and it is at the forefront of developing UN-HABITAT’s financing strategy.

Buildings consume 40 to 50 percent of national energy. With the growing demand for energy for economic development, the lack of adequate access to energy is hampering the delivery of most basic urban services – street lighting, water supply, sewage treatment, etc. UN-HABITAT is promoting energy efficiency in buildings to reduce
energy consumption and avail more energy for better infrastructure and services. This will be achieved through mainstreaming energy efficiency measures into housing policies, building codes, and building practices, with considerable avoidance of CO₂ emissions resulting from the improved building practices.

2.2. Key Results

2.2.1. Improving the Institutional Capacity of the Water and Sanitation Sector

Training and capacity-building programmes targeting water service providers, regulatory agencies, municipal governments, and community-based organizations have resulted in improved skills and raised awareness of sector issues among policymakers. The training programmes have also empowered community organizations to play a greater role in the sector. By bringing together participants from different countries and regions, they have also facilitated south–south exchange and sharing of experiences.

Improving the institutional capacity for waste management has also received significant attention. A major solid waste management programme has been launched in Nicaragua to support the Integrated Acahualinca Informal Settlement Development Programme.

The programme has played an active role in a number of key ministerial conferences, intergovernmental processes, and international and regional events, including the Asia-Pacific Ministerial Conference on Housing and Urban Development, the AfricaSan+5 Conference on sanitation held in Durban in February 2008, the First African Water Week, and the World Water Week held in Stockholm. The programme also contributed to the work of a number of international and regional organizations, including UN-Water, the African Ministerial Conference on Water, and the UN-Water Task Force on Sanitation.

A number of major publications were completed and disseminated during the year as part of the normative work of the Water and Sanitation Trust Fund. These include the How to Set Up and Manage a Town-Level Multistakeholder Forum: A Step-by-Step Guide in March 2008, the Manual on the Rights-Based Approach to Water and Sanitation in July, and the Global Atlas of Excreta, Wastewater Sludge, and Biosolids Management: Moving Forward the Sustainable and Welcome Uses of a Global Resource in September 2008. A wide range of training manuals and toolkits were also prepared for use in training and capacity-building activities.

2.2.2. Increasing the Flow of Investment to the Water and Sanitation Sector

With only six years before the deadline for meeting water-related Millennium Development Goals, and with huge funding gaps still posing a major constraint to expanding access to water and sanitation services, the need to increase the flow of investment into the water and sanitation sector has continued as a primary focus of
Water and Sanitation Trust Fund activities. The two key instruments used by the trust fund are: (a) making effective use of the partnerships with the development banks to link UN-HABITAT’s work on pre-investment capacity building and demonstration projects to the banks’ lending priorities as a means of expediting the design, processing, and approval of follow-up investments; and (b) leveraging resources from governments, local financing institutions, and the private sector. Projects to leverage funds from government institutions, banks, and the private sector have already been launched, especially in Asia. The success in leveraging resources hinges to a great extent on the effectiveness of the trust fund’s pre-investment activities and also the impact of the pilot projects on assisting partner countries to meet the Millennium Development Goals.

2.2.3. Improved Millennium Development Goal Monitoring Mechanisms with Improved Benchmarking of Water and Sanitation Service Providers

Statistics on access to water and sanitation (especially in the urban areas) are often misleading. They are often grossly overstated and are not sufficiently disaggregated to guide decisions on the allocation of resources and the targeting of investments. There is a need to integrate monitoring tools and utility benchmarking into a coherent package of information systems that can be used to improve strategic planning in the sector.

2.3. Lessons Learned

Experience has shown that pilot and demonstration projects make an impact on the ground for stakeholders, partners, beneficiaries, and the public and private sectors. Indeed the impact of the pilot projects in terms of the number of direct beneficiaries and the demonstration effects of innovative approaches has been substantial. However, lessons learned and the sustainability of delivery depend not only on results on the ground, but also their documentation, dissemination, and replication. Efforts have been made to develop those aspects, but more has to be done in terms of capacity building and staffing to maximize the impact at the regional level through a wide exchange of experience and knowledge sharing. Particular attention should be brought to communication and media aspects of the programme, which should be given higher priority.

There is a continuing need to monitor the policies and operating procedures of the development banks to ensure that the benefits of the strategic partnerships between them and the Water and Sanitation Trust Fund are maximized. A need is felt for UN-HABITAT to examine these instruments and mechanisms and identify options to enhance collaboration.

The capacity building for water utilities is having a major impact in improving the effectiveness of service delivery in urban areas, and this is becoming more important as urbanization rates increase and informal settlements expand. Furthermore, water utilities are under increasing pressure to achieve financial viability as a condition for
receiving funding for investments. This means that capacity-building programmes should continue to place emphasis on helping them to improve their management and operating efficiencies as instruments to achieve financial viability. As energy costs typically account for over 60 percent of utility operating costs, energy audits should continue to be an important focus of capacity-building activities.

Because of the limited service coverage in many countries, the investment requirements to extend services and improve efficiencies are huge. Energy audits are showing that, while there is good potential to improve energy efficiency, there is a need for follow-up investments in plant retrofitting and system upgrading. Investment needs for achieving the Millennium Development Goals cannot be met from existing sources. Increasingly, there is a need for assistance in developing and applying business planning models and other tools to improve capital budgeting and to identify and package investment proposals. This will also enable utilities to access non-traditional sources of financing such as capital markets, and to make greater use of innovative financing instruments such as revolving funds.

Effective water and sanitation programmes must be demand driven. This implies that programmes to empower communities and strengthen participatory approaches to utility management must complement capacity building among utilities. Community empowerment programmes will need to be expanded in scope and linked more closely to sector investment decision making and the strategic planning processes of the utilities. The introduction of community-based water quality monitoring systems will also help expand the knowledge base and empower communities. Studies on the impact of the lack of sanitation on poor women and girls and social marketing programmes for sanitation are considered important activities for enhancing the demand for safe water and improved sanitation.

The operationalization of the Global Water Operators Partnership Alliance has created new opportunities to strengthen the impact of the capacity-building activities. The alliance provides a platform to disseminate the normative tools and provides an extensive database of best practices, manuals, and other knowledge products to improve training and capacity-building programmes, especially in the important areas of utility management and operations.

A need is also felt to familiarize participating governments and cooperating entities about UN-HABITAT’s project administration, reporting, and auditing requirements. Under the Water for Asian Cities Programme, it is proposed to do this by conducting a project administration workshop.

For effective results, it is important that UN-HABITAT initiatives in specific countries are rooted in country support strategies that are developed in consultation with stakeholders, including government and civil society. Even if specific initiatives are relatively small in value, for wider impact it is important for country-level programmes to establish linkages with the policy level.
UN-HABITAT should increasingly benefit from the “One UN” approach. The trust fund-supported programme will be able to deliver more efficiently by linking with UN-HABITAT’s regional and technical cooperation programmes. Good progress has been made on this in Asia and Latin America with the fielding of joint project formulation missions during the last six months.

The “Water for Cities” programmes are now operating on three continents in an environment that is inherently complex. High turnover and mobility of country staff, including top-level management allocated to the programme, frequent restructuring within the organizations of the implementing partners, political instability and strike actions, and the engagement of the staff of implementing partners in other activities have slowed down implementation progress in a number of cases. It was suggested in the last city managers’ meeting that incentives should be considered in order to maintain the momentum and commitment of local implementing partners and governmental staff involved in the programme, as other engagements might distract their attention.

These challenges are compounded by the wide dispersal of UN-HABITAT staff across several offices, especially in the Asian and the Latin American regions under Water for Asian Cities, the Mekong Water and Sanitation Initiative, and the Water and Sanitation for Cities in the Latin American and Caribbean Regions Programme. There is a continuing need to further streamline administrative procedures, achieve greater delegation of authority to field offices, and improve communication facilities. While some progress has been made in these areas following the mid-term review, further improvements are needed.

**SECTION 3: Focus Area 4 Key Results and Strategies**

This section describes the goal, expected accomplishments, and related indicators of Focus Area 4.

**3.1. Goal, Key Results, and Related Indicators**

The goal of Focus Area 4 is to make sustainable urbanization in targeted countries a fundamental principle driving the creation and implementation of development policy at the national and local levels in a gender- and youth-sensitive way. To achieve this goal, the strategic result of Focus Area 4 activities is “expanded access to environmentally sound basic urban infrastructure and services, with a special focus on unserved and underserved populations”. This result will be measured using two indicators, which are detailed below.
• **Number of people in target communities with access to environmentally sound basic urban infrastructure and services**

The indicator describes the actual numbers of people with access to basic urban services in UN-HABITAT-targeted communities in target countries. The baseline number for 2009 is 1.5 million people, representing the total number of people reached by UN-HABITAT water, sanitation, energy, and transport programmes by the end of 2008. This number is expected to increase by 1 million in 2011 and another 1 million in 2013. The indicator will be disaggregated by gender and in some cases have geo-spatial reference. The definition of “basic urban infrastructure and services” includes water, environmental sanitation, energy, and transportation. Access is defined as “improved service levels”, as articulated by the Joint Monitoring Programme (for water and sanitation), and, where appropriate, modified by UN-HABITAT urban inequity surveys.

• **Percentage of institutional stakeholders reporting a positive perception of UN-HABITAT’s contribution to expanded access for the poor to basic urban infrastructure and services in selected communities**

The indicator will assess the perception of stakeholders working with UN-HABITAT, including partner governments, multilateral financial institutions, the private sector, civil society, and academic institutions. Currently, UN-HABITAT works with approximately 50 institutional stakeholders, which include governments, multilateral development banks, and civil society organizations. This number is expected to increase to 54 in 2011 and to 58 in 2013. The percentage of stakeholders reporting a positive perception of UN-HABITAT’s contribution to expanded access for the poor to basic urban infrastructure and services is projected to rise from an expected baseline of 80 percent (to be confirmed) in 2009 to 85 percent in 2011 and 90 percent in 2013.

**Focus Area 4 has three expected accomplishments:**

i) An enabling policy and institutional framework promoting expanded access to environmentally sound urban infrastructure and services.

ii) Increased institutional efficiency and effectiveness in the provision of basic urban infrastructure and services.

iii) Enhanced consumer demand for environmentally sustainable basic urban infrastructure and services.

**Annex I** summarizes the expected accomplishments and related indicators.

**SECTION 4: Focus Area 4 Management**
The implementation of Focus Area 4 will be coordinated by UN-HABITAT’s Water, Sanitation, and Infrastructure Branch. It will be based on external and internal partnerships. Externally, UN-HABITAT will continue to play a key role in developing and promoting key partnerships among all stakeholders at all levels of governance to ensure the achievement of the FA4 goal. The organization will continue to work with intergovernmental organizations, national and local governments, the private sector, non-governmental organizations, and community-based organizations. Aside from water- and sanitation-related actors, partnerships will also be established across traditional sectoral boundaries to other related sectors, including housing, local government, lands and planning, health, urban development, environment, education, and gender.

Through the Water and Sanitation Trust Fund, UN-HABITAT has already established strategic partnerships with multilateral organizations and regional development banks, some of which have been formalized in memoranda of understanding. The partnerships with development banks are particularly important in terms of ensuring that capacity improvements to aid more effective investments are directly and immediately linked to substantial investment possibilities.

In the implementation of Focus Area 4 during the Medium-Term Structural and Institutional Plan period, expanded efforts will be put into increasing UN-HABITAT’s involvement in global initiatives under the umbrella of UN-Water; regional political processes such as the African Ministerial Council on Water and the Asia-Pacific Ministers Conference on Housing and Urban Development; and national water and sanitation sector coordination groups. In addition, UN-HABITAT will continue its engagement with global and regional forums in urban energy and transport.

**Linkages with Other Focus Areas**

Implementation of Focus Area 4 is closely linked to several other Medium-Term Structural and Institutional Plan focus areas. With Focus Area 1, a joint approach will be necessary for monitoring basic services; with Focus Area 2 on integrating water, sanitation, transport, and energy into urban planning, UN-HABITAT’s efforts to address climate change adaption and mitigation will also be brought onboard. Linkages with Focus Area 3 exist in regard to integrating the infrastructure aspects of housing policy efforts; with Focus Area 5, the links relate to innovative mechanisms for financing basic infrastructure services and for improving the capacity of service providers. Joint planning and implementation is important among coordinating units to integrate the overlapping activities of different focus areas and develop a systemic framework for the delivery of services and the sustainability of financing mechanisms.
SECTION 5: Monitoring and Evaluation

To track the results of the work undertaken in Focus Area 4, UN-HABITAT will apply the indicators outlined in Annex I to measure the achievement of the strategic result and expected accomplishments. In the organizational set-up of Focus Area 4, the primary responsibility for monitoring and evaluation is entrusted to the branch chiefs, technical advisors, and their respective geographically placed teams. At headquarters, the overall responsibility for monitoring and evaluation for the focus area lies with a team headed by the divisional chief and comprising branch chiefs, chief technical advisors, monitoring and evaluation and policy advisors, and other relevant staff.

The overriding principle of the result framework is not only to track progress, but also to feed into the design of new programmes and realignment of existing programmes, focused on the consolidation and replication of successes within and across regions. The framework is also to serve the purpose of enabling increased accountability, transparency, and learning across the focus area. Additionally, the result framework is to feed into the evolution of a communication and knowledge management strategy that is expected to widely disseminate the achievements and lessons of Focus Area 4 and also be a mechanism proactively utilized for generating additional funding for the core activities of UN-HABITAT as prescribed in this strategy.

Monitoring and evaluation of the focus area is to be participatory and collaborative in nature, with clearly defined roles and responsibilities of different participants, especially the national governments, implementing partners, water and sanitation service providers, country teams, and other stakeholders. It makes use of different instruments that are universally applied to monitor and evaluate projects and programmes. These instruments include, but are not limited to, baselines, annual reports, mission and review reports, quarterly or biannual review meetings, annual stakeholder conventions, and periodic programmatic and thematic evaluations (both internal and external). These evaluations follow the norms and standards set up by the UN Evaluation Group in consultation with the Monitoring and Evaluation Unit of UN-HABITAT. At the headquarters level, the Integrated Management and Document Information System is also to be utilized to its full potential for the monitoring and evaluation purposes of the focus area.

Individual projects and programmes would be integrated into the focus area’s result framework and UN-HABITAT’s biennium work programme, encouraged to develop mutually agreed work plans and benchmarks for monitoring and evaluation of the respective projects and programmes. Data is to be collected at regular intervals across the spectrum of activities undertaken, using refined “SMART” indicators, which are consistent in nature. This will lead to the development of an integrated database for the purposes of information collation, analysis, and donor reporting.
More attention is already being placed on aligning and harmonizing the monitoring and evaluation of activities undertaken in the context of Focus Area 4.
Annex I: Focus Area 4 Environmentally Sound Basic Urban Infrastructure and Services\(^1\) Results Matrix.

<table>
<thead>
<tr>
<th>Goal</th>
<th>Sustainable urbanization principles drive policy and practice.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategic Result</strong></td>
<td>Expanded access to environmentally sound basic urban infrastructure and services, with a special focus on unserved and underserved populations.</td>
</tr>
<tr>
<td><strong>Indicators</strong></td>
<td>a) Number of people in target communities with access to environmentally sound basic urban infrastructure and services.</td>
</tr>
<tr>
<td></td>
<td>b) Percentage of institutional stakeholders reporting a positive perception of UN-HABITAT’s contribution to expanded access for the poor to basic urban infrastructure and services in selected communities.</td>
</tr>
<tr>
<td><strong>Expected Accomplishments</strong></td>
<td>1. An enabling policy and institutional framework promotes expanded access to environmentally sound urban infrastructure and services.</td>
</tr>
<tr>
<td><strong>Indicators</strong></td>
<td>a) Number of countries progressively adopting relevant policies that aim to expand access to environmentally sound urban infrastructure and services.</td>
</tr>
<tr>
<td></td>
<td>b) Number of institutions in target countries progressively adopting institutional mechanisms that expand access to environmentally sound urban infrastructure and services.</td>
</tr>
<tr>
<td></td>
<td>2. Increased institutional efficiency and effectiveness in the provision of basic urban infrastructure services.</td>
</tr>
<tr>
<td></td>
<td>a) Percentage of service providers recovering at least operation and maintenance cost of services.</td>
</tr>
<tr>
<td></td>
<td>b) Percentage of consumers of UN-HABITAT partner service provider organizations reporting satisfaction with services provided.</td>
</tr>
<tr>
<td>2.1 Strengthened service provider capacity.</td>
<td>3. Enhanced consumer demand for efficient and environmentally sustainable basic urban infrastructure and services.</td>
</tr>
<tr>
<td>2.2 Improved service delivery monitoring mechanisms inform decisions.</td>
<td>a) Percentage of consumers ranking basic urban infrastructure and services in the first three of their priority of needs.</td>
</tr>
<tr>
<td>2.3 Enhanced capacity of service providers to address climate change.</td>
<td>b) Percentage difference in the price of basic urban infrastructure use and services paid by the poor vis-à-vis the rest of consumers in selected communities.</td>
</tr>
<tr>
<td><strong>Sub-Expected Accomplishments</strong></td>
<td>3.1 Environmentally sound standards and practices in place.</td>
</tr>
<tr>
<td>2. Enhanced knowledge of consumers about their rights to basic urban infrastructure and services.</td>
<td>3.3 Sustainable consumption practices utilized.</td>
</tr>
</tbody>
</table>

\(^1\) Basic urban infrastructure and services include water, environmental sanitation (including solid waste management), energy, and transport.