

kisima

A forum for analysis and debate on water and sanitation issues in Kenya

Water Sector Reforms: Five Years On

It is about five years since the Water Act 2002 came into force, bringing about what is considered the most radical overhaul of the water and sanitation sector. The MWI took bold steps to implement the Act in what has been described by some as radical surgery of the water and

sanitation sector. This issue looks at why the reforms were necessary, giving an overview of the institutions under the Water Act and their mandates. It also highlights the appointment of water services providers and the resulting Transfer Plan. This issue of *Kisima* analyses the progress made taking

stock of the gains made and the challenges faced in implementing water sector reforms in Kenya. Challenges in serving the rural and urban poor are also highlighted, with special prominence given to the unique case of ASAL regions.



Children drawing water from Kiboko River



Eng. David Stower
Permanent Secretary
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“ This issue of Kisima Newsletter focuses on the implementation of water sector reforms over the last five years. All the institutions envisaged by the Water Act 2002 have been established and are operational. What stands in the way with regard to meeting their respective mandates? This is a healthy question to be discussed by the various stakeholders in Kenya’s water sector.

Discussions on the challenges in implementing reforms will lead to better appreciation of why the reforms were necessary, to what extent the reforms contribute to meeting the Millennium Development Goals (MDGs) and the sustainability of the water and sanitation sector in the long run. This discussion also creates ownership of the reform process by key players in the sector.

The role of the Ministry of Water and Irrigation under the new institutional framework, as provided for in the Water Act, 2002, and spelt out in the Transfer Plan is to focus on policy development, sector coordination, monitoring and supervision to ensure equitable and effective water and sewerage services in the country, sustainability of water resources and development of water resources for irrigation, commercial, industrial, power generation and other uses. In this regard, effectiveness and efficiency of the new institutions responsible for water services provision (water services boards and water services providers) is of great priority to the MWI. We would like to see a scenario where, through their strategic and business plans, they chart out growth strategies to meet their mandate and provide the desired level of services to the people they serve. The discussions in this issue will contribute by informing that process. ”

Background to the Reforms

During the 1980/90s various studies notable among them, the National Water Master Plan Study (1992), pointed out that the then widely acknowledged major constraint in the development of the water sector - inadequate financial resources, was due to underlying compounded problems such as lack of comprehensive policy, institutional and legal framework, centralized decision making and lack of adequate financing mechanism in the water sector.

The bottlenecks in the Water Act Cap 372, in force then, with regard to policy formulation, regulation and service provision functions which were not separated include:

- Inadequate funds for development, operation and maintenance of water supplies and management of water resources.
- Institutional weaknesses especially the scarcity of qualified manpower and lack of skills of the users to properly operate and maintain water supplies.
- Unavailability of water resources due to its uneven distribution in space and time.

- Poor choice of technology in water supply and sewerage development, and inconsistent project selection criteria which has resulted in adoption of technologies and delivery mechanisms which are not well suited to sector development.
- Lack of proper coordination of various actors and sectors.
- Lack of proper inter-linkages with other related sectors:

The overlapping roles and responsibilities of key public actors in the water sector were the main causes of conflicts and poor services in the water sector (on page 2).

To address these problems, a thorough review of policy and institutional framework in the sector was undertaken. The Government embarked on systematic and participatory reforms aimed at developing and operationalizing comprehensive water management policies, strategies, approaches, sound practices and programs. These efforts resulted in the Sessional Paper No1 of 1999 on “National Policy on Water Resources Management and Development”. The National Water Policy paper set a framework that promoted a comprehensive water resources management and development with the private sector and community participation as the prime movers in the process, to guarantee sustainability.

The Water Act 2002 was then enacted and became effective in March, 18, 2003. The Act separates policy formulation, regulation and services provision; it defines clear roles for sector actors and a decentralized institutional framework.

It is expected that with clear roles and responsibilities defined for sector actors, performance will improve as illustrated on page 3.

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Features of new institutional set-up

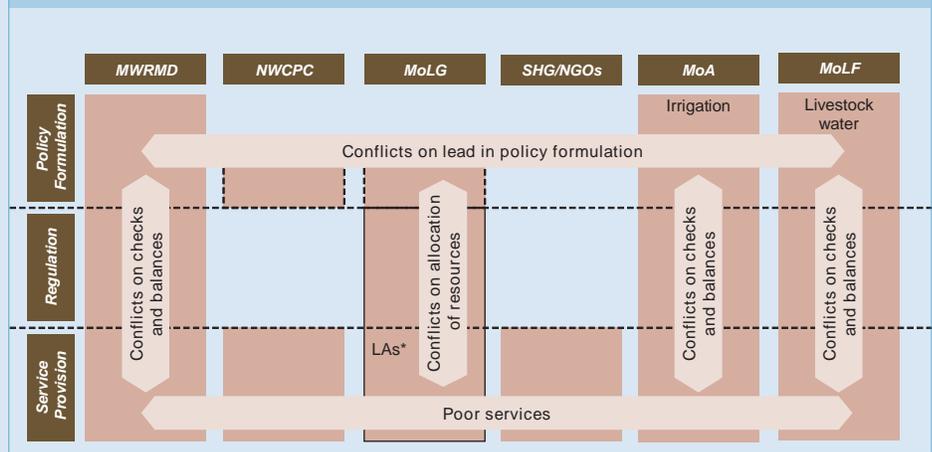
The essential features of the institutional setup under the Water Act 2002 include:

1. Separation of policy formulation, regulation and services provision functions.
2. Separation of water resources management from water and sewerage services.
3. Establishment of autonomous regulation in the sector WRMA and WASREB.
4. Decentralization of services to the regional level; WSBs, WSPs, CAACs and WRUAs.
5. Institutionalizing sector coordination through MWI.
6. Institutionalizing support to the financing of water services for under served rural areas.
7. Establishing mechanism for handling disputes in the water sector.

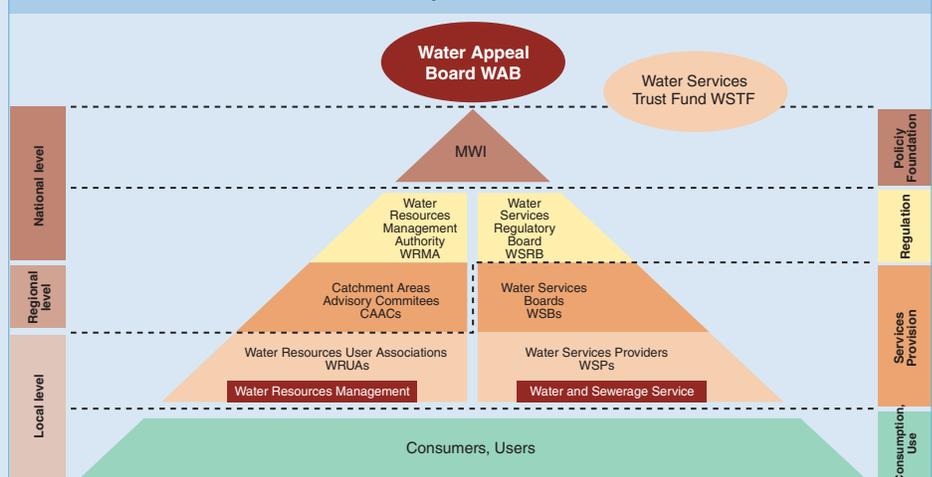
The Water Sector Reform Secretariat (WSRS) was formed as a transitional institution to oversee the formation of the new institutions, which have been established and are operational. The Ministry of Water and Irrigation transferred its functions, responsibilities, assets and equipments to the new institutions with effect from 1st July, 2005. The new institutional set-up under the Water Act 2002 is graphically illustrated in figure 2, while table 1 gives a summary of the mandate of the new institutions.

Adapted from the Handbook on the Water Sector Reforms, WSRS – MWI (March, 2005)

Institutional conflict of roles and responsibilities under water Act cap 372



Institutional setup under Water Act 2002



Expected Outcomes under the Water Act 2002



A Roadmap for the Transfer of Assets

Through Legal Notice No. 101 of 12th August, 2005 the Minister for Water and Irrigation published 'The Water (Plan of Transfer of Water services) Rules, 2005', in accordance with section 110 and 113 of the Water Act 2002. The rules, which became effective on 1st July, 2005 were to govern the transfer of the function of the management and operation of water services to the water services boards and how the MWI was going to support the WSBs and the established WSPs through the three year transitional period commencing 1st July 2006 to 30th June, 2009.

According to section 113 (1) of the Water Act, the transfers of water services plan include management and operation of water services, viz-

- Taking over of the overall administrative and legal responsibilities for provision of water services by WSBs. These responsibilities were previously vested with the Department of Water in the Ministry, except for the function of direct operation of facilities, which is the function of the WSPs;
- Transferring of ownership of facilities owned by or used by Central Government and its parastatals with or without liabilities to the WSBs;
- Providing a framework through which WSBs can enter into suitable arrangements for accessing water services facilities owned or used by local government water services providers;
- Providing a framework that will enable WSBs to influence the use of water services facilities owned or used by NGOs, CBOs of self-help groups.

The transfer road map was set out as in the table above.

Transfer road map		
Activity	Commencement Date	Completion Date
Transfer	1st July, 2005	30th June, 2006
Execution of transfer Agreement	5th March, 2005	30th June, 2006
Support Activities	1st January, 2005	Continuous*
Identification and engagement of successor WSPs	1st July, 2005	30th June, 2008

* The planned transitional support period is up to 30th June 2009.

The seven Water Services Boards have been established and taken over the overall responsibility for water services provision in their areas of jurisdiction. The facilities previously operated by the Department of Water and the NWCPC have been transferred to them. Arrangements have been made with local authorities, which have formed water companies as water services providers to enter into an SPA with the WSBs. The WSPs are operating the LA facilities, if any, and the WSB facilities at an agreed lease fee. The water facilities however, were not rehabilitated as initially envisaged in the Transfer Plan. The WSBs and the WSPs are therefore, as a first step improving the facilities.



Arrangements are being made with community water supplies especially those receiving assistance from or through the WSBs. The communities form and register a Water Users Association (WUA) as a legal entity and then enter into an SPA with the WSBs.

Currently the WSBs, WSPs and the WUAs enjoy a lot of assistance from the MWI ranging from secondment of staff, to provision of chemicals as the needs are justified. They are however, aware that the transitional period is fast approaching. To this end, both WSBs and WSPs are preparing strategic and business plans to set their priorities and budgets. The glaring challenges from the business plans are that the WSPs require continued MWI support in the following areas:

Staffing: Most WSPs especially those without a reasonable customer base cannot yet afford their own personnel. Their budgets turn into a deficit when full personnel costs are taken into account.

Energy cost: Energy cost is a burden in most pumped schemes with a limited customer base.

Immediate rehabilitation and expansion: The new WSPs require immediate rehabilitation and expansion to reach an economic break-even point with regard to number of customers served and volume of water sold.

Staff Development: Even where the WSPs can afford to pay their staff, they may not afford to train them.

Appointing New Water Managers and Services Providers

Water services boards (WSBs) are licensed by the Water Services Regulatory Board (WASREB), in accordance with the Water Act, 2002. The seven water boards are responsible for efficient and economical provision of water services in their areas of jurisdiction, as specified in their licenses. The Water Act, 2002 further requires the WSBs to provide the services through one or more agents of the board, known as Water Services Providers (WSPs), except in circumstances where the Regulatory Board is satisfied that the procurement of such an agent is not possible or that the provision of such services by an agent is not practicable.

The new Water Act also requires the arrangement between the WSB and the WSP to be formalized in a written agreement, currently referred to as service provision agreement (SPA), the terms of which (and any amendment of which) shall be of no force or effect unless approved by the Regulatory Board. The SPA specifies the powers and functions under the WSB's license which shall be exercised and performed by the WSP for the duration of the agreement. The Water Act, 2002 does not state the procedure for appointment of

WSPs nor how they should operate. The WASREB under the mandate of developing guidelines for the provision of water services, has therefore taken initiative to fill this gap, with support from the Water and Sanitation Programme-Africa (WSP-Africa) and Kenya Water Sanitation Programme (KWSP).

As of May 2008, the WASREB had approved 79 service provision agreements and therefore Water Services Providers in two categories, urban and community, as shown in the table below.

So far it may be said that Water Services Providers can be categorized into three as follows:

Category I – These are urban Water Service Providers, which are incorporated as limited liability companies owned by one or more local authorities. It should be noted that Meru Water and Sewerage Services in this category is incorporated as a trust. These WSPs provide both water and sewerage services.

Category II – these are community water supplies which are managed by WSPs registered as Water User Associations (WUAs) by the Registrar of Societies.

Category III – these are private WSPs which include NGOs, and private organizations. To date, there are no WSPs in this category.

WSBs have employed a needs-identification approach in appointing WSPs in any given area. The WSB then identifies key stakeholders and facilitates consultations for the purpose of establishing a WSP for the area in question. The directors of the WSP and the WSB then negotiate an SPA.

Some essential features of the SPA are that it defines the area of responsibility and the Key Performance Indicators (KPIs) on which performance will be measured.

Most WSPs have not yet achieved the level of service provision desired by their consumers, partly due to the fact that they have only recently come into operation and have inherited schemes requiring extensive rehabilitation and expansion, all of which takes time and money.

Of major concern to the WASREB are issues of good corporate governance a prerequisite to efficient and economical provision of water services for any given WSP. It is in this regard that the WASREB is developing guidelines that are hoped to strengthen corporate governance as well as the overall performance of the WSPs.

Water Services Regulatory Board

Summary of approved SPA as of May, 2008

Water Services Board (WSB)	WSB Head Office Town	No of Approved SPA by Category		
		Urban – I	Community II	Total
Rift Valley WSB	Nakuru	5	8	13
Northern WSB	Garissa	7	21	28
Coast WSB	Mombasa	6	0	6
Athi WSB	Nairobi	9	2	11
Lake Victoria North WSB	Kisumu	4	0	4
Lake Victoria South WSB	Kakamega	10	18	28
Tana WSB	Nyeri	17	9	26
Total		58	58	116

The Challenge of ensuring sustainability and meeting the MDG's

A number of challenges to achieving the expected quality and coverage of water delivery services still remain. First, the capacity of the new institutions to deliver on their mandates is still low due to the short period that they have been in existence and their young systems, many of which are still being developed and streamlined.

In this regard, efficient and effective reporting systems will be essential in keeping track of performance. Governance issues, especially for water services providers, have come out to the fore as requiring urgent attention.

This is partly because the Water Service Providers' Board of Directors merely represents stakeholders and not shareholders as would be expected in a typical private company, potentially compromising accountability.

The WSPs have also not been spared political interference due to the fact that they are wholly owned by local authorities which are by their very nature political.

Identification of astute directors and top-level managers for the WSPs to set the right vision and corporate culture is therefore crucial. In addition, pro-poor orientation which is an key ingredient to meeting the MDGs, is yet to be engrained among WSPs. The poor are still paying a high cost for water and often lack even basic sanitation services.

This section highlights the main issues to be addressed with regard to policy, legal and regulatory, institutional, service provision, financing mechanism and pro-poor focus measures.

Pro-poor Focus Challenges

Access to services: The urban and rural poor have limited access to WSS services, which disadvantages them in many other ways.

Cost of service: The poor pay 5 to 10 times more for WSS services than the rich who have ready access to services.

Legal and regulatory challenges

WSP change-over mechanism: It is generally held that if a WSP does not perform as expected, another one will be appointed in its place. The mechanisms for effecting the change are however unclear. They should be clearly stated in the law or WASREB rules.

Division of Assets: In some WSPs the ownership of assets is held by the LA and the WSB. Valuation is sometimes difficult as utilities experience continuous rehabilitation and expansion.

Time scale of the SPA: The time scale of the SPAs, which was one year in some cases, was too short. Discussions for renewal are long and tedious forcing the WSP to operate without an SPA for an indefinite period.

Economic viability of schemes: Some WSPs are too small to be viable. Credible criteria to determine viable WSPs is required.

Policy Challenges

Harmonization with other policies: Although the 1999 water policy is reasonably

Who is Who: Mandate of Institutions under Water Act 2002

Institution	Mandate
Ministry of Water and Irrigation (MWI)	Policy formulation, sector coordination, monitoring, financing and supervision
Water Resources Management Authority (WRMA)	Water resources management regulation
Catchment Area Advisory Committees (CAACs)	Provide water resources management advisory functions at water catchment level
Water Resources Users Association (WRUAs)	Co-operative management of water resources and conflict resolution at sub-catchment level.
Water Services Regulatory Board (WASREB)	Regulation of water and sewerage services
Water Services Boards (WSBs)	Water and Sewerage services planning and provision at regional level
Water services providers (WSPs)	Direct provision of water and sewerage services as agents of the WSBs
Water Services Trust Fund (WSTF)	Support financing of water services for under served rural areas
Water Appeal Board (WAB)	Handle disputes in the water sector
National Water conservation and pipeline Corporation (NWCPC)	Bulk water supply, dam construction, flood control, land drainage, ground water development and MWI reserve WSP.

good, there will be need to update it in the near future to harmonize it with the sanitation policy, irrigation policy, and the environment policy, among others, which are at advanced stages of preparation.

Classification of water companies:

Under the Companies Act, water companies are registered as private, limited liability companies but majority are owned by local authorities and are managing public assets to give an essential public service. Are the companies to be regarded as public or private entities? A clear policy on this matter is necessary for purposes of staff transfer, taxation and accounting purposes.

Attracting private investment capital:

The funds available from the Government and development partners are not enough to meet the MDGs with regard to WSS. How can private investment capital be attracted to the sector? It is important to explore this mode of funding, in order to reduce overdependence on government and donor funding for the sector.

Liabilities of existing WSPs: The liabilities (past loans, electricity bills, debts to suppliers, statutory, deductions, etc) on existing water and sanitation schemes are too heavy for the new WSPs. Policy guidance may be necessary.

Monitoring and Evaluation

M&E Tools and Systems: There are inadequate monitoring and evaluation tools and systems to effectively monitor progress in the sector by capturing accurate data and statistics on water and sanitation coverage.

M&E Capacity: M&E capacity in the sector institutions (MWI, WASREB, WSBs, WSPs) for data capture, storage, analysis and reporting is weak.

Financing Mechanism Challenges

Water pricing policies: need to be rationalized to ensure cost recovery for the sector and more efficient use of water



resources, while retaining a pro-poor element for equity and access.

Sector Investment Plan: promote effective implementation of SWAp through the development of a SIP and a collaborative budget process. Funds from development partners should be targeted appropriately.

WSTF funding: Increase funding and improve targeting through the Water Services Trust Fund

Community Contribution: Enhancing community contribution

Private Investment Capital:

Development of mechanism to attract private capital.

Institutional Challenges

Corporate Governance: It is difficult for stakeholders in the WSBs and WSPs to hold their directors and top managers to account as they are not shareholders strictly speaking. Special effort should be made to enhance the corporate governance of the new institutions to stem political interference and promote management professionalism.

Staff Transfer: Some WSPs have staff from up to four different previous employers; MWI, NWCP, LA and the WSP. The terms of employment of these officers are not

yet harmonized, which causes difficulty in staff management.

Community WSS: Management capacities of community water supply schemes need to be strengthened.

Promotion of PSP: Strategies for private sector participation in the provision of WSS should be promoted.

WSP autonomy: There is need to develop autonomous, highly efficient and effective WSPs. Existing WSPs have not yet attained autonomy partly because of the relatively short time they have been in existence.

Service Provision Challenges

Service coverage: Is still below target. WSBs and WSPs are not able to provide services to all people in their area of jurisdiction.

Rehabilitation requirements: Existing schemes require extensive rehabilitation whose funding requirements are beyond the financial capacity of WSPs.

Expansion requirements: Expansion and development of new schemes is necessary in order to serve more people. WSBs will require planning and funding support in order to expand the existing schemes.

By Eng. Patrick S. Wambulwa

Counting the gains

The German Technical Cooperation (GTZ) has supported institutional reforms in the water sector in Kenya for over ten years now. At the moment, this support is provided through the Water Sector Reform Programme (WSRP) of the Ministry of Water and Irrigation (MWI).

The forerunner of the WSRP, the Urban Water and Sanitation Management (UWASAM) Project was implemented between 1987 and 2003 - initially in the Ministry of Local Government (MoLG), and later in the MWI. The project contributed significantly to the implementation of the concept of socially acceptable commercialization to improve delivery of water and sewerage services, the development of Sessional Paper No. 1 on National Policy on Water Resources Management and Development and the review of the Water Act Cap 372 resulting in the Water Act 2002. The success of the pilot commercialization concept acted as the ice-breaker to commence large-scale implementation of the concept in the urban water and sewerage sub-sector. The UWASAM project also provided technical assistance to water and sanitation

companies in Eldoret, Kericho, Kitale, Nyeri, Nakuru, Nyahururu, and Kisumu, which were formed before the Water Act 2002 came into effect. UWASAM also encouraged piloting with management contracts in Malindi Water Supply, where the National Water Conservation and Pipeline Corporation entered a management contract with a private firm to manage water distribution and revenue collection.

The WSRP gave support to the establishment of the Water Sector Reform Secretariat (WASREB), giving impetus to the reform process. From the lessons learned in the pilot, WSRP embarked on large-scale implementation of commercialization of services and further promoted the syndication of utilities into viable clusters in order to ensure sustainability and realize economies of scale.

The expectations of the water sector reforms may be summarized into three as follows:

- To put in place a comprehensive policy and the necessary legal and institutional framework for efficient

and sustainable management of water resources and delivery of services.

- To put in place sound financing and financial management mechanisms and thus attract funding for the sector.
- To improve the quality and coverage of services delivered.

On the whole, good progress has been made. Capacity building in corporate governance has been enhanced, while performance monitoring has commenced. Continued efforts towards improving these and other areas are vital in realizing the provision of more affordable, available, accessible and quality services. These are regarded some of the fundamental indicators of the success of reforms in the water sector. It is therefore important that the new institutions set their targets and measure performance in a realistic and practical way and at the same time benchmark within the first step, regional as well as international best practices.

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Gains realized

The following gains have been realized:

- » A national water policy has been developed and implemented
- » There is enabling legislation – the Water Act 2002 – which provides for the separation of water resources management and development from water services delivery, focusing the Ministry's role on policy matters and leaving the task of regulation to a number of designated statutory bodies that report to boards and represent different stakeholders' interests.
- » The new institutions provided for by the Water Act 2002 have been established and are operational.
- » Commercialization of water and sanitation services, as legislated and promoted in the Water Act 2002, has been accepted by policy makers, water sector professionals and the public at large;
- » The sector has attracted increased funding as evidenced by the larger budgetary allocation, the adoption of a SWAP and the preparation of an interim Sector Investment Plan, with the full support of development partners.
- » The Ministry of Water and Irrigation has prepared a Water Resources Management Strategy. The strategy prescribes the principles, objectives, procedures and institutional arrangements for the conservation and control of water resources including: classifying water resources, determining the requirements of the reserve for each water resource and Identifying areas designated as protected and groundwater conservation areas.
- » Reforms in the water sector have increased focus on the need for a sanitation policy which has since been prepared by the Ministry of Health.
- » There is increased focus on water and sanitation service delivery for the rural poor.
- » There is better coordination among actors in the sector thus improving efficiency and resource management.
- » There is improved communication among the development partners leading to better-harmonized thus more effective programs.
- » The irrigation sub-sector is also receiving attention with regard to policy formulation and investment planning.

Challenges in rural water supply

About 70 percent of Kenyans live in rural areas, where water supply coverage is estimated at about 52 percent. Rural Kenya can broadly be categorized into two; the arid and semi arid lands (ASAL) and those areas that experience good rainfall. One would expect the high rainfall areas to have less water problems than the ASALs. Interestingly, their water supply challenges are very similar.

ASALs are generally defined as dry areas with an evapo-transpiration rate which exceeds more than twice the annual average rainfall, which ranges between 300-550mm. The major challenge of accessing water in the ASAL areas is largely attributed to natural occurrences such as scanty and sporadic rainfall as well as recurrent drought.

In some instances, the rains fail for subsequent seasons and earth pans do not collect water as envisaged. However, during the onset of the long rains, the earth pans collect water to capacity. In some instances, the rainy season is followed by a prolonged drought leading to drying up of water sources.

In the ASALs the effect of droughts is compounded by:

- Limited storage facilities such as sub-surface dams and earth pans that could store surface run-off during rains for both domestic and livestock use.
- Overstocking of livestock in the area also asserts great pressure on the water resources.
- Lack of pasture, even where there is some access to water through construction of water pans and dams, the pastoralists are compelled to move in search of pastures for the livestock when drought strikes.



- The land tenure system poses another challenge as land not demarcated.
- Low literacy levels. Illiteracy lowers the effectiveness of training programmes and the application of the learnt skills. Consequently, operation and maintenance is not effective.

To effectively provide water services in the ASAL area integrated development approaches are necessary. The essential issues to be addressed include diversification of sources on income so that the resident do not over rely on livestock, marching the land carrying capacity to the number of livestock, promoting education, provision of health facilities, increasing participation of women in development projects, etc. Provision of water and sanitation facilities would then have meaningful impact on the lives of the people.

In Non-ASAL rural areas on the other hand water is available at shorter distances however due to increase in human activities it quality is rapidly deteriorating and can not be used by both human beings and sometimes animals without treatment. Water for domestic purposes has to be fetched from far distances. The next

challenge then is to curb degradation of water catchments as well as managing water supply facilities in a sustainable manner, yet the capacity of the rural communities in both aspects is limited.

The Water Services Trust Fund is focusing on assisting the underserved rural area with a two pronged approach, referred to as Community Project Cycle (CPC). The communities are involved in developing a proposal for financing of water and sanitation facilities by the WSTF. The proposal also includes a component for building the capacity of the community with regard to managing of the facilities to be developed. The CPC which was initially developed and promoted by the Kenya Water and Sanitation Programme, a joint programme of SIDA, DANIDA and the Government of Kenya, is quickly gaining acceptance among communities and development partners. Through this process communities will create Water Users Associations, legally recognized organizations with Service provision agreement from the WSBs, whose capacity can be built overtime to provide sustainable water services in rural areas.

By Eng. Patrick S. Wambulwa

Taking Care of the Urban Poor under the Reforms

In May 2006 GTZ, the WSP-AF and the MWI supported the East Africa Regional Conference

Accelerating Water Supply and Sanitation for the Urban Poor. The conference which was held in Nairobi, made recommendations on Pro-Poor Sector Reform as follows:

Implementation of pro-poor sector reforms is being hampered by, among other factors, the lack of strong regulatory frameworks. If these reforms are to be sustainable, proper strategies and implementation structures (including financing mechanisms) need to be developed including:

- value added taxes/fees;
- levies for sanitation;
- efficiency or HIPC gains; and
- lifeline tariffs/cross subsidization.

Active engagement of the poor, through effective consultations, can develop trust and enhance the willingness to pay, while at the same time establishing effective means of allocating funding not only for capital development and capacity- building,

but also for operation and maintenance thereafter.

Considering that pro-poor WSS issues are inherently crosscutting in nature, support from other sectors is required if they are to achieve successful outcomes. Marketing strategies to support the reform process should therefore be holistic in approach. They should set standards, which give due consideration to other related issues, such as conservation, storage, and human resource development. Furthermore, they should be linked to national government development strategies and the MDGs/ PRSPs.

At the level of low-income urban settlements, interventions for water and sanitation (and indeed related aspects such as solid waste management and drainage) are inextricably linked, yet sanitation investments nearly always lag behind water supply; there is an urgent need to give equal prominence to sanitation. This requires new approaches and the consideration of other options besides subsidies, and could include provision for emergency programs.

Current information on the state of service coverage for the urban poor is extremely limited and hence there is a critical need for more accurate information to articulate their needs both for planning and budgeting purposes. Participants noted the role for this information for advocacy, for example to the UN Water Board, or when dealing with development partners. Overall, governments and decision-makers need to listen to water service providers and set clear targets to ensure good service levels are maintained.

The conference acknowledged that in order to address the key challenges facing the water and sanitation sector in Africa, the focus should be on sector reforms. So far the existing water regimes have not led to sustainable service provision for the majority of the peri-urban and low-income urban areas in most of the African cities, because reforms were not sufficiently pro-poor or because the restructuring of utilities was not embedded in comprehensive sector reforms.

There is need to share best practices and consider alternative WSS models for effective service delivery, including adopting innovative financing and investment mechanisms to accelerate water supply and sanitation for the urban poor.



Maraba informal settlement in Kakamega town

REFORMS ENHANCE ACCOUNTABILITY AND CUSTOMER SATISFACTION IN NAIROBI CITY

The Athi Water Services Board (AWSB) and the Nairobi City Water and Sewerage Company (NWSC), organized a second stakeholder workshop, in Nairobi, on 3rd and 4th May, 2007 as part of the monitoring framework for Nairobi Water and Sewerage Institutional Restructuring Project (NWSIRP) which provides for annual stakeholder workshops. The first stakeholder workshop was held in December 2005. The purpose was to advise stakeholders on progress made in project implementation. The workshops also provide transparency and accountability in service delivery, thus building consensus on water sector reforms.

The second stakeholder workshop was preceded by a customer survey, carried out in Nairobi by PPD consultants Ltd on behalf of AWSB and NWSC, to carry out an assessment and provide feedback on the level of consumer satisfaction with the water and sewerage services provided by NWSC. The survey covered all the five NWSC management zones, comprising of Northern, Southern, Central, Western and Eastern Regions. Salient features of the survey were as follows:

- (i) Issues explored in the survey were: customers awareness of water sector reforms and role of AWSB and NWSC; quality of water provided; consistency of service delivery; service quality; price / value of services offered; responsiveness to consumers; communication; NWSC staff competence; staff courtesy; and NWSC accessibility by customers.
- (ii) A random sampling of 563 water accounts was undertaken by the consultants. The accounts were categorised into domestic, commercial, corporate, public institutions and informal settlements. Highlights of the findings of the consumer survey were as follows:

- Customer awareness of reforms and role of AWSB and NWSC – 62 percent had no knowledge of the Water Act 2002 and 42 percent could not tell the exact role of the institutions in the sector reforms. 83 percent said water service delivery had improved after sector reforms. 81 percent stated that NWSC was beneficial to customers and 64 percent were satisfied with NWSC performance
- Water quality – 89 percent expressed satisfaction with the quality of water supplied (up from 45 percent in 2005)
- Water Supply – 87 percent of customers felt that water supply was consistent (up from 75 per cent in 2005)
- Consistency of service delivery – NWSC is perceived to have improved on service delivery, particularly in new connections, billings and resolving customer disputes. 55 percent were satisfied with the sewerage services offered, with 39 percent having never experienced any blockage.
- The perceived cost of services offered – 65 percent regarded the price of water as fair, while 23 percent and 12 percent thought the price of water was high or very high, respectively.
- Responsiveness to consumers – NWSC is perceived to have an effective customer service system with 51 percent saying they were satisfied with the treatment they received the last time they visited NWSC offices. 79 percent were satisfied with the pay points, but urged that more pay points be opened.
- NWSC staff competence, accessibility and courtesy – NWSC staff were rated from good to average in terms of competence, politeness, friendliness, courtesy and professionalism.

On a scale of 1 (Very poor) to 5 (Excellent) the customers rated the NWSC on various parameters as illustrated overleaf.

The Nairobi City Water and Sewerage Company Ltd, has made a good progress in the implementation of the Nairobi Water and Sewerage Institutional Restructuring Project (NWSIRP) and overall improvement in performance. Salient points in this regard include:

- (i) NWSC was incorporated on 2nd December 2003. It is wholly owned by the City Council of Nairobi. NWSC's vision is: "To be the leading provider of reliable quality water and sewerage services in Nairobi and its environs." Its mission is: "...to provide affordable water and sewerage services through efficient, effective, and sustainable utilization of the available resources in an environmentally friendly manner, and meet and exceed the expectations of its consumers and other stakeholders."
- (ii) Priority areas for improvement by the NWSC include: customer satisfaction; management of resources; informal settlements access to water; and technical and operational efficiency. Improvements in the areas mentioned achieved by NWSC under the NWSIRP have been as follows:
 - Technical Services – Several water and sewerage works, water transmission pipelines and pumping stations have been rehabilitated. Other improvements include: the improvement in company response time in attending to water and sewerage leaks; the improvement of metering through installation of bulk meters and consumer meters; and the enhancement of water supply to various informal settlements in Nairobi.

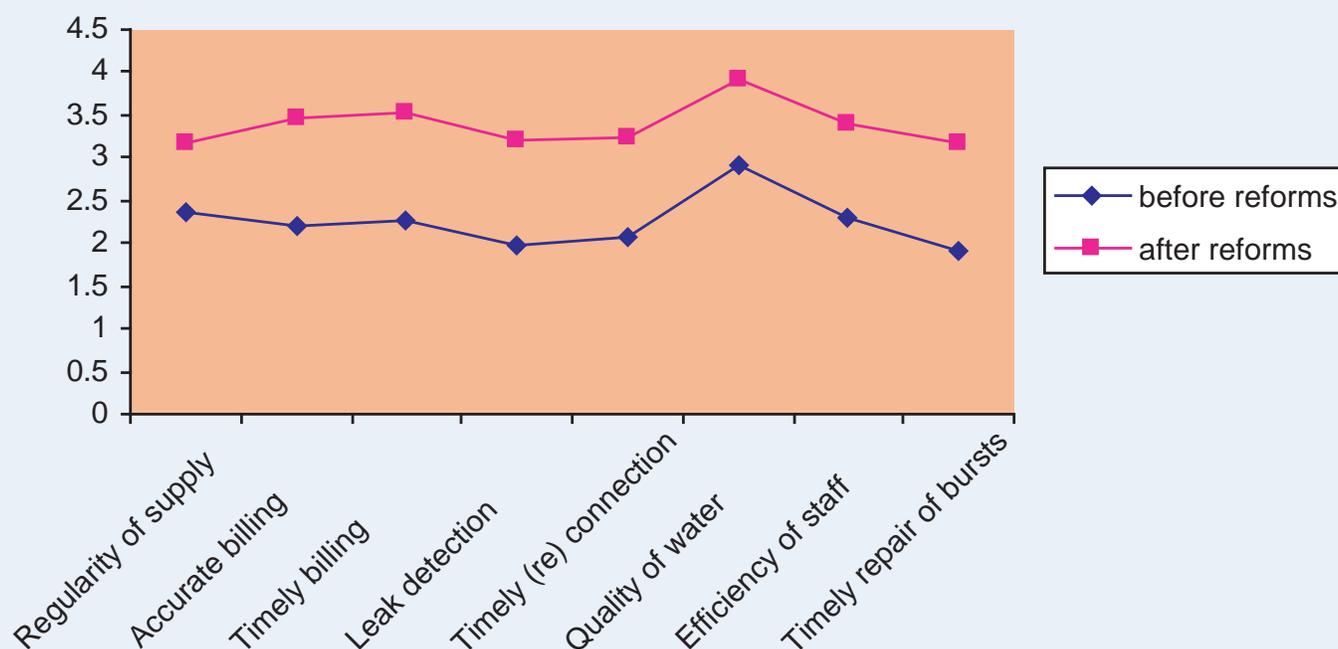
- **Operational Services** – Consumers details have been updated, which has enabled NWSC to read 73 percent of its meters regularly and increased revenue inflows averaging Kshs 200 million per month. In addition, the following improvements in operational services have been noted: faster resolution of customer queries and complaints relating to billing; procurement and installation of over 50,000 meters, which has improved billing efficiency; improvement of customer relations and communications through increased customer care centers, customer surveys and a company website; and improvement in service delivery through the procurement of additional capital equipment.
- **Finance** – A transitional business plan and operational budgets are in place. Furthermore, a procurement and stores policy has been adopted and is currently being utilised. A financial management policy in place and financial management systems are currently being developed. Staff salaries are now paid on time and all arrears have been cleared. A large portion of inherited debt paid off.
- **Human Resources** – Organizational restructuring is now complete and company staff regularly undergo training in technical, financial and operational functions. A modern human resource management and payroll system is currently being implemented.
- **Governance** – Board members have signed a code of ethics

and undergo regular training in corporate governance. Furthermore, management staff have signed performance contracts.

NWSC, though only in operation for three years, has achieved a marked improvement in service delivery and intends to continue improving its service delivery processes to achieve its objective of delivering quality and reliable water and sewerage services to Nairobi residents. Continued support from consumers, Government, donors, civil society and the private sector, including banks, is therefore required to achieve this objective.

Source: Report on 2nd Stakeholders Workshop for Nairobi Water and Sewerage Institutional Restructuring Project – July, 2007
 Mr. Francis K. Mugo, Managing Director, Nairobi City Water and Sewerage Company Ltd.

Rating of water and sewerage services in Nairobi before and after reforms



STATEMENT FROM THE MINISTER



*Hon. Charity Ngilu
Minister for Water and Irrigation*

The need for increased access to sustainable and affordable water services is a priority of the Government within the overall policy framework of Economic Recovery Strategy for wealth creation, Kenya Vision 2030 and the Millennium Development Goals. This is intended to address the challenges associated with availability and access of water services. My priority will therefore be to see meaningful increase in coverage of water and sanitation services especially to the poor.

I recognize that since the inception of water reforms in 2003 significant progress has been made in implementing the reforms key among them being; operationalization of the new sector institutions, decentralization of water service through the transfer of services to the water services boards, transfer of water resources management services and facilities to the water Resources management Authority. All sectors institutions are involved in formulating

and implementing pro-poor strategies to accelerate access to water and sanitation for marginalized groups.

The Ministry will emphasize corporate governance to enhance the management of public institutions and ensure effective service provision. Water pricing policies will be rationalized to ensure cost recovery for the sector and more efficient use of water resources, while retaining a pro-poor element for equity and access.

As demand for water keeps on increasing and the relative supply reducing due to population pressure and destructive human activities, I urge sector professional and Kenyans in general to embrace new technologies/methods of water management. The Ministry is also reviewing its policies on water storage for multipurpose use to meet water requirement for its increasing population and development programmes.



*Hon. Mwangi Kiunjuri
Assistant Minister
Water and Irrigation*



Water treatment plant

Launch of the Citizen Report Card on Water Supply, Sanitation and Solid Waste Management Services

BARE TRUTH ON WATER AND SANITATION SERVICES AS CRC'S COME ALIVE:

Nairobi and Kisumu beat the now disbanded Mombasa Water & Sewerage Company (MOWASCO) in achieving highest satisfaction with consumer interactions, a survey on water and sanitation in Kenya's three major cities can now reveal. On water quality, it was evident that while consumers overwhelmingly gave a nod of approval of the taste, colour and smell of water, majority of them either boil or treat it with chemicals before drinking. Of these, the poor are less likely to treat water than their non-poor counterparts. On a related aspect, the poor in Nairobi spend an average Sh. 10, Sh. 15 and Sh. 55 in Nairobi, Mombasa and Kisumu, respectively on per cubic metre of water accessed through kiosks. For Nairobi, the poor pay an estimated 6 times much more in volumetric terms than the non-poor. Water companies are also reported to be heavily relying on access to the mains through kiosks to achieve their benchmarks for coverage despite the fact that kiosks offer a much lower level of service than connections.

Research International

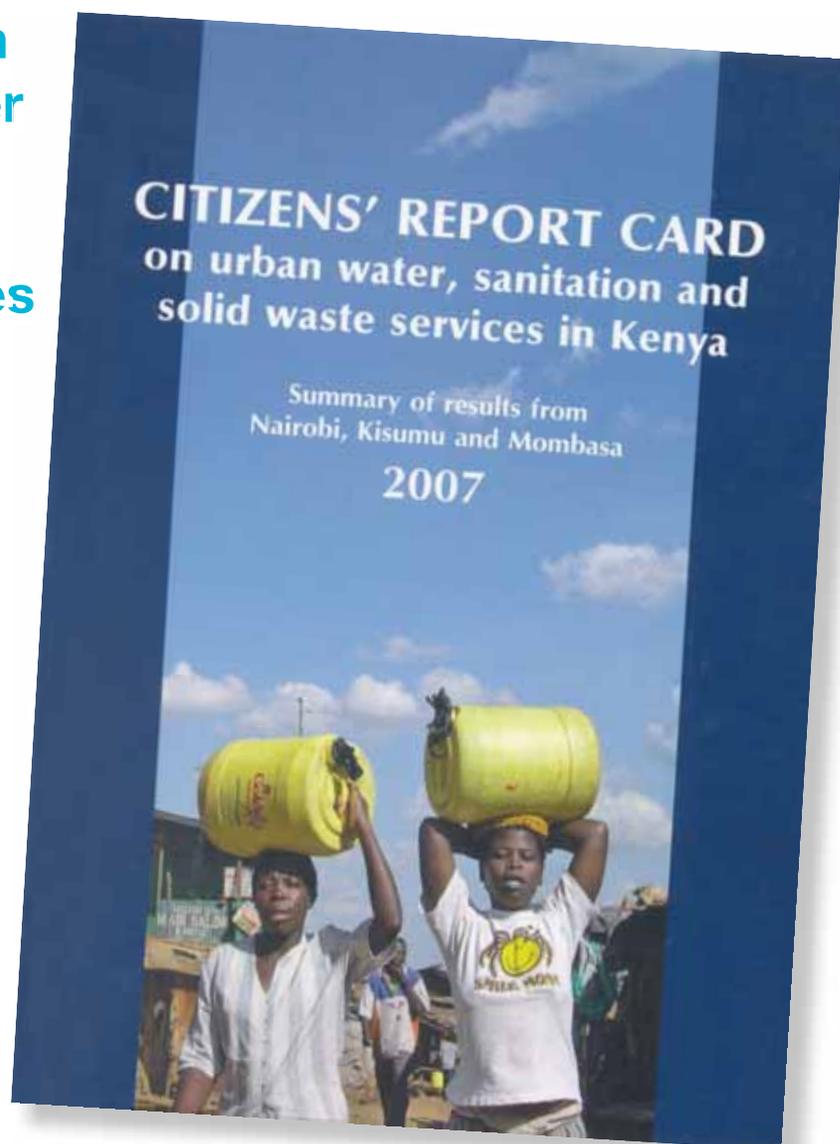
These and a raft of other findings are contained in a detailed and first-ever Citizens Report Cards (CRC's) on water and sanitation carried out in Nairobi, Mombasa and Kisumu concurrently by a consortium of stakeholders led by respective lead agencies KARA, Ilishe Trust

and SANA International. The research component was carried out by Research International, a global firm operating in Kenya. The project was supported by the Water & Sanitation Program (WSP-AF) of the World Bank with active participation of the Ministry of Water and Irrigation. Despite the substantive changes in the institutional framework, majority of consumers are still unaware of the same. There is equally a wide variation in the tariff structure of water in the three cities, an aspect that puts the role of the Water Services Regulatory Board (WSRB) into a sharp focus. The report clearly enumerates what appears as a serialization of the troubles the poor go

through everyday to access water services. It further exposes the wide gap between the poor and non-poor and further calls for special attention in improving water satisfaction services to the urban poor. It specifically draws the agony of the poor in terms of waiting times, high costs, walking for long distances as well as overall inconveniences.

Solid Waste Management

On solid waste management in the three cities, there is an evident gap in terms of a supporting institutional framework. Public financing mechanism is conspicuously absent. It therefore follows that satisfaction



is low in the 3 cities. As would be expected, non-poor heavily rely on private waste collectors who charge a varying fee depending on the locality.

On sanitation, there is an evident gap in terms of institutional framework and again Council by-laws are silent on pit latrines yet they are mostly used within the vast informal settlements as well as areas which are not covered by the sewerage infrastructure. Through the report, residents are asking for more public toilets and network expansion for sewerage.

THE CRC'S LAUNCH – KEY MESSAGES FROM OUR KEY GUESTS:

Hon. John Mutua Katuku, Minister for Water & Irrigation, Kenya “I have noted that the findings of the report card fundamentally call for increased attention to three areas. The first is sustainable solutions to serve the urban poor. For this multi-sectoral challenge, we invite partnerships to develop and implement innovative solutions. These solutions should comply with the newly formulated National Water Services Strategy.

The second priority is improved quantities and reliability of water in our urban centers, with most urgent attention to Mombasa and Kisumu, and improvements for the poor in Nairobi. Our Ministry will mobilize resources to make adequate and reliable supply a reality for the majority of residents across the country.

Increased Access

The third urgent priority is increased access to sewerage services, and the call for support to existing on site sanitation systems. The Ministry assures citizens that through the new policy and strategy, these issues will be pursued to realize systemic change.

Dr. Colin Bruce, World Bank Country Director (Kenya, Somalia, Eritrea & Seychelles)

“I am very pleased that it brings together important stakeholders--service providers and consumers”. At the center of our

discussion is the citizens’ report card. You may recall that this process was launched in September last year during an event organized by The Kenya Alliance of Resident Associations (KARA), one of the partners in the report card, at which I was the guest speaker. At the time, I explained the potential use of citizens report cards as an instrument that citizens can use to assess and communicate their views about the public services they pay for. My key message was that if you pay for water, for instance, you have a right to demand reliable supply of quality water from the service provider – say, the Nairobi Water and Sewerage Company.

Constructive Engagement

“You can imagine how amazed I was to read one newspaper the next day which had a prominent headline: “World Bank urges uprising in Kenya.” The paper went on to say that I was calling on Kenyans to rise up against the government. What I learned from this news item was that citizens report cards were not clearly understood in Kenya. This event gives us an opportunity to engage citizens and public service providers further on this subject.

“A Citizen Report Card, such as the one being launched today, uses public surveys to identify strengths and weaknesses in the provision of services. Such a Report Card can then form the basis for constructive engagement between government, citizens, civil society and private sector in improving public service delivery.

The Citizen Report Card has contributed to improvement in public service delivery in Bangalore, India, where it was first developed, and in many other countries that have adopted a similar practice. These include the Philippines, Vietnam, Ethiopia, Ukraine, Tanzania, Pakistan, Gambia, Peru, United Kingdom and Bangladesh.”

Consumer Empowerment

“In the water supply, sanitation and solid waste service sector, it has contributed to

better consumer education, empowering consumers to develop skills to make decisions on the purchase and usage of services. They have also become more knowledgeable on policy, law, rights and methods of recourse, enabling them to participate effectively and confidently in the reform process. The consumers involved in this process develop greater understanding, and appreciation, of their role in economic, social and government systems, including how to influence the systems to respond to their needs. It is encouraging to note that the Government of Kenya is moving away from the traditional approach of designing development programs without dialogue and feedback from citizens.”

CRC'S LAUNCH – JUST WHO ATTENDED THE LAUNCH CEREMONY AND WHY?

On 29th May, Kenyatta International Conference Centre (KICC) came alive with a rare event. The participants matrix of stakeholders on the CRC's process ranged from Government, private sector, civil society to development partners.

Mr. Peter Musi, Chairman of the Dam Village of Kangemi People's (informal) settlement said, “I have been attending various other KARA forums on development issues but what is more important today is just for us to know why we do not get water services and more so how and when we will eventually get it. I am told the Minister, the mayor and the water company people will be coming. I want to personally talk to them. I have never had such an opportunity before. I believe the (CRC) report will be a good leveraging point”

CRC'S LAUNCH – THE TEAM BEHIND THE INAUGURAL CRC'S PROJECT:

The CRC's project focused on Kenya's 3 main cities of Nairobi, Mombasa and Kisumu. In Nairobi, KARA coordinated the project as a lead agency with various well-placed consortium members. These included the Institute of Economic Affairs (IEA); Kenya Water Health Organization (KWAHO) ; Maji

na Ufanisi; Consumer Information Network; City Council of Nairobi; Nairobi City Water & Sewerage Company (NCWSC); Athi Water Services Board (AWSB) and Network for Water and Sanitation (NETWAS). Others were Institute of Civic Awareness and Development (ICAD), Kenya Water Partnership (KWP), Ivory Consult Ltd and various city residents associations.

The lead consultant for the project is Ms. Rosemary Rop, an experienced water and sanitation specialist with WSP-AF of the World Bank. The KARA project team appreciates the great project guidance and material support offered through the process beginning early last year. We thank the WSP-AF team for the countless, enriching and often long meetings together, with various other stakeholders.

We are equally pleased to recognize the support from our counterparts in Mombasa and Kisumu, Ilishe Trust and SANA International respectively, for the joint

brainstorming meetings and even for the countless tele-conferences. We met and shared with many consultants. To all such partners, we appreciate them.

Finally, we appreciate the Government of Kenya through the Ministry of Water and Irrigation for embracing the CRC's project. In one of the meetings with the minister, It was encouraging to learn about the government's interest and willingness to actively consider the CRC's recommendations.

CRC'S LAUNCH - THE THEME AND THE FUTURE OF THE PROJECT:

Maji na Usafi? Njooi Tujadiliane (Swahili for Water and Sanitation? Welcome to Dialogue) can't be more apt. Capturing the process and feedback aspect of the CRC's project, the theme calls for a more structured dialogue on the subject. Consumers and service providers are called upon to discuss even further about

the subject of water and sanitation in their localities.

We will be hosting more activities and consultations on the CRC's project with a view to monitoring and evaluating the implementation of the Nairobi action as well as national action matrix. Everyone has a role in this be it as a consumer, a service provider, a researcher or development partner, find out what you are able to contribute on the CRC's project process. The major task has just began, what with the inaugural CRC's report being out and about?

CRC'S LAUNCH : UNDERSTANDING THE CITIZENS' REPORT CARD

The Citizens' Report Card (CRC) is a tool for providing service providers and policy-makers with feedback from citizens. CRC's gauge both citizens' access to and satisfaction with services. They point out areas where service providers



Women drawing water from a well in Mumias town

are succeeding and areas that need improvement. When prepared regularly, CRCs may be used as a combined advocacy and benchmarking tool. The information provided in a CRC may be helpful to utility managers in strategic planning; to policy makers in guiding the sector; to regulatory bodies in sector oversight role; to investors in deciding where to channel funds; and to civil society representing an objective measure of public perception. Most importantly, CRCs are useful for citizens who generally lack the information conducive to meaningful dialogue. The CRC report is the experience of citizens as told by citizens. It is not a technical sector overview written for specialist audiences and does not include figures from the service providers such as volume of water produced or number of households served. It is meant to guide recommendations but does not in itself provide the solutions.

CRC's LAUNCH: HOW THE CITIZENS' REPORT CARD WERE PREPARED

The recently-launched CRCs on water, sanitation and solid waste services were undertaken by a representative group of stakeholders in each city. The groups represented diverse interests, including civil society institutions, community representatives, service providers, local authorities and public institutions responsible for managing aspects of water supply, sanitation services and solid waste collection. Preparation of the Citizens' Report Card involved focused interviews with residents as well as meetings with service providers to establish areas of concern. A survey was later carried out by a professional research agency – Research International - to verify the findings.

Some 2,900 randomly selected households in Nairobi, Mombasa and Kisumu were interviewed in the survey. The survey considered the following aspects of service provision: Availability, access and use of services; costs incurred by customers; perception of water quality and reliability



Sanitation challenges

of supply; and satisfaction with services. They also examine: transparency in service delivery; priority areas for improvement; and interactions with the service providers. Individual city reports have been prepared alongside a national summary. Copies of the reports are available on request from KARA, SANA or Ilishe Trust.

CRC's LAUNCH: GENERAL FINDINGS OF THE CITIZENS' REPORT CARD

Residents did appreciate the water companies' performance in the following areas; The overall levels of satisfaction are adequate for Nairobi's non-poor; Consumers like the taste, smell and colour of water from mains connections; Consumers on the network are receiving bills on a monthly basis. Findings that need to be addressed include: All consumers want increased reliability of the water supply.

The poor are paying higher prices for lower levels of service than the non-poor. The poor use kiosks much more than the non poor; people are dissatisfied with kiosk service; and utilities are relying on kiosks to achieve their benchmarks. Consumers want a stronger customer-orientation and improved information services from the service providers and policy makers.

Residents expressed lower satisfaction with sanitation than water services. They look forward to more public toilets and expansion of the sewerage network. The poorest people do not have access to adequate sanitation facilities. Overall satisfaction with solid waste services is low.

CRC's LAUNCH: WHAT THE GOVERNMENT HAS COMMITTED TO DO

The Ministry of Water has prepared a draft national water services strategy with pro-poor focus. To ensure access to safe water, MWI will ensure that the regulator and Boards map unsafe water sources by 2008; manage quality of alternative services; and work together to accelerate access to safe water for urban poor. MWI will also address aspects of water-borne and on-site sanitation.

In response to the National framework for on-site sanitation, the Ministry of Health has prepared a National Environmental Sanitation & Hygiene Policy

The Ministry of local Government committed to undertake to the development of a national Policy for Solid Waste by the end of 2007 with generic by laws for adoption by towns and councils in the country.

“It’s about efficient use of resources and better service”



*Eng. Daniel K. Barasa,
Programme Director,
Water Sector Reform Secretariat,
Minister for Water and Irrigation*

Q. What lead to the need for reforms in the water and sanitation sector in Kenya?

A. The reforms in the water sector arose from the need to address the poor performance of the institutions charged with the responsibility of service provision. The poor technical and financial performance was a result of a number of factors such as unclear roles and responsibilities of institutions; very low investments in the sector; low cost recovery; overstaffing with non-technical staff; poor water apportionment and allocation practices; catchments degradation and weak enforcement of rules and regulations.

Q. What would you say are the biggest achievements of the reform process?

A. The biggest achievements of reform include:-

- A clear legal and institutional framework supported by the strategies that take the needs of contemporary society in consideration.
- Initiation of changes of mindsets and habits at all levels.
- Commercialization of most of urban water service provision.
- Improved revenue collection.
- Improvements in enforcement of water resources regulations.

Q. With all the new institutions established, what should be given priority in order to meet the MDGs and sustainability of the water sector?

A. The MDGs will only be reached in the water sector if the un-served in the rural area are quickly reached and if service provision to the urban poor is substantially improved and if the funds to the sector are invested in areas with the greatest leverage. In my view the best strategy has to include:-

- Investment for water in urban areas to be concentrated on low-cost (slums) and peri-urban areas.
- Reach the rural un-served population with low cost sustainable technology
- The service offered to be affordable to the poor who are the majority in the country.
- Ensure sustainability of all providers i.e. to cover operation and maintenance and basic replacement costs.

Q. How have the reforms taken care of the poor both in urban and rural area?

A. The establishment of the Water Service Trust Fund was supposed to take care of the un-served poor. Unfortunately the Trust Fund has not been funded to the tune required to reach most of the

identified poor in both rural and urban areas. However the fact that areas with high poverty levels have been identified throughout the country is a step ahead.

Q. Corporate governance in the new institutions has been cited as a problem. How should it be improved?

A. Corporate Governance in the new institutions will be improved with a more transparent selection of Directors of the institution; the Ministry is adapting to its new role but specifically through explaining the roles of different players and implementing stronger control mechanisms.

Q. Financing of capital investment is still heavily dependant on central Government and development partners. Do you see room for private investment capital, and if so how?

A. It is true that capital investment is still heavily dependent on government and development partners. I firmly believe that the Government has to come up with policy to attract private investment capital to the water sector. The silent policy of discouraging private sector participation has to be lifted, as there is ample room for the private sector, as long as regulations work.

Q. What were the challenges in implementing the transfer plan?

A. The challenges in implementing the transfer plan continues to be how to get the communities to manager rural water supplies in a sustainable way. Further staff movement between institutions remains a nightmare. Also the transfer of responsibilities from the ministry headquarters has not been fully undertaken.

Q. What is your message to the water and sanitation sector in Kenya?

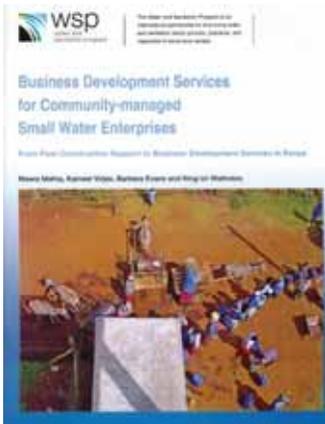
A. My message to the Water Sanitation Sector is that reforms is not a one time event ,as some have imagined, but a continuous process that has to be pursued to adopt the sector to the changing situations. We must be transparent in all our dealing in the sector and strive to achieve three's E's thus Equity, Environment and Efficiency in the sector.

WITH A LIGHT TOUCH



Business Development Services For Community Managed Small Water Enterprises: From Post Construction Support to Business Development Services in Kenya

Authors: Meera Mehta, Kameel Virjee, Barbara Evans, Kingori Wathobio



Overview of Paper

Reform of the rural water supply sector in Kenya is expected to increase the autonomy of rural water supply providers. The role played by water providers engaged in developing, managing and operating schemes will be separated from the regulatory role of the Water Services Regulatory Board, and oversight functions by seven autonomous regional water services boards.

To ensure their long-term sustainability and health, these small enterprises require business development services (BDS) covering technical, financial and social skills. The support needs to be sustainable so the enterprises have access to quality, affordable, professional services throughout the lifetime of water projects.

This paper examines the required business development services for rural water supply projects and institutional options for their delivery. It is based on analysis of the current situation and is informed by stakeholder consultation, including a national workshop of small water enterprise managers and operators. This paper is relevant to water sectors outside Kenya given the pervasive nature of the sustainability issues it seeks to consider.

Key Findings

Several actions to develop business development services for the rural water supply sector in Kenya include the following;

Developing model contracts: BDS can help improve the pace and quality of implementing new schemes and supporting services to existing schemes. While water services boards can develop model contracts, the contracts can also be collated and coordinated nationally, so

water boards that rapidly move ahead can help others progressing less quickly.

Promoting a federation of small water enterprises: The large number of existing small water enterprises in Kenya form a valuable resource for the government as it moves ahead with reforms. Successful water enterprises can provide valuable input and feedback to the process. Furthermore, they can provide support to each other and to nascent SWEs. They could become BDS providers. To facilitate this, an umbrella structure or federation is needed. A federation should be anchored by each of the seven regional water services boards.

Impanelling BDS: Water services boards can create a clearinghouse where the small water enterprises can identify and contact potential BDS. Water service boards would need to call together potential BDS to assess their interest and capacity to participate and develop an approach to impanel providers.

Public funds can and should be used for these short-term actions and also for the long-term development of a BDS market. Public funds will be justified by increased access rates over the long term, provided by sustainable water services and reduction in direct support and rehabilitation costs, resulting from the increased sustainable access to water services.

Socially Responsible Commercialization of Water and Sanitation Services in Kenya Water Services Regulatory Board

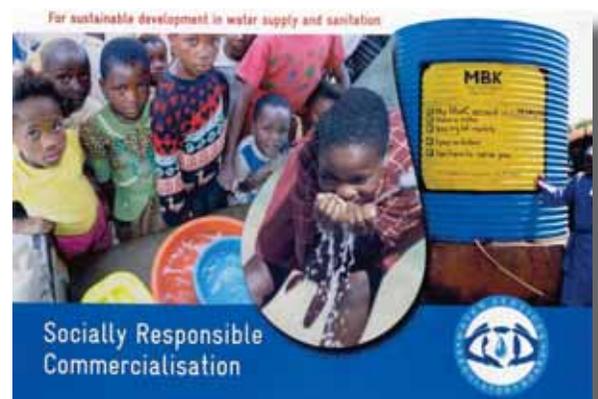
(WSRB -March, 2007)

The Water Services Regulatory Board with support from the MWI/GTZ Water Sector Reform Programme, has documented the experience of Kenya in commercialization of water and sanitation services. The document forwarded by the Permanent Secretary Ministry of Water and Irrigation, makes a difference between commercialization

and privatization and goes on to outline the experience of the pilot phase of commercialization which involved three towns Nyeri, Eldoret and Kericho, where the first water companies were incorporated before the Water Act, 2002 came to force.

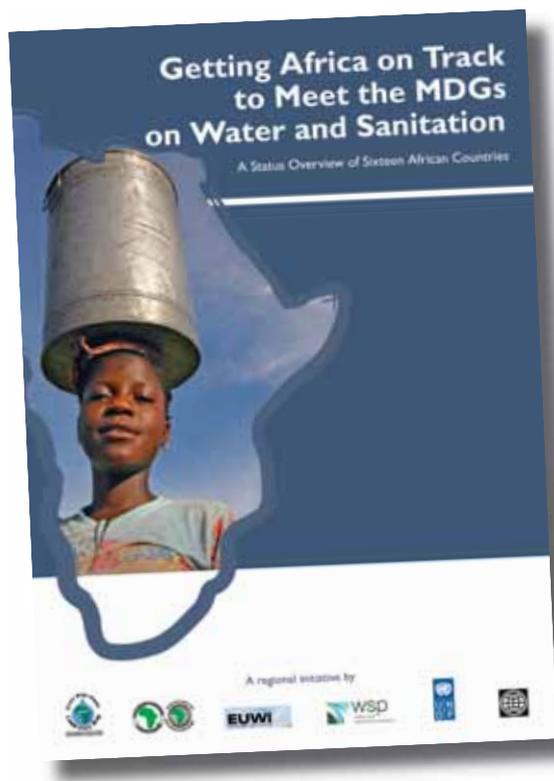
When the water Act, 2002 came into effect, the reforms process supported large scale implementation of commercialization. The document captures the achievements of

commercialization so far and makes suggestions on the way forward.



Getting Africa on Track to Meet the MDGs on Water and Sanitation

A Status Overview of Sixteen African Countries (December, 2006)



Is Africa on track to meet the Millennium Development Goals on water and sanitation – to reduce by half the proportion of people who lack access to safe drinking water and basic sanitation services by 2015? In collaboration with regional partners, the African Ministers' Council on Water (AMCOW) has prepared Country Status Overviews to assess the progress and challenges facing sixteen African states in their endeavor to meet global and national targets on water and sanitation.

The Status Overview examines countries' level of preparedness to meet the targets, the financing requirements and gaps, and the sustainability of the

sector. The countries covered are Benin, Burkina Faso, DRC, Ethiopia, Ghana, Kenya, Madagascar, Malawi, Mauritania, Mozambique, Niger, Rwanda, Senegal, Tanzania, Uganda and Zambia. The report shows that few of these countries are well prepared to take on key challenges of the sector. Many lack the capacity required to meet national and global targets, but some will actually exceed their targets. The grim truth is that sanitation still lags far behind water supply, and there are uncertainties whether investments in the sector are sustainable.

The Overview is a powerful tool for assessment and analysis, and a critical support mechanism for addressing Africa's weakness in harnessing credible sector data and building effective national monitoring processes. The individual reports are intended to assist countries to align

their national priority setting processes against global targets on water supply and sanitation, and to link these country efforts to existing supportive regional frameworks.

The Overview was prepared in collaboration with the African Development Bank, the European Union Water Initiative, the United Nations Development Programme, the Water and Sanitation Program-Africa and the World Bank.

Print copies are available by contacting wspaf@worldbank.org. The document may be viewed and downloaded at www.wsp.org.

Kisima is Swahili for water well. The Kisima newsletter is a wellspring of knowledge and information to complement the regular Kisima series of seminars that have become a regular forum for water and sanitation stakeholders in Kenya. The aim is to facilitate sharing of field experiences and lessons, good practices and breakthroughs on pertinent issues in the water and sanitation sector, especially those affecting poor and disadvantaged communities.

Kisima is jointly produced by

The Ministry of Water and Irrigation

and

the Water and Sanitation Program-Africa

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