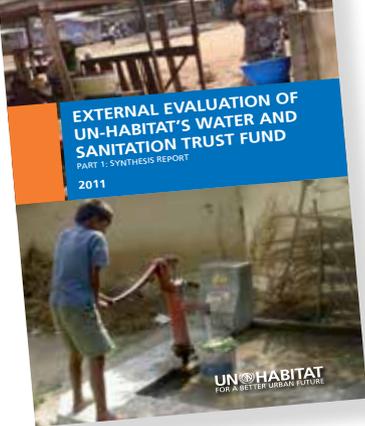


# UN-HABITAT EVALUATION BRIEF

## External Evaluation of UN-Habitat's Water and Sanitation Trust Fund Synthesis Report 2011



### 1. INTRODUCTION AND BACKGROUND

The UN-Habitat Water and Sanitation Trust Fund (WSTF) was created as a pilot testing and demonstration programme identifying innovations in the water and sanitation sector, testing and demonstrating their viability in real life situations, and disseminating models with potentials for broader replication. The Trust Fund focus on four areas: Delivering sustainable services to the poor, ensuring synergy between the artificial and natural environment, monitoring the Millennium Development Goals (MDGs) and beyond, and integrating infrastructure and housing.

Since 2004, the Water and Sanitation Trust Fund working through UN-Habitat's Water and Sanitation Infrastructure Branch, has established three water and sanitation programmes in Africa, Asia and Latin America and the Caribbean to facilitate pro-poor investment in partnership with regional and multilateral financing institutions. Model institutions in secondary cities in the Lake Victoria and the Mekong River Basins have been put in place and normative activities to develop policy options, norms, standards and management tool kits have been developed for capacity building. The WSTF has also supported the global and national monitoring process of the water and sanitation MDG target, engaged in global and regional network building, and launched the international platform Global Water Operations Partnership Alliance (GWOPA).

The WSTF funded programmes has been supported by donor contributions from the Governments of Spain, Norway, Canada, The Netherlands, Poland and Sweden, as well as major private sector stakeholders, totalling nearly USD120 million. The evaluation was requested by the major donors to the Trust Fund. At the meeting of the WSTF's Advisory Board in April 2010, the Government of Norway announced

its intention to undertake an external evaluation of the WSTF and was joined by the Governments of the Netherlands and Spain. The purpose of the evaluation was to contribute to refinement, adjustments and improvements in the Trust Fund's directions and practices. It also recognized the need for the Fund to reassess its role and make decisions about future direction due to the special situation of the Trust Fund—as funding from 2011 would be severely reduced.

### 2. EVALUATION PROCESS AND METHODOLOGY

The evaluation was conducted by an evaluation team of four international consultants, Stein-Erik Kruse, Anton Rijdsdijk, Zozan Kaya and Hugo Roche, and two national consultants, Susan Keyatta and Danh Soan. The focus of the evaluation was on determining the performance of the Trust Fund. The assessment encompassed the entire Trust Fund activities from 2004-2010, including the global normative activities, the Lake Victoria Water and Sanitation Initiative and Mekong Region Water and Sanitation Initiative.

Evaluation used four different methods to collect data and information:

- Review of documents,
- Interviews with UN-Habitat staff and key stakeholders,
- Visits to selected regions and countries (Mekong, Lake Victoria, India, Bolivia, Nicaragua and Mexico), and
- A web-based survey obtaining feedback from staff and partners in all partner countries.

The evaluation was limited by not being able to visit all countries supported by WSTF and instead used a web survey to provide global feedback. However, the response rate was relatively low. Several

projects are still being implemented and it is premature to assess the achievement of long-term objective of these projects.

The evaluation team prepared a synthesis report that focuses on issues of strategic importance. The synthesis report was supplemented by regional and country studies providing more in-depth information and analysis on the trust fund.

### 3. OVERALL FINDINGS

#### Policy and strategy

- The overall WSTF strategy and activities are highly relevant by focusing on water and sanitation, a fundamental aspect of urban slum development, targeting the vulnerable and often neglected populations in small urban centres.
- The Trust Fund has prioritized its role as a model tester and service provider at the community and municipal levels partly in the Water for Cities programme and replicable model setting initiatives.
- The WSTF currently revolves around many thematic areas and focus is somewhat blurred between normative and operation activities, learning/documentation, software and hardware, global and regional/country programmes.
- The WSTF was originally designed as a demonstration and pilot-testing programme but has spread its resources widely, making it difficult to achieve impact in a few areas and in areas most relevant for learning and replication.

#### Processes and resources

- The Trust Fund has helped establish a strategic programmatic approach with agreed and simplified planning and reporting procedures.
- WSTF is project and activity driven,

partly as a result of how the programme is funded, and country strategies are missing to provide an overview of what WSTF does, why, with whom, how and where.

- WSTF does not have a strong global monitoring and evaluation system for learning and assessing progress and performance on a regular basis and analysing what works and what does not.
- The Trust Fund has secured significant contributions from bilateral donors since 2004 (approximately USD120 million) where, 75 per cent of funds have been provided as non-earmarked resources providing WSTF with flexibility to prioritize its activities.
- The multi-donor support to the Trust Fund has gradually eroded as only the Norwegian Government was providing core resources, at the time of the evaluation.

### Partnerships

The WSTF has successfully established a wide range of partnerships with governments, civil society, private sector, regional development banks and other donors. Noteworthy, is the establishment of the Global Water Partnership Operations Alliance (GWOPA) as a network for exchange and mutual learning. However, the Trust Fund's participation in partner development coordination at country level should be strengthened.

The partnership with regional banks has been of mutual benefit, but more in programmatic than financial terms. The programme has helped fast track loans and given them more pro-poor qualities.

### Achievements and results

Major stakeholders in WSTF rate its performance very highly, especially when it comes to its achievements at the municipal and community level where direct beneficiaries have reached up to the hundreds of thousands. Stakeholders generally perceive that projects are making a substantial and direct impact from a relatively small investment and good value for money. There is, however, no information on the long-term impact of the Trust Funds' various activities.

WSTF has prioritized and achieved the best results as a model tester and service provider at community and municipal level.

WSTF has supported a broad range of training events and prepared and introduced technical tools and guidelines. With the exception of the Lake Victoria programme, there is no systematic information on model replication in other programmes and countries which would have been interesting in a programme with model replication as an explicit objective.

## 4. MAIN LESSONS LEARNED

Pilot and demonstration programmes such as those funded by the WSTF need to follow a strategy, from the outset, to ensure that its project activities become sustainable and replicable by anchoring them in national policies and strategies. This requires a systematic approach to documentation, analysis and evaluation of project experience as the basis for credible policy advice to national and local authorities.

Programmes need to plan for the eventual exit of donor support by continually expanding the funding base and build up a substantial programme or trust fund to bridge financing gaps. Greater emphasis must be placed from the beginning on strategic alliances with other UN-system entities and the private sector, not the least for financial and human resource reasons. Internal coordination is also required with other divisions and programmes of UN-Habitat.

## 5. KEY RECOMMENDATIONS

Given the change in donor support for the Fund, the Fund is faced with three alternative choices: Re-establish the current approach with a new set of donors; maintain the status quo but at a much lower level of activity, or; a re-focus of its strategy with a limited number of core activities. These options should be presented to the WSTF Advisory Board for consideration.

The evaluation team recommends opting for a re-focusing of WSTF's strategy with a limited number of core activities, and advises the WSTF to consider the following options:

- A reduction in the number of operational programmes and regionalizing them in consultation with UN-Habitat's regional offices;
- Maintaining the real life laboratory and testing function in collaboration with research institutes in a few selected geographical and thematic areas;
- The establishment of a system for global and national monitoring of water and sanitation indicators and achievement of the Water and Sanitation target of the MDGs;
- Strengthening the learning and global advocacy roles of the programme as well as intensifying its engagement with relevant UN-System partners.

Strengthen national policy and sector reform processes, and stop doing what NGOs can do better and more efficiently while. Capacity building of local partners should continue, preferably through long-term coaching.

Continue partnerships with regional development banks.

Review the human resource base of the programme and the required expertise in light of new strategic priorities and approach.

The WSTF and UN-Habitat senior management should review the current organizational structure and explore how the Water and Sanitation Board can maintain its strength and develop stronger horizontal linkage with the help of UN-Habitat.

The viability of Trust Funds and of the WSTF in particular as well as the role of water and sanitation in achieving sustainable urban development should be reviewed.

The WSTF Advisory Board should ensure that the future role of the WSTF is discussed with UN-Habitat's governing bodies (the Committee of Permanent Representatives) as well as providing financial support to ensure a smooth transition and ensuring funding of still ongoing activities during the transformation of the programme while also making the long-term sustainability of the Trust Fund a central point of future discussion.