Overview

This case study examines the effort by the government of Kenya to increase the ability of the urban poor to access clean water and sanitation facilities. Drawing on the experiences of Zambia and Burkina Faso, Kenya established the Water Services Trust Fund, a pro-poor basket-funding mechanism to support pilot programs using water kiosks, a low-cost technology for providing clean, safe water. Development partners were convinced to shift their investments from large-scale infrastructure projects to the Trust Fund. Utilities were required to provide services to the poor and, in the main, willingly did so through the Trust Fund’s programs. The successful water kiosk program was scaled up, providing nearly 1.8 million poor Kenyans with access to water at a reasonable cost. Sanitation services are also being developed through the Trust Fund, which has become a professional and trusted organization.

Key contextual conditions: As many as 8 million Kenyans living in urban low-income areas lacked access to water and sanitation. Shared facilities had been unsuccessful in the past, and major funders generally supported large infrastructure projects rather than small low-cost technologies. Water utilities had little incentive to provide services to the poor. Informal delivery of water was expensive, unreliable, and often unsafe, but accepted as the norm.

Key stakeholders: Government of Kenya; Water Services Trust Fund; Water Services Regulatory Board; Water Service Boards; Deutsche Gesellschaft für internationale Zusammenarbeit (GIZ); Kreditanstalt für Wiederaufbau (KfW); German Development Cooperation; European Union; Bill and Melinda Gates Foundation; World Bank; French Development Agency; African Development Bank; Kenyan water and sanitation utilities; the urban poor in Kenya.

Lessons Learned

- Clear articulation of the development goal is critical. Enabling legislation, the structure of the Water Services Trust Fund, and the emphasis on utility accountability ensured that stakeholders remained focused on the goal of providing water and sanitary services to the urban poor.
- The experiences of other countries can form the basis of a development program. Kenya drew on the experiences of Zambia and Burkina Faso in structuring its water services program.
- Pilot projects can be the basis for scaling up successful programs. The use of pilot projects enabled the Water Services Trust Fund to conclude that water kiosks were a low-cost way to provide services to the poor. The knowledge gained from the pilot programs was used to create templates for expanding the use of that technology.
Competitive funding allocation, strong technical support, and strict monitoring ensure financially and technically sustainable operations.

Collaboration between the financial and technical sectors can help manage risk and ensure the development of a professional and efficient organization.

Negative assumptions about the willingness and ability of the poor to contribute financially to access water and sanitation can be hard to overcome.

Collection and analysis of data are difficult in urban low-income areas.

Means must be found to close the financial gap between program revenue and program costs. Continued funding by development partners cannot be guaranteed; sources of domestic financing must be found.

Development Challenges

- The need to increase access by Kenya’s urban poor to clean water and sanitation
- The existence of a system of informal service providers of water that was expensive, unreliable, and often unsafe
- Providing incentives to utilities to provide services to the poor

Delivery Challenges

- Creating a pro-poor orientation. Water sector policy had to be shifted from a focus on large infrastructure projects oriented toward household connections, such as water treatment and storage facilities, primary water networks, and sewerage systems, to customer-based facilities oriented toward the poor, such as water kiosks, yard taps, and toilets.
- Attracting development partners. Development partners had to be convinced to fund small-scale low-technology projects that would be implemented over time rather than large-scale facilities.
- Implementing low-cost technologies. Water kiosks had been unsuccessful in the past. Low-cost technologies had to be proven in pilot programs and then scaled up.