

Leveraging Water Global Practice knowledge and lending: Improving services for the Nairobi water and sewerage utility to reach the urban poor in Kenya

February 2015

The Water Global Practice has the opportunity to combine its lending and non-lending operations to support client countries develop and promote sustainable practices that will increase access to improved water and sanitation services, especially among the poor. These approaches are often times complex and require sustained support of clients, both in terms of expertise and investment, who are willing to take a risk on innovating their business.

In Kenya, implementation of innovative pro-poor strategies for improving access to affordable drinking water and sewerage services for low-income, underserved areas in towns and cities are examples of how the Water Global Practice is leveraging both its knowledge and investment to refine the focus on the urban poor.

CONTEXT

The pace of urbanization in Africa is unprecedented. Kenya, which has one of the fastest rates of urbanization in Africa, will be among the top five most urbanized countries in the continent by 2020. Although the Kenya Vision 2030 identifies guaranteed access to water and sanitation as one of the key targets, majority of poor Kenyans, including those living in informal settlements, lack access to safe and affordable water and sanitation services. Like in many cities in Africa, Nairobi has between 60% and 70% of its population living in informal settlements that are characterized by inadequate access to clean water, sanitation, health care and other social services.

Various field notes and studies have recorded existence of water kiosks and stand pipes by the utility and individuals in the Nairobi's informal settlements. For a long time, water kiosks and public water posts have existed in low-income areas alongside rudimentary water networks that are characterized by low quality water.

This challenging scenario notwithstanding, the Kenya Vision 2030 goal for urban areas envisages that change will be achieved by bringing basic infrastructure and services including water and sanitation facilities to the informal settlements. The NCWSC has

ABOUT KAYOLE SOWETO

Kayole Soweto settlement in the outskirts of Nairobi is home to 89,000 residents. The village is among scores of informal settlements inhabited by almost two-thirds of the city's four million people. Like other low-income settlements in Nairobi, Kayole Soweto village is sparsely served by piped water network.

The Nairobi City Water and Sewerage Company (NCWSC) is pursuing a number of innovations that are enabling them reach the urban poor in low-income areas. Innovations such as *Jisomee Mita*, *Maji Voice*, and Mobile Meter Reading System (MMRS) are making water and sanitation services affordable in the low income areas. Under the *Social Connections* Policy, the NCWSC is piloting some of these innovative approaches in Kayole Soweto under the project dubbed *Maji Mashinani*¹ (water at the grassroots).

Previously, the Kayole Soweto residents depended largely on water from boreholes, that was often overpriced and of poor quality. Most households relied on water sources more than 100 meters away.

With the *Social Connections* approach, the Kayole Soweto residents now access water from their households. Bringing piped water close to the communal residents has made it affordable for the Kayole Soweto residents. Demand for paid for water is very high and most residents are willing to pay for improved water supply.

The *Social Connections* Policy subsidizes "first-time" connections in Nairobi's informal settlements and low-income areas. This addresses the barriers such as lack of primary water and sewerage reticulation networks, high costs for connections and materials, and landlord/structure owners' guarantees – a prerequisite of the utility for applicants of new connections.

¹The aim of *Maji Mashinani* is to make water and sanitation services affordable for low-income communities in the informal settlements in Kenya.

recently increased its efforts to improve services in the informal settlements, and in doing so, it recognizes the importance of partnerships with other players in the informal settlements. As a partner dedicated to supporting the poor in obtaining access to affordable, safe and sustainable water and sanitation services, the World Bank has extended its support to the Government of Kenya to accelerate the rate of change in the water and sanitation sector in the urban areas, particularly in the informal settlements, as is envisaged in the Kenya Vision 2030.

The World Bank and the French Development Agency (AFD) co-financed the development of the Nairobi Water Supply Master Plan that details strategies to meet universal water supply targets for Nairobi and 13 satellite towns by 2035. The Master Plan identifies new water sources for Nairobi and adjoining districts. In addition, a joint effort between the NCWSC and the Athi Water Services Board (AWSB) with the support of the Water and Sanitation Program resulted in the development of the '*Strategic Guidelines for Improving Water and Sanitation Services in Nairobi's Informal Settlements*'. The guidelines set out the guiding principles for affordable and reliable water supply and sanitation services, focusing on community participation, partnerships with key actors, and adopting suitable technical, management and financial solutions.

The NCWSC has taken great steps to get rid of water vending cartels who dominated water supply in the informal settlements often supplying poor quality and overpriced water. Through its many innovative approaches, the NCWSC is supplying high quality and affordable water services to many of the previously underserved low-income earners.

Delivering reliable water and sanitation services to fast-growing cities in Kenya such as Nairobi and Mombasa will enhance the competitiveness of the cities and ensure that they can serve as engines of growth for the economy. More important is the impact that improved services will have on the poor residents of the city, who will receive access to water close to where they live and therefore save time and money for other activities, in addition to obtaining health benefits. This is making a significant contribution to poverty reduction and an increase in shared prosperity.

REFINING FOCUS ON THE URBAN POOR: THE FINANCING AND THE PLANNING

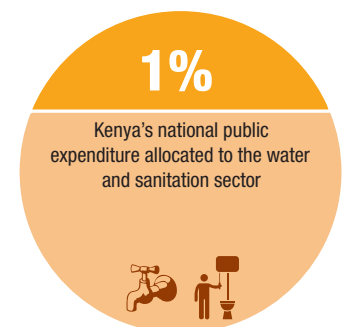
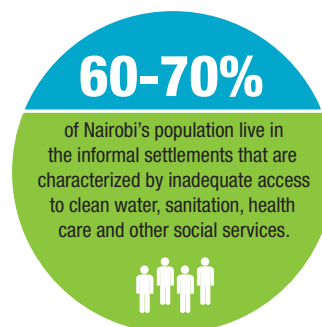
Like in many countries in Africa, Kenya's water and sanitation sector is constrained by inadequate financial resources such that it is very difficult to sustain the current service levels, let alone to improve water and sanitation services and expand them to the underserved areas. With as little as over 1% of Kenya's national public expenditure allocated to the water and sanitation sector, the water utilities in the country have to be creative in order to supply quality water and sanitation services to all (regardless of whether they live in formal or informal settlements) as stipulated in the Constitution of Kenya 2010 under the Bill of Rights.

Cognizant of the above fact, the World Bank's Water Global Practice is facilitating multiple financing mechanisms aimed at supporting efforts to supply improved and affordable water and sewerage services

to the urban poor in Kenya's towns and cities. Kenya's IDA-funded (US\$450 million) Water and Sanitation Services Improvement Project (WASSIP) seeks to increase access to water and sanitation services especially in areas covered by the Athi, Coast and Lake Victoria North Water Services Boards. These include Nairobi and Mombasa cities, and fast expanding towns, which are experiencing high demand for water, sanitation and other services due to Kenya's rapid urbanization. In early 2012, under the Kenya Informal Settlements Improvement Project (KISIP), the Kenya government received US\$100 million credit from IDA to extend water infrastructure to informal settlements and other underserved areas often populated by low-income and marginalized communities. One of KISIP's project development objectives is provision of infrastructure in various urban parts of the country classified as low-income areas. Through collaboration with the Water Global Practice, the Urban Practice, under which KISIP is implemented, was able to develop synergy with WASSIP.

This innovative approach combines a *Social Connections* approach with Output Based Aid (OBA), provided through the Global Partnership on Output-Based Aid (GPOBA), to enable low-income households to access subsidized micro-loans and stagger payments for water consumed. For Nairobi's informal settlements, the performance risks are taken by the Nairobi City Water and Sewerage Company (NCWSC) that will be eligible for a partial OBA subsidy of about 50% on delivery of outputs to refinance a part of the loan and keep the debt repayment affordable for poor households. Under a pilot project which is about to be completed in Kayole Soweto, one of the sprawling informal settlements in Nairobi with a population of 89,000, the Water and Sanitation Program is facilitating a *Social Connections* program, through which the Nairobi City Water and Sewerage Company receives a 50% subsidy from the GPOBA if they complete connections within the stipulated period. Under the Kayole Soweto program, the Athi Water Services Board is the recipient of a sector investment loan from the World Bank. They are also the oversight authority that has issued a Service Provision Agreement (SPA) to NCWSC, the implementing partner which ensures sustainability through institutionalization of the innovative approaches.

This innovative financing arrangement offers two distinct potential benefits to the urban water sector in Kenya **(1) it leverages resources, and, (2) contributes to sustainability and effective use of resources.**



REFINING FOCUS ON THE URBAN POOR: THE KNOWLEDGE INNOVATIONS

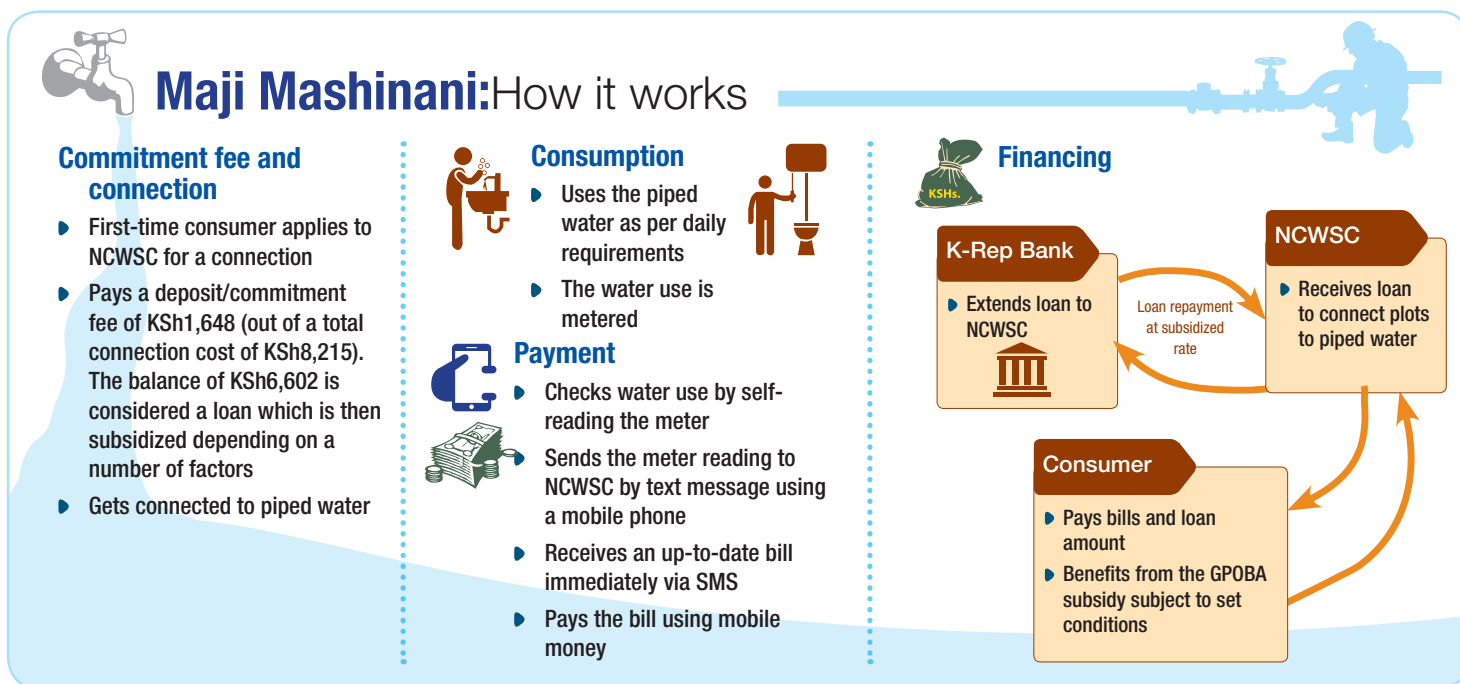
The Water Global Practice’s ultimate goal is to use the knowledge from what we learn through interventions on the ground to support results on a much larger scale through World Bank’s investments. In Africa, the Water Global Practice is combining its lending and technical assistance operations to support client countries develop and promote sustainable practices that will increase access to water and sanitation services and hygiene promotion for all, especially among the poor. This is done mainly through supporting country dialogue on institutional reforms and capacity building; providing upstream reform efforts which may provide the right enabling environment; making use of investments that can finance reforms; and provision of long-term support to ensure scale up and sustainability of initiatives and investments. All these approaches develop new knowledge for the water and sanitation sector.

In Kenya, *Maji Mashinani* introduces several innovations that can be scaled up to improve delivery of water and sanitation services in informal settlements and low-income areas countrywide. These innovations include:

A Social Connections policy approach: This champions the right of access to affordable water services on a non-discriminatory basis, especially for disadvantaged or marginalized groups. A corporate policy to extend services to low-income settlements in Nairobi through *Social Connections* has been approved by the Board of NCWSC. So far, 25 kilometers of the water network have been installed within Kayole Soweto village. A policy approach ensures scalability of the *Social Connections* concept.

A financing and micro-credit scheme: This makes water and sanitation services affordable to low-income households through access to subsidized micro-loans and staggered payment of consumption bills. The program enables low-income households to come together to borrow the money needed for the initial cost of installing a metered stand pipe within their residential compound. Low-income households can borrow small amounts of money to offset the initial costs of getting a water connection and, through a flexible payment scheme, repay the loans together with the monthly water bill over an agreed period. This scheme is designed to suit the fluctuating incomes of self-employed and informal sector earners. The loans are processed through K-Rep Bank, a local micro-finance bank, from which 50 percent is repaid through an output subsidy from the Global Partnership on Output-based Aid (GPOBA).

Jisomee Mita²: An ICT platform that enables water consumers to use a mobile phone to send their own water meter readings, query and receive current water bills, then pay using mobile money. *Jisomee Mita* is a newly-introduced service that allows the customer to access their own water meter, check the readings and send the readings by phone to the water service provider. On receiving the readings, the service provider computes the water consumed based on the readings, and sends the customer a response on phone indicating the water bill to be paid. The customer is also notified of the status of outstanding micro-loan. Payments for both the water bill and micro-loan servicing can be made to the water company on phone using MPESA and other mobile money facilities. *Jisomee Mita* provides the option for prepayment without having to invest in additional prepayment infrastructure including chain-supply mechanisms of payment tokens.



²*Jisomee Mita*: Innovative self-meter reading, billing and mobile money payment system

Currently, some Kayole Soweto residents are opting to use this facility to fast-track loan repayments. The team is exploring the customer interest in further uptake of this facility in Kayole Soweto.

The Water Global Practice's challenge is to scale up successful approaches, continue targeted learning efforts, and support reforms that ensure the adoption of sustainable investments in the sector that help people rise from poverty. Through the Water and Sanitation Program, the Water Global Practice is supporting various advances made within the water and sanitation sector over the last three decades. The Water Global Practice will continue to share lessons and best practices across the Bank to strengthen synergies with other World Bank's Global Practices.

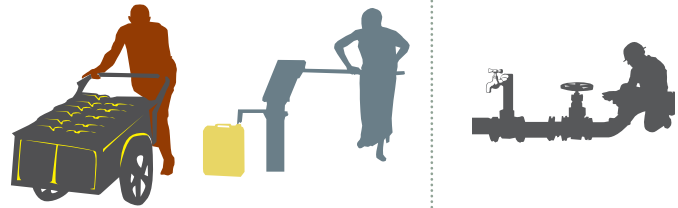
HOW IT IS DONE IN KAYOLE SOWETO

Two IDA-funded projects, the Water and Sanitation Service Improvement Project (WASSIP) and Kenya Informal Settlements Improvement Project (KISIP), are supporting Athi Water Services Board and the NCWSC in providing access to water and sanitation to around 2,200 low-income condominiums of households in Kayole Soweto. The water network has been completed and the sewer network is currently being constructed. Once the infrastructure is installed, the challenge for connecting households remains. In Kayole Soweto, customers can afford water and sewerage connections thanks to a micro-credit offered through NCWSC with technical assistance provided by WSP. In addition, Kayole Soweto residents are now reading their water meters by themselves and paying for their water bills through *Jisomee Mita* platform, which comprises innovative Information, Communication and Technology (ICT) tools that were developed through the support of WSP. Using their mobile phones, the Kayole Soweto residents are sending their own water meter reading queries upon which they receive their current water bills and pay for them using Safaricom's MPESA mobile money, thereby taking more control over making payments when money is available.

It takes more than just connecting water pipes and building toilets

Although the Soweto residents are willing to pay for improved water and sewerage services, the connection costs are prohibitive for most households. For example, the average cost of getting piped water connection from NCWSC is pegged at KSh8,215.00 (about US\$100) to cater for non-refundable fee, deposit for meter installation, piping and fittings, while the average household monthly income is about US\$150 (KSh12,000), shared among several other livelihood priorities.

In Kayole Soweto informal settlement, demand for paid for water is very high. The residents previously depended largely on water from boreholes and in times of short supply, vendors hawked water fetched from the neighboring estates at KSh15-20 (US\$ 0.17-0.22) per 20 liter jerrican. This cost translates to between KSh100-250 (US\$ 1.12-2.80) per m³, yet the lowest tariff bracket from Nairobi City Water and Sewerage Company (NCWSC) is KSh 18.70 (US\$ 0.21) for 0-10m³. Water sold through piped household connections is more accessible and is always cheaper and safer than that sold at these point sources.

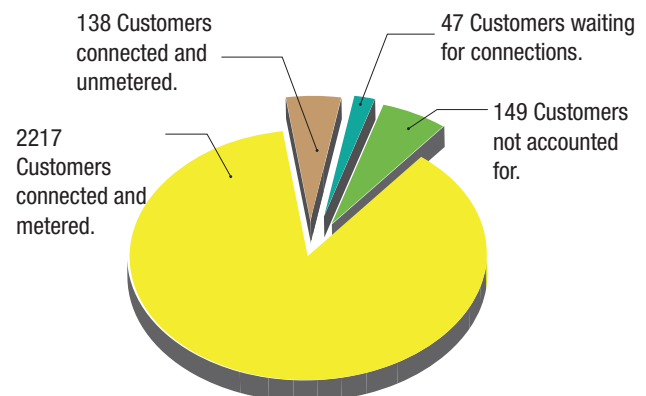


Kayole residents previously depended largely on water from boreholes and in times of short supply, vendors hawked water fetched from the neighboring estates at a cost of **KSh 100-250 (US\$ 1.12-2.80)** per m³.

Nairobi City Water and Sewerage Company (NCWSC) cost of water is **KSh 18.70 (US\$ 0.21)** for 0-10m³. This is 10 times cheaper

Customer Status:

Kayole Soweto Customer update: 14th October 2014



Under WASSIP, the Nairobi City Water and Sewerage Company has introduced a program to improve access to clean and safe water, and sewerage services to households in Nairobi City's informal settlements and low income areas. The program known as *Maji Mashinani* (water at the grassroots) is being implemented by NCWSC in collaboration with the Athi Water Services Board. Partners include the World Bank's Water and Sanitation Program, and the K-Rep Bank. *Maji Mashinani* is currently being implemented in Kayole Soweto where the aim is to increase access to clean drinking water and sewerage services to about 89,000 residents (almost 22,000 households) who were previously underserved.

WORKING TOGETHER FOR GREATER IMPACT

NCWSC's *Maji Mashinani* provides a platform that demonstrates the potential of leveraging IDA funds to attract additional financing from other players, such as the World Bank Trust Funds and commercial financiers.

International Development Association (IDA): Through a concessional lending, IDA is supporting Kenya's *Maji Mashinani* project through some of the proceeds of the US\$450 million Water and Sanitation Services Improvement Project (WASSIP), and the US\$100 million Kenya Informal Settlements Improvement Project (KISIP).

Water and Sanitation Services Improvement Project (WASSIP): Through parts of the US\$450 million IDA funding, WASSIP is contributing to interventions that are aimed at increasing access to water and sanitation services in Nairobi and Mombasa cities, and fast expanding towns which are experiencing high demand for water, sanitation and other services due to Kenya's rapid urbanization.

Kenya Informal Settlements Improvement Project (KISIP): Through a US\$100 million IDA funding, KISIP is pursuing one of its project development objectives that seeks to provide infrastructure in various urban parts of Kenya that are classified as low-income areas. Through collaboration with the Water Global Practice, the Urban Practice, under which KISIP is implemented, KISIP was able to develop synergy with WASSIP. In close collaboration with WASSIP and *Maji Mashinani*, KISIP has provided funding for sewer construction in Nairobi (Kayole Soweto), Eldoret (Maili Nne, Munyaka, Kimumu, Kamukunji, Huruma, Kijiji, Silas), as well as in Malindi (Kibokoni, Muyeye).

World Bank Water and Sanitation Program: WSP is supporting innovations in scaling up access to water supply and sanitation services for the urban poor in Kenya. WSP is providing technical assistance to the project, by sharpening focus on reaching the urban poor, and also supporting leveraging of additional financing from the domestic private sector and from GPOBA (US\$4 million) to facilitate household connections in underserved areas.

World Bank Global Partnership on Output-based Aid (GPOBA): Upon connection to the piped water network, the beneficiaries are entitled to a 50 percent rebate through an output subsidy from GPOBA.

Nairobi City Water and Sewerage Company (NCWSC): the implementing partner which ensures sustainability through institutionalization of the innovative approaches.

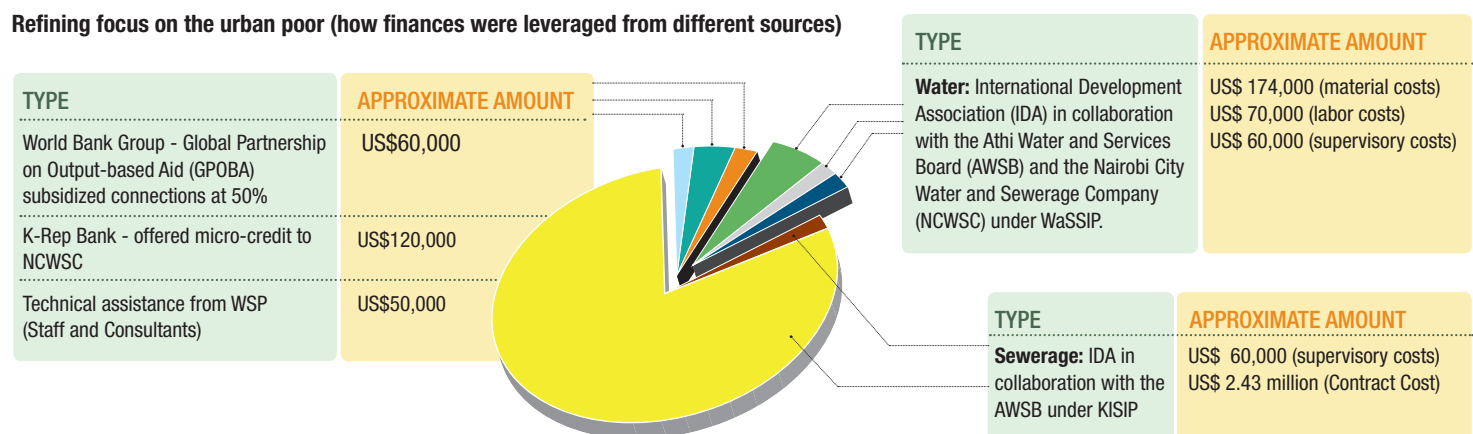
Athi Water Services Board (AWSB): the recipient of a sector investment loan from the World Bank. AWSB is also the oversight authority that has issued a Service Provision Agreement (SPA) to NCWSC. The Athi Water Services Board, through the Kenya Informal Settlements Improvement Project (KISIP), is installing sewerage reticulation to low-income areas, including Kayole Soweto. Implementation of 31 kilometers of primary and secondary sewerage networks in Kayole Soweto settlement is estimated to cost Ksh209 million.

Water Services Regulatory Board (WASREB): The role of WASREB, according to the Water Act of 2002, is to establish guidelines for tariff setting by Water Service Providers (WSPs), in this case NCWSC. Under these guidelines, NCWSC is required to accommodate cross-subsidization in its tariff. By validating the lower domestic charge of KSh 18.71 for the lower domestic consumption block 0-6m³, WASREB ensures that such a tariff is not only used as an economic instrument, but also a tool to enhance social equity. Under the *Social Connections* approach used in Kayole Soweto, NCWSC consulted with WASREB to ensure that the *Social Connections* fee was allowable as per the tariffs structure.

K-Rep Bank: K-Rep bank is a medium-sized, fully licensed commercial and micro-finance bank serving the urban and rural poor in Kenya, as well as financing their small-to-medium business enterprises. For the Kayole Soweto project, the *Social Connection* cost is being financed through a loan arrangement with K-Rep Bank working with the Global Partnership on Output-Based Aid (GPOBA) to provide subsidies.

Kayole Soweto Community and its leaders: The NCWSC uses the settlement leadership to mobilize the community to ensure ownership and peer-to-peer policing. This overcomes the mistrust that low-income settlements residents have of authorities due to neglect of several decades.

Refining focus on the urban poor (how finances were leveraged from different sources)



Example of World Bank Group Synergies in the Kenya WATSAN Sector

World Bank Group



Lending

IDA

International Development Association
The part of the World Bank that helps the world's poorest countries

IDA Concessional Lending (WASSIP & KISIP)



Technical Assistance

WSP

Water and Sanitation Program
Multi-donor partnership administered by the World Bank to support poor people in obtaining affordable, safe and sustainable access to water and sanitation services

Pro-poor Focus

GPOBA

Global Partnership on Output-Based Aid
Partnership of donors working together to support output-based aid (OBA) approaches

Subsidy Financing

Key Water Sector Actors



- Water Service Boards
- Water Service Providers
- Water Services Regulatory Board (WASREB)

Five Towns/Cities

- Nairobi
- Eldoret
- Malindi
- Mumias
- Mombasa



Innovations for Improving Services for the Urban Poor (*Maji Mashinani*)



■ Social Connections



■ Micro-Lending Scheme



■ Jisomee Mita

Safaricom: Billing and payment for water in Kayole Soweto is done through mobile money (MPESA), a service provided by Safaricom who are a mobile service provider in Kenya. Safaricom has zero-rated Short Message Service (SMS) charges for the over 2,200 water connections on the side of the Kayole Soweto residents. The Kayole Soweto customers do not pay for the SMS but NCWSC pays 80 cents (US\$ 0.009) for the response SMS.

JamboPay: This is the electronic payment service provider who provides an e-payment platform through which the Kayole Soweto residents pay for their water bills using Safaricom’s mobile money (MPESA) under the *Social Connections* approach.

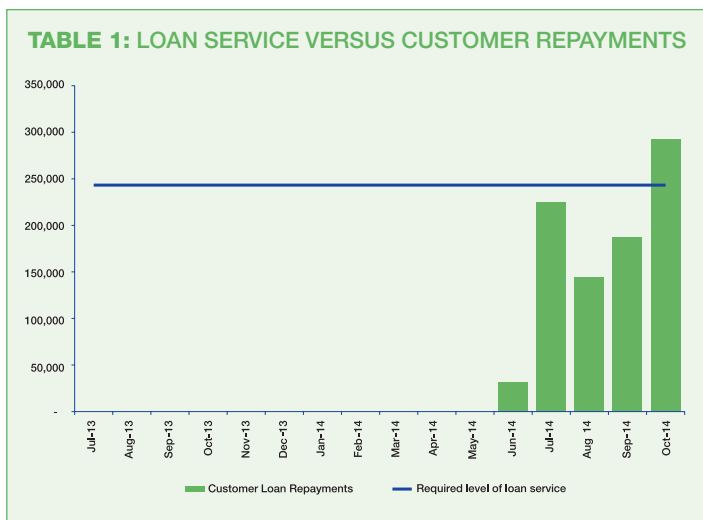
REFLECTIONS

Access to safe water and sanitation in peri-urban informal settlements remains a big challenge because of land tenure disputes, lack of land use planning, technology and financial issues. Meeting the water supply demand and basic sanitation needs for millions of un-served and underserved Kenyans will require a combination of political commitment, engagement of the planning authorities, substantial increase in investments, innovative solutions and business models. The *Social Connections* approach has now made it affordable for Kayole Soweto residents to tap piped water from the network to communal residences and is working to scale up the initiative in several other settlements in the cities of Nairobi, Mombasa, Malindi, Eldoret and Mumias.

Though informal in terms of housing, water, and infrastructure, there are less tenure challenges in Kayole Soweto because it is regularized and more or less planned. Land tenure issues have been resolved to the stage where public land, way leaves, roads, and plots allocation have been finalized. Kayole Soweto sits on a planned land area, hence it provides an excellent ground for mass formal solutions such as reticulated sewer and water on a demand-driven and affordability basis. Way leaves are available and this provides space for construction of reticulated water and sewerage network. Sewer construction may be expensive for the Kayole Soweto residents, but we make it affordable by providing them a micro-credit which enables them to pay back over a longer period of time. NCWSC is incentivized to work in informal settlements through World Bank’s subsidies/grants.

Current financial performance from Kayole Soweto reveals that the project is progressing well towards recovering its cost. Current collection efficiency has doubled to 102% from 52% since the adoption of the self-meter reading system-*Jisomee Mita* in June 2014. Consumers are already meeting the monthly loan repayment amount through the *Jisomee Mita* system. Revenue collection is averaging KSh 650,000 (US\$ 7,189.34) per month against average total costs (including the cost of producing water from source to Kayole and specific Kayole project costs) of KSh 730,000 (US\$8,074.18) during the 16 month period reviewed. The revenues are expected to significantly improve and recover cost and investments after the completion of additional water investments to the Nairobi Water Supply under the Water and Sanitation Service Improvement Project (WASSIP),

continuous community sensitization and rapid harmonization of data from NCWSC billing system and *Jisomee Mita*. NCWSC has already hired a project accountant and is currently finalizing on recruiting community development assistants as part of the measures aimed at improving financial reporting and increasing uptake to *Jisomee Mita*.



As we wind up work on the Kayole Soweto pilot and gear up for scaling up, more requests are coming in. Currently, it is proposed that Muyeye-Asili in Malindi be regularized and added to the informal settlements that we are working in. In Mombasa, regularization process of informal settlements is on-going in Shauri Yako, Kisumu Ndogo, Mnazi Mmoja, Matopeni and Maweni.

KEY TO THE SUCCESS OF THE KAYOLE SOWETO MAJI MASHINANI PROJECT: COLLABORATION EXTENDED

The success of this approach would not have been possible without strong leadership and willingness to innovate by NCWSC. The *Maji Mashinani* project has very elaborate and practical outreach strategies in place to ensure the active participation of the Kayole Soweto community in all aspects of the project. The NCWSC and the World Bank have worked very closely with the community engaging a team of Community Development Assistants (CDAs) and Sociologists to sensitize and train the community on the project. The CDAs have been particularly helpful going door-to-door sensitizing the community and helping them with reading the *Jisomee Mita*, placing billing query via their mobile phones, and paying for the water bills via the Safaricom’s MPESA mobile money.

In addition, the World Bank’s WSP organizes regular field visits to the site during which they engage with the community and answer frequently asked questions regarding the project and its progress. NCWSC has also established a fully functional physical office in Kayole Soweto that is manned by NCWSC’s staff to provide a direct link between the customers in Kayole Soweto and the utility.

Most importantly, the community has been involved from the early stages of the project to get them on board and ensure they own the project. At the project conceptualization stage, NCWSC, with support from WSP, conducted an elaborate socio-economic analysis to assess the willingness and ability of the Kayole Soweto residents to pay for the connections and subsequent water consumption. This socio-economic mapping exercise provided detailed income profiles of the Kayole Soweto residents which guided the NCWSC-Bank partnership in developing a payment program that fits their daily and weekly income patterns. In addition, the project relies heavily on local labor (community labor), which strengthens the Kayole Soweto community ownership of the project and partly ensures sustainability of the project.

The project follows several innovative approaches including an innovative financing model that combines Output-based Aid, micro-credit and technical assistance to avail services to the underserved. It employs advanced technological innovations including use of digital innovation (*Jisomee Mita*), which has saved the cost that could have been used on paper for printing bills and receipts. *Jisomee Mita* has also empowered the customers, who can now read their own water meter and pay their bills through mobile money.

Linking up with the local private sector has seen commercial banks, such as K-Rep, and other private businesses, such as Safaricom, extending support to the water sector and informal settlements in Kenya.

For information on a related project, visit the link: <http://www.worldbank.org/projects/P117635/kenya-enhancing-water-security-climate-resilience?lang=en>

WSP is a multi-donor partnership created in 1978 and administered by the World Bank to support poor people in obtaining affordable, safe, and sustainable access to water and sanitation services. WSP's donors include Australia, Austria, Canada, Denmark, Finland, France, the Bill & Melinda Gates Foundation, Luxembourg, Netherlands, Norway, Sweden, Switzerland, United Kingdom, United States, and the World Bank.

The findings, interpretations, and conclusions expressed herein are entirely those of the author and should not be attributed to the World Bank or its affiliated organizations, or to members of the Board of Executive Directors of the World Bank or the governments they represent.

This was previously not the case. Safaricom has zero-rated Short Message Service (SMS) charges for the over 2,200 water connections on the side of the Kayole Soweto residents. The customer does not pay for the SMS but NCWSC pays 80 cents (US\$ 0.009) for the response SMS. This is a significant contribution to the project by Safaricom and relief to the residents of Kayole Soweto who mainly pay for their water bills on weekly cycles in alignment with their erratic income patterns. They can query and pay for their bills through their mobile phones as many times in a month without worrying about SMS charges.

As part of the sustainability plan, lessons learnt during the implementation of the project are fed back as the project progresses to ensure improvements at the subsequent project stages. In addition, the project is being implemented by the NCWSC who are mandated by the Nairobi County government to handle all the water matters within the city. Therefore, even when the World Bank and other stakeholders pull out, the NCWSC will continue running the water affairs in Kayole Soweto just like in every other part of the city under its jurisdiction.

In keeping with its tradition to learn through its interventions on the ground, the Water Global Practice has included an Impact Evaluation component in the informal settlements project through which it assesses the value of subsidy and hygiene in the informal settlements. The knowledge from the impact evaluation exercise will inform future policies and plans in the water and sanitation sector.

About NCWSC's Social Connections Policy

In response to a requirement by the Constitution of Kenya 2010, Article 43 (1) b. that states that "every person has the right to clean and safe water in adequate quantities," the Nairobi City Water and Sewerage Company developed a *Social Connections* Policy that subsidizes "first-time" connections in Nairobi's informal settlements and low-income areas.

This policy is intended to improve access to clean and safe water in adequate quantities at the household level in Nairobi's informal settlements and low-income areas. Previously, low-income household connections to domestic water and sewer lagged behind due to several barriers such as lack of primary water and sewerage reticulation networks, high costs for connections and materials, and landlord/structure owners' guarantees - a prerequisite of the utility for applicants of new connections.

The *Social Connections* Policy addresses these constraints and proposes several policy measures to be taken, which will ensure that water and sewer services are available and affordable in Nairobi's informal settlements and low-income areas.

Contact us

Water and Sanitation Program (WSP)
13th Floor, Delta Centre,
Menengai Road, Upper Hill,
P.O. Box 30577-00100, Nairobi, Kenya
www.wsp.org

Contact: Glenn Pearce-Oroz
gpearceoroz@worldbank.org
+254 20 293 6379

Contact: Andreas Rohde
arohde@worldbank.org
+1 202 473 4598

Contact: Patrick Nduati Mwangi
pmwangi2@worldbank.org
+254 20 293 6323

Design/Layout: Lugaka Eric

