



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 improves the health and well-being of Kenyans. Photo: USAID

KENYA

WATER, SANITATION, AND HYGIENE FINANCE

The Government of Kenya has set an ambitious target of universal access to water, sanitation, and hygiene services (WASH) by 2030. To achieve this, \$12.9 billion in WASH investments are needed to expand and improve WASH services. However, the current government budget for water and sanitation is \$5.6 billion, leaving a \$7 billion gap. To bridge this gap, the Water, Sanitation and Hygiene Finance (WASH-FIN) program helps explore new sources of market finance to complement funding from traditional sources such as transfers, taxes, and tariffs.

WASH-FIN works with Water Service Providers (WSPs) and private sanitation service providers to access capital for sustainable, climate resilient water and sanitation infrastructure. WASH-FIN achieves this by partnering with national and county governments, development partners, local financial institutions, and other stakeholders.

During the COVID-19 pandemic, WASH-FIN has worked with development partners and other financiers to leverage the financing required by WSPs for COVID-19 recovery support. This enables WSPs to maintain minimum levels of service and liquidity and, over time, to regain their pre-COVID-19 creditworthiness status and continue to enhance internal WSP processes for efficient revenue collection and management. To raise the profile and transformative role of WASH financing, the program will leverage its years of partnership with the Water Sector Trust Fund and other sector institutions to facilitate dialogue towards development of a comprehensive WASH sector financing strategy.

OUR WORK

INVESTMENT PLANNING

WASH-FIN provides technical support to increase capital investment for WSPs. Working alongside the national regulator, the Water Services Regulatory Board (WASREB), the program helps guide

WSPs on investment planning, including climate resilience.

FACILITATING TRANSACTIONS

Many WSPs do not have adequate access to credit, which hampers their ability to expand and improve WASH services. The lack of adequate information sharing between the financial institutions and WSPs has resulted in less financing for WASH services across Kenya. To mitigate this, WASH-FIN promotes knowledge sharing between utilities and financial institutions to advance commercial financing for efficiency improvement and infrastructure development.

TRACKING FINANCIAL FLOWS

WASH-FIN supports the national government's work in tracking and disseminating information on the amount of funds that have been expended in WASH. A key program focus is documenting and disseminating lessons learned from WASH financing interventions in Kenya.

WASH AND COVID-19

The onset of COVID-19 drastically reduced revenues for WSPs, which impacted their ability to access repayable financing. WASH-FIN updated its approach to support WSPs to continue to offer water and sanitation services during the pandemic. WASH-FIN supported WASREB in reviewing applications for the Conditional Liquidity Support Grants intended to cushion WSPs from the impacts of the COVID-19 pandemic and set them on a recovery path.

KEY ACHIEVEMENTS (2021)

- Mobilized over \$16.5 million in new funding to the water and sanitation sectors.
- Almost \$2 million in investments mobilized for climate change adaptation.
- 23,952 people gained access to basic sanitation services and 7,827 people gained access to basic drinking water services.
- Provided support to 36 WSPs to prepare financial recovery plans, helping the WSP access credit of \$3.9M to recover from the COVID-19 pandemic
- Coordinated support for WASH COVID-19 response through the Council of Governors which benefited 13 WSPs.

BUDGET: \$8.2 million

DURATION: June 2017 – July 2022

ACTIVITY LOCATIONS

National-level coverage

IMPLEMENTING PARTNER

Tetra Tech

KEY PARTNERS

Open Capital Advisors
Segura Consulting
Global Credit Rating
National and County Governments
Water Service Providers

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