



# WATER SERVICES TRUST FUND

## *Successful Utility Reform in Water Supply & Sanitation Workshop*

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Program Officer Urban  
*Friday 20<sup>th</sup> March, 2015*

[www.wstf.go.ke](http://www.wstf.go.ke)



Financial support for improved access to water and sanitation

Water Services Trust Fund [ Urban Projects Concept ]

# MANDATE OF WSTF

## MANDATE:

- To provide conditional and unconditional grants to the Counties and to assist in financing the development of and management of water services in the marginalised and underserved areas

## IMPLEMENTING PARTNERS

- County Governments
  - ✓ Water Service Providers,
  - ✓ Community Based Organizations,
  - ✓ Water Resources Users Associations
- Water Services Boards
- Water Resources Management Authorities
- Private Sector



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Water Services Trust Fund PO Box 49699-00100, Nairobi 1st Flr, CIC Plaza, Mara Rd  
Tel: 2720696 / 2729017-9 Email: [info@wstfkenya.org](mailto:info@wstfkenya.org) [www.wstfkenya.org](http://www.wstfkenya.org)

# STRATEGIC PLAN 2014-2019 OBJECTIVES

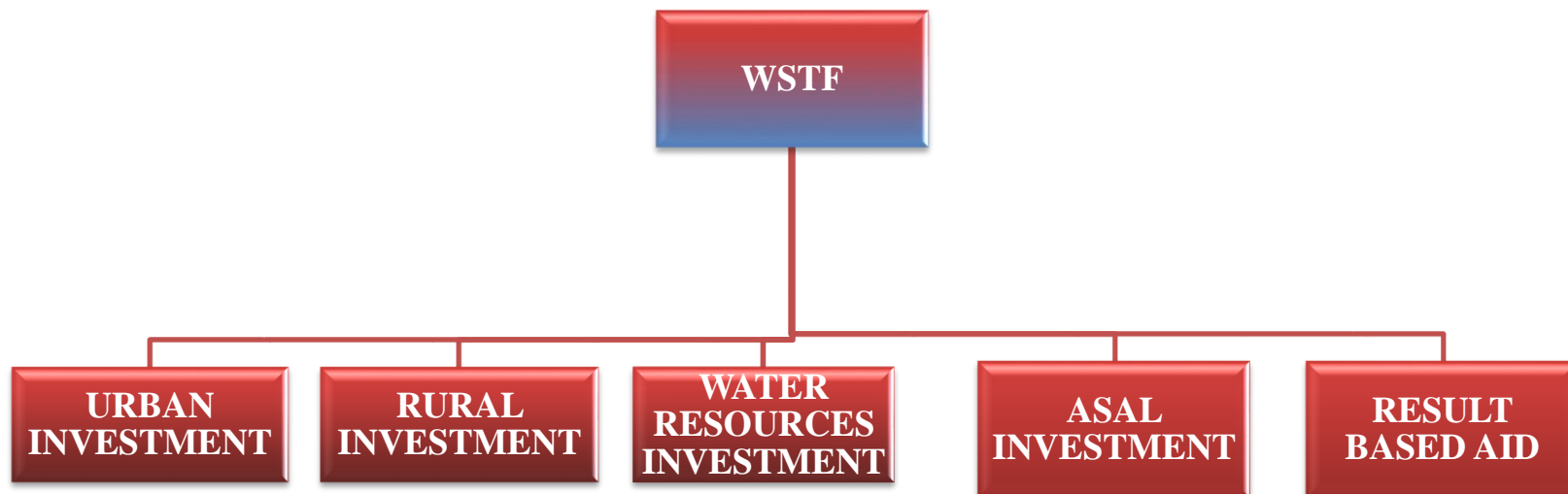
1. To mobilize KES 16.6 Billion to finance investment programmes in the Counties by June 2019.
2. To improve access to water & sanitation for over 5 million people in underserved areas
3. Develop innovative funding mechanisms
4. To enhance capacity development for efficient service delivery and ensure sustainability of the investments



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# WSTF INVESTMENTS / ACHIEVEMENTS



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# KEY DEVELOPMENT PARTNERS



BILL & MELINDA  
GATES foundation

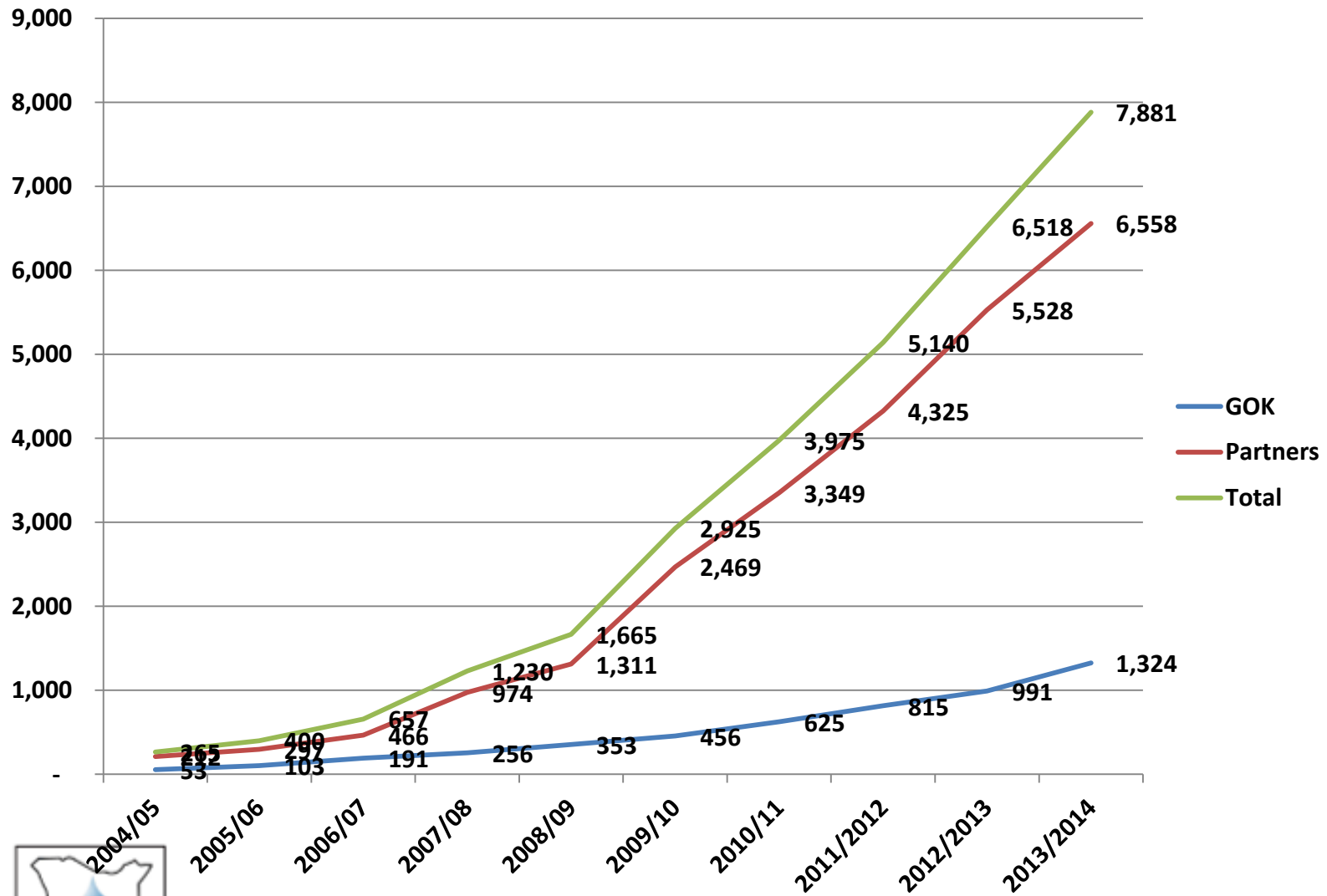


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3/23/20

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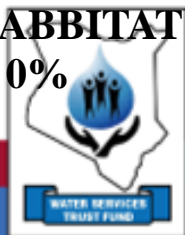
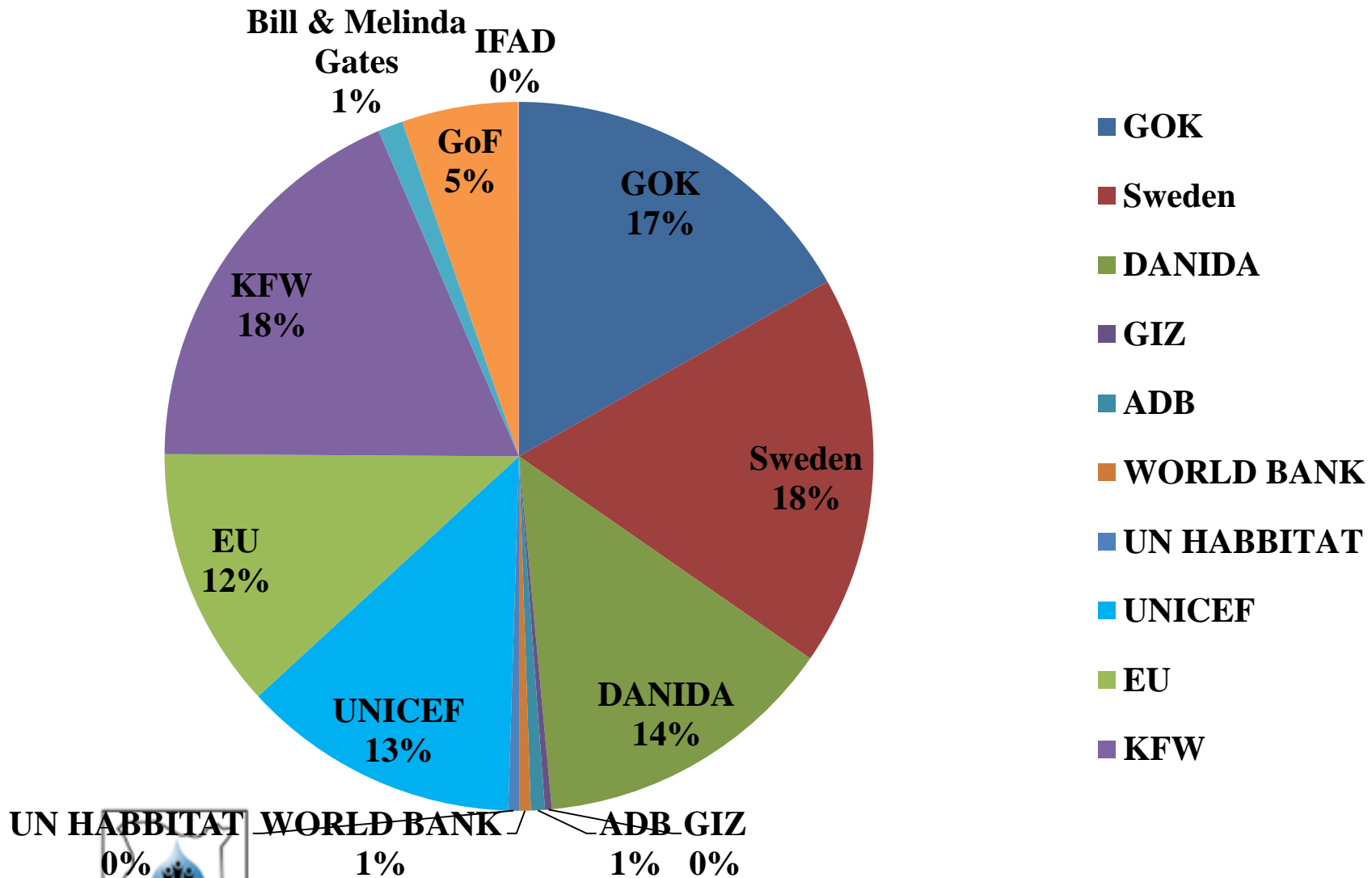
# FUNDING GROWTH 2005 – JUNE 2014



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# PARTNERS SUPPORT 2005 – JUNE 2014



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# OVERALL WSTF FUNDING AND COVERAGE

- Over **Ksh. 6 Billion** disbursed to both Urban and Rural projects to reach **4 million** people
- **Ksh. 2.5 Billion** has been disbursed to Urban projects to date covering **1.4 million** people
- **191 Urban projects** implemented
- **Ksh. 3.8 Billion** disbursed to the Rural projects covering **2.5 million** people



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# FURTHER IMPACT OF URBAN PROJECTS

## 1. National level

Development of national technical standards, access & coverage definition, pro-poor database (MajiData), pro-poor focus in the sector

## 2. County/WSP level

Pro-poor focus, more connections, increased revenue, reduced UfW, development of capacities (e.g. financial management, procurement), improved working relations with local stakeholders (e.g. PHO, Chiefs), regular exchanges with other WSPs

## 3. Area level

Communities working together, capacity building, improved public health situation, communities asking for higher service levels, reduced time for water fetching, reduced cost for water, sustainability

# 7<sup>TH</sup> CALL FOR PROPOSALS

- The 7th CFP was launched on 28th Jan 2015 and will be closed on **31st March 2015**. WSPs encouraged to apply based on criteria
- **Purpose of the Funding**
  - Improvement and/or development of water and sanitation infrastructure in the low income urban areas.
- **Funding Thresholds and Ceilings**
  - Water KES 5 – 20 million per project
  - Sanitation KES 3 – 10 million per project
- **Feed back Proposal writing workshops**
  - Kisumu and Mombasa on **10 – 11th Mar 2015**
  - Naivasha and Embu on **16 – 19th Mar 2015**

# NEW URBAN PROGRAMMES:

## UBSUP 1<sup>st</sup> call for proposals appraisal

The 1<sup>st</sup> CfP was made on 15<sup>th</sup> August 2014 - open for 60 days to 13<sup>th</sup> October 2014.

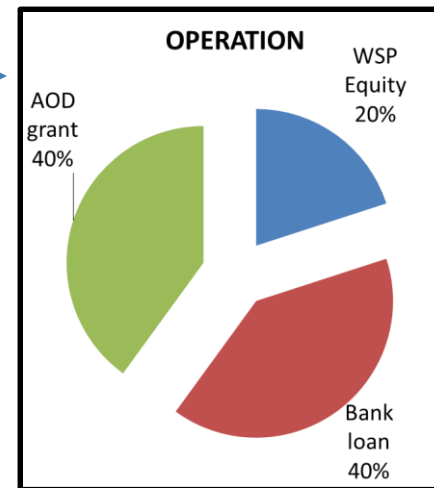
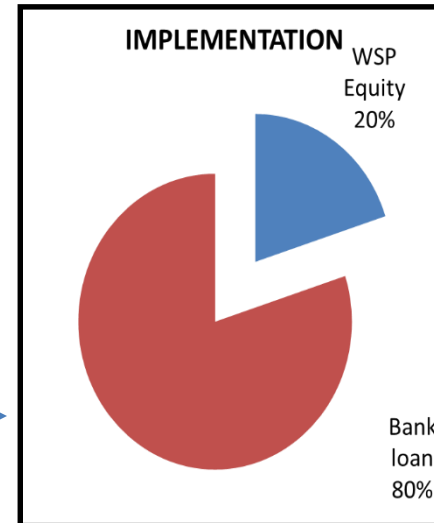
- 48 proposals had been form 40 WSPs and one youth group applied.
- 30 projects appraised
- 20 projects fully met the criteria will be signed on **10<sup>th</sup> March 2015**
  - 11 have DTF and toilets components – KES 14,989,013
  - 9 have toilets component only - KES 6,353,393
- 10 projects had different minor issues
  - Low population to guarantee subsequent phases- need for support by UBSUP team.
  - Lack of DTF land .



# RESULT BASED AID PROGRAMS

## 1. AoD - (Aid on Delivery) Concept

- AoD = Result-Based Aid  
(Grant/subsidy payable AFTER completion and achievement of output/outcome)
- Project pre-financed by WSP equity and loan.
- AoD Formula =  
20% (WSP) / 40% (Bank) /  
40% (WSTF)
- Funding from KfW



## 2. OBA- Output Based Aid

- The Grant and Subsidiary financing agreements were signed in September and December 2014
- The programme is funded by World Bank and was officially launched in February 2015.
- Under the programme the WSP will pre-finance investments in household water connections, household sewer connections, public water kiosks, and public toilets through loans from local commercial banks.



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# OUTPUT BASED AID CONT'D

- WSTF will subsidize 60% of project costs to low income urban areas upon attaining the deliverables.
- Programme includes financing for initial Technical Assistance costs
- In both Result Based Aid programmes, WSP should discuss with WSTF the viability of proposal to see if it meets subsidy criteria before applying for commercial loan
- WSTF will only subsidize for projects that meet the established criteria



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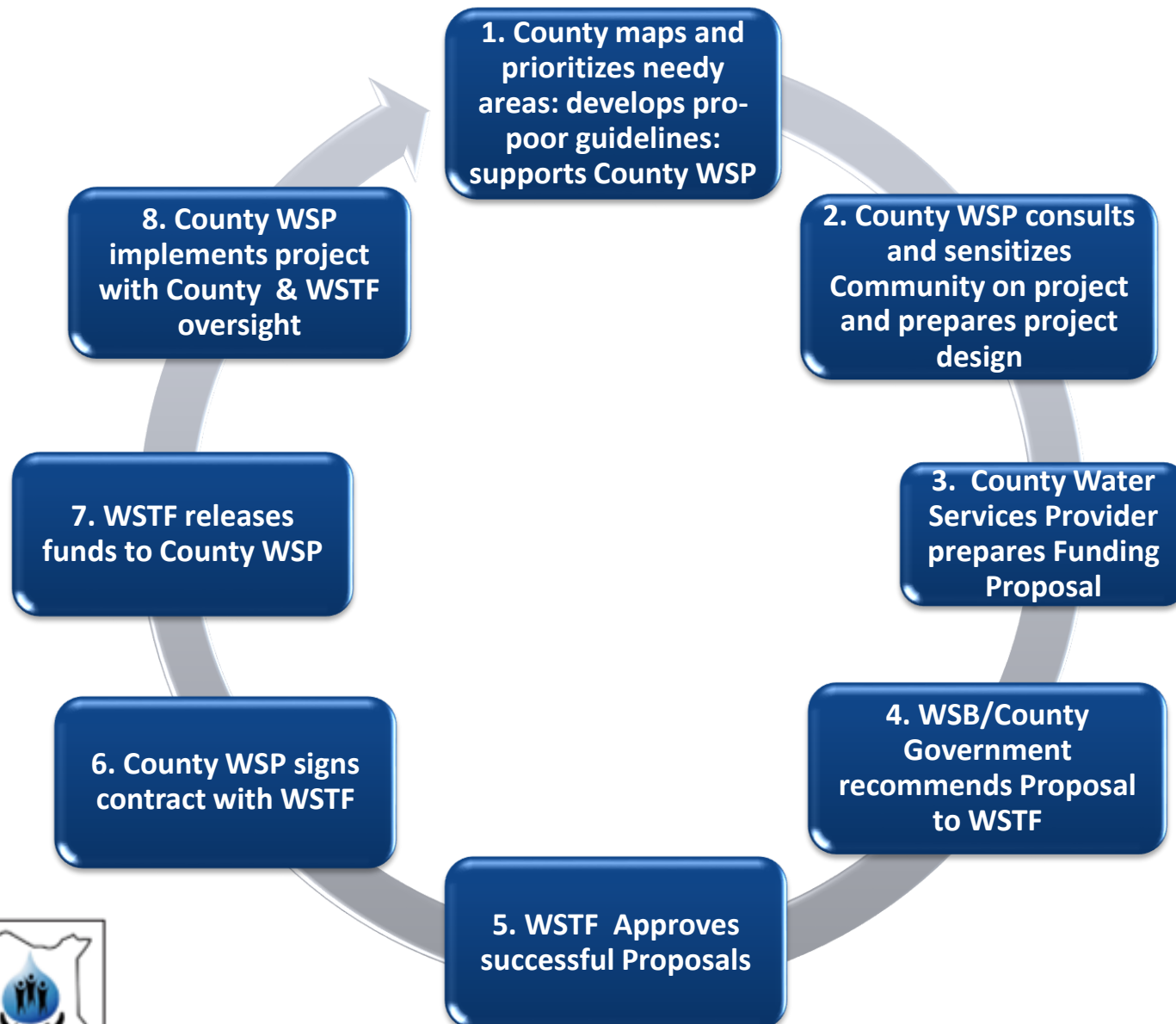
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# OBA Outline Procedure

	WSP	WSTF	BANK
1	Expression of Demand Application Form	Screening process	
2	Apply for TA for preparation of bankable proposal	Assess OBA proposal impact criteria	
3	Submission of proposal		Receipt of proposal
4	Negotiation of loan conditions	Certificate of Eligibility	Loan Offer
5	Signing of Loan	10% of Subsidy paid	
6	Project Implementation	Monitoring	Monitoring & funding
7	Report on output verification	65% of Subsidy paid	
8	Report on 3 month billing verification	25% of Subsidy paid	
9	Repays balance of the loan		



# UPC PROGRAM FLOW OF PROPOSALS



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# QUALITY ASSURANCE FOR PROJECTS

- County Oversight
- County Resident Monitors
- Independent External Audits
- Enhanced M&E Framework
- Use of long term & short term Consultants
- Internal Spots checks by WSTF staff
- Internal Audits (financial & technical)



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# LESSONS LEARNT

1. Collaboration with County Government is key for success & sustainability of projects
2. Twenty (20) million people in the Counties still underserved
3. Conventional funding approaches not applicable for the poor (commercially unviable)
4. Sanitation totally ignored (County fact sheets provided)
5. Capacity development for implementing Partners is essential for success of programme activities
6. Transparency & accountability is key for partnerships



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# Thank you!

