



USAID's Water, Sanitation, and Hygiene Finance (WASH-FIN) increases private financing for water, sanitation, and hygiene utilities like water-taps and latrines, which ultimately improve the health and well-being of Kenyans. Photo: USAID

KENYA

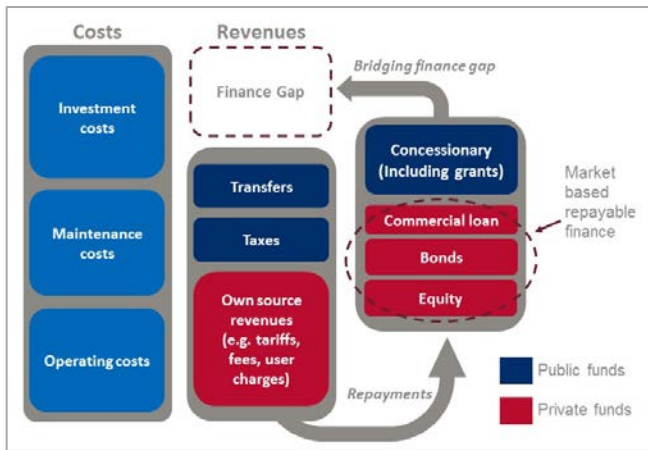
WATER, SANITATION, AND HYGIENE FINANCE

Access to water, adequate sanitation and hygiene (WASH) remain a significant challenge in Kenya. Currently, just over half of the Kenyan population has access to clean water, and only 16 percent has access to adequate sanitation and hygiene.

The Government of Kenya has set an ambitious target of universal access to WASH by 2030. This will require greater financial resources to put in place the utilities and equipment needed to make this available for all Kenyans. The total investment needed to reach universal access by 2030 is estimated at \$12.9 billion dollars. However, the current available government budget for water and sanitation is \$5.6 billion, leaving a \$7 billion gap. To bridge this gap, resources from other sectors, such as the private sector, are critical.

WASH-FIN is a five-year, \$5 million project that is working to close this financing gap. By partnering with national and county governments, development partners, local financial institutions, and other stakeholders, WASH-FIN supports water service providers (WSPs) and private sanitation service providers to access additional capital for sustainable, climate resilient water and sanitation infrastructure equipment. By exploring new roles for market finance, WASH-FIN complements funding from traditional sources such as transfers, taxes and tariffs, and supports Kenya on its journey to self-reliance.

APPROACH TO CLOSING THE FINANCING GAP



WASH-FIN's goal is to expand financing for viable water and sanitation service providers, and to increase investment in the expanded access to, or improved service quality of, safe and reliable water and sanitation. To close the current financing gap that would make WASH services available to all, WASH-FIN targets service providers operating on sustainable business models that strengthen creditworthiness, within clear regulatory and governance structures. Only then can increased public investment and market finance be effectively leveraged to expand or improve service delivery.

ACTIVITIES

WASH-FIN provides technical assistance and capacity building support to WSPs and other WASH service providers, counties, parastatals and national government entities, commercial banks and other private finance sources over the following categories of activities.

TRACKING AND UNDERSTANDING FINANCIAL FLOWS

WASH-FIN supports national and sub-national WASH expenditure tracking with TrackFin, documenting and disseminating lessons learnt from previous WASH financing interventions in Kenya including commercial debt, subsidized loans, and Public Private Partnership (PPPs) in WASH and other sectors. WASH-FIN is also assessing flows from private and community -based providers serving urban areas.

CREDITWORTHINESS AND INVESTMENT PLANNING

Many water companies in Kenya do not have adequate access to credit and capital in order to expand and improve their services. WASH-FIN provides technical assistance on long-term capital investment planning to WSPs; demonstrating creditworthiness; and developing bankable financing proposals that emphasize debt service capacity. WASH-FIN also supports the national regulator, Water Services Regulatory Board (WASREB) in developing business planning guidelines for water service providers, which consider a full range of investment risks, including climate variability.

TRANSACTION FACILITATION

The financial sector and water sector lack adequate information about one another. This limits their interactions and ultimately increased financing for water services across Kenya. To mitigate this, WASH-FIN facilitates transactions for WASH investments by advising utilities and financial intermediaries including support for a DCA Guarantee for the Kenya Pooled Water Fund (KPWF), knowledge sharing with the financial sector, and assistance to the National Office for Public Private Partnerships (PPP) in WASH.

UNDERSTANDING FINANCIAL FLOWS AND KNOWLEDGE SHARING

WASH-FIN supports improved national and county planning and advocacy for WASH investment through TrackFin, a World Health Organization tool for tracking public expenditures. Additional tasks include assessing the role of PPPs, the contribution of various private and community WASH actors, and documenting and disseminating lessons learned on WASH access to finance in Kenya.

BUDGET: US\$5 Million

DURATION: June 2017 – June 2020

ACTIVITY LOCATIONS

National level coverage

KEY PARTNERS

- Tetra Tech (lead implementing partner)
- Open Capital Advisors
- Segura Consulting
- Global Credit Rating
- National and county governments
- Water service providers

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