Kenya: Sub-delegated Arrangements in Kisumu and Water Kiosks Association in Kibera

Water Days 2006 - Session 3.1
How Alternative Suppliers Interact in Practice with Main Services Provider: A Review of Cases

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Agenda

• Context in Kenya

• Sub-network management contract in Kisumu

• Water kiosks association in Nairobi
Kenya sectoral context

- Before reforms, the poorly-managed public utilities had little incentives to improve services.
- Informal settlements viewed simply as a source of water losses:
  - less than 10% of water billed
  - estimated 1% payment rate
  - Strategy of restricting water supply
Kenya sectoral context

The 2002 Water Act:
• specifically defines the role of water services providers
• encourages competition between service providers to increase efficiency

Alternative suppliers have been included in the guidelines for Water Service Provision Agreements prepared by the Regulatory Board
Nyalenda, Kisumu

Water Services Coverage

Nyalenda
A utility led project

- Reduce physical and commercial water losses from main water supply lines (illegal connections and vandalism)
- Answer the mandate of providing quality services at affordable price to all
- Develop a management method answering both level of service demand and efficiency objectives
- Pilot a method capable of providing piped water to slums for replication in other parts of the city
Initial Water Supply Situation

- Non-Formal Spaghetti Network.
- Numerous illegal connections resulting in leakages and high UFWs.
- Water is unhygienic due to pipe busts resulting in high level of water borne diseases.
- Mobile meters causing problems in metering and billing.
Utility supply lines Bulk supply, metered

Private master operator-secondary branch

Household Meter Chambers

600m
Initial expectations

<table>
<thead>
<tr>
<th>Central Utility</th>
<th>Master Operators</th>
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<tbody>
<tr>
<td>Reduce commercial and physical losses</td>
<td>Business opportunity</td>
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<tr>
<td>Fulfill its mandate and social responsibility</td>
<td>Improve water services to the community</td>
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<td>Develop a viable model to operate in informal settlements</td>
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Real benefits

- Management close to the consumers
- Flexibility and autonomy of services proposed
- Improved water quality
- Reduces barrier to access services
- Business development opportunity
- Job creation
- Reduces UFW and increase revenue for the utility
- Improves the opportunity to monitor, read, and maintain meters
- Increases accountability at all steps of the services chain, till the end consumer
- Extend water services coverage with limited investment
Implementation constraints

- Lack of capacity on both sides (new approach)
- Facilitation and steering activity to mobilizing energies (dedicated team) is critical
- Lack of communication between stakeholders
- Community uninformed and little involved
- Front line workers corruption and illegal connections
- Established vested interests
- Inadequate applications for master operator
The water kiosks of Kibera

- Kibera is a huge informal settlement of half a million people
- Poor quality network, combining few formal branches and long private small pipes
- Hundreds of private water kiosks selling water by jerry can represent the main water supply system
- Huge UFW, corruption, water mafia
A kiosk owners initiative

- Maji Bora Kibera (MBK) – “Better Water for Kibera” formed in 2004
- Officially registered, with constitution and executive board
- Now has 500 members
- Have started to engage with the utility
MBK
Maji bora Kibera
Regd No.0521

- My NWC account no is 28245230
- I have a meter
- I pay my bill regularly
- I pay no bribes
- I am here to serve you

For Complaints and suggestions call: 691 691
# Initial expectations

<table>
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<th>Kiosk Owners</th>
<th>Central Utility</th>
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<td>Secure their business within the reform process</td>
<td>Get an entry point to deal with water issues in Kibera</td>
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<tr>
<td>Get recognition and be considered as a local partner</td>
<td>Reduce commercial and physical losses</td>
</tr>
<tr>
<td>Improve business conditions and quality of service</td>
<td>Fulfill its mandate and social responsibility</td>
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<tr>
<td>Expand business</td>
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</table>
Real benefits

- Dialog established between kiosk operators and utility
- Enhanced capacity of kiosks operators to understand the reform process and water issues
- Kiosk operators have formalized their problems
- Kiosks operators recognized as credible partners
- Water mafia broken

- Water shortage crisis transformed into discussed/agreed rationing plans
- Prices more stable
- “Dry” kiosks have reopened

- Reduces UFW and increase revenue for the utility
- Kiosk connections under regularization
- Improves the opportunity to monitor, read, and maintain meters
- Improves opportunity for leakage detection and repairs
Implementation constraints

- Lack of capacity from kiosk owners
- Utility officers skeptical at the beginning
- Slow capacity and understanding building
- Facilitation and steering activity is critical
- Identify leaders able to operate the association
- Front line workers corruption and illegal connections
- Established vested interests
- Temptation to create a new mafia
- Hidden difficulties and benefits because of unusual environment
Thank You