

Kenya Overview: Water, sanitation and hygiene

Kenya's Summary

Kenya has a vision of achieving 100% coverage of safe water supply by 2030 and 100% access to basic sanitation services by 2030. To achieve these targets, Kenya will require \$12.9 billion annually for water supply, \$4.8 billion for sewerage, \$601million for basic sanitation annually, and \$57 million for basic hygiene. The financing gap is estimated as \$7.3 billion for water and \$4.5 billion for sewerage. The government budget available for water supply covers around 44% of the required investment cost, however the government budget available for sewerage is about 6.5%.

The ambition is highest for rural sanitation where coverage to basic level services are at 31% (JMP) and will require significant household participation to eliminate open defecation and progress to universal basic sanitation services. In addition, access to water and sanitation services is significantly lower in poorer communities and among vulnerable groups.

Five major actions to ensure an aggressive approach to progress include;

1. Strengthen water and sanitation planning, monitoring and evaluation at national and 47 county levels
2. Review institutional and legal frameworks to facilitate devolution of water and sanitation. Support counties to develop sanitation legislations and policies. (Example: Governor of Nakuru signed sanitation Bill on 29/3/2017)
3. Advocate for effective utilization of WASH resources at county level and channel more resources for construction of dams and rural sanitation. Ring fence water revenues and seek financing from-nontraditional sources. Have a budget vote for sanitation and hygiene.
4. Strengthen counties to scale-up elimination of open defecation free road map campaign 2020 by scaling-up strategies to eliminate open defecation in rural areas and improve access to basic sanitation levels and pay close attention to girls, women, marginalized and vulnerable groups in Kenya.
5. Increase regulatory oversight in urban water supply and improve quality in order to achieve the new standards for safely managed water services and enable utilities to be attractive for additional financing and include water safety planning as part of key performance indicators.

Overview of the Kenya vision and targets for the SDGs

The water sector in Kenya is guided by the Kenya Vision 2030 and other sector policies and strategies. The water sector is guided by the Water Act 2016, the Water Policy 1999 and the water strategic plan 2013-2017, among others. The Water Act 2016 was enacted in 2016 taking over the from the Water Act 2002. Currently the Water policy is being reviewed in order to align to the Constitution of Kenya 2010, which recognizes water and sanitation as basic human right and to align to the devolved system of government.

In 2015, Kenya achieved water coverage of 56.9% and received \$70million for water/sewerage system from the National treasury, \$170 million from tariffs, and \$30 million from county governments. This was insufficient to achieve the vision 2030 targets for water and sanitation. The sanitation sector launched revised policies last year which are aligned to Vision 2030. These policy documents included: Kenya environmental Sanitation and Hygiene Policy 2016-2030, Kenya Environmental Sanitation and Hygiene Strategic Framework 2016-2020, Kenya Environmental Sanitation and Hygiene Prototype Bill and Kenya Open Defecation Free Campaign Roadmap 2016-2020.

The more ambitious WASH targets and standards under the SDGs significantly raise the bar for what is required. Kenya will aim to achieve 100% access to basic safe water supply and 100% access to basic sanitation by the year 2030. The main challenges are poor quality services for the poor in urban and rural areas, mainly in the area of sanitation and hygiene. Coverage and quality of services are significantly lower among vulnerable groups including the marginalized communities i.e *olmolok/ okiek/ sengwer communities*, street families, those in Arid/Semi-arid regions, physically challenged, bed-ridden people and the elderly.

The critical bottlenecks to overcome include: weak sector governance at the county level; financing and integrity, particularly the lack of separation of oversight from service provision; a heavy reliance on public financing and absorption challenges; human resource constraints; lack of a review mechanism to assess progress on a regular basis; limited multi-year funding agreements from partners which limits predictability of planning; over dependence on development partners to fund rural sanitation and insufficient tracking of WASH finances. If these are not resolved, progress will remain slow and the SDGs will be missed.

2. Review of the sector – State of the Sector Building Blocks and Collaborative Behaviours

Kenya is gradually improving the foundations of a well-functioning sector. A draft national water investment plan was developed in 2013 towards achieving Vision 2030. The sector is working on policies and strategies to address SDGs. The rural Sanitation sector policies and strategies have been aligned to the SDGs and Vision 2030. There are some gaps at the county level which need to be addressed in a number of building blocks.

1. Policy and strategy: The sanitation strategy addresses the four sub-sectors and could be bolstered by decentralized plans at the county level to scale-up the reduction of open defecation in rural counties. Among policy issues, public support for sanitation hardware versus software must be clarified in the spirit of SDGs, especially in the public spaces, institutions and schools. The obligation of both national governments, county governments and the community should be clear in the monitoring frameworks of the strategies. The equity of resource allocation, particularly for targeting vulnerable groups, can be improved through equalization fund.

The Ministry of Water and Irrigation is currently reviewing the water policy to align to the Constitution of Kenya 2010 and the Water Act 2016. The main issues are in relation to the mandates of the national government versus the county governments.

2. Institutional arrangements: Separation and clarification of roles is incomplete for all subsectors—especially rural and urban sanitation—including for governance, regulation, ownership and operations.

3. Sector financing: Public funding to the water sector generally increased during the MDG period from \$123 million in 2007 to \$461 million in 2015. Levels of disbursement and expenditure can still be improved to make the most of increased sector allocations. More advocacy needs to be done for rural sanitation funding especially to address the 12% of people still defecating in the open, changing behavior to allow people to climb up the sanitation ladder and to address the demand, supply and appropriate technologies for the different parts of the country.

4. Planning, Monitoring and Review: Through the Water Act 2016 the Regulator is mandated to maintain a national database and information system for water services, this will enhance the availability and access to data for planning and monitoring. Technical assistance for county government. A monitoring framework supported by an information system which integrates data on water (WASREB data) and sanitation (CLTS online monitoring/ DHIS2) services, and in the EMIS in education sector is in place.

5. Capacity development: The Kenya Water Institute (KEWI) is the sector institution which is responsible for training and research. KEWI continues to improve its curriculum based on technical skills required by the water sector. On the other hand Kenya Medical Training college is responsible for environmental health officers and recognized universities in the country. Coordination and partnerships with these institutions will be enhanced as well as knowledge sharing on the challenges of the sector workforce in an effort to bridge the gaps that will facilitate achieving the aspirations of SDGs.

In terms of the SWA **Collaborative Behaviours**, government and development partners work together to improve the ways of working in the water, sanitation and hygiene sector. The government has led the process of developing the sector vision and strategy, which is focussed on achieving universal access by 2030. The majority of development partners have orientated their programs and funding to the achievement of this government-led strategy. More can be achieved if similar levels of alignment were achieved on the use of country systems. While the government is working to standardise and streamline procurement procedures, development partners will gradually and progressively aim to use the government defined procurement systems. In addition, funding from UNICEF development partners is on-budget. The government is working with partners to capture most of the funding on the national and sector plan as well as county budget as we embrace program-based budgeting.

While the monitoring and evaluation architecture is elaborate at the national level, county governments are still in developmental stages to use the monitoring systems effectively. Greater use of the findings captured by information systems and reports is needed to drive performance improvements. In addition, the majority of development partners are yet to start using the monitoring framework jointly developed with the government.

Fig 1 Application to the SWA Collaborative Behaviours by government and partners, Kenya

| COLLABORATIVE BEHAVIOUR | GOVERNMENT | DEVELOPMENT PARTNERS |
|---|------------|----------------------|
| 1 Enhance government leadership of sector planning processes | ★ ★ ★ ★ ☆ | Not available |
| 2 Strengthen and use country systems | ★ ★ ★ ☆ ☆ | ★ ★ ★ ★ ☆ |
| 3 Use one information and mutual accountability platform built around a multi-stakeholder, government-led cycle of planning, monitoring, and learning | ★ ★ ★ ★ ★ | ★ ★ ★ ★ ☆ |
| 4 Build sustainable water and sanitation sector financing strategies that incorporate financial data from taxes, tariffs, and transfers as well as estimates for non-tariff household expenditure | ★ ★ ☆ ☆ ☆ | ★ ★ ★ ★ ☆ |

Priority actions to be taken to ensure the readiness of the sector for the SDGs

- Establish Kenya National Sanitation Trust Fund and support counties to develop sanitation investments plans through national Environmental Sanitation Coordination and Regulatory Authority (Yet to be established)
- Develop decentralized CLTS micro-plans plans to scale-up the reduction of open defecation in 47 rural counties
- Advocate for increased public resources allocated to rural water and sanitation in all the counties
- Finalize water policy to fully define governance, financing and oversight roles of rural water and develop national sanitation bill and clearly separate the service provision and oversight functions for urban and water and sanitation services
- The national government to support counties to domesticate national policies, guidelines, legislations and standards
- Support counties in monitoring and evaluation capacity building and technical assistance in the implementation of SDGs
- Strengthening Water Sector Trust Fund (WSTF)

3. Sector investment needs, the financing gaps and areas for improving efficiency

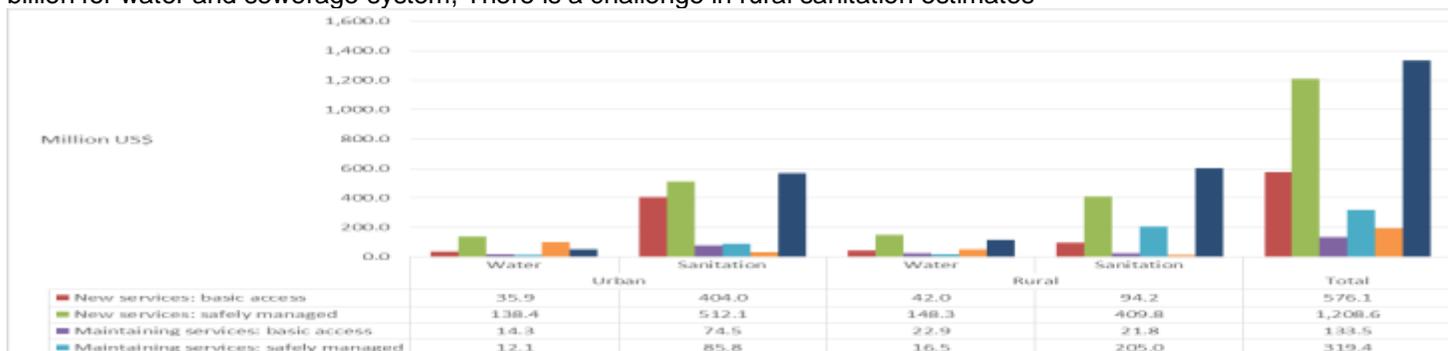
Investment needs and funding gap

Kenya will require \$881 million per year to achieve the water, sanitation and hygiene SDG targets. The largest share of the investments will be targeted at capital expenditures in the medium-term and mostly dominated by investment needs in both rural and urban. These costs are driven mostly by population growth due to migration in the new counties urban and peri-urban. An addition of \$1185 million to build and maintain safely managed services each year. Currently, the financing gap is estimated as \$11.8 billion for water and sewerage.

Fig 5 Kenya will require \$881m to build and maintain universal basic coverage



Fig6 Financing gap: current public funding compared with annual costs intended to be met from public funds, in \$ 11.8 billion for water and sewerage system, There is a challenge in rural sanitation estimates



The option of tapping into private sector funding, however, presents two challenges. First, commercial lenders view the sector as high risk; and, secondly, commercial interest rates are high. This means there is need to look for a third strategy, hinging on increasing the confidence of financial institutions in the water services sector and also lowering the weighted cost of borrowing from the same institutions. This strategy would involve the use of low cost funding (concessional loans and grants) for the development of capital intensive infrastructure. This would in turn strengthen utilities' operations, improve their financial performance, and enable them access commercial financing.

Requirements of commercial financing:

- ✓ Conducive operating and legal environment for bank lending
- ✓ Utilities to continue operating at arm's length as autonomous entities that can borrow
- ✓ Ring fencing of revenue
- ✓ Urban utilities to be managed in business-like manner
- ✓ Tariff setting to allow for funds to leverage more borrowing and not politicized
- ✓ Independent regulation

4 Planned actions to catalyze progress towards the SDGs

Steps the government and partners are prepared to take to make the sector fit for purpose

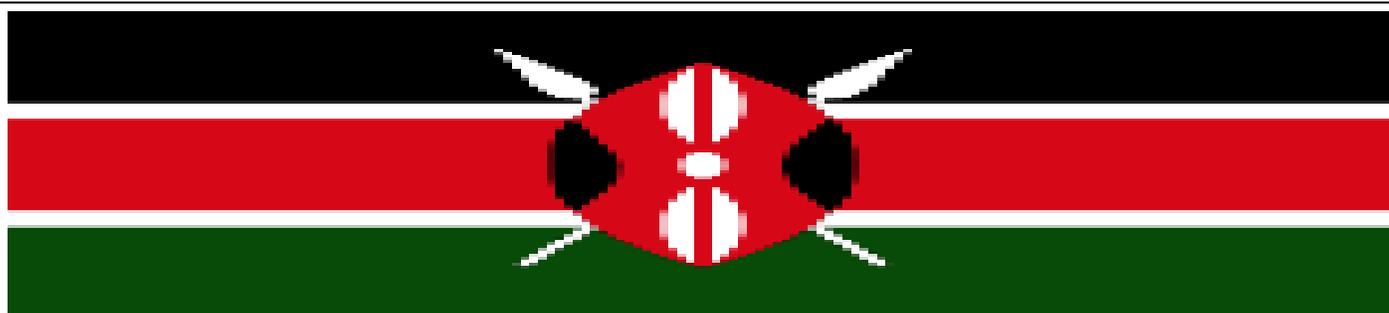
- a. **Policy and strategy:** The Ministry responsible for water has completed the enactment of Water Act 2016 which seeks to align the water sector to the Constitution of Kenya 2010. A water policy is being developed to also comply with the constitution. Counties will be supported by national government to domesticate the sanitation and hygiene policies.
- b. **In regard to capacity building:** the Kenya Water Institute continues to train artisans in various water related courses at certificate and diploma level and has conducted a number of research projects for the sector. On the other hand, Kenya Medical Training College is training more environmental health officers to bridge the gap in human resource at county level to handle sanitation and hygiene.
- c. **Financing:** The Water Sector Trust Fund to be strengthened as the sector's pro-poor financing institution and advocate for increased sanitation & hygiene budgeting at county level (WSTF is a state corporation that invests in pro-poor water and sanitation infrastructure. It runs a results-based financing programme that provides grants to utilities that access commercial loans for investment.)

Relevant (SMART) actions to ensure the Collaborative Behaviours are applied

- d. By 2020, the Ministry of Water and Sanitation, will work with partners to institute regular Joint Sector Reviews (JSR) to review progress towards SDGs and Vision 2030.
- e. The national government and county governments will work together with WASH partners to ensure that they plan together using the government planning circles embracing programme based budgeting (PBB) by 2020. County Integrated Plans (CIDPs), Annual work Plans, (AWP), Medium term Plans, (MTP III)
- f. The national government, together with sector partners, will strengthen monitoring and evaluation by 2020 at both levels of governance to ensure that there is sustainability of SDGs .
- g. By 2020, the national government, county government and partners will have a common understanding on funding strategies for sanitation and hygiene and will have established WASH Accounts.

Plans and strategies to reduce the financing gap

- h. Plans to use existing resources more effectively:
 - i. The country will map all partners working in the counties, track WASH finances to avoid duplication of activities and report progress during the quarterly forums and national forums
- i. Plans to access more financing:
 - i. The county governments will develop sanitation bills that will demonstrate sanitation & hygiene funding for urban and rural sanitation to achieve SDGs and vision 2030.
 - ii. The national/ county government will establish Sanitation Vote head and progressively increase sanitation and hygiene funds according to 2015 Ngor declaration (0.5%) of the GDP.



This country brief was prepared by the Ministry of Water and Irrigation and The Ministry of Health, Ministry of Planning and Devolutions with the participation of partners including bilateral agencies and civil society.