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**Activities of the United Nations Human Settlements  
Programme (UN-Habitat), including coordination matters**

**Activities of the United Nations Human Settlements Programme:  
progress report of the Executive Director**

**Addendum**

**Guiding principles on access to basic services for all**

**Background and introduction**

1. The present report has been prepared in response to paragraph 3 of resolution 20/5 on access to basic services for all within the context of sustainable human settlements, adopted by the Governing Council of the United Nations Human Settlements Programme (UN-Habitat) on 8 April 2005 and following guidance from a steering committee composed of experts from national and local governments, enterprises and civil society organizations. As requested in resolution 20/5, the report identifies underlying principles on access to basic services for all within the context of sustainable human settlements which can be drawn from a selection of best practices proposed by the members of the steering committee and by the United Nations Institute for Training and Research (UNITAR), through the Network of International Training Centres for Local Authorities and Actors (CIFAL Network), or extracted from the UN-Habitat best practices database. The report makes reference to the working paper entitled "Access to basic services for all: towards an international declaration on partnerships", cited in resolution 20/5 and revised on the basis of input from members of the steering committee.

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\* HSP/GC/21/1.

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## I. General remarks

2. Basic services, as defined in paragraph 84 of the Habitat Agenda, are of different types. The delivery of safe water and sanitation, waste management, energy, transport and communication services requires heavy infrastructure, while the delivery of education, health and public safety services involves extensive operating costs.

3. Basic services contribute to human dignity, quality of life and sustainable livelihoods. They are strongly interrelated. They are a prerequisite to the provision of other services and improve every individual's potential to carry out an economic activity. Throughout the world, basic services are unequally available and accessible. Many individuals, families, communities and even entire cities and regions remain without basic services. Regardless of the reasons, the result is that the poor are prevented from leading a decent and dignified life and face great difficulties in improving their situation: they are trapped in a vicious circle where the lack of access to basic services is, at one and the same time, the result and the cause of poverty.

4. Improving access to basic services for all is, therefore, a key means of achieving the Millennium Development Goals. Furthermore, improving access to basic services is a way of meeting the obligations contained in the Universal Declaration of Human Rights and the international covenants on human rights and the commitments made at the United Nations Conference on Environment and Development, the World Summit for Social Development and the World Summit on Sustainable Development. It is an ambitious objective that can only be achieved progressively in a sustained and lasting endeavour.

## II. Series of best practices

5. The selected best practices cover the sectors of water, sanitation, waste management, energy, transport, health, public safety, education and social welfare. They are fully described in an information document on the issue (HSP/GC/21/INF/3).<sup>1</sup> The documented cases illustrate various regional situations and levels of development and are representative of common principles encountered in a wide range of contexts.

6. The stakeholders potentially involved in the best practices include: national Governments, local authorities, private enterprises, communities, non-governmental organizations and United Nations and other international organizations. Ten of the selected best practices were initiated by local authorities, seven were initiated by non-governmental organizations or communities, two were initiated by national Governments or public enterprises and two were initiated by private enterprises. This diversity, confirmed by other examples which are not listed in the present report, shows that any of the stakeholders can initiate actions in order to improve access to basic services for all, but that local governments are always involved at a certain stage to ensure sustainability: finally, they play a central role in each case. In addition to the expected remarks about good governance, the importance of leadership is underlined in several best practices.

7. A number of the selected cases were undertaken with reference to successful examples in the same country or in other countries. In addition, several were conceived as experiences that could be replicated if successful. This shows the importance of experience exchange. Each case is unique, however, and not directly replicable. An approach that failed in one place may succeed in others, in other circumstances, or in other times; similarly, one that succeeded might fail. This means that, while the examples available are valuable sources of inspiration for decision-makers and advisors, the ideas which they suggest have to be adapted to local realities.

## III. Guiding and underlying principles

8. The following seven basic principles have been drawn from documented best practices and other examples available:

- (a) Need for transparent and effective governance;
- (b) Need for participation of beneficiary groups in planning, decision-making and implementation;
- (c) Need for partnerships and enabling institutional frameworks;

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<sup>1</sup> The document is available, in English only, on the website <http://www.unhabitat.org>.

- (d) Need for decentralization and role of local authorities;
- (e) Need for solidarity and pro-poor policies;
- (f) Need for environmental sustainability;
- (g) Need for affordable prices and sustainable financing.

#### IV. Transparent and effective governance

9. Good governance was vital for the success of each documented case; different aspects of these practices are highlighted. Put together, these highlighted aspects present a comprehensive picture of governance with its political and technical dimensions.

10. The political dimension is characterized by participation in the decision-making process, final decision and leadership. The issue of participation is covered in chapter V below and in particular in principle 2, which is set out in paragraph 18. In most cases, stakeholders, including representatives of the poor, are involved in the whole decision-making process and their participation is a key element in what might be termed local democratic governance. The final decision on priorities is a prerogative of national or local authorities when dealing with the delivery of public goods, such as basic services. The best practices give examples of initiatives taken by civil society organizations or the private sector, but show that the decisions by national or local authorities are necessary for them to move forward, to make rulings and to arbitrate between the views of different stakeholders. Leadership is also key to the success of partnerships, with the leader, generally the local authority, having the responsibility for keeping the process running and reminding the others of their commitments.

11. The technical dimension refers to needs assessments, planning, the types of contracts to be concluded with service providers, accounting mechanisms, monitoring and impact assessment. These technical tasks are as important as the political ones but cannot replace them. To be properly exercised, they require good training of all stakeholders and officials involved.

12. The importance of governance should be emphasized as demonstrated by the UN-Habitat city development index showing that cities with a similar level of resources – even within the same country – can be ranked very differently. The reasons for different achievements from one city to another in a similar environment lie in governance with its political and technical dimensions.

13. **First principle:** Governance has a double political and technical dimension. In its political dimension, it requires participation, decision-making and leadership. In its technical dimension, it requires needs assessment, planning, the negotiation of contracts, accounting mechanisms, monitoring and impact assessment. Both dimensions require transparency and the appropriate training of the stakeholders involved. National and international policies should promote adequate urban governance to improve access to basic services for all.

#### V. Participation of beneficiary groups in planning, decision-making and implementation

14. In documented best practices, the form of participation by beneficiaries varies from one case to another. In most cases, beneficiaries are involved in the planning process, the selection of priorities, the decisions and implementation of projects, while, in other cases, customers are consulted ex post facto on the quality of the services provided. Among the practices collected, the sanitation programme in Gujarat, Pakistan, and the bio-sand filter international technology transfer exercise in Canada exemplify the advantages of consulting the customers, and particularly the poor, from the early formulation stage.

15. Lack of consultation of users, particularly the poorest among them, has often led to the construction of facilities that they do not use and maintain properly and to which they are not ready to contribute. On the contrary, if they are consulted, listened to and convinced that their situation could be improved, they may suggest ways of satisfying their needs with minimal investment and in which they can participate in construction work and pay user charges. Participatory processes contribute to the mobilization of individual micro-resources and help boost the social capital of communities. More generally, they foster a sense of ownership and enhance accountability and transparency in service delivery.

16. Women's participation is particularly important in meeting the real needs of low-income communities and the respective contributions of women and men to service delivery and management should be duly recognized.

17. Regular quadripartite consultations on policies related to access to basic services, involving representatives of all those involved and held at the initiative of the State, may help to develop a culture of dialogue, which could facilitate consultations on specific projects and policies at the local level.

18. **Second principle:** The participation of beneficiaries contributes to the delivery of services adapted to their needs. It creates a sense of responsibility and ownership that encourages users to care for the infrastructure and to pay related charges. The participation of beneficiary groups should be sought systematically in needs assessment, planning, decision-making, implementation and monitoring.

## VI. Partnerships and enabling institutional frameworks

19. All documented best practices were developed in partnership with one or more stakeholders. Many success stories in the delivery of basic services highlight the importance of good cooperation between stakeholders.

20. Partnerships differ in their nature, as national and local authorities have responsibilities vis-à-vis all the inhabitants in their respective territories while the service providers and civil society organizations or communities are responsible to their customers or their constituency.

21. Partnerships could serve different purposes. Partnerships with the private sector improve access to financial resources, particular techniques and know-how, as illustrated in the water corporatization model of Johannesburg, the bio-sand filter international technology transfer exercise in Canada, the urban water sector reform in Senegal, the wastewater management programme in Ouagadougou, Burkina Faso, and the light rail transit system in Kuala Lumpur, Malaysia. The sustainable freshwater management project in Jinan City, China, the sanitation programme in Gujarat, Pakistan, and the sewage disposal education programme in Durban, South Africa, demonstrate the importance of partnerships with non-governmental organizations and communities for the definition of needs and the mobilization of beneficiaries. Partnerships with local or national authorities and service providers are instrumental in providing legal or administrative authorization and technical support to community initiatives, as shown in the project on the provision of electricity to pavement dwellers in Mumbai.

22. From documented examples, the main virtues of partnerships are the following:

(a) Partnerships facilitate the participation of the people concerned not merely as customers or consumers but as citizens and partners;

(b) They contribute in building capacities, in particular at the local level, as parties need to share strategies and develop monitoring mechanisms;

(c) They promote institutional and technical innovations that may result in saving financial and natural resources;

(d) Partnerships also help in mobilizing financial resources, particularly from the private sector and users;

(e) Finally, they contribute to efforts to improve monitoring, as each participant expects its partners to deliver what they committed themselves to delivering.

23. A scrutiny of the best practices reveals, however, that the following conditions are essential to the success of partnerships. Responsibilities and contributions should be clearly defined and embodied in agreements or contracts based on well-designed programme with goals that are acceptable to all parties, as exemplified in the Solid Waste Management case in Jordan. Partnerships must also be task-oriented (Working in Partnership for Safer Community, London, AZTech Model Deployment Initiative, Phoenix Metropolitan Area, United States of America, and several other best practices). They should maintain balance between the diverse interests of the stakeholders (Waste in Exchange of Vegetables, Curitiba, Brazil) and offer a framework for dialogue (Wastewater Management, Ouagadougou, Burkina Faso).

24. Partnerships bring together stakeholders operating within different time frames, pursuing different objectives and protecting different interests, which presents the potential for conflict. While they might be time-consuming, negotiations save time in the long run as misunderstandings and conflicts can thus be avoided. To be efficient, partnerships require patience, training, monitoring and clear legal and institutional frameworks. Documented examples show that conditions do not have to be optimal before a partnership is entered into. On the contrary, partnerships should be seen as a dynamic process that progressively creates conditions for success. For instance, in the recently initiated *quadrilogues* – or four-way discussions, in Benin, the four main actors involved in the provision of

basic services (national officials, local authorities, service providers and civil society organizations) are working together to elaborate a common strategy.

25. **Third principle:** Since national Governments, local authorities, public or private service providers and civil society organizations share responsibilities for the delivery of basic services to all, there is a need to negotiate and formalize their partnerships, taking into account their respective responsibilities and interests. Accordingly, partnerships should be encouraged and facilitated through appropriate legal and regulatory frameworks, including clear results-oriented contracts and monitoring mechanisms.

## VII. Decentralization and role of local authorities

26. In all but one of the documented best practices, the local authority is either the initiator or, at least, one of the key partners. This clearly demonstrates their central role. Indeed, basic services have to be delivered locally and therefore local authorities are responsible for the political and administrative interface between the populations and the service providers, even if the service provider is under State or local government control or a mixed investment company.

27. From the examples gathered, it is evident that dialogue with communities is more easily established and sustained by local authorities. Moreover, national entities are usually specialized in the delivery of a particular service and have little time and resources for coordination among themselves and with other stakeholders.

28. Local authorities perform a range of tasks intended to facilitate access to basic services for all: planning, consulting users through non-governmental organizations and communities, mobilizing resources and raising consensus, negotiating and monitoring contracts with service providers and maintaining the dialogue between the different partners. Without a clear delegation of responsibilities through legal and institutional frameworks, however, local authorities are unable to participate efficiently in the decision-making process and to sign and monitor performing contracts with service providers.

29. **Fourth principle:** Local authorities are well placed to assess the needs of the users (including through non-governmental organizations and communities), define priorities and bring together the different stakeholders and to decide on the best way to provide the service. Their role and responsibilities should be clarified in laws and regulations, and they should be granted access to appropriate financial and technical resources.

## VIII. Solidarity and pro-poor policies

30. Attainment of the Millennium Development Goals necessitates specific policies in favour of the poor. Such policies are difficult to undertake, however, and even more difficult to sustain. In day-to-day life, Governments, local authorities and service providers have different priorities in allocating resources. Pro-poor policies require strong political willingness and active lobbying, such as is usually conducted by civil society organizations.

31. Documented practices show that it is possible to meet the need of poor communities for specific basic services, as illustrated in the project on the provision of electricity to pavement-dwellers in Mumbai, India, the integrated model of care for HIV/AIDS patients in Romania and in the project on a community watch against domestic and gender violence in Cebu City in the Philippines. Other cases illustrate initiatives developed by national Governments, local authorities or non-governmental organizations that are directly designed to improve the life of the poor (such as the solidarity in literacy programme in Brazil and the solid waste management programme in Jordan).

32. A first step is to identify potential beneficiaries of pro-poor policies. When a community or a civil society organization takes the initiative, it is important to establish the extent to which it is representative of its constituency and to determine whether its claim is legitimate and then the local authorities and their partners must respond to it. In other cases, in the process of identifying beneficiaries it may be necessary to provide strengthened support for excluded social groups, to counter their inhibitions and to empower them.

33. A second step in this process is to raise beneficiaries' awareness of their rights and responsibilities, as highlighted in the sewage disposal education programme in Durban, South Africa. Other awareness-raising campaigns are designed to inform the poor about low-cost techniques, as in the community watch programme to combat domestic and gender violence in Cebu City in the Philippines

34. The third step in the implementation of pro-poor policies is to give all stakeholders a clear sense of their responsibilities. Local and national authorities must set priorities and marshal all the resources at their disposal to eradicate deficiencies. Civil society organizations must remind national and local authorities of their obligations vis-à-vis the less favoured and assist them in expressing and fulfilling their needs.

35. The fourth step consists in granting special tariffs to the poor or, in certain cases, free access to a minimum provision of essential supplies, through cross-subsidy mechanisms. Where water and electricity are concerned, special tariffs are necessary but not sufficient to address the needs of the poorest as they only benefit those citizens whose homes are connected to municipal supply systems. Increasing the number of persons with physical access to basic services should therefore be a permanent goal. Output-based aid subsidies promoting small investments and providing connections to the network can also help in solving this problem.

36. **Fifth principle:** Central and local authorities, civil society organizations and service providers share responsibilities for improving access to basic services for the poor. Pro-poor policies should entail affirmative actions, awareness-raising campaigns, special tariffs and subsidies and an enabling legal framework.

## IX. Environmental sustainability

37. Sustainability is an explicit objective in several documented best practices. It is pursued through a variety of means, including the choice of soft technologies, specifically designed production and distribution processes, user campaigns to economize water or energy use, and intensive waste recycling (such as the projects for integrated safe water supply, in Changshu, China; for bio-sand filter international technology transfer, in Canada; for waste water management, in Ouagadougou; for sewage disposal education, in Durban; and for sanitation systems, in India).

38. The rapid depletion of natural resources, if not reversed, will render it impossible to provide basic services for all at the current level. The loss of tree-cover, soil, biodiversity, and accessible ground water are posing increasing challenges while pollution is affecting the health of human beings, animals, and plants.

39. National Governments and other stakeholders should ensure long-term sustainability in the production and delivery of basic services. To this end, it is important to identify needs through a process of consultation and to promote the careful, demand-driven management of services that are based on natural resources. The best practices initiated by communities provide good examples of demand-driven initiatives. It is also important to make users (enterprises and households) properly aware through information campaigns and incentive systems. Best practices also provide examples of water and energy saving through the repair and maintenance of water distribution networks.

40. **Sixth principle:** - If the process continues unabated, the depletion of natural resources and increase in pollution will render impossible the delivery of basic services to all. Central and local authorities, service providers and civil society organizations share the responsibility to make producers and users aware of this problem and to promote management methods and techniques that economize scarce natural resources and avoid further deterioration of the environment.

## X. Affordable prices and sustainable financing

41. The documented best practices present a range of funding modalities. Some small projects started with no resources and gradually attracted more and more private and public contributions. Large-scale projects required initial financial packages involving the World Bank, other development banks, private banks and enterprises. Medium-scale initiatives illustrate various combinations of resources from local authorities, service providers, non-governmental organizations and national development funds and grants from foreign partners (governments, local authorities or non-governmental organizations). Document HSP/GC/21/INF/3 indicates the main source of financing for each best practice. International resources play a key role in lowering cost-recovery charges and contributing to the extension of service networks.

42. The key responsibility vested in local authorities for the delivery of basic services presupposes their ability to gain access to sustainable financial resources. This may include regular and predictable transfers from the central Government, the ability to levy taxes, access to domestic or possibly international soft loans, and grants from international partners. Local authorities should also apply or promote pro-poor tariffs. All this underlines the need to clarify the institutional framework, as indicated

in principles 3 and 4. It also necessitates the training of local administrative personnel and local decision-makers, the availability of clear accounting mechanisms and monitoring by the central Government.

43. The documented cases suggest that, when tariffs are being fixed, two distinct goals are being pursued: the first is to recover the costs of services (production, delivery and amortization) to ensure sustainable availability for all, and the second is to provide services at a price affordable by all. Balanced policies require that, first, users are aware that each service has a cost; second, that the services provided are adapted to the needs and produced with appropriate techniques; third, that investments are partly covered with central government or foreign subsidies; and, fourth, that special tariffs are granted to the poor through cross-subsidy arrangements. Where tariffs for the poor are concerned, the water corporatization model being developed in Johannesburg includes free access to a minimum of water, while other examples propose progressive tariffs for a prepaid quantity of electricity and innovative waste recycling and reclamation exercises. The message could be “good services make good payers”, as stated in the motto of the project to exchange waste for vegetable produce in Curitiba, Brazil.

44. Micro-credit and community finance schemes are instrumental in helping the poor gain access to basic services (providing connection fees to electricity and water networks, financing community services, etc.). Going one step further and following the recommendations from the UN-Habitat global campaign on secure tenure and those contained in the report of the Commission on the Private Sector and Development entitled: “Unleashing entrepreneurship: making business work for the poor”, the informal assets of poor individuals and communities should be converted into clearly established property rights to be used as collateral for small loans.

45. **Seventh principle:** Tariffs of basic services should ensure adequate cost-recovery and be affordable for all at the same time. Making services affordable for the poor requires affirmative finance policies, and also grants and soft loans from national and international sources.

## **XI. Recommendations on the role and responsibilities of stakeholders**

### **A. National Governments**

46. National Governments have overall responsibility for the conduct of policies that will facilitate the production of basic services in an environmentally sustainable manner and ensure that everyone has access to those services. Governments can delegate part of their responsibilities to local authorities or central agencies. The production and delivery of services can be subcontracted to national or foreign enterprises for the delivery of some services. In this scenario, it is the responsibility of the Government:

- (a) To submit to the national legislature the appropriate legal and institutional framework;
- (b) To establish regulations and control and monitoring mechanisms;
- (c) To develop the capacities of local authorities and other stakeholders.

47. In line with the principle of subsidiarity, local authorities expect central Governments to provide a clear definition of competence, access to necessary financial sources (e.g.. regular transfers from the national budget, possibility to levy taxes, access to domestic and, possibly, international borrowing, authority to conclude contracts with service providers), the right to establish and develop partnerships with all civil society stakeholders and with the private sector, support for capacity-building in particular to negotiate and monitor contracts, and information on national and international decisions that affect the delivery of basic services. They also expect to be involved in international or national negotiations that affect them.

48. Enterprises expect a stable institutional framework that clarifies the role of the different partners, transparency in the decision-making process, fair competition and access to justice. The civil society organizations expect recognition, participation in the decision-making process and implementation and access to justice to defend the rights of the poor.

## **XII. Local authorities**

49. It is at the local level that social choices can be usefully developed to clarify what is needed and socially acceptable and to stimulate the participation of the population. Within the legal and regulatory

framework established by central Governments, local authorities have a particular responsibility to develop long-term plans for the supply of basic services for all, to evaluate the options and to take and implement the corresponding political decisions. Basic services are interrelated and local policies should look for optimal multisector tradeoffs. They have a central role to play in formulating and implementing pro-poor policies.

50. Local authorities' partners insist on sound governance, namely, that they should be involved in the decision-making process, that the right final decision should be taken and that proper leadership should be exercised. They all insist on transparent procedures in planning, the conclusion of contracts with service providers, monitoring, setting tariffs and allocating subsidies. Furthermore, the private sector appreciates that elected persons and mandated professionals are properly trained and knowledgeable about the laws and rules guiding public-private partnerships. Contracts with local authorities should be consistent with sound business practices. Civil society organizations expect the poor to be systematically involved in decision-making and treated on an equal footing.

### **XIII. Non-governmental and civil society organizations**

51. Civil society organizations are recognized internationally for their important role in ensuring the participation of beneficiary groups in decision-making, the delivery of services to the poor and vulnerable groups, and the protection of the environment. Their role as witnesses is also recognized, in that they keep public authorities and enterprises aware of their responsibilities vis-à-vis the poor and the environment. Other stakeholders entrust them with understanding the needs of communities and loyally representing them, participating in consultations and contributing to awareness-raising campaigns on people's rights and responsibilities.

### **XIV. Private and public service providers**

52. The main responsibility of service providers is to deliver the services required by customers within the framework of their contractual obligations vis-à-vis the local or national authorities, in conformity with sound business practices. State or local government-controlled service providers should be treated as private service providers with the same obligations. These obligations may relate to investments, maintenance, financing, production, delivery and the collection of fees, and also the protection of the environment and an assessment of users' satisfaction. It is for the local authorities to introduce realistic social and environmental clauses and for the enterprise to accept them or not before the contract is signed. In the event of the complete privatization of the production and delivery of a basic service, it is for the enterprise to comply with the goals and obligations set by the highest public authority responsible.

### **XV. International community**

53. The international community has the responsibility to support Governments, local authorities and civil society organizations in their effort to provide access to basic services for all. This support can take different forms. First, in making plans and choices, national stakeholders may wish to refer to experiences gained in other countries, regions or cities. The United Nations is well equipped to collect, organize and disseminate best practices, including by making them available online. Second, it can provide financial resources through grant and loans. Given to the important role played by local authorities, consideration should be given to the possibility of the World Bank and the regional development banks granting non-sovereign loans.

### **XVI. Options for the way forward**

54. The options that could be considered for the way forward are listed below, in the order of the level of commitment required of the UN-Habitat Governing Council for the purpose of their implementation. The options aim to promote the principles listed above, with a view to guiding Governments in their endeavours to secure access to basic services for all. Accordingly, the Governing Council may wish:

(a) To request the UN-Habitat Executive Director to develop appropriate recommendations that could be used by interested Governments to improve related legislation;

(b) To recommend that members of the UN-Habitat Governing Council negotiate non-binding guidelines based on consultations with concerned stakeholders;

(c) To recommend that Governments negotiate a binding document (i.e., an international convention or code).

55. Strategies for disseminating the agreed principles and developing partners' capacities should be part of each option in order to make the best use of available best practices and to turn principles into actions.

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